Best Meridian Insurance Company

a Wholly Owned Subsidiary of BMI Financial Group, Inc.

Statutory Basis Financial Statements and Supplementary Information

Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Independent Auditor's Report

Audit Committee of the Board of Directors
Best Meridian Insurance Company
Miami, Florida

Opinions

We have audited the statutory basis financial statements of Best Meridian Insurance Company (the Company), which comprise the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2024 and 2023, and the related statutory basis statements of operations, changes in capital and surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying statutory basis financial statements present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in its capital and surplus, and its cash flows for the years then ended in accordance with the statutory accounting practices prescribed or permitted by the Florida Department of Financial Services – Office of Insurance Regulation as described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the statutory basis financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2024 and 2023, or the results of its operations and its cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the statutory basis financial statements, the statutory basis financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Florida Department of Financial Services – Office of Insurance Regulation, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the statutory basis financial statements of the variances between the statutory accounting practices described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statutory basis financial statements in accordance with accounting practices prescribed or permitted by the Florida Department of Financial Services – Office of Insurance Regulation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory basis financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the statutory basis financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the statutory basis financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory basis financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory basis financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory basis financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory basis financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplementary Information

Our audits of the statutory basis financial statements were conducted for the purpose of forming an opinion on those statutory basis financial statements taken as a whole. The accompanying supplemental summary investment schedule, investment risk interrogatories, and the reinsurance interrogatories as of and for the year ended December 31, 2024, are presented for purposes of additional analysis and are not a required part of the basic statutory basis financial statements but is supplementary information required by the Florida Department of Financial Services – Office of Insurance Regulation.

The accompanying supplementary information is the responsibility of the Company's management and were derived from and relate directly to the underlying accounting and other records used to prepare the statutory basis financial statements. Such information has been subjected to the auditing procedures applied in our audits of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the statutory basis financial statements or to the statutory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic statutory basis financial statements taken as a whole.

BDO USA, P.C.

June 2, 2025

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Admitted Assets,
Liabilities and Capital and Surplus
December 31, 2024 and 2023

ADMITTED ASSETS	2024	2023
Cash and invested assets		
Bonds	$ 214,200,062	$ 204,411,688
Stocks	9,224,178	2,075,595
Mortgage loans	36,457,333	36,483,502
Real estate	34,543,214	30,250,272
Policy loans	4,179,367	4,197,639
Cash and short-term investments	44,721,568	43,460,989
Receivables for securities	1,704	-
TOTAL CASH AND INVESTED ASSETS	343,327,426	320,879,685
Premiums deferred and uncollected	38,601,268	45,428,249
Due from reinsurers	35,186,108	28,791,018
Investment income due and accrued	2,176,623	2,178,772
Federal income tax recoverable	4,197,648	3,462,608
Net deferred tax asset	4,152,313	3,360,483
Other admitted assets	10,579,628	16,485,237
TOTAL ADMITTED ASSETS	$ 438,221,014	$ 420,586,052
LIABILITIES AND CAPITAL AND SURPLUS		
Liabilities		
Aggregate reserves		
Life policies	$ 246,397,979	$ 246,785,849
Accident and health policies	42,858,698	41,341,798
Deposit-type contracts	353,746	350,092
Policy and contract claims		
Life policies	9,941,933	14,357,719
Accident and health policies	35,147,763	30,296,865
General expenses due and accrued	1,881,581	121,528
Commissions to agents due and accrued	1,080,577	911,512
Reinsurance premiums payable	4,047,694	662,490
Asset valuation reserve	6,582,990	5,527,722
Interest maintenance reserve	1,603,406	1,858,899
Other liabilities	18,021,059	15,142,350
TOTAL LIABILITIES	367,917,426	357,356,824
Capital and surplus		
Common stock, $1 par value; authorized 2,500,000 shares; issued and outstanding 750,000 shares	750,000	750,000
Paid-in surplus	7,150,000	7,150,000
Unassigned surplus	62,403,588	55,329,228
TOTAL CAPITAL AND SURPLUS	70,303,588	63,229,228
TOTAL LIABILITIES AND CAPITAL AND SURPLUS	$ 438,221,014	$ 420,586,052

See accompanying notes to statutory financial statements.

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
PREMIUMS AND OTHER REVENUES		
Premiums and annuity considerations	$ 172,724,134	$ 170,481,933
Investment income, net of investment expenses of $2,100,743 and $1,866,400 in 2024 and 2023, respectively	15,343,164	13,499,045
Commissions and expense allowances on reinsurance ceded	29,173,224	30,211,579
Other income	8,762,617	5,637,612
TOTAL PREMIUMS AND OTHER REVENUES	226,003,139	219,830,169
BENEFITS AND EXPENSES		
Death and other policy benefits	113,680,467	108,702,189
Increase in aggregate reserves for life and accident and health policies	913,687	6,408,089
Commissions	77,817,485	78,108,866
Salaries and benefits	17,017,775	14,437,978
Other general insurance expenses	9,171,637	7,760,386
Insurance taxes, licenses, and fees	4,555,841	3,222,781
TOTAL BENEFITS AND EXPENSES	223,156,892	218,640,289
INCOME BEFORE FEDERAL INCOME TAX EXPENSE AND REALIZED CAPITAL GAIN	2,846,247	1,189,880
FEDERAL INCOME TAX EXPENSE	1,185,621	1,121,466
INCOME BEFORE REALIZED CAPITAL GAIN	1,660,626	68,414
REALIZED CAPITAL (LOSS) GAIN, NET OF TAX AND TRANSFERS TO IMR	(51,947)	318,774
NET INCOME	$ 1,608,679	$ 387,188

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Capital and Surplus
Years Ended December 31, 2024 and 2023

	Common Stock	Paid-in Surplus	Unassigned Surplus	Total Capital and Surplus
Balances, December 31, 2022	$ 750,000	$ 7,150,000	$ 46,820,736	$ 54,720,736
Net income	-	-	387,188	387,188
Change in non-admitted assets	-	-	(219,133)	(219,133)
Change in asset valuation reserve	-	-	(1,256,906)	(1,256,906)
Change in deferred income taxes	-	-	448,713	448,713
Change in net unrealized capital gains on investments	-	-	890,780	890,780
Change in unrealized foreign exchange gain	-	-	377,691	377,691
Change in reserve on account of change in valuation basis	-	-	7,880,159	7,880,159
Balances, December 31, 2023	750,000	7,150,000	55,329,228	63,229,228
Net income	-	-	1,608,679	1,608,679
Change in non-admitted assets	-	-	1,998,742	1,998,742
Change in asset valuation reserve	-	-	(1,055,268)	(1,055,268)
Change in deferred income taxes	-	-	(442,926)	(442,926)
Change in net unrealized capital gains on investments	-	-	5,051,824	5,051,824
Change in unrealized foreign exchange gain	-	-	(86,691)	(86,691)
Balances, December 31, 2024	$ 750,000	$ 7,150,000	$ 62,403,588	$ 70,303,588

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums, annuity considerations, and other fund deposits	$ 178,852,265	$ 163,078,064
Investment income received	15,773,963	13,891,098
Other income	37,619,015	35,597,012
	232,245,243	212,566,174
Benefits and loss related payments	(114,901,384)	(104,987,025)
Commissions, other expenses, and taxes paid (excluding federal income taxes)	(106,786,268)	(104,088,693)
Federal income taxes paid	(2,019,199)	(385,308)
	(223,706,851)	(209,461,026)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,538,392	3,105,148
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments sold, matured, or repaid:		
Bonds	21,098,247	17,811,202
Stocks	-	52,387
Mortgage loans	9,248,675	12,375,723
Real estate	-	5,200,000
Other invested assets	1,954,827	1,778,179
Net gains on cash, cash equivalents and short-term investments	3,463	4,987
Total investments proceeds	32,305,212	37,222,478
Cost of investments acquired:		
Bonds	(30,603,694)	(26,133,867)
Stocks	-	80,796
Mortgage loans	(9,222,506)	(19,514,137)
Real estate	(5,216,886)	(1,070,972)
Other invested assets	(2,096,759)	(4,955,036)
Miscellaneous applications	(1,704)	-
Total investments acquired	(47,141,549)	(51,593,216)
Net decrease / (increase) in policy loans	18,273	(25,638)
NET CASH USED IN INVESTING ACTIVITIES	(14,818,064)	(14,396,376)
CASH FLOWS FROM FINANCING ACTIVITIES AND MISCELLANEOUS SOURCES		
Other cash provided / (applied)	7,547,970	(2,579,486)
Net withdrawals on deposit-type contract funds and other liabilities	(7,719)	(59,390)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES AND MISCELLANEOUS SOURCES	7,540,251	(2,638,876)
NET INCREASE / (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	1,260,579	(13,930,104)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	43,460,989	57,391,093
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 44,721,568	$ 43,460,989
SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS		
Change in unrealized valuation of investments	$ 5,051,824	$ 890,780

See accompanying notes to statutory financial statements.

(1) Corporate Structure and Nature of the Business

Best Meridian Insurance Company (the Company), a wholly owned subsidiary of BMI Financial Group, Inc. (BMIFG), was formed on June 23, 1986, in the State of Florida, and is engaged in the life and accident and health insurance business. On April 7, 1987, the Company received its license to operate as an insurance company from the Florida Office of Insurance Regulation (OIR), and commenced business on August 1, 1987. In addition to the State of Florida, where the Company is domiciled, business is written in several countries throughout Latin America and Asia.

(2) Basis of Presentation

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the OIR, Statutory Accounting Principles (SAP), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The OIR requires that insurance companies domiciled in the State of Florida prepare their statutory financial statements in conformity with the NAIC Accounting Practices and Procedures Manual as modified by the OIR. The OIR had no modifications to NAIC SAP having an impact to net income or capital and surplus for the Company.

The preparation of statutory financial statements requires management to make informed judgments and estimates that affect the reported amounts of assets and liabilities (including disclosure of contingent assets and liabilities) at the date of the statutory financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The estimates susceptible to significant change are those used in determining the aggregate reserves for life and accident and health policies. Although some variability is inherent in these estimates, management believes the amounts provided are adequate.

Statutory vs. GAAP Basis of Accounting

SAP differ from GAAP in several respects, which cause differences in reported assets, liabilities, stockholder's equity (statutory capital and surplus), net income and cash flows. The effects of those differences are material to the Company's financial statements. The primary differences that would most likely be material are as follow:

(a) Investments

- Investments in bonds are carried at admitted value, which is generally cost or amortized cost; under GAAP, investments in bonds, other than those classified as held-to-maturity, are carried at fair value, with the related unrealized gain or loss recorded as a component of other comprehensive income in stockholder's equity for those classified as available-for-sale and as a component of net income for those classified as trading.
- Investments in common stocks, other than investments in stocks of subsidiaries and affiliates, are carried at fair value with the related unrealized gain or loss recorded as a component of statutory capital and surplus, while under GAAP the unrealized gain or loss is recorded as a component of net income.

(2) Basis of Presentation (Continued)

- Interest maintenance reserve (IMR) represents the deferral of interest-related realized gains and losses, net of tax, on primarily fixed maturity investments which are amortized into income over the remaining life of the investments sold. No such reserve is required under GAAP.

(b) Insurance Contracts

- Policy acquisition costs are expensed as incurred, while under GAAP these costs are deferred and recognized over either (1) the expected premium paying period or (2) the estimated term of the contract. Under GAAP, reinsurance commission allowances are also deferred as an offset to deferred policy acquisition costs and recognized in proportion to the related policy acquisition costs.
- Aggregate reserves for life, annuities, and accident and health policies are based on statutory mortality and interest requirements without consideration for anticipated withdrawals. Morbidity assumptions are based on the Company's experience. Under GAAP, the reserves are based on either (i) the present value of future benefits less the present value of future net premiums based on mortality, morbidity, and other assumptions which were appropriate at the time the policies were issued or acquired or (ii) the account value for certain contracts without significant life contingencies. Aggregate reserves are reported as liabilities net of ceded reinsurance; under GAAP, reserves relating to business in which the Company is not legally relieved of its liability are reported gross with an off-setting reinsurance recoverable presented as an asset.
- Policy and contract liabilities ceded are reported as reductions of the related claim reserves; under GAAP, they are reported as assets.
- Revenue for universal life policies consists of the entire premium received and benefits represent the death benefits paid and the change in policy reserves. Under GAAP, premiums received in excess of policy charges are not recognized as premium revenue, but rather as deposit liabilities. Policy charges under GAAP are deferred and amortized into earnings in proportion to future expected gross profits. Benefits represent the excess of benefits paid over the policy account values and interest credited to the account values.
- Allowances received under the reinsurance withheld agreements are identified separately on the statutory financial statements as a surplus item on a net of tax basis and the recognition of the surplus increase is reflected as income as the earnings from the business reinsured emerge. Under GAAP, the allowances are recorded as deferred income and reported as a liability.
- The statements of cash flows differ in certain respects from the presentation required by GAAP, including the presentation of the changes in cash and short-term investments instead of cash and cash equivalents. Short-term investments include securities with maturities, at the time of acquisition, of one year or less. For statutory purposes, there is no reconciliation between net income (loss) and cash from operations.
- Statutory financial statements do not include reporting and display of comprehensive income as specified under GAAP.

(2) Basis of Presentation (Continued)

(c) Taxes

Deferred income taxes are recognized for both SAP and GAAP; however, the amount permitted to be recognized is generally more restrictive under SAP. Changes in deferred tax assets and liabilities, including the effects of changes in enacted tax rates in the period of enactment, are charged or credited directly to unassigned surplus under SAP. Under GAAP, these changes generally are included in net income, and there are no limitations.

(d) Surplus

Certain assets (principally, certain balances due from reinsurers and agents) have been designated as non-admitted assets and excluded from admitted assets by a charge to statutory surplus. Under GAAP, such amounts are carried at cost less accumulated depreciation, amortization, or a valuation allowance when necessary.

Asset valuation reserve (AVR) represents a contingency reserve for credit-related risk on most invested assets of the Company and is charged or credited directly to statutory surplus. No such reserve is required under GAAP. Surplus notes are included as a component of surplus, whereas under GAAP, they are presented as a liability.

(e) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements is also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

(3) Significant Statutory Accounting Policies

The following is a description of the principal accounting policies and practices:

(a) Cash and Short-term Investments

Cash and cash equivalents include cash on hand, amounts due from banks and highly liquid debt instruments that have original maturities of three months or less at date of purchase and are carried at amortized cost. Cash and cash equivalents also includes money market mutual funds which are stated at fair value. Short term investments consist of securities with remaining maturities of one year or less, but greater than three months at the time of acquisition and are carried out at amortized cost, which approximates fair value. Cash includes demand deposits and is carried at cost, which approximates fair value. Cash equivalents consist of money market funds and short-term investments.

(3) Significant Statutory Accounting Policies (Continued)

(b) Bonds

- Investments in bonds are stated at amortized cost except for bonds where the NAIC rating has fallen to 6 and the NAIC fair value has fallen below amortized cost, in which case they are carried at NAIC fair value with a corresponding adjustment to unassigned surplus. Amortization/accretion of bond premium and discount are reflected in net income and are accounted for using the scientific method. Interest revenue is recognized when earned. When management believes it is no longer probable that the Company will collect all amounts due according to the contractual terms of the bond, the bond is written down from its amortized cost basis to its fair value and a loss is recognized in the statutory statement of operations. Subsequent recoveries in fair value are not recognized until the bond is sold. The Company values and reports its bond investments according to Statutory Statement of Accounting Principles (SSAP) No. 26, "Bonds," and the Purposes and Procedures Manual of the NAIC Investment Analysis Office.
- Amortization of mortgage and asset-backed bonds is based on anticipated prepayments at the date of purchase; with significant changes in estimated cash flows from original purchase assumptions recognized using the prospective method. Prepayment assumptions for mortgage and asset-backed bonds are obtained from the Company's investment manager. The effective interest method is used to calculate the amortization. Securities rated NAIC 6 by the Securities Valuation Office (SVO) of the NAIC are carried at the lower of amortized cost or fair value. The Company values and reports its mortgage and asset-backed investments according to SSAP No. 43R, "Loan-Backed and Structured Securities," and the Purposes and Procedures Manual of the NAIC Investment Analysis Office.
- Investment fair values are based on prices published by the SVO. If the SVO does not provide a valuation and the bond qualifies for filing exempt (FE) status, the fair value is obtained from the Company's investment manager. If the bond has not qualified for FE status, amortized value is used in lieu of fair value.

(c) Common Stocks

Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.

(d) Preferred Stocks

Perpetual preferred stocks are stated at fair value not to exceed the currently effective call price.

(e) Mortgage Loans

Mortgage loans on real estate are stated at the unpaid principal balance, less an allowance for loan losses, if any. According to SSAP No. 37, "Mortgage Loans," a reporting entity shall measure impairment based on the fair value (as determined by acceptable appraisal methodologies) of the collateral less estimated costs to obtain and sell. The difference between the net value of the collateral and the recorded investment in the mortgage loan shall be recognized as impairment by creating a valuation allowance with a corresponding charge to unrealized loss. At December 31, 2024 and 2023, and for the years then ended, the Company had no impaired mortgage loans as the estimated fair value of the collateral less estimated costs to obtain and sell exceeded book value.

(3) Significant Statutory Accounting Policies (Continued)

(f) Real Estate

Real estate consists of buildings occupied by the Company, improvements thereon, buildings held for the production of income, and land and buildings held available for sale. Real estate is carried at depreciated cost less encumbrances unless events or circumstances indicate the carrying amount of the asset (amount prior to reduction for encumbrances) may not be recoverable. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

(g) Policy Loans

Policy loans are stated at their unpaid principal balance, less an allowance for loan losses, if any. At December 31, 2024 and 2023, and for the years then ended, the Company had no impaired policy loans.

(h) Invested Assets

- Realized investment gains and losses, determined on a specific identification basis, are reduced by amounts transferred to the IMR and are reflected as an element of the statutory statement of operations, net of related tax. All investment income due and accrued on bonds in or near default, and other amounts over 90 days past due, are accounted for as non-admitted accrued investment income. As of December 31, 2024 and 2023, the Company had no non-admitted accrued investment income.
- An investment is considered impaired when the fair value of the investment is less than its cost or amortized cost. When an investment is impaired, the Company must make a determination as to whether the impairment is other-than-temporary (OTTI). Some of the factors considered in identifying OTTI include: (1) the likelihood of the recoverability of principal and interest for debt securities (i.e., whether there is a credit loss); (2) the length of time and extent to which the fair value has been less than amortized cost; and (3) the financial condition, near-term and long-term prospects for the issuer, including the relevant industry conditions and trends, and implications of rating agency actions and offering prices.
- An other-than-temporary impairment is considered to have occurred if it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the security or intends to sell a security prior to its maturity at an amount below its carrying value. When a decline in the fair value of a security is determined to be other-than-temporary, an impairment loss is recognized for the entire difference between the security's carrying value and its fair value at the balance sheet date. The fair value of the security on the date of OTTI becomes the new cost basis of the security, and the new cost basis is not adjusted for any subsequent recoveries in fair value. The difference between the new cost basis and the expected cash flows is accreted to net investment gain over the remaining expected life of the investment.
- The Company had no write-down on securities during the year ended December 31, 2024, while there was a write-down on a convertible security in the amount of $28,564 during the year ended December 31, 2023.

(3) Significant Statutory Accounting Policies (Continued)

(i) Non-admitted Assets

Under statutory accounting practices, certain assets, principally certain receivable balances due from reinsurers and agents, along with furniture, equipment, leasehold improvements and prepaid expenses, and certain deferred income tax assets, have been designated as non-admitted assets and excluded from assets by a charge to statutory surplus. Changes in these non-admitted assets are presented as changes in unassigned surplus.

(j) Aggregate Reserves for Life and Accident and Health Policies

Aggregate reserves for life policies are based on mortality tables and valuation interest rates which are consistent with statutory requirements and are designed to be sufficient to provide for contractual benefits. The reserves for traditional and universal life policies issued prior to 1993 are established based on the 1980 Commissioners' Standard Ordinary (CSO) 5.5% mortality table. The reserves for traditional and universal life policies issued in 1993 and 1994 were established based on the 1980 CSO 5.0% mortality table.

For traditional and universal life policies issued from 1995 through 2005, the reserves were established based on the 1980 CSO 4.5% mortality table, or the 2001 CSO 4.5% mortality table, depending on the plan. Reserves for traditional and universal life policies issued from 2006 through 2012 were established based on the 1980 CSO 4.0% mortality table, with the exception of two plans, which were based on the 2001 CSO mortality table at 4.0%. Reserves for traditional and universal life policies issued from 2013 through 2020 were established based on the 1980 CSO 3.5% mortality table and the 2001 CSO 3.5% mortality table, depending on the plan. For policies issued from 2021 through 2024, the reserves were established based on the 1980 CSO 3.0% table and the 2017 CSO 3.0% or 3.5% tables, depending on the plan.

Aggregate reserves for accident and health policies are equal to the amount of premium for the portion of the policy period that extends beyond the valuation date. Reported and unreported accident and health policy benefits due are presented as policy and contract claims on the accompanying statutory statements of admitted assets, liabilities and capital and surplus.

Reserve estimates for accident and health policies are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves are adequate. The estimates are regularly reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included for the current period in the statutory statements of operations. There were no significant changes in reserve preparation methodologies and assumptions during the year ended December 31, 2024. In 2023 the Company elected a change in reserve valuation basis as described in SSAP No. 51R, "Life Contracts," for some traditional life policies reserves. This change in valuation basis, which impacts reserves for policies written from 2005 to 2020, was approved by the Florida Office of Insurance Regulation based on Florida Statute 625.121, "Standard Valuation Law."

As of December 31, 2024 and 2023, the premium deficiency reserve (PDR) established by the Company was $1,473,461 and $1,437,296, respectively. Anticipated investment income was not utilized in the calculation.

(3) Significant Statutory Accounting Policies (Continued)

(k) Policy and Contract Claims

The liability for claims represents the amount needed to provide for the estimated ultimate cost of settling claims relating to insured events that have occurred on or before the end of the respective reporting period. The liability includes a provision for (a) claims that have been reported to the insurer, (b) claims related to insured events that have occurred but that have not been reported to the insurer, and (c) claims adjustment expenses.

(l) Reinsurance

Reinsurance premiums, commissions, expense reimbursements, claims and claims adjustment expenses related to reinsured business are accounted for on a basis consistent with that used in accounting for the original policies issued and with the terms of the reinsurance contracts.

(m) Recognition of Premium Income and Related Expenses

Life premiums are reflected as earned on the policy anniversary date. Accident and health premiums are reported as revenue when due and earned on a pro-rata basis over the period covered by the policy. Deferred life premiums represents modal premiums (other than annual) to be billed in the year subsequent to the commencement of the policy year, prior to the next anniversary date of the policy. Due premiums represent uncollected premiums as of the modal premium due date. Interest sensitive contract deposits are reported as revenue when collected. Benefits and other withdrawals are expensed as incurred. Policy acquisition and maintenance expenses are charged to operations as incurred.

(4) Business Risk

The Company is exposed to various risks, including but not limited to, insurance, financial, operational and, regulatory risks. The following is a description of the most significant risks facing life and health insurers and how the Company mitigates those risks:

(a) Legal/Regulatory Risks

The risk that changes in the regulatory environment in which an insurer operates will create additional expenses not anticipated by the insurer in pricing its products. That is, regulatory initiatives designed to enhance or modify reporting requirements, new legal theories or insurance company insolvencies generating guaranty fund assessments may create costs for the insurer beyond those recorded in the statutory financial statements. The Company attempts to mitigate this risk by reviewing legislative and other regulatory changes and adjusting rates whenever possible. All of the Company’s premiums were derived from policies offered to customers located in Florida, Latin America, and Asia. Accordingly, the Company could be adversely affected by economic downturns, significant unemployment and other conditions that may occur in those markets from time to time. To mitigate this exposure, the Company continues to enhance its product offerings and evaluate its geographic distribution.

(4) Business Risk (Continued)

(b) Credit Risk

The risk that issuers of securities owned by the Company will default or that other parties, including reinsurers to whom business is ceded, which owe the Company money, will not pay. The Company attempts to minimize this risk by adhering to a conservative investment strategy and by maintaining sound reinsurance agreements with a number of reinsurers, and by providing for any amounts deemed uncollectible.

Financial instruments which potentially expose the Company to concentrations of credit risk consist primarily of premiums uncollected and amounts due from reinsurers on paid and unpaid losses. The Company has not experienced any significant losses related to premiums uncollected from individual policyholders or groups of policyholders in a particular industry or geographic area. Management believes no additional credit risk is inherent in the Company's uncollected premiums, or amounts due from reinsurers on paid or unpaid losses.

In order to reduce its credit risk, the Company seeks to do business with financially sound reinsurance companies and regularly reviews the financial strength of all reinsurers used. In addition, the Company may utilize stand-by letters of credit or trust deposits to collateralize amounts receivable from unauthorized reinsurers.

(c) Interest Rate Risk

The interest rate risk is defined as the risk that interest rates will change and cause a decrease in the value of an insurer's investments. This change in rates may cause certain interest-sensitive products to become uncompetitive or may cause disintermediation. To the extent that liabilities come due more quickly than assets mature, an insurer might have to sell assets prior to maturity and potentially recognize a gain or a loss. The Company attempts to mitigate this risk by charging fees for nonconformance with certain policy provisions, by offering products that transfer this risk to the purchaser, and by attempting to match the maturity schedule of its assets with the expected payouts of its liabilities.

(5) Business Combinations

The Company purchased 98.97% interest of BMI Compañía de Seguros de Guatemala, S.A., a foreign insurance company, on May 23, 2011. BMI Compañía de Seguros de Guatemala, S.A., is licensed in Guatemala to sell life and health insurance. The transaction was accounted for as a statutory purchase and is carried as common stock on the accompanying statutory statements of admitted assets, liabilities and capital and surplus. BMI Compañía de Seguros de Guatemala, S.A., is the only investment in a Subsidiary, Controlled, and Affiliated Entity (SCA).

(5) Business Combinations (Continued)

(a) Balance Sheet Value (Admitted and Nonadmitted) (Except 8bi Entities)

As of December 31, 2024

	SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a.	SSAP No. 97 8a Entities				
	NONE		$ -	$ -	$ -
	Total SAAP No. 97 8a Entities	XXX	$ -	$ -	$ -
b.	SSAP No. 97 8b(ii) Entities				
	NONE		$ -	$ -	$ -
	Total SAAP No. 97 8b(ii) Entities	XXX	$ -	$ -	$ -
c.	SSAP No. 97 8b(iii) Entities				
	NONE		$ -	$ -	$ -
	Total SAAP No. 97 8b(iii) Entities	XXX	$ -	$ -	$ -
d.	SSAP No. 97 8b (iv) Entities				
	BMI Compañia de Seguros de Guatemala, S.A.	99.6%	$ 6,142,253	$ 6,142,253	$ -
	Total SSAP No. 97 8b (iv) Entities	XXX	$ 6,142,253	$ 6,142,253	$ -
e.	Total SAAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	$ 6,142,253	$ 6,142,253	$ -
f.	Aggregate Total (a+e)	XXX	$ 6,142,253	$ 6,142,253	$ -

(5) Business Combinations (Continued)

(b) NAIC Filing Response Information

	SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing*	Date of Filing to NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a.	SSAP No. 97 8a Entities						
	NONE			$ -			
	Total SAAP No. 97 8a Entities	XXX	XXX	$ -	XXX	XXX	XXX
b.	SSAP No. 97 8b(ii) Entities						
	NONE			$ -			
	Total SAAP No. 97 8b(ii) Entities	XXX	XXX	$ -	XXX	XXX	XXX
c.	SSAP No. 97 8b(iii) Entities						
	NONE			$ -			
	Total SAAP No. 97 8b(iii) Entities	XXX	XXX	$ -	XXX	XXX	XXX
d.	SSAP No. 97 8b (iv) Entities						
	BMI Compañia de Seguros de Guatemala, S.A.	S2	9/24/24	$ 1,090,429	Y	N	I
	Total SSAP No. 97 8b (iv) Entities	XXX	XXX	$ 1,090,429	XXX	XXX	XXX
e.	Total SAAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$ 1,090,429	XXX	XXX	XXX
f.	Aggregate Total (a+e)	XXX	XXX	$ 1,090,429	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2, or RDF – Resubmission of Disallowed Filing
** I – Immaterial or M – Material

(c) SCA Valuation Methodology

The methodology followed by the Company in its valuation of its investment in BMI Compañía de Seguros de Guatemala, S.A., a foreign insurance SCA, follows the guidelines of SSAP No. 97, "Investments in Subsidiary, Controlled, and Affiliated Entities," and SSAP No. 68, "Business Combinations and Goodwill." The Company's methodology is summarized as follows:

- Starting point is the equity from audited foreign statutory basis financial statements of BMI Compañía de Seguros de Guatemala, S.A. (SSAP No. 97, paragraph 8.b.iv).
- Add / deduct adjustments to convert foreign statutory-basis equity to GAAP-basis (SSAP No. 97, paragraph 8.b.iv). Those adjustments can be classified in two main categories:
  - Items impacting current year's income, primarily related to timing of recognition of revenue and expenses (premiums, claims and commissions).
  - Impact of prior years' GAAP income statement adjustments on opening retained earnings.
- Convert from US GAAP equity in foreign currency to US currency.

(5) Business Combinations (Continued)

(c) SCA Valuation Methodology (Continued)

- Add allowable goodwill (SSAP No. 68).
- Add / deduct adjustments from GAAP to SAP (SSAP No. 97, paragraph 9).

The calculation of the value of the investment in BMI Compañía de Seguros de Guatemala, S.A. at December 31, 2024 and 2023, is as follows:

	2024	2023
Foreign statutory basis - stockholders' equity translated to US dollars	$ 6,273,388	$ 1,904,254
Subtract: non-admitted assets, net	(128,400)	(143,816)
Substract: DTA in excess of 10% of surplus (non-admitted)	(2,735)	(670,009)
Book value of foreign affiliate SCA	**$ 6,142,253**	**$ 1,090,429**

(6) Income Taxes

The Company's federal income tax return is filed as part of the consolidated tax return of BMIFG, which also includes Business Men's Insurance Corporation, BMI Services, Inc., and Best Meridian International Insurance Company, I.I. (previously Best Meridian International Insurance Company, SPC), all affiliated companies. The method of federal income tax allocation among the companies is subject to a written agreement, approved by the board of directors. Allocation is based upon separate return calculations with credit for net losses. Intercompany tax balances are settled annually, or if amounts are due to the Company, such amounts are settled immediately upon receipt of such tax refunds.

The provisions for federal income taxes incurred are different from that which would be obtained by applying the federal income tax rate of 21% to statutory income before income taxes. The items causing these differences are as follows for the year ended December 31, 2024:

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	$ 2,846,247	$ 597,712	21.00%
Meals & entertainment	419,537	88,103	3.10%
Capital gain-transfer to IMR	(190,001)	(39,900)	-1.40%
Other	(496,032)	(104,167)	-3.66%
Total	$ 2,579,751	$ 541,748	19.04%
Federal income taxes incurred [expense/(benefit)]		$ 1,185,621	41.66%
Tax on capital gains/(losses)		51,172	1.80%
Change in net deferred income tax charge/(benefit)		(695,045)	-24.42%
Total statutory income taxes		$ 541,748	19.04%

(6) Income Taxes (Continued)

The items causing these differences are as follows for the year ended December 31, 2023:

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	$ 1,189,880	$ 249,875	21.00%
Meals & entertainment	220,320	46,267	3.89%
Capital gain-transfer to IMR	227,582	47,792	4.02%
GILTI tax	704,286	73,950	6.21%
Prior year true-up	(1,294,424)	(271,829)	-22.84%
Reserve reduction	7,313,567	1,535,849	129.08%
Other	607,047	127,480	10.71%
Total	$ 8,968,258	$ 1,809,384	152.07%
Federal income taxes incurred [expense/(benefit)]		$ 1,121,466	94.25%
Tax on capital gains/(losses)		116,921	9.83%
Change in net deferred income tax charge/(benefit)		570,997	47.99%
Total statutory income taxes		$ 1,809,384	152.07%

Deferred federal income taxes arise from temporary differences between the valuation of assets and liabilities as determined for financial reporting purposes and federal income tax purposes and are measured at enacted tax rates. The Company's deferred tax items are measured at an effective tax rate of 21% as of December 31, 2024 and 2023. The amount of the gross deferred tax asset calculated is then reduced for any valuation allowance and an admissibility test. The admissibility test is based on the realization threshold table and other limitations. The Company also admitted deferred tax assets that can be used to offset against deferred tax liabilities.

The Company previously applied the guidance in Staff Accounting Bulletin 118 when accounting for the enactment-date effects of the Tax Cuts and Jobs Act of 2017 (the Act). The Company completed its accounting for all the tax effects of the Act. During the period ended December 31, 2024 and 2023, the Company recognized adjustments to the provisional amounts recorded at December 31, 2017 of $2,089,480, which will be amortized in the amount of $261,185 over a period of eight years.

(6) Income Taxes (Continued)

The components of the net deferred tax assets (liabilities) by tax character at December 31, 2024 and 2023, are as follows:

	2024		
Description	**Ordinary**	**Capital**	**Total**
Gross deferred tax assets	$ 4,641,640	$ -	$ 4,641,640
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	4,641,640	-	4,641,640
Deferred tax assets non-admitted	(489,327)	-	(489,327)
Subtotal net admitted deferred tax asset	4,152,313	-	4,152,313
Gross deferred tax liabilities	-	-	-
Net deferred tax asset/(liability)	$ 4,152,313	$ -	$ 4,152,313

	2023		
Description	**Ordinary**	**Capital**	**Total**
Gross deferred tax assets	$ 5,279,213	$ -	$ 5,279,213
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	5,279,213	-	5,279,213
Deferred tax assets non-admitted	(1,724,083)	-	(1,724,083)
Subtotal net admitted deferred tax asset	3,555,130	-	3,555,130
Gross deferred tax liabilities	(194,647)	-	(194,647)
Net deferred tax asset/(liability)	$ 3,360,483	$ -	$ 3,360,483

	Change		
Description	**Ordinary**	**Capital**	**Total**
Gross deferred tax assets	$ (637,573)	$ -	$ (637,573)
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	(637,573)	-	(637,573)
Deferred tax sssets non-admitted	1,234,756	-	1,234,756
Subtotal net admitted deferred tax asset	597,183	-	597,183
Gross deferred tax liabilities	194,647	-	194,647
Net deferred tax asset/(liability)	$ 791,830	$ -	$ 791,830

(6) Income Taxes (Continued)

The amount of each component, pursuant to SSAP No. 101, "Income Taxes," paragraph 11, by tax character are as follows:

	2024			2023		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Can be recovered through loss carrybacks (a)	$ -	$ -	$ -	$ -	$ -	$ -
Lesser of:						
Adjusted gross DTA expected to be recognized following the balance sheet date (b.i)	4,152,313	-	4,152,313	3,360,483	-	3,360,483
Adjusted gross DTA allowed per limitation threshold (b.ii)	-	-	10,070,557	-	-	9,406,512
Adjusted gross DTAs offset against existing DTLs (c)	-	-	-	194,647	-	194,647
DTAs admitted as a result of the application of SSAP 101 (a+b.i+c)	4,152,313	-	4,152,313	3,555,130	-	3,555,130
Deferred tax liabilities	-	-	-	(194,647)	-	(194,647)
Net admitted DTA or (DTL)	$ 4,152,313	$ -	$ 4,152,313	$ 3,360,483	$ -	$ 3,360,483

	Change		
	Ordinary	Capital	Total
Can be recovered through loss carrybacks (a)	$ -	$ -	$ -
Lesser of:			
Adjusted gross DTA expected to be recognized following the balance sheet date (b.i)	791,830	-	791,830
Adjusted gross DTA allowed per limitation threshold (b.ii)	-	-	664,045
Adjusted gross DTAs offset against existing DTLs (c)	(194,647)	-	(194,647)
DTAs admitted as a result of the application of SSAP 101 (a+b.i+c)	597,183	-	597,183
Deferred tax liabilities	194,647	-	194,647
Net admitted DTA or (DTL)	$ 791,830	$ -	$ 791,830

(6) Income Taxes (Continued)

The ratio and amount of adjusted capital and surplus used to determine the recovery period and threshold limitation are as follows:

	2024	**2023**
Ratio % used to determine recovery period and threshold limitation amount	647.19%	401.27%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	$ 72,734,265	$ 65,124,638
RBC	745.14%	490.33%
Total adjusted capital	$ 76,886,578	$ 68,485,121
Authorized control level	$ 10,318,460	$ 13,967,289

Current income taxes incurred consist of the following major components:

Description	**2024**	**2023**
Current income tax expense	$ 1,288,594	$ 1,319,345
Tax on capital gains	51,172	116,921
Other - GILTI	-	73,950
Prior year over accrual	(102,973)	(271,829)
Federal income taxes incurred	$ 1,236,793	$ 1,238,387

(6) Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

DTAs Resulting From Book/Tax Differences In	**2024**	**2023**	**Change**
Insurance reserves	$ 123,819	$ 216,966	$ (93,147)
Unearned premiums	1,694,024	1,643,211	50,813
Deferred acquisition costs	2,522,855	2,288,655	234,200
Bond market discount	-	(100,265)	100,265
Non-admitted assets	120,675	409,191	(288,516)
Other	180,267	821,455	(641,188)
Gross DTAs	4,641,640	5,279,213	(637,573)
Statutory valuation allowance	-	-	-
Non-admitted DTAs	(489,327)	(1,724,083)	1,234,756
Admitted ordinary DTAs	$ 4,152,313	$ 3,555,130	$ 597,183

Capital	**2024**	**2023**	**Change**
Unrealized loss	$ -	$ -	$ -
Gross DTAs	-	-	-
Statutory valuation allowance	-	-	-
Non-admitted DTAs	-	-	-
Admitted capital DTAs	-	-	-
Admitted deferred tax assets	$ 4,152,313	$ 3,555,130	$ 597,183

Deferred tax liabilities:

Ordinary	**2024**	**2023**	**Change**
Other	$ -	$ (194,647)	$ 194,647
Gross DTLs	$ -	$ (194,647)	$ 194,647
Net admissable deferred tax asset	$ 4,152,313	$ 3,360,483	$ 791,830

(6) Income Taxes (Continued)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the change in non-admitted assets is reported separately from the change in net deferred income taxes in the surplus section of the Annual Statement):

	2024	2023	Change
Total deferred tax assets	$ 4,641,640	$ 5,279,213	$ (637,573)
Total deferred tax liabilities	-	(194,647)	194,647
Net deferred tax asset	4,641,640	5,084,566	(442,926)
Statutory valuation allowance (SVA)	-	-	-
Net deferred tax asset after SVA	$ 4,641,640	$ 5,084,566	$ (442,926)
Increase in non-admitted assets			(1,137,971)
Change in net deferred income tax (charge)/benefit			$ 695,045

The federal income taxes incurred in the current and prior year are no longer available for recovery in the event of future net operating losses since the carryback period was repealed by the Act.

The Company adopted guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Interest and penalties related to income tax matters are included in general insurance expenses on the Company's accompanying statutory statements of operations.

The Company does not have deposits admitted under IRC § 6603, repatriation of alternative minimum tax (AMT), nor loss carryforwards for the years ended December 31, 2024 and 2023, respectively. Also, there are no AMT credits available.

The Company does not expect a significant increase in tax contingencies within the twelve months period following the balance sheet date.

No tax planning strategies were considered in determining if a deferred tax asset was realizable.

(7) Reinsurance

In the ordinary course of business, the Company purchases reinsurance from affiliated and unaffiliated reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the liability associated with the reinsured business.

The Company assumes life and accident and health premiums from affiliated as well as unaffiliated entities. The Company retains a maximum exposure of $500,000 per life on its life insurance policies.

(7) Reinsurance (Continued)

The effect of reinsurance on the Company is summarized as follows:

	2024	2023
Premiums and annuity considerations:		
Direct life insurance premiums and annuity considerations	$ 108,606,086	$ 91,723,011
Assumed life insurance premiums	20,565,536	30,555,091
Ceded life insurance premiums	(93,865,384)	(77,107,171)
Direct accident and health premiums	46,427,017	33,491,720
Assumed accident and health premiums	96,939,692	91,819,282
Ceded accident and health premiums	(5,948,813)	-
Net premiums and annuity considerations	$ 172,724,134	$ 170,481,933
Premiums deferred and uncollected:		
Life insurance premiums deferred and uncollected, net of loading	$ 26,232,424	$ 30,496,215
Accident and health premiums due and unpaid	12,368,844	14,932,034
Premiums deferred and uncollected	$ 38,601,268	$ 45,428,249
Aggregate reserves for life policies:		
Direct reserves	$ 343,782,506	$ 307,651,238
Assumed reserves	45,581,293	39,678,845
Ceded reserves	(142,965,820)	(100,544,234)
Aggregate reserves for life policies	$ 246,397,979	$ 246,785,849
Aggregate reserves for accident and health policies:		
Direct reserves	$ 15,571,713	$ 13,062,810
Assumed reserves	27,286,985	28,278,988
Aggregate reserves for accident and health policies	$ 42,858,698	$ 41,341,798
Policy and contract claims for life policies:		
Direct policy and contract claims payable	$ 7,777,319	$ 6,624,642
Assumed policy and contract claims payable	3,776,146	9,120,882
Policy and contract claims recoverable from reinsurers	(1,611,532)	(1,387,805)
Policy and contract claims for life policies	$ 9,941,933	$ 14,357,719
Policy and contract claims for accident and health policies:		
Direct policy and contract claims payable	$ 7,547,396	$ 5,031,281
Assumed policy and contract claims payable	27,600,367	25,265,584
Policy and contract claims for accident and health policies	$ 35,147,763	$ 30,296,865

(7) Reinsurance (Continued)

The Company has exercised recapture options under certain reinsurance contracts in order to increase the amount at risk to $500,000 per life for all future policy benefits arising from claims by the insureds. The Company has granted these reinsurers a discharge of all further liability related to the recaptured amounts.

The recoverability of reinsured balances depends on the reinsurers' ability to perform under the reinsurance agreements. In order to minimize its exposure to reinsurer insolvencies, the Company evaluates and monitors the financial condition and concentrations of credit risk associated with its reinsurers. No allowance for uncollectible amounts has been established since the amounts recoverable from reinsurers are deemed to be collectible. The Company remains contingently liable in the event that any reinsurers are unable to meet their obligations under the reinsurance agreements.

A portion of the Company's reinsurance is placed with MAPFRE Re Compañía de Reaseguros, S.A., and Best Meridian International Insurance Company, I.I. (previously Best Meridian International Insurance Company, SPC), both unauthorized reinsurers. At December 31, 2024, the Company is the beneficiary of three standby letters of credit in the amounts of $1,000,000, pledged by MAPFRE RE Compañía de Reaseguros, S.A., and of $23,107,682 and $24,100,000 pledged by Best Meridian International Insurance Company, I.I., in addition to a trust account in the amount of $92,376,720 to cover its share of losses recoverable. The amount of those standby letters of credit and the trust account exceeds the amount recoverable from both.

The Company's life reinsurance losses recoverable, included as an offset to policy and contract claims and aggregate reserves in liabilities, at December 31, 2024 relate to the following reinsurers:

Reinsurer	Ceded policy and contract claims	Ceded reserves for life policies	A.M. Best rating
Best Meridian International Insurance Company, I.I.	$ 1,611,532	$ 137,591,461	A-
RGA Reinsurance Company	-	722,809	A+
SCOR Global Life Reinsurance Company of Delaware	-	494,761	A
Hannover Life Reassurance Company of America	-	88,440	A+
MAPFRE Re, Compañía de Reaseguros, S.A.	-	625,992	A
Partner Reinsurance Europe SE	-	180,636	A+
Swiss Re Life and Health America, Inc.	-	10,125	A+
QBE Europe SA/NV	-	3,251,596	A
	$ 1,611,532	$ 142,965,820	

(8) Related-Party Transactions

Most of the accident and health and life insurance policies issued by the Company are written through an affiliated general agency, Business Men's Insurance Corporation. In addition, BMI Services, Inc., Multi Assistance Services Latin America, S.A. and Multi Assistance Services, Inc., affiliates of the Company, perform all underwriting, billing and collections, and health claims administration services related to life and accident and health insurance policies issued by the Company. Fees incurred to these affiliates amounted to $4,149,493 and $3,451,569 during 2024 and 2023, respectively. These fees are included as commission expenses in the accompanying statutory statements of operations for the years ended December 31, 2024 and 2023.

Written agreements exist for all transactions with affiliates. These service agreements state that amounts owed are timely settled in less than ninety days and are cancelable at any time at the option of either party without penalty. Amounts owed from affiliates over ninety days from the due date are deemed as non-admitted. At December 31, 2024 and 2023, the Company had $1,845,365 and $1,836,629, respectively, in non-admitted assets related to transactions with affiliates. Commissions and fees incurred with affiliates are based on premiums produced and/or the number of policies serviced.

Management fees amounting to $750,000 and $562,500 were paid to BMIFG during 2024 and 2023, respectively. These management fees are included as general insurance expenses in the accompanying statutory statements of operations.

During 2024 and 2023, the Company paid BMIFG $340,000 and $255,000, respectively, in administrative expense reimbursements pursuant to an expense-sharing arrangement, which are included as general insurance expenses in the accompanying statutory statements of operations.

On April 16, 2015, the Company issued a promissory note to Multi Assistance Services, Inc. for the sum of $8,500,000, to be disbursed in several installments. The promissory note had an effective interest rate of ten percent (10%), which was payable, along with the principal, upon maturity on April 16, 2018. The balance of the promissory note, $7,142,788, was extended on April 16, 2018, and April 16, 2020. On April 16, 2022, the balance of the promissory note, $5,610,266, was extended until April 16, 2023. The balance of the promissory note on April 16, 2023, $3,969,870, was extended until April 16, 2024. On April 16, 2024, the balance on the note, $1,563,666, was extended to mature on April 16, 2026. The principal balance and accrued interest at December 31, 2024 and 2023, amounted to $236,864 and $2,335,903, respectively, and are included as other admitted assets in the accompanying statutory statements of admitted assets, liabilities and capital and surplus.

The Company has a cost allocation and reimbursement agreement with Best Meridian International Insurance Company, I.I. (BMIIC), for the utilization of services from the Life Underwriting, Life Policyholder Services, Accounting, Actuarial and Systems Departments. For these services, BMIIC paid the Company $7,174,493 and $3,250,000 during 2024 and 2023, respectively. These fees are included as other income in the accompanying statutory statements of operations.

(8) Related-Party Transactions (Continued)

The Company assumed 100% of the health business from BMIIC, an affiliated entity. Total written and assumed premium on the health business was $72,683,412 and $72,628,431 for the years ended December 31, 2024 and 2023, respectively. Also, the Company assumed life business from BMIIC for which the assumed premium amounted to $12,288,074 and $11,689,500 for the years ended December 31, 2024 and 2023, respectively. The Company also assumed life and health business from other affiliates for which total assumed premium amounted to $30,701,323 and $25,416,033 for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, amounts due from affiliates of $31,629,279 and $28,573,236, respectively, are reported as due from reinsurers in the accompanying statutory statements of admitted assets, liabilities and capital and surplus.

Rental income earned from affiliated companies amounted to $259,980 during 2024 and 2023, respectively. This income is included as investment income, net of investment expenses, in the accompanying statutory statements of operations.

The Company is party to various transactions with its affiliates resulting in fluctuating intercompany balances. As of December 31, 2024 and 2023, the Company reported amounts payable to its parent, subsidiaries, and affiliates of $16,763,641 and $13,619,946, respectively, which is included in other liabilities on the statutory statements of admitted assets, liabilities and capital and surplus.

The Company invests in mortgage loans, which are guaranteed by certain Company officers.

(9) Investments

(a) Bonds

The carrying value, gross unrealized gains, gross unrealized losses, and the NAIC fair value of bonds as of December 31, 2024 and 2023, are as follows:

	2024			
	Book/Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bonds:				
U.S. Treasury Securities	$ 203,839	$ 10,680	$ -	$ 214,519
Mortgage-backed & Asset Backed Securities	48,498,058	98,889	3,801,982	44,794,966
State, Territories & Possessions	20,560,108	47,186	2,102,044	18,505,250
Corporate Securities	144,938,057	1,065,577	15,583,663	130,419,970
Total Bonds	$ 214,200,062	$ 1,222,332	$ 21,487,689	$ 193,934,705

(9) Investments (Continued)

(a) Bonds (Continued)

	2023			
	Book/Adjusted Carrying Value	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Bonds:				
U.S. Treasury Securities	$ 204,548	$ 17,366	$ -	$ 221,914
Mortgage-backed & Asset Backed Securities	37,723,757	108,745	3,377,358	34,455,144
State, Territories & Possessions	25,500,216	315,047	1,792,901	24,022,362
Corporate Securities	140,983,167	2,466,029	12,714,831	130,734,365
Total Bonds	$ 204,411,688	$ 2,907,187	$ 17,885,090	$ 189,433,785

The carrying value and NAIC fair value of fixed maturity bonds by contractual maturity periods as of December 31, 2024, are shown below. Fixed maturity bonds not due at a single maturity date have been included below in the year of final contractual maturity. Actual maturities may differ from contractual maturities due to the exercise of prepayment options.

	Book/Adjusted Carrying Value	**Fair Value**
Due within 1 year or less	$ 9,035,503	$ 9,017,275
Over 1 year through 5 years	40,304,803	39,411,952
Over 5 years through 10 years	28,251,498	26,789,932
Over 10 years	136,608,258	118,715,546
Total	$ 214,200,062	$ 193,934,705

(9) Investments (Continued)

(a) Bonds (Continued)

The credit quality of the bond portfolio at December 31, 2024 and 2023, follows. The quality ratings represent NAIC designation.

	2024		2023	
	Book/Adjusted Carrying Value	Percent	Book/Adjusted Carrying Value	Percent
Class 1 - highest quality	$ 146,450,598	68.37%	$ 143,587,125	70.24%
Class 2 - high quality	64,727,314	30.22%	57,705,568	28.23%
Class 3 - medium quality	1,797,952	0.84%	2,074,279	1.01%
Class 4 - low quality	908,023	0.42%	782,583	0.38%
Class 5 - lower quality	300,907	0.14%	242,131	0.12%
Class 6 - in or near default	15,268	0.01%	20,002	0.01%
	$ 214,200,062	100.00%	$ 204,411,688	99.99%

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2024 and 2023, are as follows:

	2024					
	Less Than 12 Months		Equal To or Greater Than 12 Months		Total	
	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss
Mortgage-backed & asset-backed securities	$ 16,601,107	$ 759,412	$ 23,424,119	$ 3,042,570	$ 40,025,226	$ 3,801,982
States, Territories & Possessions	6,208,849	695,640	9,024,166	1,406,404	15,233,015	2,102,044
Corporate securities	57,316,718	6,499,947	50,357,595	9,083,716	107,674,313	15,583,663
Total bonds	$ 80,126,674	$ 7,954,999	$ 82,805,880	$ 13,532,690	$ 162,932,554	$ 21,487,689
Total number of securities in an unrealized loss position	172		208		380	

(9) Investments (Continued)

(a) Bonds (Continued)

	2023					
	Less Than 12 Months		Equal To or Greater Than 12 Months		Total	
	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss
Mortgage-backed & asset-backed securities	$ 6,154,913	$ 370,416	$ 25,208,824	$ 3,006,942	$ 31,363,737	$ 3,377,358
States, territories & possessions	2,862,171	512,404	10,807,532	1,280,497	13,669,703	1,792,901
Corporate securities	30,267,566	4,267,573	61,141,628	8,447,258	91,409,194	12,714,831
Total bonds	$ 39,284,650	$ 5,150,393	$ 97,157,984	$ 12,734,697	$ 136,442,634	$ 17,885,090
Total number of securities in an unrealized loss position	92		238		330	

The Company's unrealized losses on its bonds were primarily caused by the changes in market interest rates. Since the Company has the intent and ability to hold these bonds through a recovery period, the Company does not consider these investments other-than-temporarily impaired.

In arriving at impairment charges for subprime and Alt-A securities, an extensive analysis was conducted in accordance with SAP. As part of that analysis and in conjunction with third-party asset managers, detailed cash flow projections were performed. Various assumptions were considered that affected the performance of the underlying collateral, including: (a) prepayment speeds; (b) default curves that take into account the type of underlying collateral, loan originator, and vintage; and (c) loss severity for loans that default. For any bond expected to experience principal losses under the best-estimate scenario, the book/adjusted carrying value has been reduced to an amount equal the fair value. The analysis also considered the length of time and the extent to which the fair value had been less than the book/adjusted carrying value. Currently, the intention is to hold these securities to recover the amortized cost.

The Company mitigates investment risks, including subprime and Alt-A mortgage-related risk, through application of the relevant investment laws of the State of Florida and by otherwise limiting overall exposure to credit risk through requiring diversification by limiting exposure to any single issuer. The Company also uses outside professional money management firms whose capabilities, performance and compliance with the investment and risk management policies are routinely monitored.

No other-than-temporary impairment was recognized for the year 2024, while an other-than-temporary impairment in the amount of $28,564 was recognized during the year 2023 for convertible bonds.

(9) Investments (Continued)

(b) Stocks

Investments in stocks consist of the following:

	2024	2023
Common - Affiliated	$ 6,142,253	$ 1,090,429
Common - Unaffiliated	3,081,925	985,166
	$ 9,224,178	$ 2,075,595

Preferred Stocks:

The Company did not hold any preferred stocks as of December 31, 2024 and 2023; however, it did have earnings on preferred stock held during 2023 but disposed of prior to year end.

Common Stocks:

The investment in common stock of affiliated entities consists of the purchase of BMI Compañía de Seguros de Guatemala, S.A., the only investment in a Subsidiary, Controlled, and Affiliated Entity (SCA), see Note 3 (Business Combinations). The investment in common stock of unaffiliated entities refers to the investments in AMFAM VC Fund IV, LP (shares acquired in 2023), and Fern Street Partners, LLC (shares acquired in 2024).

(c) Investment Income, Net

For the years ended December 31, 2024 and 2023, a detail of net investment income is as follows:

	2024	2023
Government bonds	$ 502,706	$ 170,988
Other bonds	8,251,375	7,590,290
Preferred stocks	-	1,388
Policy loans	334,265	336,548
Cash and short-term investments	738,495	533,132
Real estate	2,130,652	1,967,589
Mortgage loans	4,851,939	4,249,343
Other	200,798	186,984
Amortization of interest maintenance reserve	433,677	329,183
	17,443,907	15,365,445
Less investment expenses	(2,100,743)	(1,866,400)
Investment income, net	$ 15,343,164	$ 13,499,045

(9) Investments (Continued)

(d) Realized Capital Gains and Losses

Investment Income, Net

For the years ended December 31, 2024 and 2023, a detail of net investment income is as follows:

	2024	2023
Government bonds	$ 502,706	$ 170,988
Other bonds	8,251,375	7,590,290
Preferred stocks	-	1,388
Policy loans	334,265	336,548
Cash and short-term investments	738,495	533,132
Real estate	2,130,652	1,967,589
Mortgage loans	4,851,939	4,249,343
Other	200,798	186,984
Amortization of interest maintenance reserve	433,677	329,183
	17,443,907	15,365,445
Less investment expenses	(2,100,743)	(1,866,400)
Investment income, net	$ 15,343,164	$ 13,499,045

(e) Realized Capital Gains and Losses

For the years ended December 31, 2024 and 2023, proceeds and gross realized capital gains and losses resulting from sales or other redemptions of investment securities and other invested assets are as follows:

	2024	2023
Proceeds from sales or other redemptions of bonds and stocks	$ 21,098,247	$ 17,863,589
Gross realized capital gains on disposition	$ 415,818	$ 357,747
Gross realized capital losses on disposition	(191,043)	(220,742)
Gain on sale of fixed assets	-	422,288
Gross realized capital gains net of capital losses	224,775	559,293
Federal income tax provision	(98,539)	(142,876)
Amount transferred to IMR, net of tax	(178,183)	(97,643)
Net realized capital gains/(losses)	$ (51,947)	$ 318,774

(9) Investments (Continued)

(f) Statutory Deposit

At December 31, 2024 and 2023, the Company had a Treasury Note and a bond from the State of Massachusetts with an aggregate face amount of $250,000 deposited in trust as required by the OIR. The Treasury Note and the bond, included in bonds in the accompanying statutory statements of admitted assets, liabilities and capital and surplus, had an aggregate carrying value of $253,167 and $253,752 and an aggregate NAIC fair value of $260,333 and $271,256 at December 31, 2024 and 2023, respectively. The admitted restricted assets represent approximately .06% of the total admitted assets at both December 31, 2024 and 2023.

(g) Asset Valuation Reserve/Interest Maintenance Reserve

The Company provides for an AVR and IMR in accordance with NAIC's annual statement instructions. The AVR serves to provide a contingency reserve for credit-related risk on most invested assets. The IMR, also required by insurance regulators, captures interest-related realized gains and losses (net of taxes) on fixed income investments (bonds). Those interest-related realized gains and losses (net of taxes) are amortized into net investment income over the expected years to maturity of the investments sold, using the grouped method. AVR at December 31, 2024 and 2023 was $6,582,990 and $5,527,722, respectively. The increase of $1,055,268 and $1,256,906 are presented as a decrease in unassigned surplus in the accompanying statutory statements of capital and surplus for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the Company had an IMR of $1,603,406 and $1,858,899, respectively. Amortization of the IMR, which is a component of investment income, was $433,677 and $329,183 for the years ended December 31, 2024 and 2023, respectively.

(h) Real Estate

Investments in real estate, occupied by the Company, held for the production of income, and held for sale at December 31, 2024 and 2023, are summarized as follows:

	2024	**2023**
Total cost	$ 44,709,547	$ 39,492,661
Less - accumulated depreciation	10,166,333	9,242,389
Totals	$ 34,543,214	$ 30,250,272

The Company held $16,321,778 and $16,943,630 in properties occupied by the Company and $6,556,116 and $6,781,165 in properties held for the production of income as of December 31, 2024 and 2023, respectively.

Total depreciation expense on real estate for 2024 and 2023 was $923,943 and $855,214 respectively, and is included as investment income, net of investment expenses in the accompanying statutory statements of operations.

(9) Investments (Continued)

(h) Real Estate (Continued)

The Company has not sold any property during the year ending December 31, 2024, while the property described as 1331 Brickell Bay Drive, Unit 4607, Miami, FL, which was classified as available for sale was sold on March 17, 2023 at a gain of $422,288. The Company had the following properties classified as available for sale totaling $11,665,320 and $6,525,477 at December 31, 2024 and 2023, respectively, which it intends to dispose of within the year 2025:

a. 4900 W. Irlo Bronson Memorial Highway, Kissimmee, FL
b. 4840 W. Irlo Bronson Memorial Highway, Kissimmee, FL
c. 672 N. Semoran Blvd., Orlando, FL
d. 1222 E. Colonial Drive, Orlando, FL

(i) Mortgage Loans

Mortgage loans on real estate are stated at the unpaid principal balance. Investment in mortgage loans at December 31, 2024 and 2023 totaled $36,457,333 and $36,483,502, respectively. During 2024 and 2023, there were no impairment losses recorded, there were no taxes, assessments, or any amounts advanced and not included in the mortgage loan.

The following tables provide an aging analysis of mortgage loans as of December 31, 2024 and 2023:

	Residential		Commercial		
	Insured	All Other	Insured	All Other	Total
December 31, 2024					
Recorded investment (all)					
(a) Current	$ -	$ 9,652,833	$ -	$ 3,900,000	$ 13,552,833
(b) 30-59 Days past due	-	-	-	3,192,000	3,192,000
(c) 60-89 Days past due	-	-	-	-	-
(d) 90-179 Days past due	-	-	-	-	-
(e)180+ Days past due	-	7,562,500	-	12,150,000	19,712,500
	$ -	$ 17,215,333	$ -	$ 19,242,000	$ 36,457,333

(9) Investments (Continued)

(i) Mortgage Loans (Continued)

	Residential		Commercial		
December 31, 2023	**Insured**	**All Other**	**Insured**	**All Other**	**Total**
Recorded investment (all)					
(a) Current	$ -	$ 2,035,000	$ -	$ 513,630	$ 2,548,630
(b) 30-59 Days past due	-	12,660,072	-	3,162,000	15,822,072
(c) 60-89 Days past due	-	-	-	-	-
(d) 90-179 Days past due	-	780,000	-	11,100,000	11,880,000
(e)180+ Days past due	-	1,282,800	-	4,950,000	6,232,800
	$ -	$ 16,757,872	$ -	$ 19,725,630	$ 36,483,502

Pursuant to SSAP No. 37, "Mortgage Loans," management reviewed each loan that is past due and determined that there was no impairment to mortgage loans as of December 31, 2024. This analysis included evaluating the appraisal value, contractual revisions to the underlying loan agreement, and the net value of the collateral compared to the underlying mortgage loan investment. All mortgage loan investments are guaranteed by certain Company officers.

The maximum and minimum lending rates for mortgage loans issued during 2024 were:

	Maximum	Minimum
Commercial loans	10.0%	10.5%

The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was sixty percent (60%).

Interest income due on mortgage loans in foreclosure or in default, and 180 days or more past due, was tracked but not accrued during 2024 and 2023.

There was no mortgage loan derecognized for the year ended December 31, 2023. The following table shows the mortgage loan derecognized as a result of foreclosure for the year ended December 31, 2024:

	2024
a. Aggregate amount of loans derecognized	$ 2,460,000
b. Real estate collateral recognized	2,460,000
c. Other collateral recognized	-
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	-

(9) Investments (Continued)

(j) Other-Than-Temporary Impairment of Investments

The Company completes a detailed analysis each quarter to assess whether the decline in the fair value of any investment below its amortized cost is deemed other-than-temporary. Under efficient and stable financial markets, most declines in the fair value of securities are primarily interest-related and not related to the credit quality of the issuer. Furthermore, the Company has the ability and intent to hold securities until maturity or the recovery of market price under most circumstances.

Specific to loan-backed and structured securities, the Company has adopted the provisions under SSAP No. 43R, "Loan Backed and Structured Securities," passed by the NAIC in 2009. Under this guidance, should the Company hold a security that is impaired, an other-than-temporary impairment is considered to have occurred if the Company (a) intends to sell the security, (b) has an inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis, or (c) the present value of cash flows expected to be collected is less than the amortized cost basis of the security. There were no write-down on securities during 2024 and 2023.

The Company had no write-down on securities during the year ended December 31, 2024, while it had a write-down on convertible securities in the amount of $28,564 during the year ended December 31, 2023.

The Company has the intent and ability to hold all investments in loan-backed or structured securities a sufficient time to recover the amortized cost basis for the securities held on December 31, 2024.

(10) Participating and Non-Participating Policies

Since December 1991, the Company has issued only non-participating life insurance policies. At December 31, 2024 and 2023, participating business in-force totaled approximately $8.0 million and $8.7 million, respectively. Non-participating and ordinary group life business in-force totaled approximately $23.6 billion and $20.4 billion at December 31, 2024 and 2023, respectively.

Since the Board of Directors discontinued the dividend payments and credits, no dividends were paid or credited to participating policyholders during 2024 or 2023.

At December 31, 2024 and 2023, total ordinary and group life insurance in-force amounted to approximately $23.6 billion and $20.4 billion, respectively. The Company had approximately $185.9 million and $183.3 million in ordinary life insurance policies with disability provisions in-force at December 31, 2024 and 2023, respectively. Accidental death insurance in-force under ordinary policies amounted to approximately $73.1 million and $66.7 million at December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, dividend accumulations amounted to $169,290 and $171,006, respectively. Deposit funds amounted to $184,456 and $179,086 as of December 31, 2024 and 2023, respectively.

(11) Statutory Capital and Surplus and Dividend Restrictions

The NAIC utilizes RBC to evaluate the adequacy of statutory capital and surplus in relation to risks associated with: (i) asset quality, (ii) insurance risk, (iii) interest rate risk, and (iv) other business factors. The RBC formula is designed as an early warning tool for the state regulators to identify potential under-capitalized companies for the purpose of initiating regulatory action. In the course of operations, the Company periodically monitors the level of its RBC and it exceeds the minimum required levels as of December 31, 2024 and 2023.

State insurance departments, which regulate insurance companies, recognize only statutory accounting practices for determining and reporting the financial condition and the results of operations of an insurance company, for determining its solvency under law, and for determining whether its financial condition warrants payment of a dividend to its shareholder.

Dividends to BMIFG are payable out of unassigned surplus. Florida insurance law limits the amount of ordinary dividends that may be paid to shareholders without the prior approval of the Insurance Commissioner of the State of Florida OIR in an amount up to the greater of:

(a) Ten percent (10%) of unassigned statutory surplus, or

(b) The statutory net operating profits and net capital gains derived during the immediately preceding calendar year.

The maximum ordinary dividend amount allowed during 2025 would be $6,240,359. No ordinary dividends were declared or paid to BMIFG during the years 2024 and 2023.

At December 31, 2024 and 2023, unassigned surplus included in capital and surplus in the accompanying statutory statements of admitted assets, liabilities and capital and surplus are increased (decreased) by the following:

	2024	2023
Non-admitted assets:		
Amounts recoverable from reinsurers	$ (535,225)	$ (1,363,097)
Other amounts receivable under reinsurance contracts	(118,187)	-
Net deferred tax asset	(489,327)	(1,724,083)
EDP equipment and software	(2,660)	(4,833)
Furniture and equipment	(39,526)	(50,836)
Receivable from parent and affiliates	(1,845,365)	(1,836,629)
Other deposits	(39,418)	(60,482)
Leasehold improvements	(6,986)	(35,476)
Total non-admitted assets	$ (3,076,694)	$ (5,075,436)
Asset valuation reserve	$ (6,582,990)	$ (5,527,722)
Net deferred tax asset - gross	$ 4,641,640	$ 5,084,566

(11) Statutory Capital and Surplus and Dividend Restrictions (Continued)

Florida Statute 624.408(1)(c) requires a life and health insurer to maintain at all times surplus as to policyholders at least four percent (4%) of the insurer's total liabilities plus six percent (6%) of the insurer's liabilities relative to health insurance. As of December 31, 2024 and 2023, this Statute required the Company to have surplus of at least $19,397,085 and $17,818,535, respectively. In compliance with the same Statute, the Company had surplus of $69,553,588 and $62,479,228, as of December 31, 2024 and 2023, respectively.

(12) Aggregate Reserves

The Company waives deductions of deferred fractional premiums upon the death of an insured and returns any portion of the final premium beyond the month of death. Surrender values are not guaranteed in excess of the legally computed reserves.

Policies for substandard lives are charged an extra premium plus the regular gross premiums for the actual age. Mean reserves are determined by computing the regular mean reserve for the plan at the actual age and holding an additional reserve by applying a schedule of factors to the extra premium charge for the year.

There was no change in year 2024, while in year 2023 the Company elected a change in reserve valuation basis as described in SSAP No. 51R, "Life Contracts," for some traditional life policies reserves. This change in valuation basis, which impacts reserves for policies written from 2005 to 2020, was approved by the OIR based on Florida Statute 625.121 – Standard Valuation Law. The change uses a recent CSO mortality table that decreases the reserve by $7,880,159, which was recorded as an adjustment to unassigned surplus.

The following table summarizes the aggregate reserves for the Company as of December 31, 2024 and 2023:

Line of Business	2024	2023
Individual and group life:		
Universal life	$ 304,139,148	$ 272,385,484
Traditional life	84,224,616	74,063,363
Accidental death benefits	65,506	60,961
Disability	102,096	78,779
Other	832,433	741,496
Total direct reserves - life	389,363,799	347,330,083
Ceded – life	142,794,236	100,383,954
Ceded – accidental death	65,506	60,961
Ceded – disability	417	338
Ceded – other	105,661	98,981
Total ceded reserves – life	142,965,820	100,544,234
Aggregate life reserves, net	$ 246,397,979	$ 246,785,849
Accident and health:		
Individual	$ 40,200,919	$ 39,988,979
Group	2,657,779	1,352,819
Total direct reserves - accident and health	$ 42,858,698	$ 41,341,798

(12) Aggregate Reserves (Continued)

An analysis of life actuarial reserves by withdrawal characteristics as of December 31, 2024 is as follows:

	General Account			Separate Account - Guaranteed and Nonguaranteed		
	Account Value	**Cash Value**	**Reserve**	**Account Value**	**Cash Value**	**Reserve**
Subject to discretionary withdrawal, surrender values, or policy loans:						
(1) Term Policies with Cash Value	$ -	$ -	$ -	$ -	$ -	$ -
(2) Universal Life	-	-	-	-	-	-
(3) Universal Life with Secondary Guarantees	170,732,324	145,693,851	170,468,629	-	-	-
(4) Indexed Universal Life	-	-	-	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	172,732,324	33,574,339	133,670,519	-	-	-
(6) Indexed Life	-	-	-	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	-	-	-	-	-
(8) Variable Life	-	-	-	-	-	-
(9) Variable Universal Life	-	-	-	-	-	-
(10) Miscellaneous Reserves	-	-	-	-	-	-
Not subject to discretionary withdrawal or no cash values						
(1) Term Policies without Cash Value	XXX	XXX	84,224,616	XXX	XXX	-
(2) Accidental Death Benefits	XXX	XXX	65,506	XXX	XXX	-
(3) Disability - Active Lives	XXX	XXX	102,096	XXX	XXX	-
(4) Disabililty - Disabled Lives	XXX	XXX	-	XXX	XXX	-
(5) Miscellaneous Reserves	XXX	XXX	832,433	XXX	XXX	-
Total (gross: direct + assumed)	$ 343,464,648	$ 179,268,190	$ 389,363,799	$ -	$ -	$ -
Reinsurance Ceded	-	-	142,965,820	-	-	-
Total (net)	$ 343,464,648	$ 179,268,190	$ 246,397,979	$ -	$ -	$ -

(12) Aggregate Reserves (Continued)

A reconciliation of the total life insurance reserves amount disclosed to the appropriate sections of the aggregate reserves for life policies and contracts exhibits of the NAIC Life and Health Annual Statement follows:

	Reserve
Life & Accident & Health Annual Statement:	
(1) Exhibit 5, Life Insurance Section, Total (net)	$ 245,569,528
(2) Exhibit 5, Accidental Death Benefits Section, Total (net)	-
(3) Exhibit 5, Disability - Active Lives Section, Total (net)	101,680
(4) Exhibit 5, Disability - Disabled Lives Section, Total (net)	-
(5) Exhibit 5, Miscellaneous Reserves Section, Total (net)	726,771
(6) Subtotal	$ 246,397,979
Separate Accounts Annual Statement:	
(7) Exhibit 3, Line 0199999, Column 2	-
(8) Exhibit 3, Line 0499999, Column 2	-
(9) Exhibit 3, Line 0599999, Column 2	-
(10) Subtotal (Lines (7) through (9))	-
(11) Combined Total ((6) and (10))	$ 246,397,979

An analysis of the Company's annuity actuarial reserves and deposit liabilities subject to discretionary withdrawal as of December 31, 2024 and 2023, is as follows:

	2024		2023	
	Amount	% of Total	Amount	% of Total
Premium and other deposits	$ 184,456	52%	$ 179,086	51%
Dividend accumulations	169,290	48%	171,006	49%
Total annuity reserves and deposit liabilities	$ 353,746	100%	$ 350,092	100%

Dividend accumulations and premium and other deposits are subject to discretionary withdrawal at book value. Dividend accumulations and premium and other deposit liabilities are included in deposit-type contracts in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus.

(13) Policy and Contract Claims for Accident and Health Policies

The table below is a reconciliation of beginning and ending claim liabilities balances for accident and health policies as of December 31, 2024 and 2023.

	2024	2023
Gross balance, beginning of year	$ 30,296,865	$ 26,345,446
Amount incurred, related to:		
Current year	98,804,832	88,645,921
Prior years	(8,347,146)	(6,679,288)
Total incurred	90,457,686	81,966,633
Amount paid, related to:		
Current year	67,083,344	59,777,316
Prior years	19,958,526	18,237,898
Total paid	87,041,870	78,015,214
Net balance, end of year	33,712,681	30,296,865
Plus reinsurance recoverable	1,435,082	-
Gross balance, end of year	$ 35,147,763	$ 30,296,865

Because medical claims liabilities include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of changes in estimates of insured events in prior years, the incurred claims for prior period insured events during 2024 and 2023 were lower due to favorable development of claim liabilities that are attributed to differences in expected cost per service and utilization trends. Management believes the amount of medical claims liabilities are reasonable as of December 31, 2024 and 2023.

(14) Contingencies

The Company is involved in various claims and legal actions arising from the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

(15) Defined Contribution Plan

The Company participates in a 401(k) defined contribution plan sponsored by BMIFG. Employees are allowed to contribute up to a maximum of 15% of their salary or the limitation imposed by the Internal Revenue Service, whichever is lower. The Company matches 25% of employee contributions up to 6% or a maximum of 1.5% of each employee's annual salary. The Company's contributions for the years ended December 31, 2024 and 2023, amounted to $76,040 and $69,917, respectively, and are included as general insurance expenses in the accompanying statutory statements of operations.

(16) Fair Value Disclosures

The fair values of financial instruments presented below are estimates of the fair values at a specific point in time using available market information and valuation methodologies considered appropriate by management. These estimates are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data. Therefore, the fair values presented are not necessarily indicative of amounts the Company could realize or settle currently. The Company does not necessarily intend to dispose of or liquidate such instruments prior to maturity.

The Company has no derivative financial instruments as defined by SSAP No. 86, "Derivatives," at December 31, 2024 or 2023.

At December 31, 2024 and 2023, the carrying amounts (under SAP) and fair values (under GAAP) of the Company's other financial instruments were as follows:

	2024		2023	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Bonds	$ 214,200,062	$ 193,934,705	$ 204,411,688	$ 189,433,785
Common Stocks - Unaffiliated	3,081,925	3,081,925	985,166	985,166
Total	**$ 217,281,987**	**$ 197,016,630**	**$ 205,396,854**	**$ 190,418,951**

(16) Fair Value Disclosures (Continued)

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100, "Fair Value Measurements." Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SSAP No. 100 defines fair value, establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement, and enhances disclosures about fair value instruments. SSAP No. 100 retains the exchange price notion, but clarifies that exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability (exit price) in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability, as opposed to the price that would be paid to acquire the asset or receive a liability (entry price).

Fair value measurement is based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset or non-performance risk, which would include the reporting entity's own credit risk. SSAP No. 100 establishes a three-level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The three-level hierarchy for fair value measurement is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. "Blockage discounts" for large holdings of unrestricted financial instruments where quoted prices are readily and regularly available for an identical asset or liability in an active market are prohibited;

- Level 2 – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

- Level 3 – inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

The Company does not adjust prices received from third parties; however, the Company does analyze the third party pricing services' valuation methodologies and related inputs and performs additional evaluation to determine the appropriate level within the fair value hierarchy.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

(16) Fair Value Disclosures (Continued)

The following tables represent the fair value hierarchy of the bonds, common stock, and preferred stocks portfolio as of December 31, 2024 and 2023:

	2024				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Bonds					
Governments	$ 15,280,107	$ 14,042,694	$ 214,519	$ 13,828,175	$ -
Hybrid securities	1,320,395	1,316,472	-	1,316,472	-
Industrial and miscellaneous	168,581,312	152,849,736	-	152,849,736	-
Political subdivisions	2,794,094	2,761,299	-	2,761,299	-
Special revenue and special assessments	20,633,321	18,446,142	-	18,446,142	-
States, territories and possessions	1,560,000	1,564,597	-	1,564,597	-
Surplus notes	4,030,833	2,953,765	-	2,953,765	-
Total of Bonds	$ 214,200,062	$ 193,934,705	$ 214,519	$ 193,720,186	$ -
Common Stock - Unaffiliated					
JV, Partnership or LLC Interest - Common Stock	$ 3,081,925	$ 3,081,925	$ 3,081,925	$ -	$ -
Total of Common Stocks - Unaffiliated	$ 3,081,925	$ 3,081,925	$ 3,081,925	$ -	$ -
Total All	$ 217,281,987	$ 197,016,630	$ 3,296,444	$ 193,720,186	$ -

	2023				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Bonds					
Governments	$ 7,381,095	$ 6,633,201	$ 221,914	$ 6,411,287	$ -
Hybrid securities	1,267,654	1,233,389	-	1,233,389	-
Industrial and miscellaneous	161,318,969	149,695,913	-	149,695,913	-
Political subdivisions	4,171,197	4,176,387	-	4,176,387	-
Special revenue and special assessments	24,385,663	22,688,282	-	22,688,282	-
States, territories and possessions	1,856,000	1,915,094	-	1,915,094	-
Surplus notes	4,031,110	3,091,519	-	3,091,519	-
Total of Bonds	$ 204,411,688	$ 189,433,785	$ 221,914	$ 189,211,871	$ -
Common Stock - Unaffiliated					
JV, Partnership or LLC Interest - Common Stock	$ 985,166	$ 985,166	$ 985,166	$ -	$ -
Total of Common Stocks - Unaffiliated	$ 985,166	$ 985,166	$ 985,166	$ -	$ -
Total All	$ 205,396,854	$ 190,418,951	$ 1,207,080	$ 189,211,871	$ -

(16) Fair Value Disclosures (Continued)

Certain financial assets are measured at fair value on a non-recurring basis, such as certain bonds valued at admitted carrying value or fair value, or investments that are impaired during the reporting period and recorded at fair value on the statutory statement of admitted assets, liabilities and capital and surplus at December 31, 2024 and 2023. During 2024 there were no financial assets measured at fair value on a non-recurring basis, while during 2023 the Company had two convertible securities that had a write-down in the amount of $28,564.

The fair value of bonds equals unadjusted quoted price, in active markets for identical assets which is the highest ranking in the hierarchy defined by SSAP No. 100.

The Company has not attempted to assess the fair value of mortgage loans due to cost considerations.

The carrying value of policy loans, cash and short-term investments, accruals, other liabilities, receivables and other financial instruments approximates their fair value at December 31, 2024 and 2023.

(17) Information about Financial Instruments with Concentrations of Credit Risk

The Company is exposed to concentrations of credit risk due to cash deposits in excess of federally insured limits. Deposits held in corporate accounts are federally insured up to $250,000. As of December 31, 2024, the Company's bank balances held in U.S. financial institutions exceeded this limit by $39,750,638. In addition, the Company held bank balances totaling $3,569,919 in foreign bank accounts, which are intended for the operations of the Company's Costa Rica branch office.

(18) Leases

The Company leases an office under a non-cancelable operating lease that expires in November of 2026. Rental expense, excluding statutory rent, for 2024 and 2023 was approximately $197,048 and $196,673, respectively, and is included as a component of general insurance expenses on the statutory statement of operations.

The Company has no sublease or sale-leaseback transactions.

At December 31, 2024 the minimum aggregate rental commitments are as follows:

Year ending December 31:	Operating Leases
2025	$ 198,038
2026	188,796
Total	$ 386,834

There are no lease agreements that have been terminated early or for which the Company is no longer using the leased property.

(18) Leases (Continued)

The Company leases space in its home office building and other properties held for the production of income to related and unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation and encumbrances, if any. The typical lease period is between five and fourteen years with renewal options. Rental income, which is included as a component of net investment income on the statutory statement of operations, for the years ended December 31, 2024 and 2023 was $995,631 and $832,567, respectively. The rental income amounts exclude statutory rent.

Future minimum lease payment receivables under non-cancelable leasing arrangements as of December 31, 2024 are as follows:

Year ending December 31:	Operating Leases
2025	$ 964,821
2026	859,727
2027	859,727
2028	778,980
2029	617,487
Thereafter	617,487
Total	$ 4,698,229

(19) Subsequent Events

The Company has evaluated subsequent events for disclosure and recognition through June 2, 2025, the date on which these financial statements were available to be issued. There have been no events occurring subsequent to the close of the Company's books or accounts for the accompanying statutory financial statements that would have a material effect on the financial condition of the Company.

SUPPLEMENTAL INFORMATION

Best Meridian Insurance Company **Schedule I**

(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)

Selected Financial Data

As of and for the Year Ended December 31, 2024

INVESTMENT INCOME EARNED		
U.S. Government bonds	$	502,706
Other bonds (unaffiliated)		8,251,375
Bonds of affiliates		-
Preferred stocks (unaffiliated)		-
Common stocks (unaffiliated)		-
Preferred stocks of affiliates		-
Common stocks of affiliates		-
Mortgage loans		4,851,939
Real estate		2,130,652
Premium notes, policy loans, and liens		334,265
Cash on hand and on deposit		738,495
Short-term investments		-
Derivative instruments		-
Other invested assets		200,798
Aggregate write-ins for investment income		-
GROSS INVESTMENT INCOME	$	17,010,230
REAL ESTATE OWNED - BOOK VALUE LESS ENCUMBRANCES	$	34,543,214
MORTGAGE LOANS - BOOK VALUE		
Farm mortgages	$	-
Residential mortgages		17,215,333
Commercial mortgages		19,242,000
TOTAL MORTGAGE LOANS	$	36,457,333
MORTGAGE LOANS BY STANDING - BOOK VALUE		
Good standing	$	16,042,833
Good standing with restructured terms		-
Interest overdue more than 90 days, not in foreclosure		3,162,000
Foreclosure in process		17,252,500
OTHER LONG TERM ASSETS - STATEMENT VALUE		-
COLLATERAL LOANS		-
BONDS AND STOCKS OF PARENTS, SUBSIDIARIES, AND AFFILIATES - BOOK VALUE		
Bonds		-
Preferred stocks		-
Common stocks		6,142,253

Best Meridian Insurance Company **Schedule I**

(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)

Selected Financial Data

As of and for the Year Ended December 31, 2024

BONDS AND SHORT-TERM INVESTMENTS BY CLASS AND EXPECTED MATURITY		
Bonds by expected maturity – statement value:		
Due within one year or less	$	13,813,611
Over 1 year through 5 years		57,541,934
Over 5 years through 10 years		35,987,800
Over 10 years through 20 years		40,572,575
Over 20 years		62,253,310
TOTAL BY MATURITY	$	210,169,230
Bonds by class – statement value:		
Class 1	$	142,419,766
Class 2		64,727,314
Class 3		1,797,952
Class 4		908,023
Class 5		300,907
Class 6		15,268
TOTAL BY CLASS	$	210,169,230
TOTAL BONDS PUBLICLY TRADED	$	171,117,713
TOTAL BONDS PRIVATELY PLACED	$	39,051,517
Preferred stocks – statement value	$	-
Common stocks – investment in subsidiary at statement value		6,142,253
Common stocks – statement value		3,081,925
Short term investments – book value		-
Options, caps, and floors owned – statement value		-
Options, caps, and floors written and in force – statement value		-
Collar, swap, and forward agreements open – statement value		-
Futures contracts open – current value		-
Cash on deposit		43,767,557
LIFE INSURANCE IN FORCE		
Industrial		-
Ordinary		21,947,291,000
Credit life		-
Group life		1,642,370,000
AMOUNT OF ACCIDENTAL DEATH INSURANCE IN FORCE UNDER ORDINARY POLICIES		73,062,000
LIFE INSURANCE POLICIES WITH DISABILITY PROVISIONS IN FORCE		
Industrial		-
Ordinary		185,867,000
Credit life		-
Group life		-

Best Meridian Insurance Company **Schedule I**

(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)

Selected Financial Data

As of and for the Year Ended December 31, 2024

SUPPLEMENTARY CONTRACTS IN FORCE		
Ordinary – not involving life contingencies:		
Amount of deposit	$	-
Income payable		-
Ordinary – involving life contingencies:		
Income payable		-
Group – not involving life contingencies:		
Amount of deposit		-
Income payable		-
Group – involving life contingencies:		
Income payable		-
ANNUITIES		
Ordinary:		
Immediate – amount of income payable		-
Deferred – fully paid account balance		-
Deferred – not fully paid account balance		-
Group:		
Amount of income payable		-
Fully paid account balance		-
Not fully paid – account balance		-
ACCIDENT AND HEALTH INSURANCE - PREMIUMS IN FORCE		
Ordinary		18,655,207
Group		9,209,551
Credit		-
DEPOSIT FUNDS AND DIVIDEND ACCUMULATION		
Deposit funds – account balance		184,456
Dividend accumulations – account balance		169,290
CLAIM PAYMENTS 2024		
Group accident and health – year ended December 31, 2024		
2024		14,069,902
2023		271,180
2022		29
2021		-
2020		-
Prior		-
Other accident and health:		
2024		53,013,442
2023		18,916,564
2022		610,365
2021		64,328
2020		21,960
Prior		74,100

OTHER COVERAGES THAT USE DEVELOPMENTAL METHODS TO CALCULATE		
Claims reserves:		
2024	$	33,156,570
2023		1,573,821
2022		311,399
2021		-
2020		-
Prior		105,973

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Summary Investment Schedule
December 31, 2024

Schedule II

	Gross investment holdings*		**Admitted Assets as Reported in the Annual Statement**	
	Amount	**Percentage**	**Amount**	**Percentage**
LONG-TERM BONDS				
U.S. governments	$ 15,280,107	4.4%	$ 15,280,107	4.4%
All other governments	-	-	-	-
U.S. states, territories and possessions, etc. guaranteed	1,560,000	0.5%	1,560,000	0.5%
U.S. political subdivisions of states, territories, and possessions, guaranteed	2,794,094	0.8%	2,794,094	0.8%
U.S. special revenue and special assessment obligations, etc. non-guaranteed	20,633,321	6.0%	20,633,321	6.0%
Industrial and miscellaneous	168,581,313	49.1%	168,581,313	49.1%
Hybrid securities	1,320,395	0.4%	1,320,395	0.4%
Parent, subsidiaries and affiliates	-	-	-	-
SVO identified funds	-	-	-	-
Unaffiliated bank loans	-	-	-	-
Total long-term bonds	210,169,230	61.2%	210,169,230	61.2%
PREFERRED STOCKS				
Industrial and miscellaneous (Unaffiliated)	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
Total preferred stocks	-	-	-	-
COMMON STOCKS				
Industrial and miscellaneous Publicly traded (Unaffiliated)	-	-	-	-
Industrial and miscellaneous other (Unaffiliated)	-	-	-	-
Parent, subsidiaries and affiliates Publicly traded	-	-	-	-
Parent, subsidiaries and affiliates other	6,142,253	1.8%	6,142,253	1.8%
Mutual funds	-	-	-	-
Unit investment trusts	-	-	-	-
Closed-end funds	-	-	-	-
Total common stocks	6,142,253	1.8%	6,142,253	1.8%
MORTGAGE LOANS				
Farm mortgages	-	-	-	-
Residential mortgages	17,215,333	5.0%	17,215,333	5.0%
Commercial mortgages	19,242,000	5.6%	19,242,000	5.6%
Mezzanine real estate loans	-	-	-	-
Total mortgage loans	36,457,333	10.6%	36,457,333	10.6%
REAL ESTATE				
Properties occupied by company	16,321,778	4.8%	16,321,778	4.8%
Properties held for production of income	6,556,116	1.9%	6,556,116	1.9%
Properties held for sale	11,665,320	3.4%	11,665,320	3.4%
Total real estate	34,543,214	10.1%	34,543,214	10.1%
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
Cash	43,767,557	12.7%	43,767,557	12.7%
Cash equivalents	954,011	0.3%	954,011	0.3%
Short-term investments	-	-	-	-
Total cash, cash equivalents and short-term investments	44,721,568	13.0%	44,721,568	13.0%
CONTRACT LOANS	4,179,367	1.2%	4,179,367	1.2%
DERIVATIVES	-	-	-	-
OTHER INVESTED ASSETS	7,349,621	2.1%	7,349,621	2.1%
RECEIVABLE FOR SECURITIES	1,704	0	1,704	0.0%
SECURITIES LENDING	-	-	-	-
OTHER INVESTED ASSETS	-	-	-	-
TOTAL INVESTED ASSETS	$ 343,564,290	100.0%	$ 343,564,290	100.0%

*Gross Investments Holdings as valued in compliance with NAIC Accounting Practices and Procedures Manual.

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Supplemental Investment Risks Interrogatories
December 31, 2024

1. Total admitted assets: $438,221,014
2. Ten largest exposures to a single issuer/borrower/investment:

Issuer	Description		Amount	Percentage of total admitted assets
HOME OFFICE BUILDING 21 - 24 FLOORS	HOME OFFICE		16,321,777	3.725%
11TH STREET TOWNHOMES L.L.C.	MORTGAGE LOAN		7,930,078	1.810%
BELLA CAPRI, L.L.C.	MORTGAGE LOAN	$	7,562,500	1.726%
LW SQUARE OFFICE, L.L.C.	MORTGAGE LOAN		7,200,000	1.643%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	CMO, MBS		6,738,167	1.538%
LAKE CECILE RESORT, INC.	INVESTMENT PROPERTY		5,139,843	1.173%
THE CECILE INN	INVESTMENT PROPERTY		3,931,169	0.897%
MARKET VISION HOLDINGS, L.L.C.	MORTGAGE LOAN		3,900,000	0.890%
WALGREENS - BELLEVIEW, FL	INVESTMENT PROPERTY		3,366,923	0.768%
WALGREENS - TALLAHASSEE, FL	INVESTMENT PROPERTY		3,189,194	0.728%

3. Total admitted assets held in bonds and short-term investments by NAIC rating:

Bonds		Amount	Percentage of total admitted assets
NAIC 1	$	142,419,765	32.500%
NAIC 2		64,727,314	14.770%
NAIC 3		1,797,952	0.410%
NAIC 4		908,023	0.207%
NAIC 5		300,907	0.069%
NAIC 6		15,268	0.003%

Preferred Stocks		Amount	Percentage of total admitted assets
P/RP-1	$	—	0.00%
P/RP-2		—	0.00%
P/RP-3		—	0.00%
P/RP-4		—	0.00%
P/RP-5		—	0.00%
P/RP-6		—	0.00%

4. Admitted assets held in foreign investments:

Assets held in foreign investments are more than 2.5% of the reporting entity's total admitted assets.		
Total admitted assets held in foreign investments	$	18,766,769
Foreign-currency denominated investments of:		—
Foreign-currency denominated supporting insurance liabilities of:		—

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

Countries designated NAIC 1	$	12,624,516
Countries designated NAIC 2		—
Countries designated NAIC 3 or below		6,142,253

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

Countries designated NAIC 1:				
	Country 1:	UNITED KINGDOM	$	4,307,972
	Country 2:	NORWAY		1,273,964
Countries designated NAIC 2:				
	Country 1:		$	—
	Country 2:			—
Countries designated NAIC 3 or below:				
	Country 1:	GUATEMALA	$	6,142,253
	Country 2:			—

7. The Company did not have any unhedged foreign currency exposure.
8. The Company did not have any unhedged foreign currency exposure, therefore detail is not required for this interrogatory.
9. The Company did not have any unhedged foreign currency exposure, therefore detail is not required for this interrogatory.
10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

Issuer	NAIC Designation	Amount
BMI COMPAÑIA DE SEGUROS DE GUATEMALA S.A.	3.B	$ 6,142,253
PFIZER INVESTMENT ENTERPRISES PTE. LTD.	1FE	1,263,944
RECKITT BENCKISER TREASURY SERVICES PLC	1FE	982,112
TAKEDA PHARMACEUTICAL COMPANY LIMITED	2FE	796,582
UBS GROUP AG	1FE	749,860
BNP PARIBAS SA	2FE	748,498
VODAFONE GROUP PUBLIC LIMITED COMPANY	2FE	684,306
YARA INTERNATIONAL ASA	2FE	675,000
LSEGA FINANCING PLC	1FE	633,959
BAE SYSTEMS PLC	2FE	604,683

11. Assets held in Canadian investments less than 2.5% of reporting entity's total admitted assets; therefore, detail is not required for this interrogatory.
12. There were no admitted assets held in investments with contractual sales restrictions.
13. Assets held in equity interests:

Issuer	Amount	Percentage of total admitted assets
BMI COMPAIA DE SEGUROS DE GUATEMALA S.A.	$ 6,142,253	1.4%
AMERICAN FAMILY VENTURES	1,970,823	0.4%
FERN STREET PARTNERS, LLC	1,111,102	0.3%
THE WESTERN AND SOUTHERN LIFE INSURANCE COMPANY	1,253,587	0.3%
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	835,602	0.2%
NATIONWIDE MUTUAL INSURANCE COMPANY	751,392	0.2%
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA	692,263	0.2%
THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY	497,988	0.1%

14. Assets held in nonaffiliated, privately placed equity securities, less than 2.5% of the reporting entity's total admitted assets; therefore, detail is not required for this interrogatory.
15. There were no admitted assets held in general partnership interests.
16. As of December 31, 2024 the Company reported $36,457,333 in mortgage loans in the Annual Statement in Schedule B, which exceeded 2.5% of the Company's total admitted assets.
17. As of December 31, 2024 the Company held nine mortgage loans in the amount of $36,457,333, all of which are below 70% loan-to-value.
18. Real estate in the amount of $34,543,214, representing 7.88% of the total admitted assets, was held by the Company as of December 31, 2024.

19. There were no investments held in mezzanine real estate loans.
20. There were no admitted assets subject to securities lending, repurchase agreements, reverse repurchase agreements, dollar repurchase agreements, or dollar reverse repurchase agreements.
21. There were no warrants that are not attached to other financial instruments, options, caps, and floors.
22. There was no potential exposure from collars, swaps, and forwards.
23. There was no potential exposure from futures contracts.

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Reinsurance Summary Supplemental Schedule
December 31, 2024

As of December 31, 2024, the Company's reinsurance program does not include any contracts with risk limiting features identified in paragraphs 79 through 84 of Statement of Statutory Accounting Principles No. 61R, Life, Deposit-Type and Accident and Health Reinsurance.