# 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 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

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [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
- [X] special extension (enter description) HURRICANE EXTENSION TO 1/31/2018

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2008

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
HOUSTON INTERNATIONAL INSURANCE GROUP, LTD

800 GESSNER
SUITE 600
HOUSTON, TX 77024

**2b** Employer Identification Number (EIN)
45-5463484

**2c** Plan Sponsor's telephone number
713-935-4800

**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. | 01/29/2018 | ANGELA LEWIS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 01/29/2018 | ANGELA LEWIS |
| | **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)

Preparer's telephone number

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **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: | **4b** EIN | |
| **a** Sponsor's name | **4c** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 369 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 263 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 297 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 100 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 397 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 1 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 398 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 342 |
| **h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 6 |
| **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 2F 2G 2J 2K 2T 3D 3H

**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)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# 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

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HOUSTON INTERNATIONAL INSURANCE GROUP, LTD

**D** Employer Identification Number (EIN)
45-5463484

## 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
JOHN HANCOCK LIFE INSURANCE COMPANY

| (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 |
| 01-0233346 | 65838 | 90434 | | 01/01/2016 | 10/03/2016 |

**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 |
|---|---|
| 18028 | 2440 |

**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

BOWEN, MICLETTE & BRITT INSURANCE
1111 NORTH LOOP WEST
HOUSTON, TX 77008

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | |
|---|---|---|---|
| | (c) Amount | (d) Purpose | (e) Organization code |
| 18028 | | | 3 |

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

NOVA 401(K) ASSOCIATES
10777 NORTHWEST FREEWAY
SUITE 440
HOUSTON, TX 77092

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | |
|---|---|---|---|
| | (c) Amount | (d) Purpose | (e) Organization code |
| | 2440 | TPA FEES | 5 |

**(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** | |
| **5** | Current value of plan's interest under this contract in separate accounts at year end | **5** | 0 |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| **b** | Premiums paid to carrier | **6b** | |
| **c** | Premiums due but unpaid at the end of the year | **6c** | |
| **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** | |

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 ▶ GROUP ANNUITY

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | | | |
| | (4) Transferred from separate account | **7c(4)** | | | |
| | (5) Other (specify below) | **7c(5)** | | | |
| | ▶ | | | | |
| | (6) Total additions | | | **7c(6)** | |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**) | | | **7d** | |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | | | |
| | (2) Administration charge made by carrier | **7e(2)** | | | |
| | (3) Transferred to separate account | **7e(3)** | | | |
| | (4) Other (specify below) | **7e(4)** | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | **7e(5)** | |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | **7f** | |

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

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<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2016**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

| | |
|---|---|
| **A** Name of plan<br>HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN | **B** Three-digit plan number (PN) ▶ 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500<br>HOUSTON INTERNATIONAL INSURANCE GROUP, LTD | **D** Employer Identification Number (EIN)<br>45-5463484 |

## 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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**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)

MERRILL LYNCH, PIERCE, FENNER AND S

13-5674085

| (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? |
|---|---|---|---|---|---|---|
| 15 52 59 60 62 63 72 | RECORDKEEPER | 1056 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | 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 [ ] |

**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

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
HOUSTON INTERNATIONAL INSURANCE GROUP, LTD

**D** Employer Identification Number (EIN)
45-5463484

## 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: PUTNAM STABLE VALUE FUND 50

**b** Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY

| **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) |
|---|---|---|
| 04-3159710-202 | C | 571664 |

**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 |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

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

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HOUSTON INTERNATIONAL INSURANCE GROUP, LTD

**D** Employer Identification Number (EIN)
45-5463484

## 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 | 10846 | 320 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | 49509 |
| **(2)** U.S. Government securities | 1c(2) | | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | 0 |
| **(B)** All other | 1c(3)(B) | | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | 0 |
| **(B)** Common | 1c(4)(B) | | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | | 0 |
| **(8)** Participant loans | 1c(8) | 122964 | 253872 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 571664 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 8725261 | 10639792 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | **1d(1)** | | 0 |
| | **(2)** Employer real property | **1d(2)** | | |
| **e** | Buildings and other property used in plan operation | **1e** | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | **1f** | 8859071 | 11515157 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | **1g** | | |
| **h** | Operating payables | **1h** | | |
| **i** | Acquisition indebtedness | **1i** | | |
| **j** | Other liabilities | **1j** | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | **1k** | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | **1l** | 8859071 | 11515157 |

## 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)** | 690520 | |
| | **(B)** Participants | **2a(1)(B)** | 1545153 | |
| | **(C)** Others (including rollovers) | **2a(1)(C)** | 790565 | |
| | **(2)** Noncash contributions | **2a(2)** | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | **2a(3)** | | 3026238 |
| **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)** | 0 | |
| | **(C)** Corporate debt instruments | **2b(1)(C)** | 0 | |
| | **(D)** Loans (other than to participants) | **2b(1)(D)** | | |
| | **(E)** Participant loans | **2b(1)(E)** | 8064 | |
| | **(F)** Other | **2b(1)(F)** | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | **2b(1)(G)** | | 8064 |
| | **(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)** | 206410 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | **2b(2)(D)** | | 206410 |
| | **(3)** Rents | **2b(3)** | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | **2b(4)(A)** | 636 | |
| | **(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)** | | 636 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | **2b(5)(A)** | | |
| | **(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) | | 2187 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 659684 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -58457 |
| c Other income | 2c | | 73406 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 3918168 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1250389 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1250389 |
| f Corrective distributions (see instructions) | 2f | | 10637 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 1056 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1056 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1262082 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 2656086 |
| 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)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

**(1)** Name: HAM, LANGSTON & BREZINA, LLP **(2)** EIN: 76-0448495

**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 | |
| **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 | |

| | | | 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 | |
| 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 | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| 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 | |
| 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 | |
| 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 | |
| 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 | |
| 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 | | |
| o | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | 4o | | | |

**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:**

**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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## Part V Trust Information

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

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# 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 sections 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

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HOUSTON INTERNATIONAL INSURANCE GROUP, LTD

**D** Employer Identification Number (EIN)
45-5463484

## 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): 94-1687665 01-0233346

**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**

## 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** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**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** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**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** | |
| **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** | |

**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):

## Part VII IRS Compliance Questions

| | |
|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

# Houston International Insurance Group 401(k) Plan

## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
## WITH INDEPENDENT AUDITOR'S REPORT
## As of and for the Years Ended December 31, 2016 and 2015

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Ham, Langston & Brezina, L.L.P.

# INDEPENDENT AUDITOR'S REPORT

Audit Committee
Houston International Insurance Group 401(k) Plan:

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Houston International Insurance Group 401(k) Plan (the "Plan"), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Merrill Lynch") and John Hancock Life Insurance Company ("John Hancock") (collectively, the "Custodians"), except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that Merrill Lynch held the Plan's investment assets as of December 31, 2016 and executed investment transactions during the period from October 1, 2016 to December 31, 2016, and that John Hancock held the Plan's investment assets as of December 31, 2015, and executed investment transactions during the period from January 1, 2015 to September 30, 2016. The Plan administrator has obtained certification from the Custodians as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodians is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental schedule, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**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 schedule, other than that derived from the information certified by the Custodians, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Houston, Texas
January 22, 2018

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 49,508 | $ 10,846 |
| Investments at fair value (See notes 2 and 3) | 11,211,455 | 8,725,261 |
| Receivables: | | |
| Trade securities | 320 | - |
| Employer contributions | 761,220 | 659,589 |
| Participant notes | 253,872 | 122,964 |
| Total receivables | 1,015,412 | 782,553 |
| Net assets available for benefits | $ 12,276,375 | $ 9,518,660 |

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

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
### FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Interest and dividends | $ 208,597 | $ - |
| Net appreciation (depreciation) in fair value of investments | 601,227 | (195,306) |
| Total investment income | 809,824 | (195,306) |
| Interest on participant notes receivable | 8,064 | 6,537 |
| Contributions: | | |
| Employee | 1,595,618 | 1,360,745 |
| Employer | 792,151 | 659,669 |
| Rollovers from other qualified plans | 790,565 | 247,154 |
| Total contributions | 3,178,334 | 2,267,568 |
| Total additions | 3,996,222 | 2,078,799 |
| Deductions from net assets attributed to: | | |
| Benefits paid | 1,234,907 | 345,015 |
| Administrative expenses | 3,600 | 3,478 |
| Total deductions | 1,238,507 | 348,853 |
| Net increase in net assets available for benefits | 2,757,715 | 1,730,306 |
| Net assets available for benefits, beginning of year | 9,518,660 | 7,788,354 |
| Net assets available for benefits, end of year | $ 12,276,375 | $ 9,518,660 |

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

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## NOTES TO FINANCIAL STATEMENTS

**1. Description of the Plan**

The following description of the Houston International Insurance Group 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution prototype plan that provides retirement savings benefits to eligible employees. HIIG Service Company (the "Company", "Employer", or "Sponsor") is the Plan Sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**Administration**

The Company is responsible for the administration and operation of the Plan. Employees of the Company serve as trustees of the Plan. Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") served as custodian of the Plan for the period from October 1, 2016 through December 31, 2016. For the period from January 1, 2015 through September 30, 2016, John Hancock Life Insurance Company ("John Hancock") served as the Plan's custodian. Nova 401(k) Associates (the "recordkeeper") serves as the recordkeeper of the Plan.

**Contributions**

Each year, participants may contribute up to 90 percent of their annual pre-tax compensation to the Plan, not to exceed the limitation set forth in Section 402(g) ($18,000 in both 2016 and 2015, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions (pre-tax contributions that exceed the annual elective deferral limit) during any calendar year ending on or after the participant's 50$^{th}$ birthday. A participant's total catch-up contribution is limited to a maximum of $6,000 per year in 2016 and 2015. Participant's contributions are matched at the discretion of the Company's Board of Directors. In addition, the Sponsor may make a discretionary profit sharing contribution. The Sponsor made discretionary profit sharing contributions of $792,151 and $659,669 in 2016 and 2015, respectively.

**Participant Accounts**

Each participant account is credited with the participant's contributions, any Sponsor matching contributions and discretionary profit sharing contributions, and allocations of Plan earnings based on their individual balances as defined by the Plan. Each participant is permitted to direct and control their investment account. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

**Vesting**

Participants are immediately vested in their contributions and earnings thereon as well as balances rolled over into the Plan from other qualified benefit plans under ERISA. Vesting in the employer-matching and discretionary profit-sharing contribution account is based on a participant's total years of service as follows:

| Years of Service | Vesting Percentage |
|---|---|
| 1 | 20% |
| 2 | 40% |
| 3 | 60% |
| 4 | 80% |
| 5 | 100% |

**1. Description of the Plan, continued**

**Participant Notes Receivable**

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to or the lesser of $50,000 or 50% of their vested account balance. A participant may have only one outstanding loan at any time. The term of the loan may not exceed five years, or twenty years if used for the purchase of a primary residence. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. For the year ended December 31, 2016, interest rates on participant loans ranged from 5.25% to 5.75% and for the year ended December 31, 2015, rates were 5.25%. Loans are repaid through participants' payroll deductions.

**Payment of Benefits**

Upon termination of service due to death, disability, or retirement, a participant (or his or her designated beneficiary in the event of death) may receive a single lump-sum amount equal to the value of the participant's vested interest in his or her account. In-service withdrawals are allowed by the Plan from the participant's fully vested account balance after the participant has attained age 59 ½. Prior to age 59 ½ and subject to guidelines set forth in the IRC, a participant may request a hardship withdrawal. However, hardship withdrawals may only be made from accounts which are fully vested.

**Forfeited Accounts**

Participants who separate from service prior to full vesting of their account balance forfeit their unvested share of the Sponsor's contributions. Amounts forfeited can be used by the Sponsor to reduce employer contributions or pay Plan expenses. At December 31, 2016 and 2015, there were forfeitures available for use in the amount of $57,764 and $10,845 respectively.

**Administrative Expenses**

The Plan is responsible for payment of the custodian and recordkeeper expenses and fees; however, the Sponsor may pay the Plan expenses directly. During the years ended December 31, 2016 and 2015, the Sponsor incurred certain expenses totaling $17,227 and $18,669, respectively, on behalf of the Plan. Transaction charges (for loan and benefit payment transactions) are paid by the Plan, reducing the balances of those participants initiating the transactions.

**Expense Offset Arrangements**

Fees incurred by the Plan for investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than a direct payment.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**2. Summary of Significant Accounting Policies, continued**

**Risks and Uncertainties**

The Plan provides for various investment options. These investment options are exposed to market risks, which generally mean the risk of loss in the value of certain investment securities due to changes in interest rates, security and commodity prices and general market conditions. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

**Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Net appreciation (depreciation) in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Participant Notes Receivable**

Participant notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on participant notes receivable is accrued as earned. Delinquent participant notes receivable are reclassified as distributions upon the occurrence of a distributable event, as defined in the Plan document.

**Benefit Payments**

Benefit payments are recorded when paid.

**Recent Accounting Pronouncements**

In May 2015, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* ASU No. 2015-07 applies to reporting entities that elect to measure the fair value of an investment using the net asset value ("NAV") per share (or its equivalent) as a practical expedient. Under the amendments in this update, investments for which fair value is measured using NAV per share (or its equivalent) as the practical expedient should not be categorized in the fair value hierarchy. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice resulting from the way in which investments measured at NAV per share (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV. ASU No. 2015-07 is effective for fiscal years beginning on or after December 15, 2016 on a retrospective basis. Early adoption is permitted and accordingly, Plan management elected to adopt ASU No. 2015-07 early in 2015. The adoption of ASU No. 2015-07 in 2015 impacted disclosures only by removing those investments measured at fair value using NAV as a practical expedient from classification in the fair value hierarchy in Note 3.

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*, to reduce the complexity in employee benefit plan accounting. The following is a summary of the changes required by ASU No. 2015-12:

**2. Summary of Significant Accounting Policies, continued**

**Recent Accounting Pronouncements, continued**

*Part I, Fully Benefit-Responsive Investment Contracts*: Topics 962 and 965 on employee benefit plan accounting require fully benefit-responsive investment contracts to be measured at contract value. Those Topics also require an adjustment to reconcile contract value to fair value, when these measures differ, on the face of the plan financial statements. The amendments in *Part I* of ASU No. 2015-12 designate contract value as the only required measure for fully benefit-responsive investment contracts, which maintains the relevant information while reducing the cost and complexity of reporting for fully benefit-responsive investment contracts.

*Part II, Plan Investment Disclosures*: As new disclosure requirements have been issued or amended, employee benefit plan financial statements have been affected. Specifically, the interaction between Topic 820, Fair Value Measurement, and Topics 960, 962, and 965 on employee benefit plan accounting sometimes requires aggregation, or organization of similar investment information, in multiple ways. The objective of *Part II* of ASU No. 2015-12 is to simplify and make more effective the investment disclosure requirements under Topic 820 and under Topics 960, 962, and 965 for employee benefit plans.

*Part III, Measurement Date Practical Expedient*: The objective of *Part III* of ASU No. 2015-12 is to reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

*Part I* and *Part II* of ASU No. 2015-12 are effective on a retrospective basis for fiscal years beginning on or after December 15, 2015. Early adoption is permitted. Plan management elected to adopt ASU No. 2015-12, *Part I* and *Part II* effective December 31, 2015. The adoption of ASU No. 2015-12 *Part I* and *Part II* resulted in: 1) the elimination of the footnote disclosing individual investments that represent 5 percent or more of net assets available for benefits and 2) the simplification of disclosures in the fair value measurement footnote. *Part III* is not applicable for the Plan.

**3. Fair Value Measurements**

FASB Accounting Standards Codification Topic 820 ("ASC 820") *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**3. Fair Value Measurements, continued**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining fair value, the Plan uses the market approach, which uses prices and other relevant data based on market transactions involving identical or comparable assets and liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Collective trust*: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawals from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

*Pooled separate accounts:* Valued at the NAV of units based on the quoted market price of the underlying securities and the number of units owned by the Plan. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with ASU No. 2015-07, investments measured at NAV per share (or its equivalent) as a practical expedient, are not classified in the fair value hierarchy. All of the Plan's investments, at December 31, 2015, are in pooled separate accounts and measured at NAV as a practical expedient. Accordingly, no fair value hierarchy is presented as of December 31, 2015.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value on a recurring basis as of December 31, 2016:

| | Investments at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | $ 10,639,791 | $ - | $ - | $ 10,639,791 |
| Investments measured at NAV[(a)] | | | | 571,664 |
| Total investments at fair value | | | | $ 11,211,455 |

(a) In accordance with ASU No. 2015-07, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Net Assets Available for Benefits.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV**

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2016 and 2015:

| | Fair Value 2016 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Putnam Stable Value Fund | $ 571,571 | N/A | Daily | None |
| Putnam Stable Value Fund GM | 93 | N/A | Daily | None |
| Total investments at NAV | $ 571,664 | | | |

| | Fair Value 2015 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| John Hancock Lifestyle Growth Active Strategy Fund [a] | $ 1,519,489 | N/A | Daily | None |
| John Hancock Retirement Living Through 2035 Fund [b] | 955,761 | N/A | Daily | None |
| John Hancock Lifestyle Balanced Active Strategy Fund [c] | 647,949 | N/A | Daily | None |
| John Hancock Retirement Living Through 2025 Fund [b] | 569,177 | N/A | Daily | None |
| John Hancock Retirement Living Through 2030 Fund [b] | 509,441 | N/A | Daily | None |
| John Hancock Vanguard Short-term Federal Fund [d] | 435,561 | N/A | Daily | None |
| John Hancock Retirement Living Through 2040 Fund [b] | 432,203 | N/A | Daily | None |
| John Hancock Fidelity Advisor New Insights Fund [e] | 387,434 | N/A | Daily | None |
| John Hancock Money Market Fund [f] | 324,549 | N/A | Daily | None |
| John Hancock Retirement Living Through 2020 Fund [b] | 257,030 | N/A | Daily | None |
| John Hancock Disciplined Value Fund [g] | 200,357 | N/A | Daily | None |
| John Hancock Mid Cap Index Fund [h] | 191,449 | N/A | Daily | None |
| John Hancock Wellington Mid Cap Stock Fund [i] | 180,609 | N/A | Daily | None |
| John Hancock Retirement Living Through 2045 Fund [b] | 176,525 | N/A | Daily | None |
| John Hancock Retirement Living Through 2015 Fund [b] | 165,767 | N/A | Daily | None |
| John Hancock Fidelity Advisor Total Bond Fund [j] | 153,556 | N/A | Daily | None |
| John Hancock Lifestyle Aggressive Active Strategy Fund [k] | 147,608 | N/A | Daily | None |
| John Hancock 500 Index Fund [l] | 144,609 | N/A | Daily | None |
| John Hancock American Funds Fundamental Investors Fund [m] | 140,708 | N/A | Daily | None |
| John Hancock American Funds Small Cap Growth Fund [n] | 140,056 | N/A | Daily | None |
| John Hancock Retirement Living Through 2050 Fund [b] | 134,615 | N/A | Daily | None |

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

| | Fair Value 2015 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| John Hancock Wellington Small Cap Value Fund [o] | 118,562 | N/A | Daily | None |
| John Hancock Lifestyle Moderate Active Strategy Fund [p] | 111,106 | N/A | Daily | None |
| John Hancock Franklin Templeton Founding Funds Allocation Fund [q] | 101,895 | N/A | Daily | None |
| John Hancock SSGA International Equity Index Fund [r] | 84,469 | N/A | Daily | None |
| John Hancock Small Cap Index Fund [s] | 81,227 | N/A | Daily | None |
| John Hancock Invesco Value Fund [t] | 58,239 | N/A | Daily | None |
| John Hancock Retirement Living Through 2010 Fund [b] | 46,572 | N/A | Daily | None |
| John Hancock Oppenheimer International Bond Fund [u] | 46,000 | N/A | Daily | None |
| John Hancock DFA International Value Fund [v] | 39,990 | N/A | Daily | None |
| John Hancock Retirement Living Through 2055 Fund [b] | 39,910 | N/A | Daily | None |
| John Hancock T. Rowe Price Small Company Value Fund [w] | 36,114 | N/A | Daily | None |
| John Hancock T. Rowe Price Mid Value Fund [x] | 35,106 | N/A | Daily | None |
| John Hancock Declaration Total Bond Market Fund [y] | 23,406 | N/A | Daily | None |
| John Hancock PIMCO Real Return Fund [z] | 21,985 | N/A | Daily | None |
| John Hancock DFA Emerging Markets Value Fund [aa] | 21,965 | N/A | Daily | None |
| Lifestyle Fund Growth Portfolio G.I.F.L. [bb] | 13,323 | N/A | Daily | None |
| Lifestyle Fund Balanced Portfolio G.I.F.L. [cc] | 9,040 | N/A | Daily | None |
| John Hancock American Funds New World Fund [dd] | 8,516 | N/A | Daily | None |
| John Hancock Lifestyle Conservative Active Strategy Fund [ee] | 8,149 | N/A | Daily | None |
| John Hancock Oppenheimer International Growth Fund [ff] | 3,109 | N/A | Daily | None |
| John Hancock DFA U.S. Targeted Value Fund [gg] | 2,125 | N/A | Daily | None |
| Total investments at NAV | $ 8,725,261 | | | |

***Investment Strategies***

(a) This fund has a lifestyle investment style and seeks long-term growth of capital by investing approximately 80% of the portfolio's assets in underlying portfolios that invest primarily in equity securities and approximately 20% of its assets in portfolios that invest primarily in fixed-income securities. Current income is also a consideration.

(b) This fund has a target date investment style and seeks high total return through its target retirement date. The portfolio is managed to provide potential growth and income opportunity even in the years after retirement. The most conservative mix occurs about 20 years after the target date when the portfolio has 75% fixed income and 25% equity allocation. This portfolio allocates its assets among underlying funds according to an asset allocation strategy that becomes increasingly conservative over time. The portfolio's asset mix increases its allocation to fixed income funds and reduces its allocation to stock funds as it nears its target date.

(c) This fund has a lifestyle investment style and seeks long-term growth of capital. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on growth of capital, by investing approximately 40% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and approximately 60% of its assets in underlying portfolios that invest primarily in equity securities.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(d) This fund has a high short investment style. It seeks to provide current income while maintaining limited price volatility. This portfolio invests primarily in U.S. Government agency securities, which are debt obligations issued or guaranteed by agencies or instrumentalities of the U.S. Government. In an effort to minimize fluctuations in market value, this fund is expected to maintain a dollar-weighted average maturity between 1 and 3 years.

(e) This fund has a large growth investment style and seeks long-term capital appreciation. The underlying fund invests in companies whose value the manager believes is not fully recognized by the public. These types of companies include those that are experiencing positive fundamental change, such as new management team or product launch, a significant cost-cutting initiative, a merger or acquisition, or industry turnaround.

(f) This fund has a high short investment style and seeks to achieve maximum current income consistent with preservation of principal and liquidity. John Hancock Asset Management's managers invest in high-quality, short-term U.S. dollar-denominated money market instruments. The fund invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are fully collateralized by U.S. Government securities or cash. U.S. Government securities include both securities issued or guaranteed by the U.S. Treasury and securities issued by entities that are chartered or sponsored by the U.S. Congress but are not issued or guaranteed by the U.S. Treasury. The fund buys securities that have remaining maturities of 397 days or less.

(g) This fund has a large value approach and seeks to provide long-term growth of capital. It invests primarily in large cap companies with an emphasis on attractive valuation, focused internal research and risk aversion.

(h) This fund has a medium blend investment style and seeks to achieve the approximate aggregate total return of a mid-cap U.S. domestic equity market index. Investment managers try to match the performance of the S&P Mid Cap 400 Index by holding all, or a representative sample of, the securities that comprise the index.

(i) This fund is a medium growth investment style and seeks long-term growth of capital. The portfolio manager considers securities with market capitalizations, at the time of investment, within the collective market capitalization range of companies represented in either the Russell Mid Cap Index or the S&P Mid Cap 400 Index. The strategy is opportunistic with a focus on fundamental research and total return.

(j) This fund has a High Intermediate investment style. It seeks a high level of current income. The underlying fund normally invests 80% of assets in debt securities of all types and repurchase agreements for those securities. It uses the Barclays U.S. Universal Bond Index as a guide in allocating assets across the investment-grade, high yield, and emerging market asset classes. Invests up to 20% of assets in lower-quality debt securities and invests in domestic and foreign issuers across different asset classes, market sectors, and maturities.

(k) This fund has a lifestyle investment style and seeks long-term growth of capital. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve long-term growth.

(l) This fund has a large blend investment style and seeks to achieve the approximate aggregate total return of a broad U.S. domestic equity market index. John Hancock Asset Management's managers try to match the performance of the S&P 500 Index by holding all, or a representative sample of, the securities that comprise the index.

(m) This fund has a large blend approach and seeks to provide long-term growth of capital and income. Using principles of fundamental analysis, the underlying fund seeks undervalued and overlooked opportunities with the potential for long-term growth. Companies under consideration for the portfolio often have strong balance sheets, high-quality products and leading market share.

(n) This fund is a small growth investment style and seeks long-term capital appreciation. The portfolio manager uses fundamental research to analyze company-specific variables with a focus on four main characteristics: sustainable revenue growth, superior market position, positive financial trends, and high-quality management.

(o) This fund has a small blend approach and seeks to achieve long-term capital appreciation. The portfolio manager uses proprietary fundamental research to focus on high-quality companies that exhibit one or more of the following characteristics: financial structures that are more conservative than the relevant industry average, companies that have relatively longer histories of operating performance as a publicly traded company and companies that have some sustainable advantage that will enable them to earn above-average rates of return.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(p) This fund has a lifestyle investment style and seeks primarily a high level of current income. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on income by investing approximately 60% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and 40% of its assets in portfolios that invest primarily in equity securities.

(q) This fund has a hybrid investment style and seeks capital appreciation through a diversified, value-oriented approach. It also seeks income as a secondary goal. The trust invests in equal allocations to three underlying funds-Franklin Income Fund, Mutual Shares Fund and Templeton Growth Fund-that invest in stocks and bonds in the U.S. and abroad and utilizes a diversified value-oriented approach specifically targeting securities trading at a discount to their true worth.

(r) This fund is a blend investment style and seeks long-term capital appreciation. SSGA's strategy seeks to match the performance and characteristics of the benchmark. The portfolio seeks to track the performance of a broad-based equity index of foreign companies primarily in developed countries and, to a lesser extent, in emerging markets.

(s) This fund has a small blend investment style and seeks to achieve the approximate aggregate total return of a small-cap U.S. domestic equity market index. The managers try to match the performance of the Russell 2000 Index by holding all, or a representative sample of, the securities that compromise the index.

(t) This fund has a medium value approach and seeks to achieve an above-average total return over a market cycle of three to five years. The portfolio emphasizes a "value" style of investing focusing on those companies with strong fundamentals, consistent track records, growth prospects, and attractive valuations.

(u) This fund has an Intermediate investment style. It seeks total return. At times, may emphasize seeking income when consistent with total return. The underlying fund invests mainly in a diversified portfolio of international bonds, focusing in part on government debt issued in developed and emerging market countries.

(v) This fund has an international/global equity value style and seeks long term capital appreciation. The primary objective of the DFA International Value portfolio is to capture the return premiums of the developed non-U.S. value asset class by investing in a well-diversified portfolio of securities.

(w) This fund has a small blend investment style and seeks long term growth of capital. T. Rowe Price's manager seeks securities that are undervalued as measured by assets, earnings, cash flow or business franchises. The manager utilizes a contrarian, bottom-up approach to identify underfollowed companies that are inefficiently priced. The strategy's broad diversification helps to control risk while the low turnover and patient orientation helps the manger fully exploit valuation anomalies.

(x) This fund has a medium value investment style and seeks long-term capital appreciation. The manager seeks to identify companies whose stock prices do not appear to reflect their underlying values. In selecting investments, the process begins with initial screens that look for mid-sized companies that have attractive fundamentals such as favorable industry structure, strong market position, and experienced management. From there, the manager conducts value and risk assessments to determine which stocks to buy.

(y) This fund has a high intermediate investment style. It seeks to track the performance of the Barclays Capital U.S. Aggregate Bond Index, which broadly represents the U.S. investment-grade bond market. The managers use a combination of stratified sampling and optimization techniques to design a portfolio that closely replicates the performance of the Barclays Capital U.S. Aggregate Bond Index. Their goal is to create a portfolio that minimizes the amount of total tracking error to the Barclays Capital U.S. Aggregate Bond Index by using a combination of proprietary and third-party systems.

(z) This fund has a high intermediate investment style and seeks maximum total return, consistent with preservation of capital and prudent investment management in order to add value through a variety of techniques that attempt to maximize return and minimize volatility.

(aa) This fund has an international/global equity value style and seeks long term capital appreciation. The primary objective of the underlying fund is to capture the return premiums of the emerging markets asset class by investing in a well-diversified portfolio of securities.

(bb) This fund is a growth fund with a guaranteed income feature. It seeks long-term growth of capital by investing approximately 80% of the portfolio’s assets in underlying portfolios that invest primarily in equity securities and approximately 20% of its assets in portfolios that invest primarily in fixed-income securities. Current income is also a consideration.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(cc) This fund is a growth and income fund with a guaranteed income feature. It seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on growth of capital by investing approximately 40% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and approximately 60% of its assets in underling portfolios that invest primarily in equity securities.

(dd) This fund has a growth investment style and seeks long-term capital appreciation. The investment professionals construct a broadly diversified portfolio with significant exposure to developing markets by investing in securities of issuers based in qualified developing countries, as well as in equity securities of issuers based in the developed world with significant assets or revenues attributable to developing countries. For their total return potential, the portfolio also invests in bonds offering exposure to developing countries. Management tends to show strong conviction in their holdings and takes a long-term investment approach, often recognizing market contractions as buying opportunities.

(ee) This fund has a lifestyle investment style and seeks primarily a high level of current income. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve this high level of current income with some consideration given to growth of capital by investing approximately 80% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and 30% of its assets in underlying portfolios that invest primarily in equity securities.

(ff) This fund has a growth investment style and seeks capital appreciation. In selecting securities the manager looks primarily for foreign and U.S. companies with high growth potential, and uses a fundamental analysis of a company's financial statements, management structure, operations and product development, and considers factors affecting the industry of which the company is part. The portfolio manager also considers overall and relative economic conditions in the U.S. and foreign markets and seeks broad portfolio diversification in different countries.

(gg) This fund is a small value investment style and seeks long term capital appreciation. The primary objective of the U.S. Targeted Value portfolio is to capture long-term capital appreciation by attempting to capture the returns and diversification benefits of a broad cross-section of U.S. small value companies, on a market cap-weighted basis.

**4. Information Certified by the Custodians (Unaudited)**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, certain information related to investments and participant notes receivable disclosed in the accompanying financial statements and supplemental schedule, including investments and participant notes receivable held at December 31, 2016 and 2015, net appreciation (depreciation) in fair value of investments, and interest on participant notes receivable for the years ended December 31, 2016 and 2015, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Merrill Lynch and John Hancock.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule.

**5. Tax Status**

Under Section 401(a) of the IRC, the Plan is qualified as tax-exempt. The Plan is based on a Volume Submitter ("VS") standardized plan offered by the Custodian. The Custodian received a letter, dated March 31, 2014, from the Internal Revenue Service ("IRS") regarding its review of the VS standardized plan. In the letter, the IRS stated the VS plan was in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan, as amended, is currently designed and being operated in compliance with the applicable requirements of the IRC.

## 6. Plan Termination

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their total account balance.

## 7. Party-in-Interest Transactions

Certain Plan investments are managed by the custodian and the Plan issues participant notes receivable. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

## 8. Reconciliation of Plan Financial Statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2016 and 2015:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 12,276,375 | $ 9,518,660 |
| Employer contributions receivable | (761,220) | (659,589) |
| Other | 2 | - |
| Net assets available for benefits per Form 5500 | $ 11,515,157 | $ 8,859,071 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2016 and 2015:

| | 2016 | 2015 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 2,757,715 | $ 1,730,306 |
| Change in employer contributions | (101,631) | (258,253) |
| Change in other | 2 | - |
| Net increase in net assets available for benefits per Form 5500 | $ 2,656,086 | $ 1,472,053 |

## 9. Subsequent Events

Plan management has evaluated all subsequent events through January 22, 2018, which is the date the financial statements were available to be issued, and has concluded that there are no significant events to be reported.

**SUPPLEMENTAL SCHEDULE**

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
### DECEMBER 31, 2016

**EIN: 26-1412169**
**PN: 002**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (e) Market Value** |
|---|---|---|---|
| | American Funds | Mutual fund – Balanced Fund Class R3 | $1,938,218 |
| | BlackRock Funds | Mutual fund – S & P 500 Index Class I | 1,180,688 |
| | JP Morgan | Mutual fund – SmartRetirement 2035 Class A | 1,094,137 |
| | JP Morgan | Mutual fund – SmartRetirement 2030 Class A | 912,211 |
| | JP Morgan | Mutual fund – SmartRetirement 2025 Class A | 826,770 |
| | Pioneer Investments | Mutual fund – Bond Fund Class A | 616,769 |
| | Putnam Fiduciary Trust Co. | Collective trust fund – Stable Value Fund | 571,571 |
| | JP Morgan | Mutual fund – SmartRetirement 2040 Class A | 540,936 |
| | Pioneer Investments | Mutual fund – Fundamental Growth Fund Class A | 470,227 |
| | Columbia | Mutual fund – Midcap Index Fund Class A | 318,496 |
| | Delaware | Mutual fund – Value Fund Class A | 300,977 |
| | JP Morgan | Mutual fund – SmartRetirement 2020 Class A | 255,516 |
| | JP Morgan | Mutual fund – SmartRetirement 2045 Class A | 221,453 |
| | JP Morgan | Mutual fund – SmartRetirement 2050 Class A | 215,995 |
| | JP Morgan | Mutual fund – SmartRetirement 2015 Class A | 214,751 |
| | Columbia | Mutual fund – Small Cap Index Fund Class A | 208,348 |
| | Victory | Mutual fund – Sycamore Small Comp Fund A | 198,292 |
| | Victory | Mutual fund – Sycamore Established Value Fund Class A | 176,758 |
| | Dreyfus | Mutual fund – International Equity Fund Class A | 150,621 |
| | Virtus | Mutual fund – Emerging Markets Opportunities Fund Class A | 138,972 |
| | PNC | Mutual fund – Multi Factor Small Cap Core Fund Class A | 106,853 |
| | Eaton Vance | Mutual fund – Atlanta Capital Small Cap Fund Class A | 104,282 |
| | PIMCO | Mutual fund – Foreign Bond Fund A USD Hedge | 97,756 |
| | JP Morgan | Mutual fund – SmartRetirement 2055 Class A | 92,960 |
| | BlackRock Funds | Mutual fund – International Index Fund Class A | 83,639 |
| | JP Morgan | Mutual fund – SmartRetirement | 51,679 |
| | Nuveen | Mutual fund – Inflation Protected Securities Fund Class A | 41,374 |
| | IVY | Mutual fund – High Income Fund Class Y | 37,588 |
| | Oppenheimer Funds | Mutual fund – International Growth Fund Class A | 22,603 |
| | Principal Investors | Mutual fund – Real Estate Securities Fund Class A | 16,045 |
| | JP Morgan | Mutual fund – Government Bond Class A GM | 841 |
| | BlackRock Funds | Mutual fund – International Index Fund Class A GM | 825 |
| | Delaware Funds | Mutual fund – Value Fund Class A GM | 549 |
| | Pioneer Investments | Mutual fund – Fundamental Growth Fund GM | 446 |
| | Victory | Mutual fund – Sycamore Established Value Fund Class A GM | 408 |
| | Virtus | Mutual fund – Emerging Markets Opportunities Fund A GM | 315 |
| | Pioneer | Mutual fund – Bond Fund GM | 275 |
| | Eaton Vance | Mutual fund – Atlanta Capital Small Cap Fund Class A GM | 264 |
| | Victory | Mutual fund – Sycamore Small Company Opportunity Fund Class A GM | 216 |
| | Deutsche Asset Management | Mutual fund – Enhanced Commodity Strategy Fund Class A GM | 182 |
| | Principal Investors | Mutual fund – Real Estate Securities Fund Class A GM | 170 |
| | Nuveen | Mutual fund – Inflation Protect A GM | 153 |
| | PNC Funds | Mutual fund – Multi Factor Small Cap Core Fund Class A GM | 132 |
| | IVY | Mutual fund – High Income Fund Class Y GM | 101 |
| | Putnam Fiduciary Trust Co. | Collective trust fund – Stable Value Fund GM | 93 |
| * | Participant loans | Participant notes receivable bearing interest ranging from 5.25% to 5.75% per year | 253,872 |
| | | Total | $ 11,465,327 |

* Represents party-in-interest.
** Cost information is not presented because all investments are participant directed.

# Houston International Insurance Group 401(k) Plan

## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
## WITH INDEPENDENT AUDITOR'S REPORT
## As of and for the Years Ended December 31, 2016 and 2015

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Ham, Langston & Brezina, L.L.P.

# INDEPENDENT AUDITOR'S REPORT

Audit Committee
Houston International Insurance Group 401(k) Plan:

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Houston International Insurance Group 401(k) Plan (the "Plan"), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended, 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Merrill Lynch, Pierce, Fenner & Smith, Inc., ("Merrill Lynch") and John Hancock Life Insurance Company ("John Hancock") (collectively, the "Custodians"), except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that Merrill Lynch held the Plan's investment assets as of December 31, 2016 and executed investment transactions during the period from October 1, 2016 to December 31, 2016, and that John Hancock held the Plan's investment assets as of December 31, 2015, and executed investment transactions during the period from January 1, 2015 to September 30, 2016. The Plan administrator has obtained certification from the Custodians as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodians is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental schedule, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**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 schedule, other than that derived from the information certified by the Custodians, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Houston, Texas
January 22, 2018

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 49,508 | $ 10,846 |
| Investments at fair value (See notes 2 and 3) | 11,211,455 | 8,725,261 |
| Receivables: | | |
| Trade securities | 320 | - |
| Employer contributions | 761,220 | 659,589 |
| Participant notes | 253,872 | 122,964 |
| Total receivables | 1,015,412 | 782,553 |
| Net assets available for benefits | $ 12,276,375 | $ 9,518,660 |

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

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
### FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Interest and dividends | $ 208,597 | $ - |
| Net appreciation (depreciation) in fair value of investments | 601,227 | (195,306) |
| Total investment income | 809,824 | (195,306) |
| Interest on participant notes receivable | 8,064 | 6,537 |
| Contributions: | | |
| Employee | 1,595,618 | 1,360,745 |
| Employer | 792,151 | 659,669 |
| Rollovers from other qualified plans | 790,565 | 247,154 |
| Total contributions | 3,178,334 | 2,267,568 |
| Total additions | 3,996,222 | 2,078,799 |
| Deductions from net assets attributed to: | | |
| Benefits paid | 1,234,907 | 345,015 |
| Administrative expenses | 3,600 | 3,478 |
| Total deductions | 1,238,507 | 348,853 |
| Net increase in net assets available for benefits | 2,757,715 | 1,730,306 |
| Net assets available for benefits, beginning of year | 9,518,660 | 7,788,354 |
| Net assets available for benefits, end of year | $ 12,276,375 | $ 9,518,660 |

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

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## NOTES TO FINANCIAL STATEMENTS

**1. Description of the Plan**

The following description of the Houston International Insurance Group 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution prototype plan that provides retirement savings benefits to eligible employees. HIIG Service Company (the "Company", "Employer", or "Sponsor") is the Plan Sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**Administration**

The Company is responsible for the administration and operation of the Plan. Employees of the Company serve as trustees of the Plan. Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") served as custodian of the Plan for the period from October 1, 2016 through December 31, 2016. For the period from January 1, 2015 through September 30, 2016, John Hancock Life Insurance Company ("John Hancock") served as the Plan's custodian. Nova 401(k) Associates (the "recordkeeper") serves as the recordkeeper of the Plan.

**Contributions**

Each year, participants may contribute up to 90 percent of their annual pre-tax compensation to the Plan, not to exceed the limitation set forth in Section 402(g) ($18,000 in both 2016 and 2015, respectively) of the Internal Revenue Code ("IRC"). Participants may make catch-up contributions (pre-tax contributions that exceed the annual elective deferral limit) during any calendar year ending on or after the participant's 50$^{th}$ birthday. A participant's total catch-up contribution is limited to a maximum of $6,000 per year in 2016 and 2015. Participant's contributions are matched at the discretion of the Company's Board of Directors. In addition, the Sponsor may make a discretionary profit sharing contribution. The Sponsor made discretionary profit sharing contributions of $792,151 and $659,669 in 2016 and 2015, respectively.

**Participant Accounts**

Each participant account is credited with the participant's contributions, any Sponsor matching contributions and discretionary profit sharing contributions, and allocations of Plan earnings based on their individual balances as defined by the Plan. Each participant is permitted to direct and control their investment account. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

**Vesting**

Participants are immediately vested in their contributions and earnings thereon as well as balances rolled over into the Plan from other qualified benefit plans under ERISA. Vesting in the employer-matching and discretionary profit-sharing contribution account is based on a participant's total years of service as follows:

| Years of Service | Vesting Percentage |
|---|---|
| 1 | 20% |
| 2 | 40% |
| 3 | 60% |
| 4 | 80% |
| 5 | 100% |

**1. Description of the Plan, continued**

**Participant Notes Receivable**

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to or the lesser of $50,000 or 50% of their vested account balance. A participant may have only one outstanding loan at any time. The term of the loan may not exceed five years, or twenty years if used for the purchase of a primary residence. The loans are secured by the vested balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. For the year ended December 31, 2016, interest rates on participant loans ranged from 5.25% to 5.75% and for the year ended December 31, 2015, rates were 5.25%. Loans are repaid through participants' payroll deductions.

**Payment of Benefits**

Upon termination of service due to death, disability, or retirement, a participant (or his or her designated beneficiary in the event of death) may receive a single lump-sum amount equal to the value of the participant's vested interest in his or her account. In-service withdrawals are allowed by the Plan from the participant's fully vested account balance after the participant has attained age 59 ½. Prior to age 59 ½ and subject to guidelines set forth in the IRC, a participant may request a hardship withdrawal. However, hardship withdrawals may only be made from accounts which are fully vested.

**Forfeited Accounts**

Participants who separate from service prior to full vesting of their account balance forfeit their unvested share of the Sponsor's contributions. Amounts forfeited can be used by the Sponsor to reduce employer contributions or pay Plan expenses. At December 31, 2016 and 2015, there were forfeitures available for use in the amount of $57,764 and $10,845 respectively.

**Administrative Expenses**

The Plan is responsible for payment of the custodian and recordkeeper expenses and fees; however, the Sponsor may pay the Plan expenses directly. During the years ended December 31, 2016 and 2015, the Sponsor incurred certain expenses totaling $17,227 and $18,669, respectively, on behalf of the Plan. Transaction charges (for loan and benefit payment transactions) are paid by the Plan, reducing the balances of those participants initiating the transactions.

**Expense Offset Arrangements**

Fees incurred by the Plan for investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than a direct payment.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**2. Summary of Significant Accounting Policies, continued**

**Risks and Uncertainties**

The Plan provides for various investment options. These investment options are exposed to market risks, which generally mean the risk of loss in the value of certain investment securities due to changes in interest rates, security and commodity prices and general market conditions. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

**Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Net appreciation (depreciation) in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation (depreciation) of investments held at the end of the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Participant Notes Receivable**

Participant notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on participant notes receivable is accrued as earned. Delinquent participant notes receivable are reclassified as distributions upon the occurrence of a distributable event, as defined in the Plan document.

**Benefit Payments**

Benefit payments are recorded when paid.

**Recent Accounting Pronouncements**

In May 2015, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* ASU No. 2015-07 applies to reporting entities that elect to measure the fair value of an investment using the net asset value ("NAV") per share (or its equivalent) as a practical expedient. Under the amendments in this update, investments for which fair value is measured using NAV per share (or its equivalent) as the practical expedient should not be categorized in the fair value hierarchy. Removing those investments from the fair value hierarchy not only eliminates the diversity in practice resulting from the way in which investments measured at NAV per share (or its equivalent) with future redemption dates are classified, but also ensures that all investments categorized in the fair value hierarchy are classified using a consistent approach. Investments that calculate NAV per share (or its equivalent), but for which the practical expedient is not applied, will continue to be included in the fair value hierarchy. A reporting entity should continue to disclose information on investments for which fair value is measured at NAV (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from NAV. ASU No. 2015-07 is effective for fiscal years beginning on or after December 15, 2016 on a retrospective basis. Early adoption is permitted and accordingly, Plan management elected to adopt ASU No. 2015-07 early in 2015. The adoption of ASU No. 2015-07 in 2015 impacted disclosures only by removing those investments measured at fair value using NAV as a practical expedient from classification in the fair value hierarchy in Note 3.

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*, to reduce the complexity in employee benefit plan accounting. The following is a summary of the changes required by ASU No. 2015-12:

**2. Summary of Significant Accounting Policies, continued**

**Recent Accounting Pronouncements, continued**

*Part I, Fully Benefit-Responsive Investment Contracts*: Topics 962 and 965 on employee benefit plan accounting require fully benefit-responsive investment contracts to be measured at contract value. Those Topics also require an adjustment to reconcile contract value to fair value, when these measures differ, on the face of the plan financial statements. The amendments in *Part I* of ASU No. 2015-12 designate contract value as the only required measure for fully benefit-responsive investment contracts, which maintains the relevant information while reducing the cost and complexity of reporting for fully benefit-responsive investment contracts.

*Part II, Plan Investment Disclosures*: As new disclosure requirements have been issued or amended, employee benefit plan financial statements have been affected. Specifically, the interaction between Topic 820, Fair Value Measurement, and Topics 960, 962, and 965 on employee benefit plan accounting sometimes requires aggregation, or organization of similar investment information, in multiple ways. The objective of *Part II* of ASU No. 2015-12 is to simplify and make more effective the investment disclosure requirements under Topic 820 and under Topics 960, 962, and 965 for employee benefit plans.

*Part III, Measurement Date Practical Expedient*: The objective of *Part III* of ASU No. 2015-12 is to reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

*Part I* and *Part II* of ASU No. 2015-12 are effective on a retrospective basis for fiscal years beginning on or after December 15, 2015. Early adoption is permitted. Plan management elected to adopt ASU No. 2015-12, *Part I* and *Part II* effective December 31, 2015. The adoption of ASU No. 2015-12 *Part I* and *Part II* resulted in: 1) the elimination of the footnote disclosing individual investments that represent 5 percent or more of net assets available for benefits and 2) the simplification of disclosures in the fair value measurement footnote. *Part III* is not applicable for the Plan.

**3. Fair Value Measurements**

FASB Accounting Standards Codification Topic 820 ("ASC 820") *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**3. Fair Value Measurements, continued**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining fair value, the Plan uses the market approach, which uses prices and other relevant data based on market transactions involving identical or comparable assets and liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Collective trust*: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawals from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

*Pooled separate accounts:* Valued at the NAV of units based on the quoted market price of the underlying securities and the number of units owned by the Plan. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with ASU No. 2015-07, investments measured at NAV per share (or its equivalent) as a practical expedient, are not classified in the fair value hierarchy. All of the Plan's investments, at December 31, 2015, are in pooled separate accounts and measured at NAV as a practical expedient. Accordingly, no fair value hierarchy is presented as of December 31, 2015.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value on a recurring basis as of December 31, 2016:

| | Investments at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | $ 10,639,791 | $ - | $ - | $ 10,639,791 |
| Investments measured at NAV[(a)] | | | | 571,664 |
| Total investments at fair value | | | | $ 11,211,455 |

(a) In accordance with ASU No. 2015-07, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Net Assets Available for Benefits.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV**

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2016 and 2015:

| | Fair Value 2016 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Putnam Stable Value Fund | $ 571,571 | N/A | Daily | None |
| Putnam Stable Value Fund GM | 93 | N/A | Daily | None |
| Total investments at NAV | $ 571,664 | | | |

| | Fair Value 2015 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| John Hancock Lifestyle Growth Active Strategy Fund [a] | $ 1,519,489 | N/A | Daily | None |
| John Hancock Retirement Living Through 2035 Fund [b] | 955,761 | N/A | Daily | None |
| John Hancock Lifestyle Balanced Active Strategy Fund [c] | 647,949 | N/A | Daily | None |
| John Hancock Retirement Living Through 2025 Fund [b] | 569,177 | N/A | Daily | None |
| John Hancock Retirement Living Through 2030 Fund [b] | 509,441 | N/A | Daily | None |
| John Hancock Vanguard Short-term Federal Fund [d] | 435,561 | N/A | Daily | None |
| John Hancock Retirement Living Through 2040 Fund [b] | 432,203 | N/A | Daily | None |
| John Hancock Fidelity Advisor New Insights Fund [e] | 387,434 | N/A | Daily | None |
| John Hancock Money Market Fund [f] | 324,549 | N/A | Daily | None |
| John Hancock Retirement Living Through 2020 Fund [b] | 257,030 | N/A | Daily | None |
| John Hancock Disciplined Value Fund [g] | 200,357 | N/A | Daily | None |
| John Hancock Mid Cap Index Fund [h] | 191,449 | N/A | Daily | None |
| John Hancock Wellington Mid Cap Stock Fund [i] | 180,609 | N/A | Daily | None |
| John Hancock Retirement Living Through 2045 Fund [b] | 176,525 | N/A | Daily | None |
| John Hancock Retirement Living Through 2015 Fund [b] | 165,767 | N/A | Daily | None |
| John Hancock Fidelity Advisor Total Bond Fund [j] | 153,556 | N/A | Daily | None |
| John Hancock Lifestyle Aggressive Active Strategy Fund [k] | 147,608 | N/A | Daily | None |
| John Hancock 500 Index Fund [l] | 144,609 | N/A | Daily | None |
| John Hancock American Funds Fundamental Investors Fund [m] | 140,708 | N/A | Daily | None |
| John Hancock American Funds Small Cap Growth Fund [n] | 140,056 | N/A | Daily | None |
| John Hancock Retirement Living Through 2050 Fund [b] | 134,615 | N/A | Daily | None |

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

| | Fair Value 2015 | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| John Hancock Wellington Small Cap Value Fund [o] | 118,562 | N/A | Daily | None |
| John Hancock Lifestyle Moderate Active Strategy Fund [p] | 111,106 | N/A | Daily | None |
| John Hancock Franklin Templeton Founding Funds Allocation Fund [q] | 101,895 | N/A | Daily | None |
| John Hancock SSGA International Equity Index Fund [r] | 84,469 | N/A | Daily | None |
| John Hancock Small Cap Index Fund [s] | 81,227 | N/A | Daily | None |
| John Hancock Invesco Value Fund [t] | 58,239 | N/A | Daily | None |
| John Hancock Retirement Living Through 2010 Fund [b] | 46,572 | N/A | Daily | None |
| John Hancock Oppenheimer International Bond Fund [u] | 46,000 | N/A | Daily | None |
| John Hancock DFA International Value Fund [v] | 39,990 | N/A | Daily | None |
| John Hancock Retirement Living Through 2055 Fund [b] | 39,910 | N/A | Daily | None |
| John Hancock T. Rowe Price Small Company Value Fund [w] | 36,114 | N/A | Daily | None |
| John Hancock T. Rowe Price Mid Value Fund [x] | 35,106 | N/A | Daily | None |
| John Hancock Declaration Total Bond Market Fund [y] | 23,406 | N/A | Daily | None |
| John Hancock PIMCO Real Return Fund [z] | 21,985 | N/A | Daily | None |
| John Hancock DFA Emerging Markets Value Fund [aa] | 21,965 | N/A | Daily | None |
| Lifestyle Fund Growth Portfolio G.I.F.L. [bb] | 13,323 | N/A | Daily | None |
| Lifestyle Fund Balanced Portfolio G.I.F.L. [cc] | 9,040 | N/A | Daily | None |
| John Hancock American Funds New World Fund [dd] | 8,516 | N/A | Daily | None |
| John Hancock Lifestyle Conservative Active Strategy Fund [ee] | 8,149 | N/A | Daily | None |
| John Hancock Oppenheimer International Growth Fund [ff] | 3,109 | N/A | Daily | None |
| John Hancock DFA U.S. Targeted Value Fund [gg] | 2,125 | N/A | Daily | None |
| Total investments at NAV | $ 8,725,261 | | | |

***Investment Strategies***

(a) This fund has a lifestyle investment style and seeks long-term growth of capital by investing approximately 80% of the portfolio's assets in underlying portfolios that invest primarily in equity securities and approximately 20% of its assets in portfolios that invest primarily in fixed-income securities. Current income is also a consideration.

(b) This fund has a target date investment style and seeks high total return through its target retirement date. The portfolio is managed to provide potential growth and income opportunity even in the years after retirement. The most conservative mix occurs about 20 years after the target date when the portfolio has 75% fixed income and 25% equity allocation. This portfolio allocates its assets among underlying funds according to an asset allocation strategy that becomes increasingly conservative over time. The portfolio's asset mix increases its allocation to fixed income funds and reduces its allocation to stock funds as it nears its target date.

(c) This fund has a lifestyle investment style and seeks long-term growth of capital. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on growth of capital, by investing approximately 40% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and approximately 60% of its assets in underlying portfolios that invest primarily in equity securities.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(d) This fund has a high short investment style. It seeks to provide current income while maintaining limited price volatility. This portfolio invests primarily in U.S. Government agency securities, which are debt obligations issued or guaranteed by agencies or instrumentalities of the U.S. Government. In an effort to minimize fluctuations in market value, this fund is expected to maintain a dollar-weighted average maturity between 1 and 3 years.

(e) This fund has a large growth investment style and seeks long-term capital appreciation. The underlying fund invests in companies whose value the manager believes is not fully recognized by the public. These types of companies include those that are experiencing positive fundamental change, such as new management team or product launch, a significant cost-cutting initiative, a merger or acquisition, or industry turnaround.

(f) This fund has a high short investment style and seeks to achieve maximum current income consistent with preservation of principal and liquidity. John Hancock Asset Management's managers invest in high-quality, short-term U.S. dollar-denominated money market instruments. The fund invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are fully collateralized by U.S. Government securities or cash. U.S. Government securities include both securities issued or guaranteed by the U.S. Treasury and securities issued by entities that are chartered or sponsored by the U.S. Congress but are not issued or guaranteed by the U.S. Treasury. The fund buys securities that have remaining maturities of 397 days or less.

(g) This fund has a large value approach and seeks to provide long-term growth of capital. It invests primarily in large cap companies with an emphasis on attractive valuation, focused internal research and risk aversion.

(h) This fund has a medium blend investment style and seeks to achieve the approximate aggregate total return of a mid-cap U.S. domestic equity market index. Investment managers try to match the performance of the S&P Mid Cap 400 Index by holding all, or a representative sample of, the securities that comprise the index.

(i) This fund is a medium growth investment style and seeks long-term growth of capital. The portfolio manager considers securities with market capitalizations, at the time of investment, within the collective market capitalization range of companies represented in either the Russell Mid Cap Index or the S&P Mid Cap 400 Index. The strategy is opportunistic with a focus on fundamental research and total return.

(j) This fund has a High Intermediate investment style. It seeks a high level of current income. The underlying fund normally invests 80% of assets in debt securities of all types and repurchase agreements for those securities. It uses the Barclays U.S. Universal Bond Index as a guide in allocating assets across the investment-grade, high yield, and emerging market asset classes. Invests up to 20% of assets in lower-quality debt securities and invests in domestic and foreign issuers across different asset classes, market sectors, and maturities.

(k) This fund has a lifestyle investment style and seeks long-term growth of capital. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve long-term growth.

(l) This fund has a large blend investment style and seeks to achieve the approximate aggregate total return of a broad U.S. domestic equity market index. John Hancock Asset Management's managers try to match the performance of the S&P 500 Index by holding all, or a representative sample of, the securities that comprise the index.

(m) This fund has a large blend approach and seeks to provide long-term growth of capital and income. Using principles of fundamental analysis, the underlying fund seeks undervalued and overlooked opportunities with the potential for long-term growth. Companies under consideration for the portfolio often have strong balance sheets, high-quality products and leading market share.

(n) This fund is a small growth investment style and seeks long-term capital appreciation. The portfolio manager uses fundamental research to analyze company-specific variables with a focus on four main characteristics: sustainable revenue growth, superior market position, positive financial trends, and high-quality management.

(o) This fund has a small blend approach and seeks to achieve long-term capital appreciation. The portfolio manager uses proprietary fundamental research to focus on high-quality companies that exhibit one or more of the following characteristics: financial structures that are more conservative than the relevant industry average, companies that have relatively longer histories of operating performance as a publicly traded company and companies that have some sustainable advantage that will enable them to earn above-average rates of return.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(p) This fund has a lifestyle investment style and seeks primarily a high level of current income. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on income by investing approximately 60% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and 40% of its assets in portfolios that invest primarily in equity securities.

(q) This fund has a hybrid investment style and seeks capital appreciation through a diversified, value-oriented approach. It also seeks income as a secondary goal. The trust invests in equal allocations to three underlying funds-Franklin Income Fund, Mutual Shares Fund and Templeton Growth Fund-that invest in stocks and bonds in the U.S. and abroad and utilizes a diversified value-oriented approach specifically targeting securities trading at a discount to their true worth.

(r) This fund is a blend investment style and seeks long-term capital appreciation. SSGA's strategy seeks to match the performance and characteristics of the benchmark. The portfolio seeks to track the performance of a broad-based equity index of foreign companies primarily in developed countries and, to a lesser extent, in emerging markets.

(s) This fund has a small blend investment style and seeks to achieve the approximate aggregate total return of a small-cap U.S. domestic equity market index. The managers try to match the performance of the Russell 2000 Index by holding all, or a representative sample of, the securities that compromise the index.

(t) This fund has a medium value approach and seeks to achieve an above-average total return over a market cycle of three to five years. The portfolio emphasizes a "value" style of investing focusing on those companies with strong fundamentals, consistent track records, growth prospects, and attractive valuations.

(u) This fund has an Intermediate investment style. It seeks total return. At times, may emphasize seeking income when consistent with total return. The underlying fund invests mainly in a diversified portfolio of international bonds, focusing in part on government debt issued in developed and emerging market countries.

(v) This fund has an international/global equity value style and seeks long term capital appreciation. The primary objective of the DFA International Value portfolio is to capture the return premiums of the developed non-U.S. value asset class by investing in a well-diversified portfolio of securities.

(w) This fund has a small blend investment style and seeks long term growth of capital. T. Rowe Price's manager seeks securities that are undervalued as measured by assets, earnings, cash flow or business franchises. The manager utilizes a contrarian, bottom-up approach to identify underfollowed companies that are inefficiently priced. The strategy's broad diversification helps to control risk while the low turnover and patient orientation helps the manger fully exploit valuation anomalies.

(x) This fund has a medium value investment style and seeks long-term capital appreciation. The manager seeks to identify companies whose stock prices do not appear to reflect their underlying values. In selecting investments, the process begins with initial screens that look for mid-sized companies that have attractive fundamentals such as favorable industry structure, strong market position, and experienced management. From there, the manager conducts value and risk assessments to determine which stocks to buy.

(y) This fund has a high intermediate investment style. It seeks to track the performance of the Barclays Capital U.S. Aggregate Bond Index, which broadly represents the U.S. investment-grade bond market. The managers use a combination of stratified sampling and optimization techniques to design a portfolio that closely replicates the performance of the Barclays Capital U.S. Aggregate Bond Index. Their goal is to create a portfolio that minimizes the amount of total tracking error to the Barclays Capital U.S. Aggregate Bond Index by using a combination of proprietary and third-party systems.

(z) This fund has a high intermediate investment style and seeks maximum total return, consistent with preservation of capital and prudent investment management in order to add value through a variety of techniques that attempt to maximize return and minimize volatility.

(aa) This fund has an international/global equity value style and seeks long term capital appreciation. The primary objective of the underlying fund is to capture the return premiums of the emerging markets asset class by investing in a well-diversified portfolio of securities.

(bb) This fund is a growth fund with a guaranteed income feature. It seeks long-term growth of capital by investing approximately 80% of the portfolio’s assets in underlying portfolios that invest primarily in equity securities and approximately 20% of its assets in portfolios that invest primarily in fixed-income securities. Current income is also a consideration.

**3. Fair Value Measurements, continued**

**Fair Value of Investments in Entities that Use NAV, continued**

***Investment Strategies, continued***

(cc) This fund is a growth and income fund with a guaranteed income feature. It seeks to achieve a balance between a high level of current income and growth of capital, with a greater emphasis on growth of capital by investing approximately 40% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and approximately 60% of its assets in underling portfolios that invest primarily in equity securities.

(dd) This fund has a growth investment style and seeks long-term capital appreciation. The investment professionals construct a broadly diversified portfolio with significant exposure to developing markets by investing in securities of issuers based in qualified developing countries, as well as in equity securities of issuers based in the developed world with significant assets or revenues attributable to developing countries. For their total return potential, the portfolio also invests in bonds offering exposure to developing countries. Management tends to show strong conviction in their holdings and takes a long-term investment approach, often recognizing market contractions as buying opportunities.

(ee) This fund has a lifestyle investment style and seeks primarily a high level of current income. This asset allocation portfolio is managed with the intention of providing an optimal mix of a broadly diversified portfolio. The portfolio seeks to achieve this high level of current income with some consideration given to growth of capital by investing approximately 80% of the portfolio's assets in underlying portfolios that invest primarily in fixed-income securities and 30% of its assets in underlying portfolios that invest primarily in equity securities.

(ff) This fund has a growth investment style and seeks capital appreciation. In selecting securities the manager looks primarily for foreign and U.S. companies with high growth potential, and uses a fundamental analysis of a company's financial statements, management structure, operations and product development, and considers factors affecting the industry of which the company is part. The portfolio manager also considers overall and relative economic conditions in the U.S. and foreign markets and seeks broad portfolio diversification in different countries.

(gg) This fund is a small value investment style and seeks long term capital appreciation. The primary objective of the U.S. Targeted Value portfolio is to capture long-term capital appreciation by attempting to capture the returns and diversification benefits of a broad cross-section of U.S. small value companies, on a market cap-weighted basis.

**4. Information Certified by the Custodians (Unaudited)**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, certain information related to investments and participant notes receivable disclosed in the accompanying financial statements and supplemental schedule, including investments and participant notes receivable held at December 31, 2016 and 2015, net appreciation (depreciation) in fair value of investments, and interest on participant notes receivable for the years ended December 31, 2016 and 2015, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Merrill Lynch and John Hancock.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the accompanying financial statements and supplemental schedule.

**5. Tax Status**

Under Section 401(a) of the IRC, the Plan is qualified as tax-exempt. The Plan is based on a Volume Submitter ("VS") standardized plan offered by the Custodian. The Custodian received a letter, dated March 31, 2014, from the Internal Revenue Service ("IRS") regarding its review of the VS standardized plan. In the letter, the IRS stated the VS plan was in compliance with the applicable requirements of the IRC. The Plan administrator believes that the Plan, as amended, is currently designed and being operated in compliance with the applicable requirements of the IRC.

## 6. Plan Termination

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants become 100% vested in their total account balance.

## 7. Party-in-Interest Transactions

Certain Plan investments are managed by the custodian and the Plan issues participant notes receivable. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

## 8. Reconciliation of Plan Financial Statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2016 and 2015:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 12,276,375 | $ 9,518,660 |
| Employer contributions receivable | (761,220) | (659,589) |
| Other | 2 | - |
| Net assets available for benefits per Form 5500 | $ 11,515,157 | $ 8,859,071 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2016 and 2015:

| | 2016 | 2015 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 2,757,715 | $ 1,730,306 |
| Change in employer contributions | (101,631) | (258,253) |
| Change in other | 2 | - |
| Net increase in net assets available for benefits per Form 5500 | $ 2,656,086 | $ 1,472,053 |

## 9. Subsequent Events

Plan management has evaluated all subsequent events through January 22, 2018, which is the date the financial statements were available to be issued, and has concluded that there are no significant events to be reported.

**SUPPLEMENTAL SCHEDULE**

# HOUSTON INTERNATIONAL INSURANCE GROUP 401(K) PLAN
## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
### DECEMBER 31, 2016

**EIN: 26-1412169**
**PN: 002**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (e) Market Value** |
|---|---|---|---|
| | American Funds | Mutual fund – Balanced Fund Class R3 | $1,938,218 |
| | BlackRock Funds | Mutual fund – S & P 500 Index Class I | 1,180,688 |
| | JP Morgan | Mutual fund – SmartRetirement 2035 Class A | 1,094,137 |
| | JP Morgan | Mutual fund – SmartRetirement 2030 Class A | 912,211 |
| | JP Morgan | Mutual fund – SmartRetirement 2025 Class A | 826,770 |
| | Pioneer Investments | Mutual fund – Bond Fund Class A | 616,769 |
| | Putnam Fiduciary Trust Co. | Collective trust fund – Stable Value Fund | 571,571 |
| | JP Morgan | Mutual fund – SmartRetirement 2040 Class A | 540,936 |
| | Pioneer Investments | Mutual fund – Fundamental Growth Fund Class A | 470,227 |
| | Columbia | Mutual fund – Midcap Index Fund Class A | 318,496 |
| | Delaware | Mutual fund – Value Fund Class A | 300,977 |
| | JP Morgan | Mutual fund – SmartRetirement 2020 Class A | 255,516 |
| | JP Morgan | Mutual fund – SmartRetirement 2045 Class A | 221,453 |
| | JP Morgan | Mutual fund – SmartRetirement 2050 Class A | 215,995 |
| | JP Morgan | Mutual fund – SmartRetirement 2015 Class A | 214,751 |
| | Columbia | Mutual fund – Small Cap Index Fund Class A | 208,348 |
| | Victory | Mutual fund – Sycamore Small Comp Fund A | 198,292 |
| | Victory | Mutual fund – Sycamore Established Value Fund Class A | 176,758 |
| | Dreyfus | Mutual fund – International Equity Fund Class A | 150,621 |
| | Virtus | Mutual fund – Emerging Markets Opportunities Fund Class A | 138,972 |
| | PNC | Mutual fund – Multi Factor Small Cap Core Fund Class A | 106,853 |
| | Eaton Vance | Mutual fund – Atlanta Capital Small Cap Fund Class A | 104,282 |
| | PIMCO | Mutual fund – Foreign Bond Fund A USD Hedge | 97,756 |
| | JP Morgan | Mutual fund – SmartRetirement 2055 Class A | 92,960 |
| | BlackRock Funds | Mutual fund – International Index Fund Class A | 83,639 |
| | JP Morgan | Mutual fund – SmartRetirement | 51,679 |
| | Nuveen | Mutual fund – Inflation Protected Securities Fund Class A | 41,374 |
| | IVY | Mutual fund – High Income Fund Class Y | 37,588 |
| | Oppenheimer Funds | Mutual fund – International Growth Fund Class A | 22,603 |
| | Principal Investors | Mutual fund – Real Estate Securities Fund Class A | 16,045 |
| | JP Morgan | Mutual fund – Government Bond Class A GM | 841 |
| | BlackRock Funds | Mutual fund – International Index Fund Class A GM | 825 |
| | Delaware Funds | Mutual fund – Value Fund Class A GM | 549 |
| | Pioneer Investments | Mutual fund – Fundamental Growth Fund GM | 446 |
| | Victory | Mutual fund – Sycamore Established Value Fund Class A GM | 408 |
| | Virtus | Mutual fund – Emerging Markets Opportunities Fund A GM | 315 |
| | Pioneer | Mutual fund – Bond Fund GM | 275 |
| | Eaton Vance | Mutual fund – Atlanta Capital Small Cap Fund Class A GM | 264 |
| | Victory | Mutual fund – Sycamore Small Company Opportunity Fund Class A GM | 216 |
| | Deutsche Asset Management | Mutual fund – Enhanced Commodity Strategy Fund Class A GM | 182 |
| | Principal Investors | Mutual fund – Real Estate Securities Fund Class A GM | 170 |
| | Nuveen | Mutual fund – Inflation Protect A GM | 153 |
| | PNC Funds | Mutual fund – Multi Factor Small Cap Core Fund Class A GM | 132 |
| | IVY | Mutual fund – High Income Fund Class Y GM | 101 |
| | Putnam Fiduciary Trust Co. | Collective trust fund – Stable Value Fund GM | 93 |
| * | Participant loans | Participant notes receivable bearing interest ranging from 5.25% to 5.75% per year | 253,872 |
| | | Total | $ 11,465,327 |

* Represents party-in-interest.
** Cost information is not presented because all investments are participant directed.

| SCHEDULE H (Form 5500) | Financial Information | OMB No. 1210-0110 |
|---|---|---|
| Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | 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).<br>▶ **File as an attachment to Form 5500.** | **2016**<br>**This Form is Open to Public Inspection** |

For calendar plan year 2016 or fiscal plan year beginning and ending

| | |
|---|---|
| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |

## 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 | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

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

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

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

## 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)** ☐ Disclaimer **(4)** ☐ Adverse

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

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

**(1)** Name: **(2)** EIN:

**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 | | | |
| **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 | | | |

| | | | 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** | | | |
| **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** | | | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | | | |
| **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** | | | |
| **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** | | | |
| **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** | | | |
| **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** | | | |
| **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** | | | |
| **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** | | | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | | |
| **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** | | | |
| **o** | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | **4o** | | | |

**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:**

**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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## Part V Trust Information

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

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | MERRILL LYNCH BANK DEPOSIT PROGRAM | CERT OF DEPOSIT / BANK DEPOSIT | 49,508 | 49,508 |
| | PUTNAM STABLE VALUE FUND | COMMON / COLLECTIVE TRUSTS | 571,571 | 571,571 |
| | PUTNAM STABLE VALUE FUND GM | COMMON / COLLECTIVE TRUSTS | 93 | 93 |
| | JPMORGAN GOVERNMENT BOND GM | MUTUAL FUNDS | 856 | 841 |
| | AMERICAN BALANCED FD CL R3 | MUTUAL FUNDS | 1,947,756 | 1,938,218 |
| | DREYFUS INTL EQTY FD A | MUTUAL FUNDS | 152,704 | 150,621 |
| | EATON VANCE ATLANTA CPTL SMD | MUTUAL FUNDS | 105,272 | 104,282 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | EATON VANCE ATLANTA CPTLSMD GM | MUTUAL FUNDS | 265 | 264 |
| | IVY HIGH INCOME FD CL Y | MUTUAL FUNDS | 36,964 | 37,588 |
| | IVY HIGH INCOME FD CL Y GM | MUTUAL FUNDS | 100 | 101 |
| | COLUMBIA MIDCAP INDEX FD CL A | MUTUAL FUNDS | 314,391 | 318,496 |
| | PNC MULTI FACTOR SMALL CAP A | MUTUAL FUNDS | 98,634 | 106,853 |
| | PNC MULTI FACTOR SML CAP A GM | MUTUAL FUNDS | 126 | 132 |
| | DELAWARE VALUE FD A | MUTUAL FUNDS | 294,419 | 300,977 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | DELAWARE VALUE A GM | MUTUAL FUNDS | 540 | 549 |
| | VICTORY SYCAMORE EST VAL FD A | MUTUAL FUNDS | 169,397 | 176,758 |
| | VICTORY SYCAMORE EST VAL FD GM | MUTUAL FUNDS | 401 | 408 |
| | NUVEEN INFLATION PROTECTED A | MUTUAL FUNDS | 42,332 | 41,374 |
| | NUVEEN INFLATION PROTECT A GM | MUTUAL FUNDS | 156 | 153 |
| | DEUTSCHE ENHCD COMM STRAT A GM | MUTUAL FUNDS | 184 | 182 |
| | VIRTUS EMERGING MRKTS OPP CL A | MUTUAL FUNDS | 157,034 | 138,972 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | VIRTUS EMERGING MRKTS OPP A GM | MUTUAL FUNDS | 327 | 315 |
| | JP MORGAN SMRTRET 2015 A | MUTUAL FUNDS | 217,774 | 214,751 |
| | JP MORGAN SMTRTIREMENT | MUTUAL FUNDS | 52,413 | 51,679 |
| | JP MORGAN SMRTRET 2020 A | MUTUAL FUNDS | 259,976 | 255,516 |
| | PIONEER FUNDAMENTAL | MUTUAL FUNDS | 478,691 | 470,227 |
| | PIONEER FUNDAMENTAL GM | MUTUAL FUNDS | 449 | 446 |
| | JP MORGAN SMRTRET 2030 A | MUTUAL FUNDS | 924,560 | 912,211 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | JP MORGAN SMRTRET 2040 A | MUTUAL FUNDS | 546,751 | 540,936 |
| | PRINCIPAL INVESTORS REAL SEC A | MUTUAL FUNDS | 16,477 | 16,045 |
| | PRINCIPAL INVESTORS REAL A GM | MUTUAL FUNDS | 171 | 170 |
| | JP MORGAN SMRTRET 2025 A | MUTUAL FUNDS | 841,037 | 826,770 |
| | JP MORGAN SMRTRET 2045 A | MUTUAL FUNDS | 223,818 | 221,453 |
| | JP MORGAN SMRTRET 2050 A | MUTUAL FUNDS | 218,539 | 215,995 |
| | JP MORGAN SMRTRET 2035 A | MUTUAL FUNDS | 1,107,924 | 1,094,137 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | JP MORGAN SMRTRET 2055 A | MUTUAL FUNDS | 93,838 | 92,960 |
| | BLACKROCK S&P 500 INDEX INSTL | MUTUAL FUNDS | 1,165,317 | 1,180,688 |
| | OPPENHEIMER INTL GROWTH F CL A | MUTUAL FUNDS | 24,134 | 22,603 |
| | BLACKROCK INTERN INDEX A | MUTUAL FUNDS | 86,804 | 83,639 |
| | BLACKROCK INTERN INDEX A GM | MUTUAL FUNDS | 832 | 825 |
| | PIMCO FOREIGN BD FD A USD HEDG | MUTUAL FUNDS | 98,161 | 97,756 |
| | COLUMBIA SMALL CAP INDEX FD A | MUTUAL FUNDS | 196,463 | 208,348 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | VICTORY SYCAMORE SMALL COMP A | MUTUAL FUNDS | 182,779 | 198,292 |
| | VICTORY SYCAMORE SML COMP A GM | MUTUAL FUNDS | 211 | 216 |
| | PIONEER BOND FUND | MUTUAL FUNDS | 625,854 | 616,769 |
| | PIONEER BOND FUND GM | MUTUAL FUNDS | 278 | 275 |
| | LOAN FUND | LOANS | 253,872 | 253,872 |
| | PENDING SETTLEMENT FUND | PENDING SETTLEMENT FUNDS | 320 | 320 |
| | Uninvested Cash | Uninvested Cash | 0 | 0 |

**Attachment to 2016 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** Houston International Insurance Group 401(k) Plan **EIN:** 45-5463484
**Plan Sponsor's Name** Houston International Insurance Group, LTD **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | Accrued Income | Accrued Income | 0 | 0 |
| | | | | |
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