

Property and Casualty Companies

Annual Statement

FOR THE YEAR ENDED DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE

MINNESOTA SURETY AND TRUST COMPANY

NAIC Group Code NAIC Co. Code 30996 Employer's ID Number 41-0665921

Organized under the Laws of Minnesota State of Domicile Minnesota

Country of domicile United States

Incorporated/Organized: August 28, 1945

Commenced Business: August 28, 1945

Statutory Home Office 85 7th Place East, Suite 500, St. Paul, MN 55101-2198

Main Administrative Office 85 7th Place East, Suite 500, St. Paul, MN 55101-2198

Mail Address P.O. Box 133, Farmington, CT 06034

Primary Location of Books and Records 85 7th Place East, Suite 500, St. Paul, MN 55101-2198

Internet Web Site Address <http://mn.gov/commerce/topics/enforcement/liquidations.jsp>

Statutory Statement Contact Kathleen Orth (651) 539-1763

OFFICERS

None-Company in Liquidation

OTHER OFFICERS

None - Company in Liquidation

DIRECTORS OR TRUSTEES

None - Company in Liquidation

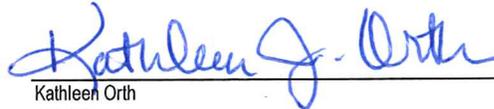
State of Minnesota

County of Ramsey

} SS

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

3/25/16



Kathleen Orth
Chief Examiner

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

ASSETS

| | Current Year | | | December 31 Prior Year Net Admitted Assets |
|---|--------------|-----------------------|---|---|
| | Assets | Nonadmitted Assets | Net Admitted Assets (Column 1 minus Column 2) | |
| 1 Bonds | 704,789 | | 704,789 | 705,745 |
| 2 Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common Stocks | | | | |
| 3 Mortgage loans on real estate: | | | | |
| 3.1 First Liens | | | | |
| 3.2 Other than first liens | | | | |
| 4 Real estate | | | | |
| 4.1 Properties occupied by the company | | | | |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ encumbrances) | | | | |
| 5 Cash (\$346,276, Schedule E -Part 1), cash equivalents (\$, Schedule E- Part 2) | 346,276 | | 346,276 | 449,438 |
| 6 Contract loans | | | | |
| 7 Derivatives | | | | |
| 8 Other invested assets | | | | |
| 9 Receivable for securities | | | | |
| 10 Securities lending reinvested collateral assets (Schedule DL) | | | | |
| 11 Aggregate write-ins for invested assets | | | | |
| 12 Subtotals, cash and invested assets (Line 1 through Line11) | 1,051,065 | 0 | 1,051,065 | 1,155,183 |
| 13 Title plants less\$ charged off (for Title insurers only) | | | | |
| 14 Investment income due and accrued | 7,392 | | 7,392 | 7,630 |
| 15 Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 88,133 | 88,133 | 0 | 0 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | | | | |
| 16 Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Accrued retrospective premiums | | | | |
| 17 Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | | | | |
| 19 Guaranty funds receivable or on deposit | | | | |
| 20 Electronic data processing equipment and software | | | | |
| 21 Furniture and equipment, including health care delivery assets (\$) | | | | |
| 22 Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23 Receivables from parent, subsidiaries and affiliates | | | | |
| 24 Health care (\$) and other amounts receivable | | | | |
| 25 Aggregate write-ins for other than invested assets | 100 | | 100 | 100 |
| Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell | | | | |
| 26 Accounts (Line 12 to Line 25) | 1,146,690 | 88,133 | 1,058,557 | 1,162,913 |
| 27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28 Total (Line 26 and Line 27) | 1,146,690 | 88,133 | 1,058,557 | 1,162,913 |
| DETAILS OF WRITE-INS | | | | |
| 1101 | | | | |
| 1102 | | | | |
| 1103 | | | | |
| 1198 Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199 Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) | | | | |
| 2501 Assets Reserved for the Account of Others | 100 | | 100 | 100 |
| 2502 | | | | |
| 2503 | | | | |
| 2598 Summary of remaining write-ins for Line 25 from over flow page | | | | |
| 2599 Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) | 100 | | 100 | 100 |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31, Prior Year |
|--|--------------------------------|---------------------------------|
| 1 Losses | 5,000 | 5,000 |
| 2 Reinsurance payable on paid losses and loss adjustment expenses | | |
| 3 Loss adjustment expenses | | |
| 4 Commissions payable, contingent commissions and other similar charges | 1,630 | 1,630 |
| 5 Other expenses (excluding taxes, licenses and fees) | 124,268 | 130,139 |
| 6 Taxes, licenses and fees (excluding federal and foreign income taxes) | 27,635 | 27,635 |
| 7 1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)) | | |
| 7 2 Net deferred tax liability | | |
| 8 Borrowed money | 310,660 | 310,660 |
| 9 Unearned premiums | 4,295 | 4,295 |
| 10 Advanced premium | | |
| 11 Dividends declared and unpaid: | | |
| 11.1 Stockholders | | |
| 11.2 Policyholders | | |
| 12 Ceded reinsurance premiums payable (net of ceding commissions) | | |
| 13 Funds held by company under reinsurance treaties | | |
| 14 Amounts withheld or retained by company for account of others | 95,034 | 145,034 |
| 15 Remittances and items not allocated | | |
| 16 Provision for reinsurance | | |
| 17 Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 18 Drafts outstanding | | |
| 19 Payable to parent, subsidiaries and affiliates | | |
| 20 Derivatives | | |
| 21 Payable for securities | | |
| 22 Payable for securities lending | | |
| 23 Liability for amounts held under uninsured plans | | |
| 24 Capital notes \$ and interest thereon \$ | | |
| 25 Aggregate write-ins for liabilities | | |
| 26 Total liabilities excluding protected cell liabilities (Line 1 through Line 25) | 568,522 | 624,393 |
| 27 Protected cell liabilities | | |
| 28 Total liabilities (Line 26 and Line 27) | 568,522 | 624,393 |
| 29 Aggregate write-ins for special surplus funds | | |
| 30 Common capital stock | 500,000 | 500,000 |
| 31 Preferred capital stock | | |
| 32 Aggregate write-ins for other than special surplus funds | | |
| 33 Surplus notes | 1,212,000 | 1,212,000 |
| 34 Gross paid in and contributed surplus | 100,000 | 100,000 |
| 35 Unassigned funds (surplus) | (1,321,965) | (1,273,460) |
| 36 Less treasury stock, at cost: | | |
| 36.1 Shares common (value included in Line 30 \$) | | |
| 36.2 Shares preferred (value included in Line 31 \$) | | |
| 37 Surplus as regards policyholders (Line 29 to Line 35, less Line 36) Page 4, Line 39 | 490,035 | 538,520 |
| 38 Totals (Page 2, Line 28, Column 3) | 1,058,557 | 1,162,913 |
| DETAILS OF WRITE-INS | | |
| 2501 | | |
| 2502 | | |
| 2503 | | |
| 2598 Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599 Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | | |
| 2901 | | |
| 2902 | | |
| 2903 | | |
| 2998 Summary of remaining write-ins for Line 29 from overflow page | | |
| 2999 Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | | |
| 3201 | | |
| 3202 | | |
| 3203 | | |
| 3298 Summary of remaining write-ins for Line 32 from overflow page | | |
| 3299 Totals (Line 3201 through 3203 plus 3298) (Line 32 above) | | |

STATEMENT OF INCOME

| | 1 Current Year to Date | Prior Year Ended December 31 |
|---|------------------------------|------------------------------------|
| UNDERWRITING INCOME | | |
| 1 Premiums earned (Part 1, Line 35, Column 4) | - | 19 |
| DEDUCTIONS: | | |
| 2 Losses Incurred (Current accident year \$ _____); | (900) | (81,150) |
| 3 Loss adjustment expenses incurred | - | (15,843) |
| 4 Other underwriting expenses incurred | 74,398 | (9,658) |
| 5 Aggregate write-ins for underwriting deductions | | |
| 6 Total underwriting deductions (Lines 2 through 5) | 73,498 | (106,651) |
| 7 Net income of protected cells | | |
| 8 Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | (73,498) | 106,670 |
| INVESTMENT INCOME | | |
| 9 Net investment income earned | 25,013 | 27,796 |
| 10 Net realized capital gains (losses) less capital gains tax of \$ _____ | | |
| 11 Net investment gain (loss) (Lines 9 + 10) | 25,013 | 27,796 |
| OTHER INCOME | | |
| 12 Net gain or (loss) from agents' or premium balances charged off (amount received \$ _____ amount charged off \$ _____) | | |
| 13 Finance and service charges not included in premiums | | |
| 14 Aggregate write-ins for miscellaneous income | | 1,000 |
| 15 Total other income (Lines 12 through 14) | - | 1,000 |
| 16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 plus Line 11 + 15) | (48,485) | 135,466 |
| 17 Dividends to policyholders | | |
| 18 Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | (48,485) | 135,466 |
| 19 Federal and foreign income taxes incurred | | |
| 20 Net income (Line 18 minus Line 19) (to Line 22) | (48,485) | 135,466 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21 Surplus as regards policyholders, December 31 prior year | 538,520 | 369,199 |
| 22 Net income (from Line 20) | (48,485) | 135,466 |
| 23 Net transfers (to) from Protected Cell accounts | | |
| 24 Change in net unrealized capital gains or (losses) less capital gains tax of \$ _____ | | |
| 25 Change in net unrealized foreign exchange capital gain (loss) | | |
| 26 Change in net deferred income tax | | |
| 27 Change in nonadmitted assets | | |
| 28 Change in provision for reinsurance | | |
| 29 Change in surplus notes | | |
| 30 Surplus (contributed to) withdrawn from protected cells | | |
| 31 Cumulative effect of changes in accounting principles | | |
| 32 Capital Changes | | |
| 32.1 Paid in | | |
| 32.2 Transferred from surplus (Stock Dividend) | | |
| 32.3 Transferred to surplus | | |
| 33 Surplus adjustments: | | |
| 33.1 Paid in | | |
| 33.2 Transferred to capital (Stock dividend) | | |
| 33.3 Transferred from capital | | |
| 34 Net remittances from or (to) Home Office | | |
| 35 Dividends to stockholders | | |
| 36 Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1) | | |
| 37 Aggregate write-ins for gains and losses in surplus | (48,485) | 169,321 |
| 38 Change in surplus as regards policyholders for the year (Line 22 through Line 37) | 490,035 | 538,520 |
| 39 Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 490,035 | 538,520 |
| DETAILS OF WRITE-INS | | |
| 501 _____ | | |
| 502 _____ | | |
| 503 _____ | | |
| 598 Summary of remaining write-ins for Line 5 from overflow page | | |
| 599 Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) | - | 1,000 |
| 1401 Other Miscellaneous income - Wells Fargo | | |
| 1402 _____ | | |
| 1402a _____ | | |
| 1403 _____ | | |
| 1498 Summary of remaining write-ins for Line 14 from overflow page | | |
| 1499 Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) | - | 1,000 |
| 3701 Adjustment to Company's Build Up Fund account established prior to liquidation | | 33,855 |
| 3702 _____ | | |
| 3703 _____ | | |
| 3798 Summary of remaining write-ins for Line 37 from overflow page | | |
| 3799 Totals (line 3701 through Line 3703 plus Line 3798) (Line 37 above) | - | 33,855 |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

CASH FLOW

| | 1 Current Year to Date | 3 Prior Year Ended December 31 |
|--|------------------------------|---|
| 1 Premiums collected net of reinsurance | 0 | 0 |
| 2 Net investment income | 25,013 | 27,210 |
| 3 Miscellaneous income | | 1,000 |
| 4 Total (Lines 1 to 3) | 25,013 | 28,210 |
| 5 Benefit and loss related payments | | |
| 6 Net transfers to Separate Account, Segregated Accounts and Protected Cell Accounts | | |
| 7 Commissions, expenses paid and aggregate write-ins for deductions | 81,175 | 145,277 |
| 8 Dividends paid to policyholders | | |
| 9 Federal and foreign income taxes paid (recovered net of \$..... tax on capital gains (losses)) | | |
| 10 Total (Lines 5 through 9) | 81,175 | 145,277 |
| 11 Net cash from operations (Line 4 minus Line 10) | (56,162) | (117,067) |
| 12 Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 3,000 | 141,000 |
| 12.2 Stocks | | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 Miscellaneous proceeds | | |
| 12.8 Total investment proceeds (Lines 12 to 12.7) | 3,000 | 141,000 |
| 13 Cost of investment acquired (long-term only): | | |
| 13.1 Bonds | | |
| 13.2 Stocks | | |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous application | | |
| 13.7 Total investment acquired (Lines 13.1 to 13.6) | 0 | 0 |
| 14 Net increase (or decrease) in contract loans and premium notes | | |
| 15 Net cash from investments (Line 12, 8 minus Line 13.7 and Line 14) | 3,000 | 141,000 |
| Cash from Financing and Miscellaneous Sources | | |
| 16 Cash provide (applied) | | |
| 16.1 Surplus notes, capital notes | | |
| 16.2 Capital and paid in surplus, less treasury stock | | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | (50,000) | 33,855 |
| 17 Net cash from financing and miscellaneous sources (Lines 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (50,000) | 33,855 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18 Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (103,162) | 23,933 |
| 19 Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 449,438 | 391,650 |
| 19.2 End of period (Line 18 plus Line 19.1) | 346,276 | 449,438 |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

| Line of Business | 1 Net Premiums Written per Column 6, Part 1B | 2 Unearned Premiums 31-Dec Prior Year per Column 3, Last Year's Part 1 | 3 Unearned Premiums 31-Dec Current Year- per Column 5 Part 1A | 4 Premiums Earned During Year (Columns 1 plus 2 minus 3) |
|--|--|--|---|---|
| 1 Fire | | | | |
| 2 Allied lines | | | | |
| 3 Farmowners multiple peril | | | | |
| 4 Homeowners multiple peril | | | | |
| 5 Commercial multiple peril | | | | |
| 6 Mortgage guaranty | | | | |
| 8 Ocean Marine | | | | |
| 9 Inland marine | | | | |
| 10 Financial guaranty | | | | |
| 11.1 Medical professional liability - occurrence | | | | |
| 11.2 Medical professional liability - claims made | | | | |
| 12 Earthquake | | | | |
| 13 Group accident and health | | | | |
| 14 Credit accident and health (group and individual) | | | | |
| 15 Other accident and health | | | | |
| 16 Workers' compensation | | | | |
| 17.1 Other liability - occurrence | | | | |
| 17.2 Other liability - claims made | | | | |
| 17.3 Excess workers' compensation | | | | |
| 18.1 Products liability - occurrence | | | | |
| 18.2 Products liability - claims made | | | | |
| 19.1 19.2 Pirate passenger auto liability | | | | |
| 19.3 19.4 Commercial auto liability | | | | |
| 21 Auto physical damage | | | | |
| 22 Aircraft (all perils) | | | | |
| 23 Fidelity | | | | |
| 24 Surety | 0 | 0 | 0 | 0 |
| 25 Burglary and theft | | | | |
| 27 Boiler and machinery | | | | |
| 28 Credit | | | | |
| 29 International | | | | |
| 30 Warranty | | | | |
| 31 Reinsurance-Nonproportional Assumed Property | | | | |
| 32 Reinsurance-Nonproportional Assumed Liability | | | | |
| 33 Reinsurance-Nonproportional Assumed Financial Lines | | | | |
| 34 Aggregate write-ins for other lines of business | | | | |
| 35 TOTALS | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | |
| 3401 | | | | |
| 3402 | | | | |
| 3403 | | | | |
| 3498 | | | | |
| 3499 | | | | |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 A- RECAPITULATION OF ALL PREMIUMS

| Line of Business | 1 Amount Unearned (Running 1 year or Less from Date of Policy) (a) | 2 Amount Unearned (Running More Than One Year from Date of Policy) (a) | 3 Earned but Unbilled Premiums | 4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience | 5 Total Reserve for Unearned Premiums Columns 1+2+3+4 |
|--|---|---|--|---|--|
| 1 Fire | | | | | |
| 2 Allied lines | | | | | |
| 3 Farmowners multiple peril | | | | | |
| 4 Homeowners multiple peril | | | | | |
| 5 Commercial multiple peril | | | | | |
| 6 Mortgage guaranty | | | | | |
| 8 Ocean Marine | | | | | |
| 9 Inland marine | | | | | |
| 10 Financial guaranty | | | | | |
| 11.1 Medical professional liability - occurrence | | | | | |
| 11.2 Medical professional liability - claims made | | | | | |
| 12 Earthquake | | | | | |
| 13 Group accident and health | | | | | |
| 14 Credit accident and health (group and individual) | | | | | |
| 15 Other accident and health | | | | | |
| 16 Workers' compensation | | | | | |
| 17.1 Other liability - occurrence | | | | | |
| 17.2 Other liability - claims made | | | | | |
| 17.3 Excess workers' compensation | | | | | |
| 18.1 Products liability - occurrence | | | | | |
| 18.2 Products liability - claims made | | | | | |
| 19.1 19.2 Pirate passenger auto liability | | | | | |
| 19.3 19.4 Commercial auto liability | | | | | |
| 21 Auto physical damage | | | | | |
| 22 Aircraft (all perils) | | | | | |
| 23 Fidelity | | | | | |
| 24 Surety | 0 | 4,295 | 0 | 0 | 4,295 |
| 25 Burglary and theft | | | | | |
| 27 Boiler and machinery | | | | | |
| 28 Credit | | | | | |
| 29 International | | | | | |
| 30 Warranty | | | | | |
| 31 Reinsurance-Nonproportional Assumed Property | | | | | |
| 32 Reinsurance-Nonproportional Assumed Liability | | | | | |
| 33 Reinsurance-Nonproportional Assumed Financial Lines | | | | | |
| 34 Aggregate write-ins for other lines of business | | | | | |
| 35 TOTALS | 0 | 4,295 | 0 | 0 | 4,295 |
| DETAILS OF WRITE-INS | | | | | |
| 3401 | | | | | |
| 3402 | | | | | |
| 3403 | | | | | |
| 3498 Summary of remaining write-ins for Line 34 from overflow page | | | | | |
| 3499 Totals (Line 3401 through Line 3403 plus Line 3498) | | | | | |

(a) State here basis of computation used in each case

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

| Line of Business | 1 Direct Business (a) | Reinsurance Assumed | | Reinsurance Ceded | | 5 Net Premiums Written Columns 1+2+3-4-5 |
|---|--------------------------------|-------------------------|----------------------------|-----------------------|---------------------------|--|
| | | 2 From Affiliates | 3 From NonAffiliates | 4 To Affiliates | 5 To Non-Affiliates | |
| 1 Fire | | | | | | |
| 2 Allied lines | | | | | | |
| 3 Farmowners multiple peril | | | | | | |
| 4 Homeowners multiple peril | | | | | | |
| 5 Commercial multiple peril | | | | | | |
| 6 Mortgage guaranty | | | | | | |
| 8 Ocean Marine | | | | | | |
| 9 Inland marine | | | | | | |
| 10 Financial guaranty | | | | | | |
| 11.1 Medical professional liability - occurrence | | | | | | |
| 11.2 Medical professional liability - claims made | | | | | | |
| 12 Earthquake | | | | | | |
| 13 Group accident and health | | | | | | |
| 14 Credit accident and health (group and individual) | | | | | | |
| 15 Other accident and health | | | | | | |
| 16 Workers' compensation | | | | | | |
| 17.1 Other liability - occurrence | | | | | | |
| 17.2 Other liability - claims made | | | | | | |
| 17.3 Excess workers' compensation | | | | | | |
| 18.1 Products liability - occurrence | | | | | | |
| 18.2 Products liability - claims made | | | | | | |
| 19.1 19.2 Pirate passenger auto liability | | | | | | |
| 19.3 19.4 Commercial auto liability | | | | | | |
| 21 Auto physical damage | | | | | | |
| 22 Aircraft (all perils) | | | | | | |
| 23 Fidelity | | | | | | |
| 24 Surety | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 Burglary and theft | | | | | | |
| 27 Boiler and machinery | | | | | | |
| 28 Credit | | | | | | |
| 29 International | | | | | | |
| 30 Warranty | | | | | | |
| 31 Reinsurance-Nonproportional Assumed Property | | | | | | |
| 32 Reinsurance-Nonproportional Assumed Liability | | | | | | |
| 33 Reinsurance-Nonproportional Assumed Financial Lines | | | | | | |
| 34 Aggregate write-ins for other lines of business | | | | | | |
| 35 TOTALS | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | |
| 3401 | | | | | | |
| 3402 | | | | | | |
| 3403 | | | | | | |
| 3498 Summary of remaining write-in for Line 34 from overflow page | | | | | | |
| 3499 Totals | | | | | | |

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (x)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

Organization

Minnesota Surety and Trust Company (the "Company") was incorporated and commenced operations on August 28, 1945, under the Statutes of the State of Minnesota. The Company was a licensed property and casualty insurer under Minnesota Statutes Section 60A.06. Effective November 17, 2011, the Company's Minnesota Certificate of Authority to operate as an insurer was revoked. Effective November 22, 2011, the Company was ordered into liquidation.

The Company is a majority owned subsidiary of First Heartland Surety and Casualty Services Company ("First Heartland"). The Company was engaged in underwriting surety and bail bonds in the states of Minnesota, North Dakota, Montana, Utah, South Dakota and Colorado. The coverage on the surety and bail bonds was marketed to customers through a network of independent insurance agents and brokers. The Company also provided trust services primarily to individuals in Minnesota.

The financial statements have been prepared in conformity with the accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Minnesota Department of Commerce.

The financial statements are prepared by the Receiver from information available to, known or estimated by the Receiver as of the date of the Annual Statement. The Receiver makes no warranty as to the accuracy of the information or of the opinions or evaluations contained in the Annual Statement and expressly disclaims any liability arising from the statements of fact, evaluation or opinion contained in the Annual Statement. Assets reported in the Annual Statement do not include all possible recoveries that may result from various legal and/or collection efforts. Fidelity/surety loss reserves are the Receivers best estimates of outstanding losses and loss adjustment expenses as of December 31, 2015. These estimates will continue to be updated from time to time.

B. Use of estimates in the Preparation of the Financial statements & Accounting Policy

The Company records bail bond premiums on the net remittances method. As such, the difference between the fee, generally 10% of the bond, and the premium has not been recorded in these financial statements.

Premiums written are recorded on an annual basis to match the billing to the policyholder. Premiums on other than bail bonds are earned on a pro rata basis over the life of the insurance policy. Audit adjustments to premiums are recognized in the period that the adjustment becomes known. Unearned premium reserves are established for the portion of premiums billed applicable to the unexpired term of the premium.

Certain costs of acquiring new business, principally commissions premium taxes and other variable policy issuance and underwriting expenses, are expensed when due.

Unpaid claim and settlement expenses are based on estimates of reported and unreported claims and related settlement expenses. The Company does not discount the reserve liability for future policy claims settlement expenses.

Investments in fixed maturity bonds are recorded at amortized cost under the valuation standards of the National Association of Insurance Commissioners. No provision is made for temporary declines in market values below amortized cost as the Company generally intends to hold these investments until maturity and does not expect to realize an significant losses. If, however, a permanent impairment occurs in a security, the Company writes the security down to the new value. Short-term investments are recorded at cost, which approximates market. Investments in common and preferred stocks are carried at estimated market values based on published market quotations.

Realized gains and losses are computed based on specific identification of the cost of the securities sold. Unrealized gains and losses of common and preferred stock are included in surplus.

Cash and short-term investments include demand and savings deposits at several financial institutions. At times cash on deposit may exceed federally insured limits. For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of one year or less, when purchased, to be cash equivalents.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY
NOTES TO FINANCIAL STATEMENTS

2. ACCOUNTING CHANGES AND CORRECCTIONS OF ERRORS
None.

3. BUSINESS COMBINATIONS AND GOODWILL
The Company was not involved in any business combinations during the period covered by these financial statements.

4. DISCONTINUED OPERATIONS
The Company was ordered into liquidation by the State of Minnesota on November 22, 2011.

5. INVESTMENTS
During the period covered by these financial statements, the Company had no mortgage loans, real estate loans, debt restructuring, reverse mortgages, loan backed securities or repurchase agreements.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES
The Company had no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets, during the period covered by these financial statements.

7. INVESTMENT INCOME
The Company did not exclude any investment income due and accrued as of December 31, 2015.

8. DERIVATIVE INSTRUMENTS
the Company had no derivative financial instruments during the period covered by these financial statements.

9. INCOME TAXES
There were no income taxes incurred and all deferred tax assets were non-admitted as of December 31, 2015.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES
First Heartland owns 380,099 of the 500,000 issued and outstanding shares of Company capital common stock. First Heartland also holds surplus notes in the Company in the amount of \$215,000. The Company had no written agreements for rental of office space or services provided. There were no intercompany transactions in 2015.

11. DEBT
As of December 31, 2015, the Company had the following secured and unsecured notes payable:
1) Promissory notes payable to First Heartland Surety & Casualty Insurance Service Company in the amount of \$193,516.
2) Demand note payable to Warren Plunkett in the amount of \$117,144.

12. RETIREMENT, DEFERRED COMPENSATION, POST EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS
The Company was not a party to any retirement, deferred compensation, postemployment benefits or other postretirement plans at December 31, 2015.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTION AND QUAI-REORGANIZATION
The Company had 500,000 issued and outstanding shares of \$1 par value capital common stock. The Company has no authorized capital preferred stock.

The Company has \$1,212,000 of outstanding surplus notes payable only with the written approval of the Minnesota Commissioner of Commerce.

14. CONTINGENCIES
The Company had no known contingent commitments, outside the normal course of business, as of year end 2015, except potential contingencies arising from the liquidation proceeding of the Company.

15. LEASES
The Company is not a party to any leases.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK
The Company had no financial instruments with off-balance sheet risk as of December 31, 2015.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES
None.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS
The Company has no interests in uninsured plans.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/ADMINISTRATORS
No premiums were written in 2015.

20. FAIR VALUE MEASUREMENTS
Bonds: Fair values for bonds are determined using quoted market prices from an orderly market at the reporting date for those or similar investments.

| | <u>2015 Statement Value</u> | <u>2015 Fair Value</u> |
|--------|-----------------------------|------------------------|
| Bonds: | \$704,789 | \$794,718 |

NOTES TO FINANCIAL STATEMENTS

21. OTHER ITEMS

C. Other Disclosures

Attached at the end of the Annual Statement is an exhibit titled "Restatement of Liabilities by Priority".

This exhibit is for information purposes only and has been prepared by the Liquidator and has not been approved by the Court.

22. EVENTS SUBSEQUENT

None.

23. REINSURANCE

None.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reported Loss Reserves as of December 31, 2014, were \$5,000. As of December 31, 2015, reported Loss Reserves remained at \$5,000, reflecting the estimated value based on the proof-of-claim forms filed in the liquidation. Additional adjustments to Loss Reserves are possible prior to the closure of the liquidation.

Reported Loss Adjustment Expense (LAE) reserves as of December 31, 2015, were \$0.

Additional adjustments to LAE Reserves are possible prior to the closure of the liquidation.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

27. STRUCTURED SETTLEMENTS

Not applicable.

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable.

31. HIGH DEDUCTIBLES

Not applicable.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES

Not applicable.

33., ASBESTOS/ENVIRONMENTAL RESERVE

Not applicable.

34. SUBSCRIBER SAVINGS ACCOUNTS

Not applicable.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTEE INSURANCE

Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

GENERAL INTERROGATORIES

Part 1 - COMMON INTERROGATORIES

GENERAL

| | | | |
|---|---------|------------|--------|
| 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? | Yes () | No (X) | |
| 1.2 If yes, has the report been filed with the domiciliary state? | Yes () | No () | |
| 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? | Yes () | No (X) | |
| 2.2 If yes, date of change: | | | |
| 3 Have there been any substantial changes in the organizational chart since the prior quarter end? If yes, complete the Schedule Y- Part 1- organization al chart. | Yes () | No (X) | |
| 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? | Yes () | No (X) | |
| 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as result of the merger or consolidation. | | | |
| 5 If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in fact, or similar agreement, have there been any significant changes regarding the terms of the agreement of principals involved? | Yes () | No () | NA (X) |
| 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. | | 12/31/2009 | |
| 6.2 State the as of date that the latest financial examination report become available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. | | 12/31/2009 | |
| 6.3 State as of what the latest financial examination report become available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). | | 7/15/2010 | |
| 6.4 By what department or departments? Minnesota Department of Commerce | | | |
| 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? | Yes () | No () | NA (X) |
| 6.6 Have all of the recommendations within the latest financial examination report been complied with | Yes () | No () | NA(X) |
| 7.1 Has the reporting entity had any Certificate of Authority, licenses or registration (including corporate registration, if applicable) suspended | Yes (X) | No () | |
| 7.2 If yes, give full information: The Company is in liquidation and no longer writing business in any state. | | | |
| 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? | Yes () | No(X) | |
| 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. | | | |
| 8.3 Is the Company affiliated with one or more banks, thrifts or securities firms? | Yes () | No (X) | |
| 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.] | | | |
| 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing: (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental law, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code. | Yes (X) | No () | |
| 9.11 If the response to 9.1 is No, please explain: | | | |
| 9.2 Has the code of ethics for senior management been amended? | Yes () | No (X) | |
| 9.21 If the response to 9.2 is Yes, provide the nature of any waiver(s). | | | |
| FINANCIAL | | | |
| 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? | Yes () | No (X) | |
| 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: | | | |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY
GENERAL INTERROGATORIES

INVESTMENT

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

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

12 Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

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

14.2 If yes please complete the following:

14.21 Bonds

14.22 Preferred Stock

14.23 Common Stock

14.24 Short-Term Investments

14.25 Mortgage Loans on Real Estate

14.26 All Other

14.27 Total Investment in Parent, Subsidiaries and Affiliates

14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No ()

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

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

| Name of Custodian(s) | Custodian Address |
|----------------------|---|
| Wells Fargo Bank NA | 608 2nd Avenue South, Minneapolis, MN 55402 |
| Sterling State Bank | 1419 1st Avenue Southwest, Austin, MN 55912 |

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| Name of Custodian(s) | Custodian Address |
|----------------------|-------------------|
| None. | |

16.3 Has there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes () No (X)

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

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

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

17.2 If no, list exceptions:

**ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY
GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise note.)

Part 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes () No () NA (X)
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part from any loss that may occur on the risk, or portion thereof, reinsured? Yes () No (X)
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes () No (X)
3.2 If yes, give full and complete information thereto
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes () No (X)

4.2 If yes complete the following schedule:

| | | | Total Discount | | | | Discount taken During Period | | | |
|------------------|------------------|---------------|----------------|------------|------|-------|------------------------------|------------|------|-------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Line of Business | Maximum Interest | Discount Rate | Unpaid Losses | Unpaid LAE | IBNR | TOTAL | Unpaid Losses | Unpaid LAE | IBNR | TOTAL |
| | | | | | | | | | | |

5. Operating Percentages
- 5.1 A&H loss percent %
- 5.2 A&H cost containment percent %
- 5.3 A&H expense percent excluding cost containment expense %
- 6.1 Do you act as a custodian for health savings accounts? Yes () No (X)
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date \$
- 6.3 Do you act as an administrator for health savings accounts? Yes () No (X)
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE P - PART 1 SUMMARY

(\$000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premium Earned | | | Loss and Loss Expense Payments | | | | | | | 12 Number of Claims Reported - Direct and Assumed | |
|--|-------------------------|------------|----------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|----------------------|
| | 1 Direct and Assumed | 2 Ceded | 3 Net | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 Salvage and Subrogation Received | | 11 Total Net Paid |
| | | | | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | | | |
| | | | | | | | | | | | | |
| 1. Prior | xxx | xxx | xxx | 0 | | 0 | | 0 | | | 0 | xxx |
| 2. 2006 | 619 | 27 | 592 | 54 | | 16 | | 45 | | 11 | 115 | xxx |
| 3. 2007 | 652 | 53 | 599 | 357 | 111 | 72 | | 133 | | | 451 | xxx |
| 4. 2008 | 602 | 45 | 557 | 83 | | 31 | | 16 | | | 130 | xxx |
| 5. 2009 | 522 | 22 | 500 | | | 6 | | 28 | | | 34 | xxx |
| 6. 2010 | 663 | 13 | 650 | 2 | | | | | | | 2 | xxx |
| 7. 2011 | 464 | | 464 | 5 | | | | 10 | | | 15 | xxx |
| 8. 2012 | | | | | | | | | | | 0 | xxx |
| 9. 2013 | | | | | | | | | | | 0 | xxx |
| 10. 2014 | | | | | | | | | | | 0 | xxx |
| 11. 2015 | | | | | | | | | | | 0 | xxx |
| 12. Totals | xxx | xxx | xxx | 501 | 111 | 125 | 0 | 232 | 0 | 11 | 747 | xxx |

| | Losses Unpaid | | | | Defense and Cost Containment Unpaid | | | | Adjusting and Other Unpaid | | 23 Subrogation Anticipated | 24 Total Net Losses and Expenses Unpaid | 25 # of Claims Outstanding - Direct & Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------|-------------------------------|--|--|
| | Case Basis | | Bulk + IBNR | | Case Basis | | Bulk + IBNR | | 21 | 22 | | | |
| | 13 Direct and Assumed | 14 Ceded | 15 Direct and Assumed | 16 Ceded | 17 Direct and Assumed | 18 Ceded | 19 Direct and Assumed | 20 Ceded | Direct and Assumed | Ceded | | | |
| 1. Prior | | | | | | | | | | | | | xxx |
| 2. 2006 | | | | | | | | | | | | | xxx |
| 3. 2007 | | | | | | | | | | | | | xxx |
| 4. 2008 | | | | | | | | | | | | | xxx |
| 5. 2009 | | | | | | | | | | | | | xxx |
| 6. 2010 | | | | | | | | | | | | | xxx |
| 7. 2011 | | | | | | | | | | | | | xxx |
| 8. 2012 | 5 | | | | | | | | | | | | 5 |
| 9. 2013 | | | | | | | | | | | | | xxx |
| 10. 2014 | | | | | | | | | | | | | xxx |
| 11. 2015 | | | | | | | | | | | | | xxx |
| 12. Totals | 5 | | | | | | | | | | | | 5 |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred/Premiums Earned) | | | Nontabular Discount | | 34 Inter Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount | |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Expense | | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| | | | | | | | | | | | |
| 1. Prior | xxx | xxx | xxx | xxx | xxx | xxx | | | xxx | | |
| 2. 2006 | 115 | | 115 | 18.6 | | 19.4 | | | | | |
| 3. 2007 | 562 | 111 | 451 | 86.2 | 209.4 | 75.3 | | | | | |
| 4. 2008 | 130 | | 130 | 21.5 | | 23.3 | | | | | |
| 5. 2009 | 34 | | 34 | 6.5 | | 6.8 | | | | | |
| 6. 2010 | 2 | | 2 | 0.3 | | 0.3 | | | | | |
| 7. 2011 | 121 | | 121 | 26.1 | | 26.1 | | | | | |
| 8. 2012 | | | | | | | | | | 5 | |
| 9. 2013 | | | | | | | | | | | |
| 10. 2014 | | | | | | | | | | | |
| 11. 2015 | | | | | | | | | | | |
| 12. Totals | xxx | xxx | xxx | xxx | xxx | xxx | | | xxx | 5 | |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1.

The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE P - PART 1K - FIDELITY / SURETY

| Years in Which Were Earned and Losses Were Incurred | Premiums Earned | | | Loss and Loss Expense Payments | | | | | | | | 12 Number of Claims Reported - Direct and Assumed | |
|---|-------------------------|------------|-----|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|----------------------|--|-----|
| | 1 Direct and Assumed | 2 Ceded | Net | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 Salvage and Subrogation Received | 11 Total Net Paid | | |
| | | | | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | | | | |
| | | | | | | | | | | | | | |
| 1. Prior | xxx | xxx | xxx | 501 | 111 | 125 | | | 232 | | 11 | 747 | xxx |
| 2. 2014 | | | | | | | | | | | | | xxx |
| 3. 2015 | | | | | | | | | | | | | xxx |
| 4. Totals | 0 | 0 | 0 | 501 | 111 | 125 | 0 | | 232 | 0 | 11 | 747 | xxx |

| | Losses Unpaid | | | | Defense and Cost Containment Unpaid | | | | Adjusting and Other Unpaid | | 23 Salvage and Subrogation Anticipated | 24 Total Net Losses and Expenses Unpaid | 25 Number of Claims Outstanding Direct and Assumed |
|-----------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
| | Case Basis | | Bulk + IBNR | | Case Basis | | Bulk + IBNR | | 21 Direct and Assumed | 22 Ceded | | | |
| | 13 Direct and Assumed | 14 Ceded | 15 Direct and Assumed | 16 Ceded | 17 Direct and Assumed | 18 Ceded | 19 Direct and Assumed | 20 Ceded | | | | | |
| 1. Prior | 5 | | 0 | | 0 | | 0 | | 0 | | 0 | 5 | |
| 2. 2014 | | | | | | | | | | | | | |
| 3. 2015 | | | | | | | | | | | | | |
| 4. Totals | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred/Premiums Earned) | | | Nontabular Discount | | 34 Inter-Company Pooling Participation Percentage xxx | Net Balance Sheet Reserve After Discount | |
|-----------|---|-------------|-----------|---|-------------|-----------|---------------------|-----------------------|--|--|----------------------------|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Experience | | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| | 1. Prior | xxx | xxx | xxx | xxx | xxx | xxx | | | | |
| 2. 2014 | | | | | | | | | | | |
| 3. 2015 | | | | | | | | | | | |
| 4. Totals | 0 | 0 | 0 | 0 | 0 | 0 | | | | 5 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY
SCHEDULE P INTERROGATORIES

1 The following question relate to yet-to-be issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) protection in Medical Profession Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.

1.1 Does the company issue Medical Professional Liability Claims Made Insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at not additional costs.

Yes () No (X)

1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)?

\$ _____
 Yes () No ()

1.3 Does the company report and DDR reserve as Unearned Premium Reserve per SSAP#65?

Yes () No ()

1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve?

Yes () No ()

1.5 If the company report DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1 - Recapitulation

1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P.

| Years in Which Premiums Were Earned and Losses Were Incurred | DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid | |
|--|---|-----------------------------|
| | 1 Section 1: Occurrence | 2 Section 2: Claims Made |
| 1.601 Prior | | |
| 1.602 2003 | | |
| 1.603 2004 | | |
| 1.604 2005 | | |
| 1.605 2006 | | |
| 1.606 2007 | | |
| 1.607 2008 | | |
| 1.608 2009 | | |
| 1.609 2010 | | |
| 1.6010 2011 | | |
| 1.6011 2012 | | |
| 1.6012 Totals | | |

2 The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and Adjusting and Other*) reported in compliance with these definitions in the statement?

Yes (X) No ()

3 The adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claims counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurer, or in those situations where suitable claim count information is not available, Adjusting and Other expenses should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?

Yes (X) No ()

4 do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10?

Yes () No (X)

If yes, proper disclosure must be made in the Notes to Financial Statement, as specified in the Instructions. Also, the discounts must be reported in Schedule P-Part 1. Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request. Discount is allowed only if expressly permitted by the state insurance departments to which the Annual Statement is be filed.

5 What was the net premiums in force at the end of the year for.

5.1 Fidelity \$
 5.2 Surety \$

6 Claim count information is reported per claim or per claimant. (Indicate which)

per Claim

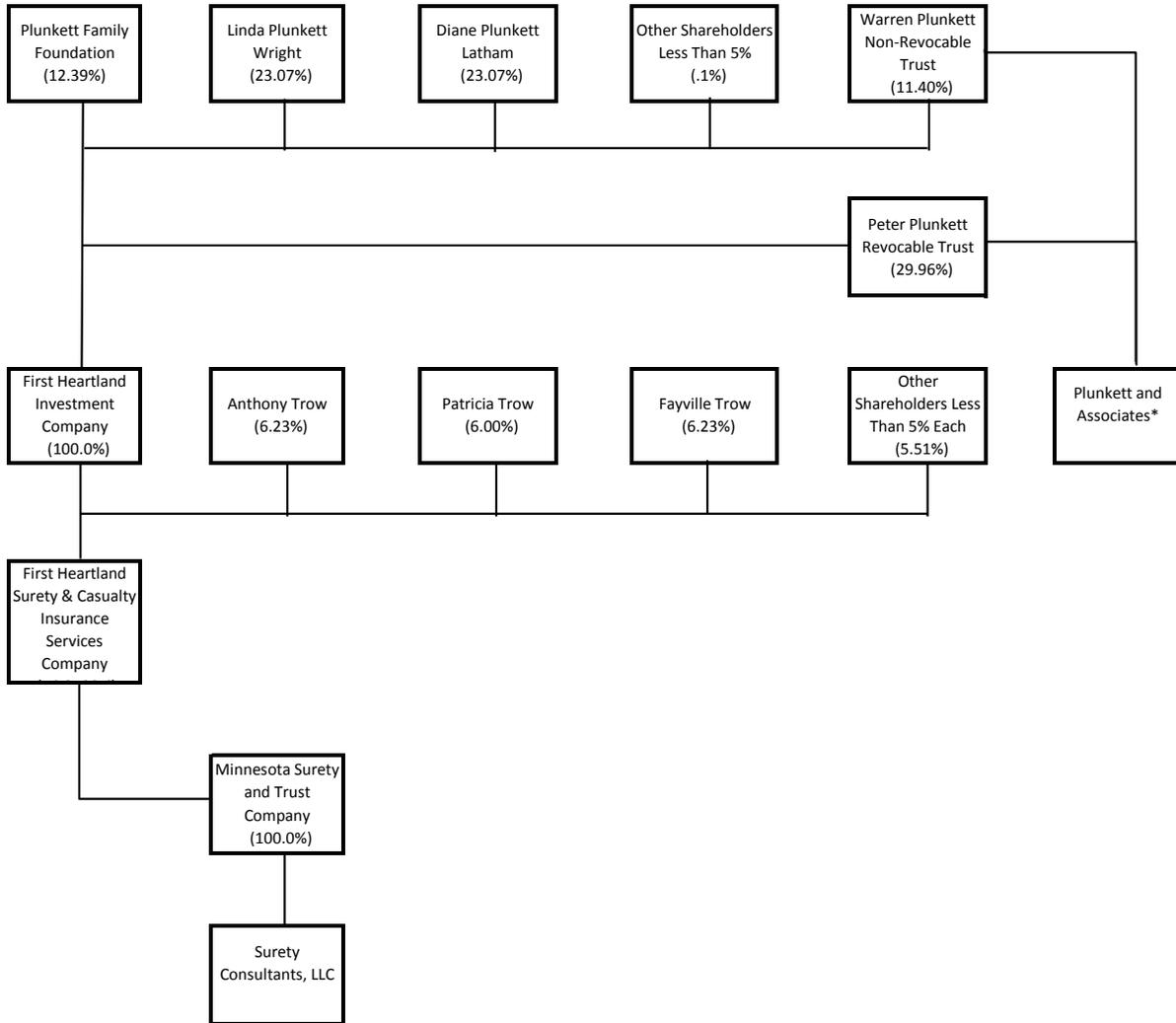
7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things.

Are there any especially significant events, coverages, retention or accounting changes that have occurred that must be considered when making such analyses?

Yes () No (X)

7.1 An extended statement may be attached:

Schedule Y



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in Annual Statement | | | |
|--|---------------------------|-----------------|---|--|------------------------------------|-----------------|
| | 1 Amount | 2 Percentage | 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total Amount Col 3 + Col 4 | 6 Percentage |
| 1 Bonds: | | | | | | |
| 1.1 US treasury securities | 704,789 | 67.1% | 704,789 | 0 | 704,789 | 67.1% |
| 1.2 US government agency obligations(excluding mortgage-back securities): | | | | | | |
| 1.21 Issued by U.S. government agencies | | | | | | |
| 1.22 Issued by U.S. government sponsored agencies | | | | | | |
| 1.3 Non U.S. government (including Canada, excluding mortgage-back securities) | | | | | | |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the US | | | | | | |
| 1.41 States, territories and possessions general obligations | | | | | | |
| 1.42 Political subdivisions of states, territories and possessions and political subdivision general obligation | | | | | | |
| 1.43 Revenue and assessment obligations | | | | | | |
| 1.44 Industrial development and similar obligations | | | | | | |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | | | |
| 1.51 Pass-through securities: | | | | | | |
| 1.521 Issued or guaranteed by GNMA, FNA, FHLMC or VA | | | | | | |
| 1.522 Issued or guaranteed by FNMA, FHLMIC | | | | | | |
| 1.523 All other | | | | | | |
| 1.52 CMOs and REMIC | | | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | | | | | | |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-back securities issued or guaranteed by agencies show in Line 1.521 | | | | | | |
| 1.523 All other | | | | | | |
| 2 Other debt and other fixed income securities (excluding short term): | | | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) | | | | | | |
| 2.2 Unaffiliated non-U.S. securities (including Canada) | | | | | | |
| 2.3 Affiliated securities | | | | | | |
| 3 Equity interests | | | | | | |
| 3.1 Investments in mutual funds | | | | | | |
| 3.2 Preferred stocks: | | | | | | |
| 3.21 Affiliated | | | | | | |
| 3.22 Unaffiliated | | | | | | |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | | | |
| 3.31 Affiliated | | | | | | |
| 3.32 Unaffiliated | | | | | | |
| 3.4 Other equity securities: | | | | | | |
| 3.41 Affiliated | | | | | | |
| 3.42 Unaffiliated | | | | | | |
| 3.5 Other equity interests including tangible personal property under lease: | | | | | | |
| 3.51 Affiliated | | | | | | |
| 3.52 Unaffiliated | | | | | | |
| 4 Mortgage loans: | | | | | | |
| 4.1 Construction and land development | | | | | | |
| 4.2 Agricultural | | | | | | |
| 4.3 Single family residential properties | | | | | | |
| 4.4 Multifamily residential properties | | | | | | |
| 4.5 Commercial loans | | | | | | |
| 4.6 Mezzanine real estate loans | | | | | | |
| 5 Real estate investments: | | | | | | |
| 5.1 Property occupied by company | | | | | | |
| Property held for production of income (including \$..... Of property | | | | | | |
| 5.2 acquired in satisfaction of debt | | | | | | |
| Property held for sale (including \$.....property acquired in satisfaction of | | | | | | |
| 5.3 debt | | | | | | |
| 6 Contract loans | | | | | | |
| 7 Derivatives | | | | | | |
| 8 Receivables for securities | | | | | | |
| 9 Securities Lending (Line 10, Asset page reinvested collateral) | | | | | | |
| 10 Cash, cash equivalents and short-term investments | 346,276 | 32.9% | 346,276 | 0 | 346,276 | 32.9% |
| 11 Other invested assets | | | | | | |
| 12 Total invested assets | 1,051,065 | 100.0% | 1,051,065 | 0 | 1,051,065 | 100.0% |

ANNUAL STATEMENT OFR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE BA-BERIFICATION BETWEEN YEARS

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS

| | |
|--|---------|
| 1 Book/adjusted carrying value, December 31 of prior year | 705,745 |
| 2 Cost of bonds and stocks acquired Part 3, Column 7 | 0 |
| 3 Accrual of discount | 2,044 |
| 4 Unrealized valuation increase (decrease) | |
| 4.1 Part 1 Column 12 | |
| 4.2 Part 2, Section 1 Column 15 | |
| 4.3 Part 2, Section 2 Column 13 | |
| 4.4 Part 4, Column 11 | |
| 5 Total gain (loss) on disposals, Part 4 Column 19 | 0 |
| 6 Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 | 3,000 |
| 7 Deduct amortization of premium | |
| 8 Total foreign exchange change in book/adjusted carrying value | |
| 8.1 Part 1, Column 15 | |
| 8.2 Part 2, Section 1, Column 19 | |
| 8.3 Part 2, Section 2, Column 16 | |
| 8.4 Part 4 Column 13 | |
| 9 Deduct current year's other than temporary impairment recognized: | 0 |
| 9.1 Part 1, Column 14 | |
| 9.2 Part 2, Section 1, Column 17 | |
| 9.3 Part 2, Section 2, Column 14 | |
| 9.4 Part 4, Column 13 | |
| 10 Book/adjusted carrying value at end of current period (line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9) | 704,789 |
| 11 Deduct total nonadmitted amounts | |
| 12 Statement value at end of current period (line 10 minus Line 11) | 704,789 |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| | | 1 | 2 | 3 | 4 |
|--|---|---------------------------------|------------|-------------|-----------------------|
| | | Book/Adjusted Carrying Value | Fair Value | Actual Cost | Par Value of Bonds |
| BONDS | 1. United States | 704,789 | 794,718 | 690,163 | 728,000 |
| Governments (Including all obligations guaranteed by governments) | 2. Canada | | | | |
| | 3 Other Countries | | | | |
| | 4 Totals | 704,789 | 794,718 | 690,163 | 728,000 |
| | U.S. States, Territories and Possessions (Direct and guaranteed) | | | | |
| | 5. Totals | | | | |
| U.S. Political subdivisions of States, Territories and Possessions (Direct and guaranteed) | 6. Totals | | | | |
| U.S. Special revenue and special assessment, obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 7. Totals | | | | |
| Industrial and Miscellaneous and Hybrid Securities(unaffiliated) | 8. United States | | | | |
| | 9. Canada | | | | |
| | 10. Other Countries | | | | |
| | 11. Totals | | | | |
| Parent, Subsidiaries and Affiliates | 12. Totals | | | | |
| | 13. Total Bonds | | | | |
| PREFERRED STOCKS | 14. United States | | | | |
| Industrial and Miscellaneous (unaffiliated) | 15. Canada | | | | |
| | 16 Other Countries | | | | |
| | 17. Totals | | | | |
| | Parent, Subsidiaries and Affiliates | 18 Totals | | | |
| | 19. total Preferred Stocks | | | | |
| COMMON STOCKS | 20. United States | | | | |
| Industrial and Miscellaneous (unaffiliated) | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. Totals | | | | |
| | Parent, Subsidiaries and Affiliates | 24. Totals | | | |
| | 25. Total Common Stocks | | | | |
| | 26. Total Stocks | | | | |
| | 27. Total Bonds and Stocks | 704,789 | 794,718 | 690,163 | |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE D - PART 1

Showing all Long-Term Bonds Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|----------------------|------------------|-------|---------|------|------|-------------|--------------------------------|------------|-----------|-------------------------------|---|---------------------------------------|---|---|---------|-------------------|-----------|---------------------------------|-----------------------------|------------|----------|
| | | 3 | 4 | 5 | | | | | | | | | | | | | | | | | |
| CUSIP Identification | Description | Code | Foreign | CHAR | NAIC | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's Amortization Accretion | Current Year's Other than Temporary Impairment Recognized | Total Foreign Exchange Change B./A.C.V. | Rate of | Effective Rate of | When Paid | Admitted Amount Due and Accrued | Amount Received During Year | Acquired | Maturity |
| 912828HR4 | US Treasury Note | | | | 1 | 5,033 | 104.992 | 5,250 | 5,000 | 5,000 | | 0 | | | 3.070 | FA | 66 | 175 | 10/24/2008 | 2/15/2018 | |
| 912828KT6 | US Treasury Note | | | | 1 | 122,461 | 100.477 | 125,596 | 125,000 | 125,000 | | 0 | | | 2.218 | MS | 754 | 2,969 | 5/11/2009 | 3/31/2016 | |
| 912828KD1 | US Treasury Note | | | | 1 | 115,703 | 104.990 | 130,249 | 125,000 | 121,942 | | 1,019 | | | 2.511 | FA | 1,298 | 3,438 | 6/4/2009 | 2/15/2019 | |
| 912828QA9 | US Treasury Note | | | | 1 | 60,140 | 110.609 | 78,533 | 71,000 | 62,422 | | 373 | | | 3.111 | FA | 939 | 2,485 | 12/14/2009 | 2/15/2039 | |
| 912828KQ2 | US Treasury Note | | | | 1 | 68,293 | 105.496 | 73,847 | 70,000 | 69,456 | | 181 | | | 2.788 | MN | 283 | 2,188 | 12/14/2009 | 5/15/2019 | |
| 912828PW2 | US Treasury Note | | | | 1 | 68,628 | 126.195 | 90,860 | 72,000 | 69,269 | | 124 | | | 3.385 | FA | 1,190 | 3,150 | 3/29/2010 | 2/15/2038 | |
| 912828PW2 | US Treasury Note | | | | 1 | 21,919 | 126.195 | 29,025 | 23,000 | 22,121 | | 40 | | | 1.059 | FA | 380 | 1,006 | 2/10/2011 | 2/15/2038 | |
| 912810QB7 | US Treasury Bond | | | | 1 | 26,317 | 123.527 | 33,352 | 27,000 | 26,439 | | 24 | | | 3.342 | MN | 148 | 1,148 | 1/4/2011 | 5/15/2039 | |
| 912828RC6 | US Treasury Note | | | | 1 | 100,188 | 101.184 | 101,184 | 100,000 | 100,103 | | -21 | | | 2.072 | FA | 803 | 2,125 | 10/13/2011 | 8/15/2021 | |
| 912810EN4 | US Treasury Bond | | | | 1 | 4,980 | 135.719 | 6,786 | 5,000 | 5,000 | | 0 | | | 6.723 | MN | 49 | 381 | 11/16/1992 | 11/15/2022 | |
| 912810PW2 | US Treasury Bond | | | | 1 | 24,701 | 126.195 | 31,549 | 25,000 | 24,763 | | 11 | | | 3.398 | FA | 413 | 1,094 | 3/2/2010 | 2/15/2038 | |
| 912810QA9 | US Treasury Bond | | | | 1 | 71,800.00 | 110.609 | 88,487 | 80,000 | 73,274 | | 293 | | | 3.128 | FA | 1,057 | 2,800 | 6/8/2010 | 2/15/2038 | |
| Grand Totals | | | | | | 690,163 | XXX | 794,718 | 728,000 | 704,789 | | 2,045 | | | XXX | XXX | XXX | 7,380 | 22,958 | XXX | XXX |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE D - PART 4

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|----------------------|---|---------|---------------|-------------------|---------------------------|---------------|-----------|-------------|---|---|--|---|--------------------------------------|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|--------------------------------------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on disposal | Bond Interest/Stock Dividends Received During the Year | Stated Contractual Maturity Date | NAIC Designation or Market Indicator |
| 912828DM9 | US Treasury Note | | 2/15/2015 | US Treasury | | 3,000 | 3,000 | 2,892 | 3,000 | | | | | | 3,000 | | 0 | 0 | 15 | 2/15/2015 | 1 |
| 0599999 | Bonds - U.S. Governments | | | | | 3,000 | 3,000 | 2,892 | 3,000 | | | | | | 3,000 | | 0 | 0 | 15 | xxx | xxx |
| 3199999 | Total - bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of ... | | | | | | | | | | | | | | | | | | | | |
| 3899999 | Bonds - Industrial and Miscellaneous | | | | | | | | | | | | | | | | | | | | |
| 8399997 | Total - bonds - Part 4. | | | | | 3,000 | 3,000 | 2,892 | 3,000 | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 15 | xxx | xxx |
| 8399999 | Total - Bonds | | | | | 3,000 | 3,000 | 2,892 | 3,000 | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 15 | xxx | xxx |
| 8999999 | Total - Preferred Stocks | | | | | | | | | | | | | | | | | | | | |
| 9799999 | Total - Common Stocks | | | | | | | | | | | | | | | | | | | | |
| 9899999 | Total - Preferred and Common Stocks | | | | | | | | | | | | | | | | | | | | |
| 9999999 | Totals | | | | | 3,000 | 3,000 | 2,892 | 3,000 | 0 | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 15 | xxx | xxx |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

| |
|------------------------------|
| SCHEDULE F-CEDED REINSURANCE |
| NONE |

| |
|--|
| SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN |
| NONE |

| |
|----------------------------------|
| PART - 2 DIRECT PREMIUMS WRITTEN |
| NONE |

| |
|---------------------------|
| SCHEDULE A - VERIFICATION |
| NONE |

| |
|---------------------------|
| SCHEDULE B - VERIFICATION |
| NONE |

| |
|---------------------------|
| SCHEDULE BA- VERIFICATION |
| NONE |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

| |
|----------------------|
| Schedule DA - Part 1 |
| NONE |

| |
|----------------------------|
| Schedule DA - Verification |
| NONE |

| |
|-----------------------------------|
| Schedule DB - Part A Verification |
| NONE |

| |
|-----------------------------------|
| Schedule DB - Part B Verification |
| NONE |

| |
|----------------------------------|
| Schedule DB - Part C - Section 1 |
| NONE |

| |
|----------------------------------|
| Schedule DB - Part C - Section 2 |
| NONE |

| |
|---------------------------|
| Schedule DB -Verification |
| NONE |

| |
|--------------------------|
| Schedule E -Verification |
| NONE |

| |
|--------------------|
| Schedule A -Part 2 |
| NONE |

| |
|---------------------|
| Schedule A - Part 3 |
| NONE |

| |
|--------------------|
| Schedule B -Part 2 |
| NONE |

| |
|----------------------|
| Schedule BA - Part 2 |
| NONE |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

| |
|----------------------|
| Schedule BA - Part 3 |
| NONE |

| |
|----------------------------------|
| Schedule DB - Part A - Section 1 |
| NONE |

| |
|--|
| Schedule DB - Pt. A - Sn. 1 - Footnote (a) |
| NONE |

| |
|---------------------------------|
| Schedule DB - Pt. B - Section 1 |
| NONE |

| |
|---|
| Schedule DB - Pt. B - Sn. 1 - Footnotes |
| NONE |

| |
|----------------------|
| Schedule DB - Part D |
| NONE |

| |
|----------------------|
| Schedule DL - Part 1 |
| NONE |

| |
|----------------------|
| Schedule DL - Part 2 |
| NONE |

| |
|---------------------|
| Schedule E - Part 2 |
| NONE |

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE MINNESOTA SURETY AND TRUST COMPANY

SCHEDULE E - PART 1- CASH

| 1 | 2 | 3 | 4 | 5 | 6 |
|------------------------------------|------------------------|------------------|---|--|---------|
| Depository | Location | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued at December 31 of | Balance |
| Sterling State Bank | Austin, Minnesota | | 0 | 0 | 82,328 |
| Wells Fargo Bank NA | Minneapolis, Minnesota | | 124 | 12 | 136,757 |
| Sterling State Bank | Austin, Minnesota | | 0 | 0 | 127,037 |
| 0199999 Totals - Open Depositories | | | 124 | 12 | 346,123 |
| 0499999 Cash in Company's Office | | | 0 | 0 | 153 |
| 0599999 Total | | | 124 | 12 | 346,276 |

