

Property and Casualty Companies

Financial Statement

FOR THE YEAR ENDED DECEMBER 31, 2020

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 280, St. Paul, MN 55101-2198

Main Administrative Office 85 7th Place East, Suite 280, 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 280, 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.

Kathleen Orth
Special Deputy Liquidator

FINANCIAL STATEMENT FOR THE YEAR 2020 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	0	0	0	0
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 (\$77,100, Schedule E -Part 1), cash equivalents (\$0, Schedule E- Part 2)	26,761		26,761	77,100
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)	26,761	0	26,761	77,100
13 Title plants less\$ charged off (for Title insurers only)				
14 Investment income due and accrued				
15 Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
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				
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell				
26 Accounts (Line 12 to Line 25)	26,761	0	26,761	77,100
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28 Total (Line 26 and Line 27)	26,761	0	26,761	77,100
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)	0	0	0	0
2501				
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)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1 Losses		
2 Reinsurance payable on paid losses and loss adjustment expenses		
3 Loss adjustment expenses		
4 Commissions payable, contingent commissions and other similar charges		
5 Other expenses (excluding taxes, licenses and fees)	9,410	20,381
6 Taxes, licenses and fees (excluding federal and foreign income taxes)		
7 .1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7 .2 Net deferred tax liability		
8 Borrowed money		
9 Unearned premiums		
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	11,443	31,221
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)	20,853	51,602
27 Protected cell liabilities		
28 Total liabilities (Line 26 and Line 27)	20,853	51,602
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	870,547	870,547
34 Gross paid in and contributed surplus	100,000	100,000
35 Unassigned funds (surplus)	(1,464,638)	(1,445,049)
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	5,909	25,498
38 Totals (Page 2, Line 28, Column 3)	26,761	77,100
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)		

5909

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FINANCIAL STATEMENT FOR THE YEAR 2020 OF THE MINNESOTA SURETY AND TRUST COMPANY

STATEMENT OF INCOME

	Current Year to Date	Prior Year Ended December 31
UNDERWRITING INCOME		
1 Premiums earned (Part 1, Line 35, Column 4)	-	(2,463)
DEDUCTIONS:		
2 Losses Incurred (Current accident year \$): 3 Loss adjustment expenses incurred	-	(3,980)
4 Other underwriting expenses incurred	21,063	484,829
5 Aggregate write-ins for underwriting deductions		
6 Total underwriting deductions (Lines 2 through 5)	21,063	480,849
7 Net income of protected cells		
8 Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(21,063)	(483,312)
INVESTMENT INCOME		
9 Net investment income earned	-	6,148
10 Net realized capital gains (losses) less capital gains tax of \$	-	68,924
11 Net investment gain (loss) (Lines 9 + 10)	-	75,072
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	304	52,102
15 Total other income (Lines 12 through 14)	304	52,102
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)	(20,759)	(356,138)
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)	(20,759)	(356,138)
19 Federal and foreign income taxes incurred		
20 Net income (Line 18 minus Line 19) (to Line 22)	(20,759)	(356,138)
CAPITAL AND SURPLUS ACCOUNT		
21 Surplus as regards policyholders, December 31 prior year	25,498	407,358
22 Net income (from Line 20)	(20,759)	(356,138)
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	-	(341,453)
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 Column1)		
37 Aggregate write-ins for gains and losses in surplus	1,170	315,731
38 Change in surplus as regards policyholders for the year (Line 22 through Line 37)	(19,589)	(381,860)
39 Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	5,909	25,498
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)		
1401 Transfers from Build Up Fund (BUF) accounts to reimburse MSTC for claims payments	-	52,102
1402 Tax refund - MN	304	-
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)	304	52,102
3701 Accounting revisions for commissions payable, other expenses, taxes, licenses and fees and amounts withheld by	1,170	106,087
3702 Elimination of borrowed money liability account upon repayment of LCN's	-	310,660
3703 Interest paid on borrowed money	-	(101,016)
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)	1,170	315,731