Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2001

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

HEREFORD INSURANCE COMPANY

36-01 43RD AVE
LONG ISLAND CITY, NY 11101

2b Employer Identification Number (EIN)
11-2774650

2c Sponsor's telephone number
718-361-9191

2d Business code (see instructions)
524210

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	NEIL GREENBAUM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

HEREFORD INSURANCE COMPANY

36-01 43RD AVE
LONG ISLAND CITY, NY 11101

3b Administrator's EIN
11-2774650

3c Administrator's telephone number
718-361-9191

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	204
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	181
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	39
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	220
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	220
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	204
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	18
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2A 2E 2H 2J 2K

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEREFORD INSURANCE COMPANY

D Employer Identification Number (EIN)
11-2774650

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

ING LIFE INSURANCE & ANNUITY CO.

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
71-0294708	86509	PHK888	141	01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
6945	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

HALLMAN & LORBER ASSOC. INC.
125 JERICHO TPKE
JERICHO, NY 11753

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	
6945	0	TPA FEE	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	192374
5	Current value of plan's interest under this contract in separate accounts at year end	5	1975431

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	0
c	Premiums due but unpaid at the end of the year	6c	0
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	0

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ VARIABLE ANNUITY

b	Balance at the end of the previous year			7b	208852
c	Additions: (1) Contributions deposited during the year	7c(1)	595811		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	4798		
	(4) Transferred from separate account	7c(4)	202502		
	(5) Other (specify below)	7c(5)	53532		
	▶ LOANS				
	(6) Total additions			7c(6)	856643
d	Total of balance and additions (add lines **7b** and **7c(6)**)			7d	1065495
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	147842		
	(2) Administration charge made by carrier	7e(2)	200		
	(3) Transferred to separate account	7e(3)	638429		
	(4) Other (specify below)	7e(4)	86650		
	▶ LOANS				
	(5) Total deductions			7e(5)	873121
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	192374

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**	0		
(2) Increase (decrease) in amount due but unpaid	**9a(2)**	0		
(3) Increase (decrease) in unearned premium reserve	**9a(3)**	0		
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	0
b Benefit charges (1) Claims paid	**9b(1)**	0		
(2) Increase (decrease) in claim reserves	**9b(2)**	0		
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	0
(4) Claims charged			**9b(4)**	0
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**	0		
(B) Administrative service or other fees	**9c(1)(B)**	0		
(C) Other specific acquisition costs	**9c(1)(C)**	0		
(D) Other expenses	**9c(1)(D)**	0		
(E) Taxes	**9c(1)(E)**	0		
(F) Charges for risks or other contingencies	**9c(1)(F)**	0		
(G) Other retention charges	**9c(1)(G)**	0		
(H) Total retention			**9c(1)(H)**	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	0
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	0
(2) Claim reserves			**9d(2)**	0
(3) Other reserves			**9d(3)**	0
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	0
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	0
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount			**10b**	0

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2013** **This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEREFORD INSURANCE COMPANY

D Employer Identification Number (EIN)
11-2774650

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ING LIFE INSURANCE AND ANNUITY CO.

71-0294708

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
	SERVICE PROVIDER	0	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

ING MUTUAL FUNDS

95-4516049

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
	INV PRODUCT PROV	0	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HEREFORD INSURANCE COMPANY

D Employer Identification Number (EIN)
11-2774650

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: MAP CONTRACT SEPARATE SCHEDULE D

b Name of sponsor of entity listed in (a): ING INSURANCE AND ANNUITY CO.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
71-0294708-000	P	1975431

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEREFORD INSURANCE COMPANY

D Employer Identification Number (EIN)
11-2774650

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	280088	9000
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	12326	12756
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	77180	144936
(2) U.S. Government securities	1c(2)	642230	407669
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	735728	1091073
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	25680
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	62113	92855
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	1197535	1975431
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	208852	192374
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	3216052	3951774
Liabilities			
g Benefit claims payable	1g	1409	1725
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	1409	1725
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	3214643	3950049

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	227660	
(B) Participants	2a(1)(B)	380339	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		607999
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	63749	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	4274	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		68023
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		257266
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		933288
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	197682	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		197682
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	200	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		200
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		197882
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		735406
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BONMASSA, MAIETTA & CARTELLI **(2)** EIN: 11-3554103

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	0

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e	Was this plan covered by a fidelity bond?	4e	X		300000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	0
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	0
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	0
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	0
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:** 0

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
HEREFORD INSURANCE COMPANY 401(K)/PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEREFORD INSURANCE COMPANY

D Employer Identification Number (EIN)
11-2774650

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 71-0294708 11-2774650

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	0
b The plan year immediately preceding the current plan year	**14b**	0
c The second preceding plan year	**14c**	0

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	0
b The corresponding number for the second preceding plan year	**15b**	0

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	0
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	0

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2013

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
DECEMBER 31, 2013

CONTENTS

Report of Independent Certified Public Accountants

Exhibit "A" - Statements of Net Assets Available for Plan Benefits as of December 31, 2013 and December 31, 2012

Exhibit "B" - Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2013

Notes to Financial Statements

Schedule 1 - Schedule of Assets Held at End of Year - December 31, 2013

Schedule 2 - Schedule of Assets Both Acquired and Disposed of within the Plan Year, December 31, 2013

Schedule 3 - Schedule of Reportable Transactions

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants
9001 Fifth Avenue
Brooklyn, New York 11209

JAMES D. BONAMASSA, CPA
LAWRENCE F. MAIETTA, CPA
VINCENT J. CARTELLI, CPA

TEL: (718) 921-7000
FAX: (718) 921-0926
bmccpas.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee and Participants in the
Hereford Insurance Company
Profit Sharing/401(k) Plan
36-01 43rd Avenue
Long Island City, NY 11101

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Hereford Insurance Company Profit Sharing/401(k) Plan, which comprise the statements of net assets available for plan benefits as of December 31, 2013 and 2012, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2013 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with

respect to the information summarized in Note 3, which was certified by ING Life Insurance and Annuity Company, the record keeper of the Plan, as agent for the trustee of the Plan except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the record keeper holds the participant-directed portion of the Plan's investment assets and executes investment transactions for the same. The plan administrator has obtained a certification from the record keeper, on behalf of the trustee, as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the record keeper, as agent for the trustee, is complete and accurate.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules identified in the accompanying index, which are the responsibility of plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bonamassa, Maietta & Cartelli, LLP

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

October 10, 2014

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
EXHIBIT "A"
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31,

ASSETS

	2013	2012
Investments, at fair value		
Participant directed		
Mutual funds	$ 1,975,431	$ 1,197,535
Investment contract	197,453	227,095
	2,172,884	1,424,630
Non-participant directed		
U.S Government agency and state obligations	407,669	642,230
Corporate bonds	1,091,073	735,728
Preferred stocks	25,680	-
Certificates of deposit	35,499	30,823
	1,559,921	1,408,781
Total investments	3,732,805	2,833,411
Receivables		
Employer's contribution	9,000	280,088
Participant loans	92,855	62,113
Interest receivable	12,756	12,326
Total receivable	114,611	354,527
Cash	109,437	46,357
Total assets	$ 3,956,853	$ 3,234,295

LIABILITIES

Benefits Payable	1,725	1,409
Total liabilities	1,725	1,409
Net assets reflecting investments at fair value	3,955,128	3,232,886
Adjustment from fair value for benefit responsive investment contracts	(5,079)	(18,243)
Net assets available for plan benefits	$ 3,950,049	$ 3,214,643

The accompanying notes are an integral part of these financial statements.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
EXHIBIT "B"
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2013

Additions to net assets attributed to:		
Investment income -		
Interest		$ 68,023
		68,023
Net appreciation in fair value of investments		257,266
		325,289
Participants' contributions		380,339
Employer's contribution		227,660
		607,999
Total additions		933,288
Deductions from net assets attributed to:		
Distributions to plan participants	$ 197,682	
Fees	200	
Total deductions		197,882
Net increase in plan assets		735,406
Net assets available for plan benefits:		
Balance - January 1, 2013		3,214,643
Balance - December 31, 2013		$ 3,950,049

The accompanying notes are an integral part of these financial statements.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1. Description of Plan

The following description of the Hereford Insurance Company Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

a. General

The Plan is a defined contribution plan covering all employees who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan includes a 401(k) feature whereby participants may elect to contribute to the plan on a pre-tax basis. Participants are eligible to contribute to the 401(k) portion of the Plan after completing six months of service. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution. The Plan may make discretionary employer contributions.

b. Contributions

Each year, participants may contribute up to the Internal Revenue Service prescribed limits of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may contribute amounts representing distributions from other qualified defined benefit or contribution plans. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution for eligible employees. Eligible employees for safe harbor matching 401(k) contributions are those employees, who completed a minimum of six months of service, are credited with 83.3 hours of service in each month and elect salary deferrals into the Plan. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral calculated each payroll period. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan permits the Employer to contribute profit sharing contributions and qualified non-elective contributions at the sole discretion of the Employer. Profit sharing contributions will be allocated to eligible employees. In order to be eligible for a profit sharing contribution the employee must be actively employed on the last day of the plan year, must have reached the age of twenty-one and must have completed 1,000 hours of service during

Note 1. Description of Plan - continued

the Plan year. The Employer may make additional qualified non-elective contributions in order to help pass various non-discriminative tests for the 401(K) portion of the Plan. Contributions are subject to certain limitations. Contributions in the amount of $227,660 and $280,088 were made for the Plan years ended December 31, 2013 and 2012, respectively.

c. Participant Accounts

Each participant's account is credited or charged with each participant's share of contributions, Company matching contributions, allocations of the Company's profit sharing contributions, Plan earnings (if any) are and charged with an allocation of administrative expenses. Allocations are based upon participant earnings or account balances, as defined.

d. Vesting

Employee contributions, employer safe harbor matching contributions and additional qualified non-elective contributions (if made) plus earnings thereon are immediately vested. Vesting in employer profit sharing contributions portion of their accounts plus earnings thereon is based upon years of continuous service. A participant is one hundred percent (100%) vested after six (6) years of continuous service for employer profit sharing contributions.

e. Participant loans

Participants may borrow up to 50% of their vested portion of their account subject to a maximum of $50,000 and a minimum of $1,000. Loans will bear interest at 1% above prime with principal and interest to be paid ratably through bi-weekly payroll deductions.

f. Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or may delay the receipt of benefits, unless a distribution is required to be made as per Plan and IRS guidelines. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Note 1. Description of Plan – continued

g. Forfeited Accounts

At December 31, 2013 and 2012, forfeited non-vested accounts totaled $7,322 and $10,962, respectively. These accounts were used to reduce the 2013 and 2012 employer contributions.

Note 2. Summary of Significant Accounting Policies:

Basis.

The financial statements are prepared under the accrual basis of accounting.

Investment Valuation

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. The Plan's investment contract is reported at fair value by the Plan's record keeper. The fair value reflects the approximate amount that would have been paid if the contract had been terminated as of last day of the reporting period and potential surrender charges and market value adjustments were applied as of such date. Participant's loans are valued at their outstanding balances, which approximate fair value.

Fair Value of Financial Instruments

The Plan's Management has estimated the fair value of financial instruments using available market information and other valuation methodologies in accordance with FASB ASC 825-10-50 formerly SFAS No. 107, "Disclosures About Fair Value of Financial Instruments". Management of the Plan believes that the fair value of financial instruments, consisting of accounts receivable and payable, approximates carrying value due to the short payment terms associated with its accounts receivable and payable.

In September 2006, the FASB issued ASC 820 (formerly SFAS No. 157), Fair Value Measurements ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value and requires additional disclosures about fair value measurements, SFAS 157 is effective for fiscal years beginning after November 15, 2007 with early adoption permitted; in November, 2007, the FASB

Note 2. Summary of Significant Accounting Policies - continued:

agreed to defer the effective date of ASC 820 for one year for all nonfinancial assets and nonfinancial liabilities, except for those items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Generally, the provisions of this statement should be applied prospectively as of the beginning of the fiscal year which this statement is initially applied. The Plan adopted this statement effective January 1, 2008.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the plan administrators to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Investment related expenses are included in net appreciation of fair value of investments.

Subsequent Events

The Plan has evaluated subsequent events through October 10, 2014, the date the financial statements were available to be issued.

Note 3. Information Prepared and Certified by the Record Keeper

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the Plan's record keeper as agent for the trustee of the plan.

Investments, at fair value:	December 31, 2013	December 31, 2012
Mutual Funds	$ 1,975,431	$ 1,197,535
Investment contract	197,453	227,095
Net investment income (loss) from registered investment companies	346,767	132,865

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 4. Investments:

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	2013	2012
ING Oppenheimer Global Portfolio – I, 16,443 & 13,056 shares, respectively	$365,305	$230,831
ING Fixed Account, 8,230 & 9,203 shares, respectively	192,374	227,095
Fidelity VIP Growth Portfolio – I, 6,492 & 5,518 shares, respectively	254,844	160,954
Pioneer Equity Income Vat, Portfolio-I, 11,345 & 9,457 shares, respectively	213,927	139,718
ING VP Small Company Portfolio-I 3,633 shares	173,739	-

During the year ended December 31, 2013 the Plan's investments (including investments bought, sold and held during the year) increased in value by $257,267 attributable to mutual funds, government and agency obligations and corporate debt as follows:

Participant directed:	
Mutual funds	$ 346,767
	346,767
Non-Participant directed:	
U.S. government agency and state obligations	(58,541)
Corporate bonds	(29,972)
Certificate of deposits	4,675
Stocks	(5,662)
	(89,500)
Net change in fair value	$ $257,267

Note 5. Investment Contract with Insurance Company:

The Plan entered into a benefit responsive investment contract with ING Life Insurance & Annuity Company for participant-initiated transaction. ING maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at fair market value. The fair value of the investment contract was $197,453 and $227,095 at December 31, 2013 and December 31, 2012, respectively. The contract is not considered fully benefit responsive as there are restrictions in the investment contract that prevent immediate and full payout of the contract value for plan initiated transactions.

Note 6. Fair Value of Financial Instruments:

Effective January 1, 2008 The Plan adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157) (FASB ASC 820-10), which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. The Valuation Hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the Valuation Hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the Valuation Hierarchy and the distribution of the Company's financial assets within it are as follows:

- Level 1 – inputs to the valuation of methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Note 6. Fair Value of Financial Instruments - continued:

- Level 3 - inputs to the valuation methodology are unobservable and
  significant to the fair value measurement.

The following marketable securities are re-measured to fair value on a recurring basis:

Fair Value Measurements at Reporting Date Using

December 31, 2013	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 1,975,431	$ ---	$ ---	$ 1,975,431
Investment contract	197,453	---	---	197,453
US Government agency and state obligations	407,669	407,669	---	---
Corporate bonds	1,091,073	1,091,073	---	---
Preferred stocks	25,680	25,680	---	---
Certificates of deposit	35,499	35,499	---	---
Total Assets	$ 3,732,805	$ 1,559,921	$ ---	$ 2,172,884

HEREFORD INSURANCE COMPANY
PROFIT SHARING/ 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 6. Fair Value of Financial Instruments - continued:

December 31, 2012	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 1,197,535	$ ---	$ ---	$ 1,197,535
Investment contract	227,095	---	---	227,095
US Government agency and state obligations	642,230	642,230	---	---
Corporate bonds	735,728	735,728	---	---
Certificates of deposit	30,823	30,823	---	---
Total Assets	$ 2,833,411	$ 1,408,781	$ ---	$ 1,424,630

The investment contract and mutual funds are not actively traded and significant other observable inputs are not available. Thus, the fair value of the investment contract and mutual funds are determined by the amount that would have been paid if the contract had terminated as of the day of the reporting period. Potential surrender charges and market value adjustments have been applied as of such date. The following table provides further details of the Level 3 fair value measurements at December 31, 2013 and 2012.

Note 6. Fair Value of Financial Instruments - continued:

December 31, 2013	Mutual Funds & Investment Contract
Beginning balance	$ 1,424,630
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	748,254
Ending balance	$ 2,172,884

December 31, 2012	Mutual Funds & Investment Contract
Beginning balance	$ 1,085,881
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	338,749
Ending balance	$ 1,424,630

Note 7. Concentration of Credit Risk

The Plan maintains money market funds with one banking institution. Such balances are not FDIC insured. The Plan has not experienced any losses on its cash accounts.

Note 8. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Note 9. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated April 9, 2010 that the plan is designed in accordance with applicable sections of the Internal Revenue Code. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 10. Risk and Uncertainties

The Plan invests in various investments securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets for plan benefits.

Note 11. Related Parties

The Plan's sponsor, the Hereford Insurance Company, absorbs certain plan administration expenses.

Certain Plan investments are shares of mutual funds managed by ING Life Insurance and Annuity Company ("ING"). ING is the record keeper as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees incurred by the plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013

	SHARES	COST	MARKET VALUE
Participant Non - Directed			
Interest receivable		$ 12,756	$ 12,756
Preferred Stocks			
First Republic BK/SF	1,000	25,798	25,680
Total Preferred Stocks		25,798	25,680
Government and agency obligations			
Oakland Calif Pension Oblig Oy	20,000	12,586	12,636
Gainsville Fla Pension Oblig Rev Ser	20,000	7,758	13,094
Oakland Calif Pension Oblig Tax	28,000	9,658	16,198
Ithaca City NY Pub Impt	20,000	22,136	20,687
Colorado St Bldg Excellent Schs Tfs-D Build America Bond	20,000	23,014	20,984
Philadelphia PA Auth For Indl Dev Pension Fdg Rev-B Oy	40,000	24,662	24,253
Carol Stream Ill Pk Dist Ser-A Oy	45,000	20,392	23,095
Patriots Energy Group S C Gas Sys Rev	25,000	29,053	25,974
Portsmouth VA Genl Oblig Ref-C	30,000	36,434	33,527
Phoenix Ariz Civic Corp Excise Tax Rec-C	35,000	37,650	35,314
Massachusetts St Hsg Fin Agy Hsg Rev-F	35,000	38,101	35,669
New Brunswick NJ Genl Oblig Ref-Pension OY 6.73	50,000	35,528	33,165
Tacoma Wash Genl Oblig Ser F	90,000	34,848	48,293
Portland Oregon Pension Oblig	100,000	50,779	64,780
Total Government and Agency Obligations	558,000	382,598	407,669
Corporate bonds			
Aegon NV	1500	41,477	42,285
Affiliated Managers Group Inc	1000	25,718	25,527
American Financial Group Inc	500	13,406	11,840
American Financial Group Inc Ohio	1,000	27,466	25,350
Apollo Investment Group	1,000	25,244	20,620
Aviva Plc	1,500	41,623	41,100
Bellsouth Cap. Funding	35,000	43,056	41,135
Block Financial LLC	25,000	26,204	25,694
Boeing Corp.	26,000	29,758	30,839
Coca Cola Enterprises Inc	15,000	7,165	12,135
Comerica Bank Sub NTS	20,000	22,805	20,805

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE
Corporate bonds -continued			
Conoco Phillips	7,000	7,113	8,778
Conoco, Inc.	4,000	4,309	5,062
Copano Energy LLC	25,000	28,056	28,809
Corning Inc	25,000	32,981	28,803
Dayton Hudson Corp.	35,000	41,723	41,303
DTE Energy Co Ser I	1,500	42,378	36,270
Entergy Mississippi	1,000	27,517	23,860
Enterprise Products	25,000	28,312	27,625
Escrow Lehman Brothers Holdings	25,000	-	5,063
Escrow Lehman Brothers Holdings Inc.	25,000	-	5,313
Goldman Sachs Group	1,500	42,318	37,845
Indian Bell Telephone	35,000	40,848	39,361
ING Bank NV Reg S	25,000	26,890	26,036
KKR Financial Holdings	1,500	38,096	40,215
Lloyds Banking	1,500	41,033	39,975
Macquarie Group Limited	25,000	28,158	27,611
Nextera Energy Capital	515	14,962	13,117
Northern State Power	20,000	22,650	23,004
Pitney Bowes Inc	1,500	38,561	37,995
Plains Exploration & Pro	25,000	28,217	27,875
Pres. & Fellows of Harvard	35,000	41,131	38,723
Prospect Capital Corp	1,000	26,404	25,670
Raymond James Financial Group	1,000	26,242	25,000
Reinsurance Group America Inc	1,000	27,798	24,270
Southern Power Co	47,000	50,104	49,360
Stanley Black & Decker	1,500	39,785	32,070
Stifel Financial Corp	1,000	27,344	25,640
Telephone and Data Systems Inc	1,000	28,523	23,100
Vornado Rlty LP	1,000	28,555	25,990
Total Corporate Debt	527,015	1,133,931	1,091,073

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE	
Certificates of deposit				
Wells Fargo Bank	25000	25,000	35,499	
Total Certificates of Deposit		25,000	35,499	
Morgan Stanley Money Market		109,438	109,437	
Total Participant Non - Directed		$ 1,689,520	$ 1,682,114	
Participant Directed				
Mutual Funds				
, * ING VP Money Market Portfolio	7,092		107,108	1.29%
, * ING VP Intermediate Bond Port - I	5,564		135,936	1.45%
, * ING VP Strategic Alloc Consv Prtf - I	4,426		110,093	1.75%
, * ING VP Small Company Port - I	3,633		173,739	1.81%
, * ING VP SmallCap Opport Port - I	6,051		103,341	1.87%
, * Fidelity VIP Growth Portfolio - Init	6,492		254,844	1.96%
, * Pioneer Equity Income VCT Port - I	11,345		213,927	1.94%
, * ING Oppenhmr Global Port I	16,443		365,305	1.90%
, * ING TRowePrice Divr MdCp Gr Pt I	6,433		143,392	1.93%
, * ING Invesco Eqty & Inc Port I	5,140		95,339	1.84%
, * CRM Mid Cap Value Fund Inv	1,569		25,587	2.18%
, * American Funds Growth Fnd R4	3,825		60,366	1.84%
, * American Funds Income Fnd R4	4,610		66,682	1.79%
, * Columbia Mid Cap Value Fund - A	1,897		29,758	2.35%
, * Oppenheimer Intern'l Bond Fund - A	897		12,724	2.17%
, * T. Rowe Price Blue Chip Growth	2,645		43,059	2.16%
, * Loomis Sayles Bond Fund	2,432		34,231	2.07%
Total Mutual Funds			1,975,431	
Investment contract				
**ING Fixed Account, contract value	8,230		192,374	
Total Participant Directed			2,167,805	

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE
Total Participant Non - Directed			1,682,114
** Participant loans, 4.25%, due 2014 - 2019			92,855
Employer's contribution			9,000
Total assets			$ 3,951,774

* Cost information is not available from the record-keeper
** Denotes party- in-interest

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 2
SCHEDULE OF ASSETS
BOTH ACQUIRED AND DISPOSED OF WITHIN THE PLAN YEAR
DECEMBER 31, 2013

SECURITY NAME	SHARES	COST	PROCEEDS
COPANO ENERGY LLC	8,000	$ 8,694	$ 8,812
DTE ENERGY COMPANY	1,500	101,768	102,669

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 3
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2013

SECURITY NAME	SHARES	PURCHASE	SALE
None		$ -	$ -
		$ -	$ -

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013

	SHARES	COST	MARKET VALUE
Participant Non - Directed			
Interest receivable		$ 12,756	$ 12,756
Preferred Stocks			
First Republic BK/SF	1,000	25,798	25,680
Total Preferred Stocks		25,798	25,680
Government and agency obligations			
Oakland Calif Pension Oblig Oy	20,000	12,586	12,636
Gainsville Fla Pension Oblig Rev Ser	20,000	7,758	13,094
Oakland Calif Pension Oblig Tax	28,000	9,658	16,198
Ithaca City NY Pub Impt	20,000	22,136	20,687
Colorado St Bldg Excellent Schs Tfs-D Build America Bond	20,000	23,014	20,984
Philadelphia PA Auth For Indl Dev Pension Fdg Rev-B Oy	40,000	24,662	24,253
Carol Stream Ill Pk Dist Ser-A Oy	45,000	20,392	23,095
Patriots Energy Group S C Gas Sys Rev	25,000	29,053	25,974
Portsmouth VA Genl Oblig Ref-C	30,000	36,434	33,527
Phoenix Ariz Civic Corp Excise Tax Rec-C	35,000	37,650	35,314
Massachusetts St Hsg Fin Agy Hsg Rev-F	35,000	38,101	35,669
New Brunswick NJ Genl Oblig Ref-Pension OY 6.73	50,000	35,528	33,165
Tacoma Wash Genl Oblig Ser F	90,000	34,848	48,293
Portland Oregon Pension Oblig	100,000	50,779	64,780
Total Government and Agency Obligations	558,000	382,598	407,669
Corporate bonds			
Aegon NV	1500	41,477	42,285
Affiliated Managers Group Inc	1000	25,718	25,527
American Financial Group Inc	500	13,406	11,840
American Financial Group Inc Ohio	1,000	27,466	25,350
Apollo Investment Group	1,000	25,244	20,620
Aviva Plc	1,500	41,623	41,100
Bellsouth Cap. Funding	35,000	43,056	41,135
Block Financial LLC	25,000	26,204	25,694
Boeing Corp.	26,000	29,758	30,839
Coca Cola Enterprises Inc	15,000	7,165	12,135
Comerica Bank Sub NTS	20,000	22,805	20,805

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE
Corporate bonds -continued			
Conoco Phillips	7,000	7,113	8,778
Conoco, Inc.	4,000	4,309	5,062
Copano Energy LLC	25,000	28,056	28,809
Corning Inc	25,000	32,981	28,803
Dayton Hudson Corp.	35,000	41,723	41,303
DTE Energy Co Ser I	1,500	42,378	36,270
Entergy Mississippi	1,000	27,517	23,860
Enterprise Products	25,000	28,312	27,625
Escrow Lehman Brothers Holdings	25,000	-	5,063
Escrow Lehman Brothers Holdings Inc.	25,000	-	5,313
Goldman Sachs Group	1,500	42,318	37,845
Indian Bell Telephone	35,000	40,848	39,361
ING Bank NV Reg S	25,000	26,890	26,036
KKR Financial Holdings	1,500	38,096	40,215
Lloyds Banking	1,500	41,033	39,975
Macquarie Group Limited	25,000	28,158	27,611
Nextera Energy Capital	515	14,962	13,117
Northern State Power	20,000	22,650	23,004
Pitney Bowes Inc	1,500	38,561	37,995
Plains Exploration & Pro	25,000	28,217	27,875
Pres. & Fellows of Harvard	35,000	41,131	38,723
Prospect Capital Corp	1,000	26,404	25,670
Raymond James Financial Group	1,000	26,242	25,000
Reinsurance Group America Inc	1,000	27,798	24,270
Southern Power Co	47,000	50,104	49,360
Stanley Black & Decker	1,500	39,785	32,070
Stifel Financial Corp	1,000	27,344	25,640
Telephone and Data Systems Inc	1,000	28,523	23,100
Vornado Rlty LP	1,000	28,555	25,990
Total Corporate Debt	527,015	1,133,931	1,091,073

See auditor's report.

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE	
Certificates of deposit				
Wells Fargo Bank	25000	25,000	35,499	
Total Certificates of Deposit		25,000	35,499	
Morgan Stanley Money Market		109,438	109,437	
Total Participant Non - Directed		$ 1,689,520	$ 1,682,114	
Participant Directed				
Mutual Funds				
, * ING VP Money Market Portfolio	7,092		107,108	1.29%
, * ING VP Intermediate Bond Port - I	5,564		135,936	1.45%
, * ING VP Strategic Alloc Consv Prtf - I	4,426		110,093	1.75%
, * ING VP Small Company Port - I	3,633		173,739	1.81%
, * ING VP SmallCap Opport Port - I	6,051		103,341	1.87%
, * Fidelity VIP Growth Portfolio - Init	6,492		254,844	1.96%
, * Pioneer Equity Income VCT Port - I	11,345		213,927	1.94%
, * ING Oppenhmr Global Port I	16,443		365,305	1.90%
, * ING TRowePrice Divr MdCp Gr Pt I	6,433		143,392	1.93%
, * ING Invesco Eqty & Inc Port I	5,140		95,339	1.84%
, * CRM Mid Cap Value Fund Inv	1,569		25,587	2.18%
, * American Funds Growth Fnd R4	3,825		60,366	1.84%
, * American Funds Income Fnd R4	4,610		66,682	1.79%
, * Columbia Mid Cap Value Fund - A	1,897		29,758	2.35%
, * Oppenheimer Intern'l Bond Fund - A	897		12,724	2.17%
, * T. Rowe Price Blue Chip Growth	2,645		43,059	2.16%
, * Loomis Sayles Bond Fund	2,432		34,231	2.07%
Total Mutual Funds			1,975,431	
Investment contract				
**ING Fixed Account, contract value	8,230		192,374	
Total Participant Directed			2,167,805	

HEREFORD INSURANCE COMPANY
PROFIT SHARING/401(K) PLAN
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2013
(CONTINUED)

	SHARES	COST	MARKET VALUE
Total Participant Non - Directed			1,682,114
** Participant loans, 4.25%, due 2014 - 2019			92,855
Employer's contribution			9,000
Total assets			$ 3,951,774

* Cost information is not available from the record-keeper
** Denotes party- in-interest

See auditor's report.