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

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

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

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2001

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)
HEREFORD INSURANCE COMPANY

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

2b Employer Identification Number (EIN) 11-2774650

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

2d Business code (see instructions) 524210

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2020	EDWARD MAKELA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	285
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)**	222
a(2) Total number of active participants at the end of the plan year	**6a(2)**	249
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	63
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	312
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	312
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	237
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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:

2F 2G 2J 2K 2T 3D 2E

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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(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)** [ ] ___ **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 2019 Form M-1 annual report. If the plan was not required to file the 2019 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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2019** **This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
11-2774650

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
60	RECORDKEEPER	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
ABF BW LG CP VAL R5 - DST ASSET MA 34-1953399	0.04%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
HTFD BALANCED INC Y - HARTFORD ADM 41-0679409	0.10%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
HTFD CORE EQUITY Y - HARTFORD ADMI 41-0679409	0.05%

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

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
11-2774650

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

a Name of MTIA, CCT, PSA, or 103-12 IE: METLIFE GAC SERIES 25053 0

b Name of sponsor of entity listed in (a): RELIANCE 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)
46-6625485-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: WT METLIFE STAB VAL

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

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)
26-0142858-094	C	720925

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
11-2774650

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	13700
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	356490	415732
(9) Value of interest in common/collective trusts	1c(9)	855899	720925
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6194887	7912696
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	7407276	9063053
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7407276	9063053

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)	371936	
	(B) Participants	2a(1)(B)	672470	
	(C) Others (including rollovers)	2a(1)(C)	54466	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1098872
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	892	
	(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)	0	
	(E) Participant loans	2b(1)(E)	17668	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		18560
	(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)	198636	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		198636
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		22729
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1238014
c Other income	2c		-1546
d Total income. Add all **income** amounts in column (b) and enter total	2d		2575265
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	880326	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		880326
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	39162	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		39162
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		919488
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1655777
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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) [ ] Unmodified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

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

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
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		

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

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.)

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

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
11-2774650

Part I Distributions

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

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

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): 16-1470238

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 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):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
DECEMBER 31, 2019

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
DECEMBER 31, 2019

CONTENTS

Report of Independent Certified Public Accountants

Exhibit "A" - Statements of Net Assets Available for Plan Benefits as of December 31, 2019 and December 31, 2018

Exhibit "B" - Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2019

Notes to Financial Statements

Schedule 1 - Schedule of Assets Held at End of Year - December 31, 2019

Schedule 2 - Schedule of Assets Both Acquired and Disposed of within the Plan Year, December 31, 2019

Schedule 3 - Schedule of Reportable Transactions

Bonamassa, Maietta & Cartelli, LLP

Certified Public Accountants

James D. Bonamassa, CPA
Lawrence F. Maietta, CPA
Vincent J. Cartelli, CPA

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hereford Insurance Company 401(K) Profit Sharing Plan & Trust, which comprise the statements of net assets available for plan benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2019 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 audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Mid Atlantic Trust Company, the custodian of the Plan, and Fidelity Management Trust Company, the Trustee of the Plan, and except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian and trustee hold the participant-directed Plan's investment assets and executes investment transactions for the same. The plan administrator has obtained a certification from the custodian and the trustee, as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the custodian and trustee 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

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

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

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



Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

October 1, 2020

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
EXHIBIT "A"
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31,	
ASSETS		
	2019	2018
Investments, at fair value		
Participant directed		
Mutual funds	$ 7,912,696	$ 6,194,887
Investment contract	720,925	855,899
Total investments	8,633,621	7,050,786
Interest bearing cash	13,700	-
Receivables		
Notes receivable from participants	415,733	356,490
Employer contributions	12,926	-
Participant contributions	26,147	
Accrued interest income	711	-
Total receivables	455,517	356,490
Total assets	$ 9,102,838	$ 7,407,276
LIABILITIES		
Excess contributions payable	$ -	$ 11,210
Total liabilities	-	11,210
Net assets available for plan benefits	$ 9,102,838	$ 7,396,066

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

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
EXHIBIT "B"
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019

Additions to net assets attributed to:	
Investment income -	
Interest and Dividends	$ 200,721
Net appreciation in fair value of investments	1,258,004
	1,458,725
Interest income on notes receivables from participants	18,379
Participants' contributions	698,617
Employer's contribution	396,072
Participant rollover contribution	54,466
	1,149,155
Total additions	2,626,259
Deductions from net assets attributed to:	
Distributions to plan participants	$ 880,326
Fees	39,161
Total deductions	919,487
Net increase in plan assets	1,706,772
Net assets available for plan benefits:	
Balance - January 1, 2019	7,396,066
Balance - December 31, 2019	$ 9,102,838

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

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan:

The following description of the Hereford Insurance Company 401(K) Profit Sharing Plan & Trust (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 plan covering all employees who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan includes a 401(k) feature whereby participants may elect to contribute to the Plan on a pre-tax basis. Participants are eligible to contribute to the 401(k) portion of the Plan after completing six months of service. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution. The Plan may make discretionary employer contributions. The Plan's record keeper was Paychex Retirement Services and Mid Atlantic Trust Company was the custodian of the Plan. Effective December 1, 2019 Fidelity Investments became the record keeper for the Plan and Fidelity Management Trust Company became the Plan's trustee.

Contributions

Each year, participants may contribute up to the Internal Revenue Service prescribed limits of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may contribute amounts representing distributions from other qualified defined benefit or contribution plans. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution for eligible employees. Eligible employees for safe harbor matching 401(k) contributions are those employees, who completed a minimum of six months of service and elect salary deferrals into the Plan. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral calculated each payroll period. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan permits the Employer to contribute profit sharing contributions and qualified non-elective contributions at the sole discretion of the Employer. Profit sharing contributions will be allocated to eligible employees. In order to be eligible for a profit sharing contribution the employee must be actively employed on the last day of the plan year, must have reached the age of twenty-one and must have completed 1,000 hours of service during the Plan year. The Employer may make additional qualified non-elective contributions in order to help pass various non-discriminative tests for the 401(K) portion of the Plan. Contributions are subject to certain limitations. Contributions in the amount of $396,072 and $367,921 were made for the Plan years ended December 31, 2019 and 2018, respectively.

Note 1. Description of Plan – continued:

Participant Accounts

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

Vesting

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

Notes Receivable from Participants

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

Payment of Benefits

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

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested accounts totaled $4,185 and $10,320 respectively. These accounts may be used to reduce employer contributions.

Note 2. Summary of Significant Accounting Policies:

Basis

The financial statements are prepared under the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Note 2. Summary of Significant Accounting Policies - continued:

Investment Valuation and Income Recognition

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

Purchase and sales of security are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2019 and 2018, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

Fair Value of Financial Instruments

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

Estimates

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

Payment of Benefits

Benefits are recorded when paid.

Note 2. Summary of Significant Accounting Policies - continued:

Expenses

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

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement, Disclosure Framework-Changes to Disclosure Requirements for Fair Value Measurement.* The update guidance improves the disclosure requirements on fair value measurements. The updated guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Plan is currently assessing the timing and impact of adopting the updated provision.

Subsequent Events

The Plan has evaluated subsequent events through October 1, 2020, the date the financial statements were available to be issued. See Note 12.

Note 3. Information Prepared and Certified by the Custodian:

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee and custodian of the Plan as of December 31, 2019 and 2018, respectively.

	2019	2018
Investments, at fair value:		
Mutual Funds	$ 7,912,696	$ 6,194,887
Investment contract	720,925	855,899
Interest bearing cash	13,700	---
Net investment gain (loss) income from registered investment companies	$ 1,458,725	$ (281,456)

Note 4. Investments:

During the year ended December 31, 2019 the Plan's investments (including investments bought, sold and held during the year) increased in value by $1,258,004 attributable to mutual funds, government and agency obligations, corporate debt, preferred and common stock.

Note 5. Fair Value of Financial Instruments:

Effective January 1, 2008 The Plan adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157) (FASB ASC 820-10), which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The Valuation Hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the Valuation Hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the Valuation Hierarchy and the distribution of the Company's financial assets within it are as follows:

- Level 1 – inputs to the valuation of methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 5. Fair Value of Financial Instruments - continued:

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

Fair Value Measurements at Reporting Date Using

December 31, 2019	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 7,912,696	$ 7,912,696	$ ---	$ ---
Investment contract	720,925	---	---	720,925
Total Assets	$ 8,633,621	$ 7,912,696	$ ---	$ 720,925

December 31, 2018	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 6,194,887	$ 6,194,887	$ ---	$ ---
Investment contract	855,899	---	---	855,899
Total Assets	$ 7,050,786	$ 6,194,887	$ ---	$ 855,899

Note 5. Fair Value of Financial Instruments - continued:

The investment contract and mutual funds that are not actively traded and significant other observable inputs are not available. Thus, the fair value of the investment contract and mutual funds are determined by the amount that would have been paid if the contract had terminated as of the day of the reporting period. Potential surrender charges and market value adjustments have been applied as of such date. The following table provides further details of the Level 3 fair value measurements at December 31, 2019 and 2018.

December 31, 2019	Mutual Funds & Investment Contract
Beginning balance	$ 855,899
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	(134,974)
Ending balance	$ 720,925

December 31, 2018	Mutual Funds & Investment Contract
Beginning balance	$ 594,964
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	260,935
Ending balance	$ 855,899

Note 6. Excess Contributions Payable:

The Plan's sponsor contributed $11,210 in excess of the required 2018 safe harbor match, said amount is shown as a liability in the accompanying financial statements as of December 31, 2018. The Plan's sponsor elected to contribute said amount to the Plan in 2019.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 7. Plan Termination:

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

Note 8. Tax Status:

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

Note 9. Risk and Uncertainties:

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

Note 10. Related Parties:

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

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

The Plan is invested in a mutual funds managed by Fidelity Investments. Fidelity Investments is the record keeper of the Plan therefore these investments qualify as related party transaction.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 11. Reconciliation of the Financial Statements to Schedule H of Form 5500:

The following is a reconciliation of net assets available for plan benefits per the financial statements at December 31, 2019 and 2018, to Form 5500:

	12/31/19
Net assets available for plan benefits per financial statements	$ 9,102,838
Employer contributions receivable	(12,926)
Participant contributions receivable	(26,147)
Accrued interest income	(712)
Net assets per annual 5500 filing	$ 9,063,053

	12/31/18
Net assets available for plan benefits per financial statements	$ 7,396,066
Excess contributions payable	11,210
Net assets per annual 5500 filing	$ 7,407,276

The following is a reconciliation of net increase in plan assets per the financial statements at December 31, 2019, to Form 5500:

	12/31/19
Net increase in plan assets per financial statement	$ 1,706,772
Increase in employer contributions receivable	(12,926)
Increase in participants contributions receivable	(26,147)
Decrease in excess contributions payable	(11,210)
Increase in accrued interest receivable	(712)
Net income per annual 5500 filing	$ 1,655,777

Note 12. Subsequent Events:

The Plan has evaluated subsequent events through October 1, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID—19") outbreak, that has led to a global health emergency. As a result, economic uncertainties have arisen which greatly contribute to the instability of the financial market. Because values of the Plan's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and related impact of the plans liquidity cannot be reasonably estimated at this time.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2019

IDENTITY AND DESCRIPTION OF INVESTMENT	SHARES	COST	MARKET VALUE
Mutual Funds			
American Beacon Bridgeway Large Cap Value R5	2,733		$ 74,171
American Century Ultra R6	13,498		735,255
American Funds New Perspective Fund Class R6	22,888		1,081,435
PGIM Total Return Bond Fund - Class R6	73,570		1,060,877
PGIM High Yield Fund - Class R6	11,500		64,167
American Funds American Balanced Fund Class R-6	21,255		605,990
American Funds 2010 Target Date Retirement Fund Class R6	1,921		21,556
American Funds 2015 Target Date Retirement Fund Class R6	8,175		97,115
American Funds 2020 Target Date Retirement Fund Class R6	2,223		28,896
American Funds 2025 Target Date Retirement Fund Class R6	17,667		249,630
American Funds 2030 Target Date Retirement Fund Class R6	17,581		267,412
American Funds 2035 Target Date Retirement Fund Class R6	14,104		223,266
American Funds 2040 Target Date Retirement Fund Class R6	3,851		62,654
American Funds 2045 Target Date Retirement Fund Class R6	6,604		109,492
American Funds 2050 Target Date Retirement Fund Class R6	3,641		59,309
American Funds 2055 Target Date Retirement Fund Class R6	2,333		47,753
American Funds 2060 Target Date Retirement Fund Class R6	1,280		17,446
Invesco Oppenheimer International Diversified Fund R6	4,944		94,884
DFA Inflation-Protected Securites Port	4,014		48,373
* Fidelity Four-in-one Index	2,963		145,233
* Fidelity 500 Index Fund	8,046		901,258
* Fidelity Mid Cap Index Fund	24,261		573,298
* Fidelity Small Cap Index Fund	44,618		938,327
The Hartford Balanced Income Fund Class Y	20,715		313,003
Hartford Core Equity Fund Class Y	2,595		91,896
Total Mutual Funds			7,912,696
Investment contract			720,925
Total assets			$ 8,633,621

Cost information is blank as all investments are particpant directed.
* Denotes parties-in-interest

See auditor's report.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 2
SCHEDULE OF ASSETS
BOTH ACQUIRED AND DISPOSED OF WITHIN THE PLAN YEAR
DECEMBER 31, 2019

SECURITY NAME	SHARES	COST	PROCEEDS
None	None	$ -	$ -
		$ -	$ -

See auditor's report.

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 3
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2019

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

See auditor's report.

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS
DECEMBER 31, 2019

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
DECEMBER 31, 2019

CONTENTS

Report of Independent Certified Public Accountants

Exhibit "A" - Statements of Net Assets Available for Plan Benefits as of December 31, 2019 and December 31, 2018

Exhibit "B" - Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2019

Notes to Financial Statements

Schedule 1 - Schedule of Assets Held at End of Year - December 31, 2019

Schedule 2 - Schedule of Assets Both Acquired and Disposed of within the Plan Year, December 31, 2019

Schedule 3 - Schedule of Reportable Transactions

Bonamassa, Maietta & Cartelli, LLP

Certified Public Accountants

James D. Bonamassa, CPA
Lawrence F. Maietta, CPA
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Hereford Insurance Company 401(K) Profit Sharing Plan & Trust, which comprise the statements of net assets available for plan benefits as of December 31, 2019 and 2018, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2019 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 audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Mid Atlantic Trust Company, the custodian of the Plan, and Fidelity Management Trust Company, the Trustee of the Plan, and except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian and trustee hold the participant-directed Plan's investment assets and executes investment transactions for the same. The plan administrator has obtained a certification from the custodian and the trustee, as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the custodian and trustee 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

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

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

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



Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

October 1, 2020

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
EXHIBIT "A"
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

	December 31,	
ASSETS		
	2019	2018
Investments, at fair value		
Participant directed		
Mutual funds	$ 7,912,696	$ 6,194,887
Investment contract	720,925	855,899
Total investments	8,633,621	7,050,786
Interest bearing cash	13,700	-
Receivables		
Notes receivable from participants	415,733	356,490
Employer contributions	12,926	-
Participant contributions	26,147	
Accrued interest income	711	-
Total receivables	455,517	356,490
Total assets	$ 9,102,838	$ 7,407,276
LIABILITIES		
Excess contributions payable	$ -	$ 11,210
Total liabilities	-	11,210
Net assets available for plan benefits	$ 9,102,838	$ 7,396,066

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

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
EXHIBIT "B"
STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019

Additions to net assets attributed to:	
Investment income -	
Interest and Dividends	$ 200,721
Net appreciation in fair value of investments	1,258,004
	1,458,725
Interest income on notes receivables from participants	18,379
Participants' contributions	698,617
Employer's contribution	396,072
Participant rollover contribution	54,466
	1,149,155
Total additions	2,626,259
Deductions from net assets attributed to:	
Distributions to plan participants	$ 880,326
Fees	39,161
Total deductions	919,487
Net increase in plan assets	1,706,772
Net assets available for plan benefits:	
Balance - January 1, 2019	7,396,066
Balance - December 31, 2019	$ 9,102,838

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

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan:

The following description of the Hereford Insurance Company 401(K) Profit Sharing Plan & Trust (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 plan covering all employees who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan includes a 401(k) feature whereby participants may elect to contribute to the Plan on a pre-tax basis. Participants are eligible to contribute to the 401(k) portion of the Plan after completing six months of service. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution. The Plan may make discretionary employer contributions. The Plan's record keeper was Paychex Retirement Services and Mid Atlantic Trust Company was the custodian of the Plan. Effective December 1, 2019 Fidelity Investments became the record keeper for the Plan and Fidelity Management Trust Company became the Plan's trustee.

Contributions

Each year, participants may contribute up to the Internal Revenue Service prescribed limits of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may contribute amounts representing distributions from other qualified defined benefit or contribution plans. Effective January 1, 2013 the Plan was amended to include a safe harbor 401(k) matching contribution for eligible employees. Eligible employees for safe harbor matching 401(k) contributions are those employees, who completed a minimum of six months of service and elect salary deferrals into the Plan. The safe harbor contribution will be a match of 100% of the first 3% of salary deferral plus 50% of the next 2% of salary deferral calculated each payroll period. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan permits the Employer to contribute profit sharing contributions and qualified non-elective contributions at the sole discretion of the Employer. Profit sharing contributions will be allocated to eligible employees. In order to be eligible for a profit sharing contribution the employee must be actively employed on the last day of the plan year, must have reached the age of twenty-one and must have completed 1,000 hours of service during the Plan year. The Employer may make additional qualified non-elective contributions in order to help pass various non-discriminative tests for the 401(K) portion of the Plan. Contributions are subject to certain limitations. Contributions in the amount of $396,072 and $367,921 were made for the Plan years ended December 31, 2019 and 2018, respectively.

Note 1. Description of Plan – continued:

Participant Accounts

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

Vesting

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

Notes Receivable from Participants

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

Payment of Benefits

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

Forfeited Accounts

At December 31, 2019 and 2018, forfeited non-vested accounts totaled $4,185 and $10,320 respectively. These accounts may be used to reduce employer contributions.

Note 2. Summary of Significant Accounting Policies:

Basis

The financial statements are prepared under the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Note 2. Summary of Significant Accounting Policies - continued:

Investment Valuation and Income Recognition

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

Purchase and sales of security are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2019 and 2018, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

Fair Value of Financial Instruments

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

Estimates

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

Payment of Benefits

Benefits are recorded when paid.

Note 2. Summary of Significant Accounting Policies - continued:

Expenses

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

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement, Disclosure Framework-Changes to Disclosure Requirements for Fair Value Measurement.* The update guidance improves the disclosure requirements on fair value measurements. The updated guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Plan is currently assessing the timing and impact of adopting the updated provision.

Subsequent Events

The Plan has evaluated subsequent events through October 1, 2020, the date the financial statements were available to be issued. See Note 12.

Note 3. Information Prepared and Certified by the Custodian:

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee and custodian of the Plan as of December 31, 2019 and 2018, respectively.

	2019	2018
Investments, at fair value:		
Mutual Funds	$ 7,912,696	$ 6,194,887
Investment contract	720,925	855,899
Interest bearing cash	13,700	---
Net investment gain (loss) income from registered investment companies	$ 1,458,725	$ (281,456)

Note 4. Investments:

During the year ended December 31, 2019 the Plan's investments (including investments bought, sold and held during the year) increased in value by $1,258,004 attributable to mutual funds, government and agency obligations, corporate debt, preferred and common stock.

Note 5. Fair Value of Financial Instruments:

Effective January 1, 2008 The Plan adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157) (FASB ASC 820-10), which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The Valuation Hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the Valuation Hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the Valuation Hierarchy and the distribution of the Company's financial assets within it are as follows:

- Level 1 – inputs to the valuation of methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 5. Fair Value of Financial Instruments - continued:

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

Fair Value Measurements at Reporting Date Using

December 31, 2019	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 7,912,696	$ 7,912,696	$ ---	$ ---
Investment contract	720,925	---	---	720,925
Total Assets	$ 8,633,621	$ 7,912,696	$ ---	$ 720,925

December 31, 2018	Fair Value	Quote Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 6,194,887	$ 6,194,887	$ ---	$ ---
Investment contract	855,899	---	---	855,899
Total Assets	$ 7,050,786	$ 6,194,887	$ ---	$ 855,899

Note 5. Fair Value of Financial Instruments - continued:

The investment contract and mutual funds that are not actively traded and significant other observable inputs are not available. Thus, the fair value of the investment contract and mutual funds are determined by the amount that would have been paid if the contract had terminated as of the day of the reporting period. Potential surrender charges and market value adjustments have been applied as of such date. The following table provides further details of the Level 3 fair value measurements at December 31, 2019 and 2018.

December 31, 2019	Mutual Funds & Investment Contract
Beginning balance	$ 855,899
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	(134,974)
Ending balance	$ 720,925

December 31, 2018	Mutual Funds & Investment Contract
Beginning balance	$ 594,964
Total gains or losses (realized and unrealized) purchases, sales, issuances, and settlements (net)	260,935
Ending balance	$ 855,899

Note 6. Excess Contributions Payable:

The Plan's sponsor contributed $11,210 in excess of the required 2018 safe harbor match, said amount is shown as a liability in the accompanying financial statements as of December 31, 2018. The Plan's sponsor elected to contribute said amount to the Plan in 2019.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 7. Plan Termination:

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

Note 8. Tax Status:

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

Note 9. Risk and Uncertainties:

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

Note 10. Related Parties:

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

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

The Plan is invested in a mutual funds managed by Fidelity Investments. Fidelity Investments is the record keeper of the Plan therefore these investments qualify as related party transaction.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS

Note 11. Reconciliation of the Financial Statements to Schedule H of Form 5500:

The following is a reconciliation of net assets available for plan benefits per the financial statements at December 31, 2019 and 2018, to Form 5500:

	12/31/19
Net assets available for plan benefits per financial statements	$ 9,102,838
Employer contributions receivable	(12,926)
Participant contributions receivable	(26,147)
Accrued interest income	(712)
Net assets per annual 5500 filing	$ 9,063,053

	12/31/18
Net assets available for plan benefits per financial statements	$ 7,396,066
Excess contributions payable	11,210
Net assets per annual 5500 filing	$ 7,407,276

The following is a reconciliation of net increase in plan assets per the financial statements at December 31, 2019, to Form 5500:

	12/31/19
Net increase in plan assets per financial statement	$ 1,706,772
Increase in employer contributions receivable	(12,926)
Increase in participants contributions receivable	(26,147)
Decrease in excess contributions payable	(11,210)
Increase in accrued interest receivable	(712)
Net income per annual 5500 filing	$ 1,655,777

Note 12. Subsequent Events:

The Plan has evaluated subsequent events through October 1, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID—19") outbreak, that has led to a global health emergency. As a result, economic uncertainties have arisen which greatly contribute to the instability of the financial market. Because values of the Plan's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and related impact of the plans liquidity cannot be reasonably estimated at this time.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 1
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2019

IDENTITY AND DESCRIPTION OF INVESTMENT	SHARES	COST	MARKET VALUE
Mutual Funds			
American Beacon Bridgeway Large Cap Value R5	2,733		$ 74,171
American Century Ultra R6	13,498		735,255
American Funds New Perspective Fund Class R6	22,888		1,081,435
PGIM Total Return Bond Fund - Class R6	73,570		1,060,877
PGIM High Yield Fund - Class R6	11,500		64,167
American Funds American Balanced Fund Class R-6	21,255		605,990
American Funds 2010 Target Date Retirement Fund Class R6	1,921		21,556
American Funds 2015 Target Date Retirement Fund Class R6	8,175		97,115
American Funds 2020 Target Date Retirement Fund Class R6	2,223		28,896
American Funds 2025 Target Date Retirement Fund Class R6	17,667		249,630
American Funds 2030 Target Date Retirement Fund Class R6	17,581		267,412
American Funds 2035 Target Date Retirement Fund Class R6	14,104		223,266
American Funds 2040 Target Date Retirement Fund Class R6	3,851		62,654
American Funds 2045 Target Date Retirement Fund Class R6	6,604		109,492
American Funds 2050 Target Date Retirement Fund Class R6	3,641		59,309
American Funds 2055 Target Date Retirement Fund Class R6	2,333		47,753
American Funds 2060 Target Date Retirement Fund Class R6	1,280		17,446
Invesco Oppenheimer International Diversified Fund R6	4,944		94,884
DFA Inflation-Protected Securites Port	4,014		48,373
* Fidelity Four-in-one Index	2,963		145,233
* Fidelity 500 Index Fund	8,046		901,258
* Fidelity Mid Cap Index Fund	24,261		573,298
* Fidelity Small Cap Index Fund	44,618		938,327
The Hartford Balanced Income Fund Class Y	20,715		313,003
Hartford Core Equity Fund Class Y	2,595		91,896
Total Mutual Funds			7,912,696
Investment contract			720,925
Total assets			$ 8,633,621

Cost information is blank as all investments are particpant directed.
* Denotes parties-in-interest

See auditor's report.

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 2
SCHEDULE OF ASSETS
BOTH ACQUIRED AND DISPOSED OF WITHIN THE PLAN YEAR
DECEMBER 31, 2019

SECURITY NAME	SHARES	COST	PROCEEDS
None	None	$ -	$ -
		$ -	$ -

See auditor's report.

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants

HEREFORD INSURANCE COMPANY
401(K) PROFIT SHARING PLAN & TRUST
SCHEDULE 3
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2019

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

See auditor's report.

Bonamassa, Maietta & Cartelli, LLP
Certified Public Accountants