Best Meridian Insurance Company

a Wholly Owned Subsidiary of BMI Financial Group, Inc.

Statutory Basis Financial Statements and Supplementary Information

Years Ended December 31, 2025 and 2024

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)

TABLE OF CONTENTS

Tel: 404-688-6841
Fax: 404-688-1075
www.bdo.com

1180 Peachtree Street NE, Suite 1950
Atlanta, GA 30309

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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 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 selected financial data, summary investment schedule, supplemental investment risk interrogatories, and the reinsurance interrogatories as of and for the year ended December 31, 2025, 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 1, 2026

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, 2025 and 2024

ADMITTED ASSETS	2025	2024
Cash and invested assets		
Bonds	$ 217,463,187	$ 214,200,062
Stocks	10,296,368	9,224,178
Other long-term investments	5,534,318	-
Mortgage loans	32,528,300	36,457,333
Real estate	29,437,046	34,543,214
Policy loans	4,612,782	4,179,367
Cash, cash equivalents and short-term investments	52,236,267	44,721,568
Receivables for securities	88	1,704
TOTAL CASH AND INVESTED ASSETS	352,108,356	343,327,426
Premiums deferred and uncollected	31,407,052	38,601,268
Due from reinsurers	36,667,499	35,186,108
Investment income due and accrued	2,263,448	2,176,623
Federal income tax recoverable	4,456,001	4,197,648
Net deferred tax asset	4,378,502	4,152,313
Other admitted assets	16,009,209	10,579,628
TOTAL ADMITTED ASSETS	$ 447,290,067	$ 438,221,014
LIABILITIES AND CAPITAL AND SURPLUS		
Liabilities		
Aggregate reserves		
Life policies	$ 242,863,333	$ 246,397,979
Accident and health policies	46,869,516	42,858,698
Deposit-type contracts	342,378	353,746
Policy and contract claims		
Life policies	8,947,815	9,941,933
Accident and health policies	41,080,749	35,147,763
General expenses due and accrued	642,450	1,881,581
Commissions to agents due and accrued	281,780	1,080,577
Reinsurance premiums payable	3,783,599	4,047,694
Asset valuation reserve	7,045,772	6,582,990
Interest maintenance reserve	1,450,773	1,603,406
Other liabilities	22,231,875	18,021,059
TOTAL LIABILITIES	375,540,040	367,917,426
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	63,850,027	62,403,588
TOTAL CAPITAL AND SURPLUS	71,750,027	70,303,588
TOTAL LIABILITIES AND CAPITAL AND SURPLUS	$ 447,290,067	$ 438,221,014

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, 2025 and 2024

	2025	2024
PREMIUMS AND OTHER REVENUES		
Premiums and annuity considerations	$ 188,965,374	$ 172,724,134
Investment income, net of investment expenses of $1,758,1093 and $2,100,743 in 2025 and 2024, respectively	14,282,754	15,343,164
Commissions and expense allowances on reinsurance ceded	12,160,701	29,173,224
Other income	11,054,713	8,762,617
TOTAL PREMIUMS AND OTHER REVENUES	226,463,542	226,003,139
BENEFITS AND EXPENSES		
Death and other policy benefits	124,581,892	113,680,467
Increase in aggregate reserves for life and accident and health policies	39,312	913,687
Commissions	59,806,922	77,817,485
Salaries and benefits	23,451,946	17,017,775
Other general insurance expenses	12,564,673	9,171,637
Insurance taxes, licenses, and fees	5,865,545	4,555,841
TOTAL BENEFITS AND EXPENSES	226,310,290	223,156,892
INCOME BEFORE FEDERAL INCOME TAX EXPENSE AND REALIZED CAPITAL GAIN (LOSS)	153,252	2,846,247
FEDERAL INCOME TAX EXPENSE	399,151	1,185,621
(LOSS) INCOME BEFORE REALIZED CAPITAL GAIN (LOSS)	(245,899)	1,660,626
REALIZED CAPITAL GAIN (LOSS), NET OF TAX	1,626,483	126,238
TRANSFERS TO IMR	(319,908)	(178,185)
NET INCOME	$ 1,060,676	$ 1,608,679

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Capital and Surplus
Years Ended December 31, 2025 and 2024

	Common Stock	Paid-in Surplus	Unassigned Surplus	Total Capital and Surplus
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
Net income	-	-	1,060,676	1,060,676
Change in non-admitted assets	-	-	(155,518)	(155,518)
Change in asset valuation reserve	-	-	(462,783)	(462,783)
Change in deferred income taxes	-	-	554,781	554,781
Change in net unrealized capital gains on investments	-	-	483,055	483,055
Change in unrealized foreign exchange gain	-	-	(33,772)	(33,772)
Balances, December 31, 2025	$ 750,000	$ 7,150,000	$ 63,850,027	$ 71,750,027

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Statutory Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums, annuity considerations, and other fund deposits	$ 190,615,863	$ 178,852,265
Investment income received	14,591,522	15,773,963
Other income	22,782,213	37,619,015
	227,989,598	232,245,243
Benefits and loss related payments	(120,547,134)	(114,901,384)
Commissions, other expenses, and taxes paid (excluding federal income taxes)	(103,162,409)	(106,786,268)
Federal income taxes paid	(1,170,863)	(2,019,199)
	(224,880,406)	(223,706,851)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,109,192	8,538,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments sold, matured, or repaid:		
Bonds	23,139,683	21,098,247
Mortgage loans	4,914,755	9,248,675
Real estate	9,959,760	-
Other invested assets	916,661	1,954,827
Net gains on cash, cash equivalents and short-term investments	18,298	3,463
Miscellaneous proceeds	1,616	-
Total investments proceeds	38,950,773	32,305,212
Cost of investments acquired:		
Bonds	(30,055,782)	(30,603,694)
Mortgage loans	(985,721)	(9,222,506)
Real estate	(3,974,570)	(5,216,886)
Other invested assets	(2,775,886)	(2,096,759)
Miscellaneous applications	-	(1,704)
Total investments acquired	(37,791,959)	(47,141,549)
Net (increase) decrease in policy loans	(433,414)	18,273
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	725,400	(14,818,064)
CASH FLOWS FROM FINANCING ACTIVITIES AND MISCELLANEOUS SOURCES		
Other cash provided	3,702,804	7,547,970
Net withdrawals on deposit-type contract funds and other liabilities	(22,697)	(7,719)
NET CASH PROVIDED BY FINANCING ACTIVITIES AND MISCELLANEOUS SOURCES	3,680,107	7,540,251
NET INCREASE IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	7,514,699	1,260,579
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	44,721,568	43,460,989
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 52,236,267	$ 44,721,568
SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS		
Change in unrealized valuation of investments	$ 483,055	$ 5,051,824

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 (FOIR), 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 FOIR, 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 FOIR 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 FOIR. The FOIR 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 amortized on a constant level basis over 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, Aggregate reserves for life, annuities, and accident and health policies are determined in accordance with ASC 944-40 (*Long-Duration Targeted Improvements*). For traditional and limited-payment contracts, reserves represent the present value of expected future benefits less the present value of expected future gross premiums, using current best-estimate assumptions for mortality, morbidity, and persistency, updated at each reporting date, with a locked-in discount rate based on the upper-medium grade fixed-income instrument yield at contract cohort inception. The liability for future policy benefits is remeasured at each reporting period using updated cash flow assumptions, with the effect of changes in those assumptions recognized in the income statement. Aggregate reserves are reported as liabilities net of ceded reinsurance; reserves relating to business in which the Company is not legally relieved of its liability are reported gross with an offsetting 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, cash equivalents 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, Cash Equivalents and Short-term Investments

Cash, cash equivalents and short-term investments 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024.

(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.

(3) Significant Statutory Accounting Policies (Continued)

(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 2025, 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 years ended December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the premium deficiency reserve (PDR) established by the Company was $2,183,678 and $1,473,461, 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 represent 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, 2025

	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%	$ 6,669,212	$ 6,669,212	$ -
	Total SSAP No. 97 8b (iv) Entities	XXX	$ 6,669,212	$ 6,669,212	$ -
e.	Total SAAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	$ 6,669,212	$ 6,669,212	$ -
f.	Aggregate Total (a+e)	XXX	$ 6,669,212	$ 6,669,212	$ -

(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	9/16/25	$ 6,142,253	Y	N	I
	Total SSAP No. 97 8b (iv) Entities	XXX	XXX	$ 6,142,253	XXX	XXX	XXX
e.	Total SAAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	$ 6,142,253	XXX	XXX	XXX
f.	Aggregate Total (a+e)	XXX	XXX	$ 6,142,253	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, 2025 and 2024, is as follows:

	2025	2024
Foreign statutory basis - stockholders' equity translated to US dollars	$ 7,022,628	$ 6,273,388
Subtract: non-admitted assets, net	(142,361)	(128,400)
Substract: DTA in excess of 10% of surplus (non-admitted)	(211,055)	(2,735)
Book value of foreign affiliate SCA	**$ 6,669,212**	**$ 6,142,253**

(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) and 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, 2025:

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	$ 153,252	$ 32,183	21.00%
Meals & entertainment	473,289	99,390	64.85%
Capital gain-transfer to IMR	1,567,079	329,087	214.74%
Other	(349,343)	(73,362)	-47.87%
Total	$ 1,844,277	$ 387,298	252.72%
Federal income taxes incurred [expense/(benefit)]		$ 399,151	260.45%
Tax on capital gains/(losses)		428,320	279.49%
Change in net deferred income tax charge/(benefit)		(440,173)	-287.22%
Total statutory income taxes		$ 387,298	252.72%

(6) Income Taxes (Continued)

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%

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, 2025 and 2024. 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, 2025 and 2024, the Company recognized adjustments to the provisional amounts recorded at December 31, 2017 of $2,089,480, which is being 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, 2025 and 2024, are as follows:

	2025		
Description	**Ordinary**	**Capital**	**Total**
Gross deferred tax assets	$ 4,758,027	$ -	$ 4,758,027
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	4,758,027	-	4,758,027
Deferred tax assets non-admitted	(817,919)	-	(817,919)
Subtotal net admitted deferred tax asset	3,940,108	-	3,940,108
Gross deferred tax liabilities	438,394	-	438,394
Net deferred tax asset/(liability)	$ 4,378,502	$ -	$ 4,378,502

	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

	Change		
Description	**Ordinary**	**Capital**	**Total**
Gross deferred tax assets	$ 116,387	$ -	$ 116,387
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	116,387	-	116,387
Deferred tax sssets non-admitted	(328,592)	-	(328,592)
Subtotal net admitted deferred tax asset	(212,205)	-	(212,205)
Gross deferred tax liabilities	438,394	-	438,394
Net deferred tax asset/(liability)	$ 226,189	$ -	$ 226,189

(6) Income Taxes (Continued)

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

	2025			2024		
	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)	4,378,502	-	4,378,502	4,152,313	-	4,152,313
Adjusted gross DTA allowed per limitation threshold (b.ii)	-	-	10,333,997	-	-	10,070,557
Adjusted gross DTAs offset against existing DTLs (c)	(438,394)	-	(438,394)	(10,202)	-	(10,202)
DTAs admitted as a result of the application of SSAP 101 (a+b.i+c)	3,940,108	-	3,940,108	4,142,111	-	4,142,111
Deferred tax liabilities	438,394	-	438,394	10,202	-	10,202
Net admitted DTA or (DTL)	$ 4,378,502	$ -	$ 4,378,502	$ 4,152,313	$ -	$ 4,152,313

	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)	226,189	-	226,189
Adjusted gross DTA allowed per limitation threshold (b.ii)	-	-	263,440
Adjusted gross DTAs offset against existing DTLs (c)	(428,192)	-	(428,192)
DTAs admitted as a result of the application of SSAP 101 (a+b.i+c)	(202,003)	-	(202,003)
Deferred tax liabilities	428,192	-	428,192
Net admitted DTA or (DTL)	$ 226,189	$ -	$ 226,189

(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:

	2025	2024
Ratio % used to determine recovery period and threshold limitation amount	376.45%	647.19%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation amount	$ 74,417,297	$ 72,734,265
RBC	447.97%	745.14%
Total adjusted capital	$ 78,795,799	$ 76,886,578
Authorized control level	$ 17,589,350	$ 10,318,460

Current income taxes incurred consist of the following major components:

Description	2025	2024
Current income tax expense	$ 476,289	$ 1,288,594
Tax on capital gains	428,320	51,172
Prior year over accrual	(77,138)	(102,973)
Federal income taxes incurred	$ 827,471	$ 1,236,793

(6) Income Taxes (Continued)

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

DTAs Resulting From Book/Tax Differences In	**2025**	**2024**	**Change**
Insurance reserves	$ 162,354	$ 123,819	$ 38,535
Unearned premiums	1,842,346	1,694,024	148,322
Deferred acquisition costs	2,372,844	2,522,855	(150,011)
Non-admitted assets	230,366	120,675	109,691
Other	150,117	180,267	(30,150)
Gross DTAs	4,758,027	4,641,640	116,387
Statutory valuation allowance	-	-	-
Non-admitted DTAs	(817,919)	(489,327)	(328,592)
Admitted ordinary DTAs	$ 3,940,108	$ 4,152,313	$ (212,205)

Capital	**2025**	**2024**	**Change**
Unrealized loss	$ -	$ -	$ -
Gross DTAs	-	-	-
Statutory valuation allowance	-	-	-
Non-admitted DTAs	-	-	-
Admitted capital DTAs	-	-	-
Admitted deferred tax assets	$ 3,940,108	$ 4,152,313	$ (212,205)

Deferred tax liabilities:

Ordinary	**2025**	**2024**	**Change**
Other	$ 438,394	$ 10,202	$ 428,192
Gross DTLs	$ 438,394	$ 10,202	$ 428,192
Net admissable deferred tax asset	$ 4,378,502	$ 4,162,515	$ 215,987

(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):

	2025	2024	Change
Total deferred tax assets	$ 4,758,027	$ 4,631,438	$ 126,589
Total deferred tax liabilities	438,394	10,202	428,192
Net deferred tax asset	5,196,421	4,641,640	554,781
Statutory valuation allowance (SVA)	-	-	-
Net deferred tax asset after SVA	$ 5,196,421	$ 4,641,640	$ 554,781
Increase in non-admitted assets			114,606
Change in net deferred income tax (charge)/benefit			$ 440,175

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, 2025 and 2024, 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:

	2025	2024
Premiums and annuity considerations:		
Direct life insurance premiums and annuity considerations	$ 109,940,779	$ 108,606,086
Assumed life insurance premiums	22,162,270	20,565,536
Ceded life insurance premiums	(93,519,125)	(93,865,384)
Direct accident and health premiums	35,253,098	46,427,017
Assumed accident and health premiums	117,923,478	96,939,692
Ceded accident and health premiums	(2,795,126)	(5,948,813)
Net premiums and annuity considerations	$ 188,965,374	$ 172,724,134
Premiums deferred and uncollected:		
Life insurance premiums deferred and uncollected, net of loading	$ 22,304,299	$ 26,232,424
Accident and health premiums due and unpaid	9,102,753	12,368,844
Premiums deferred and uncollected	$ 31,407,052	$ 38,601,268
Aggregate reserves for life policies:		
Direct reserves	$ 382,690,820	$ 343,782,506
Assumed reserves	51,522,181	45,581,293
Ceded reserves	(191,349,668)	(142,965,820)
Aggregate reserves for life policies	$ 242,863,333	$ 246,397,979
Aggregate reserves for accident and health policies:		
Direct reserves	$ 14,374,104	$ 15,571,713
Assumed reserves	32,495,412	27,286,985
Aggregate reserves for accident and health policies	$ 46,869,516	$ 42,858,698
Policy and contract claims for life policies:		
Direct policy and contract claims payable	$ 6,588,642	$ 7,777,319
Assumed policy and contract claims payable	4,122,394	3,776,146
Policy and contract claims recoverable from reinsurers	(1,763,221)	(1,611,532)
Policy and contract claims for life policies	$ 8,947,815	$ 9,941,933
Policy and contract claims for accident and health policies:		
Direct policy and contract claims payable	$ 5,092,591	$ 7,547,396
Assumed policy and contract claims payable	35,988,158	27,600,367
Policy and contract claims for accident and health policies	$ 41,080,749	$ 35,147,763

(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, 2025, the Company is the beneficiary of a standby letter of credit in the amount of $1,000,000, pledged by MAPFRE RE Compañía de Reaseguros, S.A, in addition to a trust account pledged by Best Meridian International Insurance Company, I.I. in the amount of $193,383,263 to cover its share of losses recoverable. The amount of the standby letter 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, 2025 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.	$ 1,663,221	$ 189,409,279	A-
RGA Reinsurance Company	33,333	663,384	A+
SCOR Global Life Reinsurance Company of Delaware	33,333	506,402	A
Hannover Life Reassurance Company of America	-	89,711	A+
MAPFRE Re, Compañía de Reaseguros, S.A.	33,334	571,290	A
Partner Reinsurance Europe SE	-	90,223	A+
Swiss Re Life and Health America, Inc.	-	10,179	A+
QBE Europe SA/NV	-	9,200	A
	$ 1,763,221	$ 191,349,668	

(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 $4,019,919 and $4,149,493 during 2025 and 2024, respectively. These fees are included as other general insurance expenses in the accompanying statutory statements of operations for the years ended December 31, 2025 and 2024.

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, 2025 and 2024, the Company had $185,739 and $1,845,365, 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 were paid to BMIFG during 2025 and 2024, respectively. These management fees are included as other general insurance expenses in the accompanying statutory statements of operations.

During 2025 and 2024, the Company paid BMIFG $340,000, 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.

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 $10,500,000 and $7,174,493 during 2025 and 2024, respectively. These fees are included as other income in the accompanying statutory statements of operations.

The Company assumed 100% of the health business from BMIIC, an affiliated entity. Total written and assumed premium on the health business was $91,167,632 and $72,683,412 for the years ended December 31, 2025 and 2024, respectively. Also, the Company assumed life business from BMIIC for which the assumed premium amounted to $14,315,313 and $12,288,074 for the years ended December 31, 2025 and 2024, respectively. The Company also assumed life and health business from other affiliates for which total assumed premiums amounted to $32,694,967 and $30,701,323 for the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, amounts due from affiliates of $31,478,577 and $31,629,279, 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 $282,458 during 2025 and 2024, 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, 2025 and 2024, the Company reported amounts payable to its parent, subsidiaries, and affiliates of $20,346,779 and $16,763,641, respectively, which is included in other liabilities on the statutory statements of admitted assets, liabilities and capital and surplus.

(8) Related-Party Transactions (Continued)

The Company has investments in mortgage loans totaling $32,528,300 and $36,457,333 as of December 31, 2025 and 2024, respectively, which are guaranteed by certain Company officers.

(9) Investments

Effective January 1, 2025, the Company adopted the revised guidance under SSAP No. 26 and SSAP No. 43 associated with the NAIC Principles-Based Bond Project.

The adoption resulted in:

- A principles-based definition of bonds, requiring evaluation of the substance of a creditor relationship.
- Separation of bond investments into:
    - Issuer Credit Obligations (SSAP 26)
    - Asset-Backed Securities (SSAP 43)
- Enhanced disclosures by category and subcategory for each reporting period.

As a result of the implementation of the revised guidance the Company reclassified securities totaling $5,534,318 to other long-term invested assets (SSAP 21) as they did not meet the revised bond definition.

(a) Bonds and Other Long-term Investments

The carrying value, gross unrealized gains, gross unrealized losses, and the NAIC fair value of bonds and other long-term investments as of December 31, 2025 and 2024, are as follows:

	2025			
	Book/Adjusted Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Issuer Credit Obligations:				
U.S. Treasury Securities	$ 203,090	$ 13,824	$ -	$ 216,914
State, Territories & Possessions	17,767,674	136,576	1,540,808	16,363,442
Corporate Securities	144,853,726	2,087,315	12,247,788	134,693,253
Subtotal - Issuer Credit Obligations	162,824,490	2,237,715	13,788,596	151,273,609
Asset-backed Securities:				
CMBS / CMO	32,199,182	146,120	1,869,753	30,475,549
RMBS	22,439,515	336,971	724,080	22,052,406
Subtotal - Asset-backed Securities	54,638,697	483,091	2,593,833	52,527,955
Other Long-term Investments:				
No Creditor Relationship	665,717	53,659	-	719,376
Lacks Creditor Enhancement	343,057	-	-	343,057
Surplus Notes	4,030,544	-	1,016,781	3,013,763
Capital Notes	495,000	8,145	-	503,145
Subtotal - Other Long-term Investments	5,534,318	61,804	1,016,781	4,579,341
Total Bonds and Other Long-term Investments	$ 222,997,505	$ 2,782,610	$ 17,399,210	$ 208,380,905

(9) Investments (Continued)

(a) Bonds and Other Long-term Investments (Continued)

	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

The carrying value and NAIC fair value of fixed maturity bonds and other long-term investments by contractual maturity periods as of December 31, 2025, are shown below. Fixed maturity bonds and other long-term investments 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	$ 6,269,740	$ 6,351,894
Over 1 year through 5 years	36,144,288	36,229,202
Over 5 years through 10 years	32,447,605	32,255,152
Over 10 years	148,135,872	133,544,657
Total	$ 222,997,505	$ 208,380,905

(9) Investments (Continued)

(a) Bonds and Other Long-term Investments (Continued)

The credit quality of the bond and other long-term investments portfolio at December 31, 2025 and 2024, follows. The quality ratings represent NAIC designation.

	2025		2024	
	Book/Adjusted Carrying Value	**Percent**	**Book/Adjusted Carrying Value**	**Percent**
Class 1 - highest quality	$ 159,190,663	71.39%	$ 146,450,598	68.37%
Class 2 - high quality	60,203,637	27.00%	64,727,314	30.22%
Class 3 - medium quality	2,496,687	1.12%	1,797,952	0.84%
Class 4 - low quality	930,913	0.42%	908,023	0.42%
Class 5 - lower quality	118,002	0.05%	300,907	0.14%
Class 6 - in or near default	57,603	0.03%	15,268	0.01%
	$ 222,997,505	100.00%	$ 214,200,062	100.00%

(9) Investments (Continued)

(a) Bonds and Other Long-term Investments (Continued)

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, 2025 and 2024, are as follows:

	2025					
	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
Issuer Credit Obligations						
States, Territories & Possessions	$ 2,285,662	$ 513,678	$ 8,915,882	$ 1,027,130	$ 11,201,544	$ 1,540,808
Corporate securities	45,550,670	5,034,370	45,027,598	7,213,418	90,578,268	12,247,788
Subtotal Issuer Credit Obligations	47,836,332	5,548,048	53,943,480	8,240,548	101,779,812	13,788,596
Asset-backed Securities						
CMBS / CMO	8,600,205	240,985	15,514,462	1,628,768	24,114,667	1,869,753
RMBS	2,839,459	33,519	8,607,611	690,561	11,447,070	724,080
Subtotal Asset-backed Securities	11,439,664	274,504	24,122,073	2,319,329	35,561,737	2,593,833
Other Long-term Investments						
No Creditor Relationship	-	-	-	-	-	-
Lacks Creditor Enhancement	-	-	-	-	-	-
Surplus Notes	999,907	252,205	2,013,856	764,576	3,013,763	1,016,781
Capital Notes	-	-	-	-	-	-
Subtotal Other Long-term Investments	999,907	252,205	2,013,856	764,576	3,013,763	1,016,781
Total Bonds and Other Long-term Investments	$ 60,275,903	$ 6,074,757	$ 80,079,409	$ 11,324,453	$ 140,355,312	$ 17,399,210
Total number of securities in an unrealized loss position	133		182		315	

(9) Investments (Continued)

(a) Bonds and Other Long-term Investments (Continued)

	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	

The Company's unrealized losses on its bonds and other long-term investments 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 years 2025 and 2024.

(9) Investments (Continued)

(b) Stocks

Investments in stocks consist of the following:

	2025	2024
Common - Affiliated	$ 6,669,212	$ 6,142,253
Common - Unaffiliated	3,627,156	3,081,925
	$ 10,296,368	$ 9,224,178

Preferred Stocks:

The Company did not hold any preferred stocks as of December 31, 2025 and 2024.

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 and Fern Street Partners, LLC.

(c) Investment Income, Net

For the years ended December 31, 2025 and 2024, a detail of net investment income is as follows:

	2025	2024
Government bonds	$ 739,190	$ 502,706
Other bonds	8,472,796	8,251,375
Common stocks (unaffiliated)	47,884	-
Policy loans	342,299	334,265
Cash, cash equivalents and short-term investments	1,007,696	738,495
Real estate	2,021,473	2,130,652
Mortgage loans	2,681,758	4,851,939
Other	255,226	200,798
Amortization of interest maintenance reserve	472,541	433,677
	16,040,863	17,443,907
Less investment expenses	(1,758,109)	(2,100,743)
Investment income, net	$ 14,282,754	$ 15,343,164

(9) Investments (Continued)

(d) Realized Capital Gains and Losses

For the years ended December 31, 2025 and 2024, proceeds and gross realized capital gains and losses resulting from sales or other redemptions of investment securities and other invested assets are as follows:

	2025	2024
Proceeds from sales or other redemptions of bonds and stocks	$ 23,139,683	$ 21,098,247
Gross realized capital gains on disposition	$ 699,802	$ 415,818
Gross realized capital losses on disposition	(354,113)	(191,043)
Gain on sale of fixed assets	1,794,153	-
Gross realized capital gains net of capital losses	2,139,842	224,775
Federal income tax provision	(513,359)	(98,539)
Amount transferred to IMR, net of tax	(319,908)	(178,183)
Net realized capital gains/(losses)	$ 1,306,575	$ (51,947)

(e) Statutory Deposit

At December 31, 2025 and 2024, 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 FOIR. 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 $252,548 and $253,167 and an aggregate NAIC fair value of $264,873 and $260,333 at December 31, 2025 and 2024, respectively. The admitted restricted assets represent approximately .06% of the total admitted assets at both December 31, 2025 and 2024.

(f) 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, 2025 and 2024 was $7,045,772 and $6,582,990, respectively. The increase of $462,783 and $1,055,268 are presented as a decrease in unassigned surplus in the accompanying statutory statements of capital and surplus for the years ended December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the Company had an IMR of $1,450,773 and $1,603,406, respectively. Amortization of the IMR, which is a component of investment income, was $472,541 and $433,677 for the years ended December 31, 2025 and 2024, respectively.

(9) Investments (Continued)

(g) Real Estate

Investments in real estate, occupied by the Company, held for the production of income, and held for sale at December 31, 2025 and 2024, are summarized as follows:

	2025	2024
Total cost	$ 39,158,630	$ 44,709,547
Less - accumulated depreciation	9,721,584	10,166,333
Totals	$ 29,437,046	$ 34,543,214

The Company held $15,699,926 and $16,321,778 in properties occupied by the Company and $3,252,351 and $6,556,116 in properties held for the production of income as of December 31, 2025 and 2024, respectively.

Total depreciation expense on real estate for 2025 and 2024 was $915,131 and $923,943 respectively, and is included as investment income, net of investment expenses in the accompanying statutory statements of operations.

The Company sold the following properties during the year ending December 31, 2025:

a. The property described as 672 N. Semoran Blvd., Orlando, FL, which was classified as available for sale, was sold on December 23, 2025, for $3,050,000, at a gain of $266,945.
b. The property described as 1222 E Colonial Drive, Orlando, FL, which was classified as available for sale, was sold on April 24, 2025, for $3,300,000, at a gain of $844,390.

The Company had the following properties classified as available for sale totaling $10,484,769 and $11,665,320 at December 31, 2025 and 2024, respectively, which it intends to dispose of within the year 2026:

c. 4900 W. Irlo Bronson Memorial Highway, Kissimmee, FL
d. 4840 W. Irlo Bronson Memorial Highway, Kissimmee, FL
e. 10450 NW 33 Street, Units 202, 204, 308, and 501, Doral, FL.

(h) Mortgage Loans

Mortgage loans on real estate are stated at the unpaid principal balance. Investment in mortgage loans at December 31, 2025 and 2024 totaled $32,528,300 and $36,457,333, respectively. During 2025 and 2024, there were no impairment losses recorded, there were no taxes, assessments, or any advanced amounts and not included in the mortgage loan.

(9) Investments (Continued)

(h) Mortgage Loans (Continued)

The following tables provide an aging analysis of mortgage loans as of December 31, 2025 and 2024:

	Residential		Commercial		
	Insured	All Other	Insured	All Other	Total
December 31, 2025					
Recorded investment (all)					
(a) Current	$ -	$ 8,915,800	$ -	$ 6,390,000	$ 15,305,800
(b) 30-59 Days past due	-	-	-	-	-
(c) 60-89 Days past due	-	-	-	-	-
(d) 90-179 Days past due	-	-	-	-	-
(e)180+ Days past due	-	7,562,500	-	9,660,000	17,222,500
	$ -	$ 16,478,300	$ -	$ 16,050,000	$ 32,528,300

	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

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, 2025. 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.

No new mortgages were issued during 2025.

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-two percent (62%).

Interest income due on mortgage loans in foreclosure or in default, and 180 days or more past due, was tracked but not accrued during 2025 and 2024.

(9) Investments (Continued)

(h) Mortgage Loans (Continued)

The following table shows the mortgage loans derecognized as a result of foreclosure as of December 31, 2025 and 2024:

	2025	2024
a. Aggregate amount of loans derecognized	$ 2,490,000	$ 2,460,000
b. Real estate collateral recognized	2,490,000	2,460,000
c. Other collateral recognized	-	
d. Receivables recognized from a government guarantee of the foreclosed mortgage loan	-	

(i) 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 2025 and 2024.

The Company had no write-down on securities during the years ended December 31, 2025 and 2024.

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, 2025.

(10) Participating and Non-Participating Policies

Since December 1991, the Company has issued only non-participating life insurance policies. At December 31, 2025 and 2024, participating business in-force totaled approximately $6.7 million and $8.0 million, respectively. Non-participating and ordinary group life business in-force totaled approximately $27.2 billion and $23.6 billion at December 31, 2025 and 2024, respectively.

Since the Board of Directors discontinued the dividend payments and credits, no dividends were paid or credited to participating policyholders during 2025 or 2024.

(10) Participating and Non-Participating Policies (Continued)

At December 31, 2025 and 2024, total ordinary and group life insurance in-force amounted to approximately $5.3 billion and $1.6 billion, respectively. The Company had approximately $175.7 million and $185.9 million in ordinary life insurance policies with disability provisions in-force at December 31, 2025 and 2024, respectively. Accidental death insurance in-force under ordinary policies amounted to approximately $78.9 million and $73.1 million at December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, dividend accumulations amounted to $152,404 and $169,290, respectively. Deposit funds amounted to $189,974 and $184,456 as of December 31, 2025 and 2024, 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, 2025 and 2024.

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 FOIR 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 $6,385,003. No ordinary dividends were declared or paid to BMIFG during the years 2025 and 2024.

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

At December 31, 2025 and 2024, 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:

	2025	2024
Non-admitted assets:		
Amounts recoverable from reinsurers	$ (969,849)	$ (535,225)
Other amounts receivable under reinsurance contracts	(707,795)	(118,187)
Net deferred tax asset	(817,919)	(489,327)
EDP equipment and software	(1,069)	(2,660)
Furniture and equipment	(31,112)	(39,526)
Receivable from parent and affiliates	(185,739)	(1,845,365)
Other deposits	(518,513)	(39,418)
Leasehold improvements	(216)	(6,986)
Total non-admitted assets	$ (3,232,212)	$ (3,076,694)
Asset valuation reserve	$ (7,045,772)	$ (6,582,990)
Net deferred tax asset - gross	$ 5,196,421	$ 4,641,640

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, 2025 and 2024, this Statute required the Company to have surplus of at least $19,370,282 and $18,503,038, respectively. In compliance with the same Statute, the Company had surplus of $57,776,740 and $69,553,588, as of December 31, 2025 and 2024, 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.

(12) Aggregate Reserves (Continued)

The following table summarizes the aggregate reserves for the Company as of December 31, 2025 and 2024:

Line of Business	**2025**	**2024**
Individual and group life:		
Universal life	$ 353,516,726	$ 304,139,148
Traditional life	79,702,346	84,224,616
Accidental death benefits	71,500	65,506
Disability	120,345	102,096
Other	802,084	832,433
Total direct reserves - life	434,213,001	389,363,799
Ceded – life	191,195,499	142,794,236
Ceded – accidental death	71,500	65,506
Ceded – disability	453	417
Ceded – other	82,216	105,661
Total ceded reserves – life	191,349,668	142,965,820
Aggregate life reserves, net	$ 242,863,333	$ 246,397,979
Accident and health:		
Individual	$ 44,626,936	$ 40,200,919
Group	2,242,580	2,657,779
Total direct reserves - accident and health	$ 46,869,516	$ 42,858,698

(12) Aggregate Reserves (Continued)

An analysis of life actuarial reserves by withdrawal characteristics as of December 31, 2025 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	166,028,895	143,625,597	166,399,858	-	-	-
(4) Indexed Universal Life	-	-	-	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	222,171,947	54,458,841	183,561,606	-	-	-
(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	83,257,608	XXX	XXX	-
(2) Accidental Death Benefits	XXX	XXX	71,500	XXX	XXX	-
(3) Disability - Active Lives	XXX	XXX	120,345	XXX	XXX	-
(4) Disabililty - Disabled Lives	XXX	XXX	-	XXX	XXX	-
(5) Miscellaneous Reserves	XXX	XXX	802,084	XXX	XXX	-
Total (gross: direct + assumed)	$ 388,200,842	$ 198,084,438	$ 434,213,001	$ -	$ -	$ -
Reinsurance Ceded	-	-	191,349,668	-	-	-
Total (net)	$ 388,200,842	$ 198,084,438	$ 242,863,333	$ -	$ -	$ -

(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)	$ 242,023,573
(2)	Exhibit 5, Accidental Death Benefits Section, Total (net)	-
(3)	Exhibit 5, Disability - Active Lives Section, Total (net)	119,892
(4)	Exhibit 5, Disability - Disabled Lives Section, Total (net)	-
(5)	Exhibit 5, Miscellaneous Reserves Section, Total (net)	719,868
(6)	Subtotal	$ 242,863,333
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))	$ 242,863,333

An analysis of the Company's annuity actuarial reserves and deposit liabilities subject to discretionary withdrawal as of December 31, 2025 and 2024, is as follows:

	2025		2024	
	Amount	% of Total	Amount	% of Total
Premium and other deposits	$ 189,974	55%	$ 184,456	52%
Dividend accumulations	152,404	45%	169,290	48%
Total annuity reserves and deposit liabilities	$ 342,378	100%	$ 353,746	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, 2025 and 2024.

	2025	2024
Net balance, beginning of year	$ 35,147,763	$ 30,296,865
Amount incurred, related to:		
Current year	110,595,238	98,804,832
Prior years	(10,084,698)	(8,347,146)
Total incurred	100,510,540	90,457,686
Amount paid, related to:		
Current year	73,058,855	67,083,344
Prior years	20,083,618	19,958,526
Total paid	93,142,473	87,041,870
Net balance, end of year	42,515,830	33,712,681
(Less) Plus reinsurance recoverable	(1,435,081)	1,435,082
Net balance, end of year	$ 41,080,749	$ 35,147,763

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 2025 and 2024 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, 2025 and 2024.

(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, 2025 and 2024, amounted to $94,896 and $76,040, 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, 2025 or 2024.

At December 31, 2025 and 2024, the carrying amounts (under SAP) and fair values (under GAAP) of the Company's other financial instruments were as follows:

	2025		2024	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Bonds	$ 217,463,187	$ 203,801,564	$ 214,200,062	$ 193,934,705
Other Long-term Investments	5,534,318	4,579,341	-	-
Common Stocks - Unaffiliated	3,627,156	3,627,156	3,081,925	3,081,925
Total	**$ 226,624,661**	**$ 212,008,061**	**$ 217,281,987**	**$ 197,016,630**

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;

(16) Fair Value Disclosures (Continued)

- 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.

The following tables represent the fair value hierarchy of the bonds, common stock, and preferred stocks portfolio as of December 31, 2025:

	2025				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Bonds and Other Long-term Investments					
Governments	$ 203,090	$ 216,914	$ 216,914	$ -	$ -
Municipal	17,767,674	16,363,442		16,363,442	-
Corporate	144,853,726	134,693,253	-	134,693,253	-
Asset-backed securities	54,638,697	52,527,955	-	52,527,955	
Surplus notes	4,030,544	3,013,763	-	3,013,763	-
Capital notes	495,000	503,145	-	503,145	-
Debt securities lacking substantive credit enhancement	343,057	343,057	-	343,057	-
Debt securities that do not reflect a creditor relationship in substance	665,717	719,376	-	719,376	-
Total Bonds and Other Long-term Investments	$ 222,997,505	$ 208,380,905	$ 216,914	$ 208,163,991	$ -
Common Stock - Unaffiliated					
JV, Partnership or LLC Interest - Common Stock	$ 3,627,156	$ 3,627,156	$ 3,627,156	$ -	$ -
Total of Common Stocks - Unaffiliated	$ 3,627,156	$ 3,627,156	$ 3,627,156	$ -	$ -
Total	$ 226,624,661	$ 212,008,061	$ 3,844,070	$ 208,163,991	$ -

(16) Fair Value Disclosures (Continued)

	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	$ -

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, 2025 and 2024. There were no financial assets measured at fair value on a non-recurring basis.

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, cash equivalents and short-term investments, accruals, other liabilities, receivables and other financial instruments approximates their fair value at December 31, 2025 and 2024.

(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, 2025, the Company's bank balances held in U.S. financial institutions exceeded this limit by $46,290,790. In addition, the Company held bank balances totaling $3,461,937 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 2025 and 2024 was approximately $52,842 and $197,048, 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.

(18) Leases (Continued)

There are no minimum aggregate rental commitments at December 31, 2025.

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

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, 2025 and 2024 was $886,451 and $995,631, respectively. The rental income amounts exclude statutory rent.

Future minimum lease payment receivables under non-cancelable leasing arrangements as of December 31, 2025 are as follows:

Year ending December 31:	Operating Leases
2026	$ 592,131
2027	592,131
2028	266,587
2029	105,094
2030	105,094
Thereafter	105,094
Total	$ 1,766,131

(19) Subsequent Events

The Company has evaluated subsequent events for disclosure and recognition through June 1, 2026, 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
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Selected Financial Data
As of and for the Year Ended December 31, 2025

INVESTMENT INCOME EARNED		
U.S. Government bonds	$	739,190
Other bonds (unaffiliated)		8,472,796
Bonds of affiliates		-
Preferred stocks (unaffiliated)		-
Common stocks (unaffiliated)		47,884
Preferred stocks of affiliates		-
Common stocks of affiliates		-
Mortgage loans		2,681,758
Real estate		2,021,473
Premium notes, policy loans, and liens		342,299
Cash on hand and on deposit		1,007,696
Short-term investments		-
Derivative instruments		-
Other invested assets		255,226
Aggregate write-ins for investment income		-
GROSS INVESTMENT INCOME	$	15,568,322
REAL ESTATE OWNED - BOOK VALUE LESS ENCUMBRANCES	$	29,437,046
MORTGAGE LOANS - BOOK VALUE		
Farm mortgages	$	-
Residential mortgages		16,478,300
Commercial mortgages		16,050,000
TOTAL MORTGAGE LOANS	$	32,528,300
MORTGAGE LOANS BY STANDING - BOOK VALUE		
Good standing	$	15,305,800
Good standing with restructured terms		
Interest overdue more than 90 days, not in foreclosure		-
Foreclosure in process		17,222,500
OTHER LONG TERM ASSETS - STATEMENT VALUE		-
COLLATERAL LOANS		-
BONDS AND STOCKS OF PARENTS, SUBSIDIARIES, AND AFFILIATES - BOOK VALUE		
Bonds		-
Preferred stocks		-
Common stocks		6,669,212

See accompanying independent auditors' report.

(Continued)

Best Meridian Insurance Company

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

Selected Financial Data

As of and for the Year Ended December 31, 2025

BONDS AND SHORT-TERM INVESTMENTS BY CLASS AND EXPECTED MATURITY		
Bonds by expected maturity – statement value:		
Due within one year or less	$	10,101,200
Over 1 year through 5 years		53,807,952
Over 5 years through 10 years		44,980,195
Over 10 years through 20 years		41,252,243
Over 20 years		67,862,642
TOTAL BY MATURITY	$	218,004,232
Bonds by class – statement value:		
Class 1	$	153,656,345
Class 2		60,744,682
Class 3		2,496,687
Class 4		930,913
Class 5		118,002
Class 6		57,603
TOTAL BY CLASS	$	218,004,232
TOTAL BONDS PUBLICLY TRADED	$	176,215,709
TOTAL BONDS PRIVATELY PLACED	$	41,788,523
Preferred stocks – statement value	$	-
Common stocks – investment in subsidiary at statement value		6,669,212
Common stocks – statement value		3,627,156
Short term investments – book value		456,045
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		50,253,727
LIFE INSURANCE IN FORCE		
Industrial		-
Ordinary		21,864,032,000
Credit life		-
Group life		5,318,952,000
AMOUNT OF ACCIDENTAL DEATH INSURANCE IN FORCE UNDER ORDINARY POLICIES		78,862,000
LIFE INSURANCE POLICIES WITH DISABILITY PROVISIONS IN FORCE		
Industrial		-
Ordinary		175,705,000
Credit life		-
Group life		-

See accompanying independent auditors' report.

(Continued)

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, 2025

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		133,688,172
Group		4,071,486
Credit		-
DEPOSIT FUNDS AND DIVIDEND ACCUMULATION		
Deposit funds – account balance		189,974
Dividend accumulations – account balance		152,404
CLAIM PAYMENTS 2025		
Group accident and health – year ended December 31, 2025		
2025		1,762,641
2024		547
2023		-
2022		-
2021		-
Prior		-
Other accident and health:		
2025		34,338,661
2024		3,642,860
2023		1,336,040
2022		-
2021		-
Prior		-

See accompanying independent auditors' report.

Best Meridian Insurance Company

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

Selected Financial Data

As of and for the Year Ended December 31, 2025

OTHER COVERAGES THAT USE DEVELOPMENTAL METHODS TO CALCULATE

Claims reserves:		
2025	$	36,101,302
2024		3,643,407
2023		1,336,040
2022		-
2021		-
Prior		-

See accompanying independent auditors' report.

(Continued)

Best Meridian Insurance Company
(A Wholly Owned Subsidiary of BMI Financial Group, Inc.)
Summary Investment Schedule
December 31, 2025

	Gross investment holdings*		Admitted Assets as Reported in the Annual Statement	
	Amount	**Percentage**	**Amount**	**Percentage**
ISSUER CREDIT OBLIGATIONS				
U.S. governments	$ 203,090	0.1%	$ 203,090	0.1%
All other governments	-	0.0%	-	0.0%
Munincipal bonds - general obligations (direct & guaranteed)	4,094,369	1.2%	4,094,369	1.2%
Munincipal bonds - special revenue	9,270,709	2.6%	9,270,709	2.6%
Corporate bonds	145,129,189	41.2%	145,129,189	41.2%
Single entity backed obligations	3,484,350	1.0%	3,484,350	1.0%
Hybrid securities	-	0.0%	-	0.0%
Total issuer credit obligations	162,181,707	46.1%	162,181,707	46.1%
ASSET-BACKED SECURITIES				
Financial asset-backed securities - self liquidating	53,086,712	15.1%	53,086,712	15.1%
Non-financial assset backed securities	2,194,768	0.6%	2,194,768	0.6%
Total asset-backed securities	55,281,480	15.7%	55,281,480	15.7%
PREFERRED STOCKS				
Industrial and miscellaneous (Unaffiliated)	-	0.0%	-	0.0%
Parent, subsidiaries and affiliates	-	0.0%	-	0.0%
Total preferred stocks	-	0.0%	-	0.0%
COMMON STOCKS				
Industrial and miscellaneous Publicly traded (Unaffiliated)	-	0.0%	-	0.0%
Industrial and miscellaneous other (Unaffiliated)	-	0.0%	-	0.0%
Parent, subsidiaries and affiliates Publicly traded	-	0.0%	-	0.0%
Parent, subsidiaries and affiliates other	6,669,212	1.9%	6,669,212	1.9%
Mutual funds	-	0.0%	-	0.0%
Unit investment trusts	-	0.0%	-	0.0%
Closed-end funds	-	0.0%	-	0.0%
Total common stocks	6,669,212	1.9%	6,669,212	1.9%
MORTGAGE LOANS				
Farm mortgages	-	0.0%	-	0.0%
Residential mortgages	16,478,300	4.7%	16,478,300	4.7%
Commercial mortgages	16,050,000	4.6%	16,050,000	4.6%
Mezzanine real estate loans	-	0.0%	-	0.0%
Total mortgage loans	32,528,300	9.2%	32,528,300	9.2%
REAL ESTATE				
Properties occupied by company	15,699,926	4.5%	15,699,926	4.5%
Properties held for production of income	3,252,351	0.9%	3,252,351	0.9%
Properties held for sale	10,484,769	3.0%	10,484,769	3.0%
Total real estate	29,437,046	8.4%	29,437,046	8.4%
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
Cash	50,253,727	14.3%	50,253,727	14.3%
Cash equivalents	1,526,495	0.4%	1,526,495	0.4%
Short-term investments	456,045	0.1%	456,045	0.1%
Total cash, cash equivalents and short-term investments	52,236,267	14.8%	52,236,267	14.8%
CONTRACT LOANS	4,612,782	1.3%	4,612,782	1.3%
DERIVATIVES	-	0.0%	-	0.0%
OTHER INVESTED ASSETS	9,161,474	2.6%	9,161,474	2.6%
RECEIVABLE FOR SECURITIES	88	0.0%	88	0.0%
SECURITIES LENDING	-	0.0%	-	0.0%
OTHER INVESTED ASSETS	-	0.0%	-	0.0%
TOTAL INVESTED ASSETS	$ 352,108,356	100.0%	$ 352,108,356	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, 2025

1. Total admitted assets: $447,290,067
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		15,699,926	3.510%
11TH STREET TOWNHOMES L.L.C.	MORTGAGE LOAN		8,580,000	1.918%
BELLA CAPRI, L.L.C.	MORTGAGE LOAN	$	7,562,500	1.691%
LW SQUARE OFFICE, L.L.C.	MORTGAGE LOAN		7,200,000	1.610%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	CMO, MBS		6,424,665	1.436%
DORAL CORPORATE GROUP	INVESTMENT PROPERTY		3,959,292	0.885%
THE CECILE INN	INVESTMENT PROPERTY		3,931,169	0.879%
MARKET VISION HOLDINGS, L.L.C.	MORTGAGE LOAN		3,900,000	0.872%
WALGREENS - BELLEVIEW, FL	INVESTMENT PROPERTY		3,252,351	0.727%
PALM MOTEL	INVESTMENT PROPERTY		2,594,308	0.580%

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

Bonds		Amount	Percentage of total admitted assets
NAIC 1	$	153,656,345	34.353%
NAIC 2		60,744,682	13.581%
NAIC 3		2,496,687	0.558%
NAIC 4		930,913	0.208%
NAIC 5		118,002	0.026%
NAIC 6		57,603	0.013%

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	$	21,222,448
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	$	14,472,018
Countries designated NAIC 2		81,219
Countries designated NAIC 3 or below		6,669,212

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

Countries designated NAIC 1:			
Country 1:	UNITED KINGDOM	$	4,387,039
Country 2:	JAPAN		1,546,629
Countries designated NAIC 2:			
Country 1:	INDIA	$	81,219
Country 2:			—
Countries designated NAIC 3 or below:			
Country 1:	GUATEMALA	$	6,669,212
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.A	$	6,669,212
PFIZER INVESTMENT ENTERPRISES PTE. LTD.	1FE		1,263,712
BHP BILLION FINANCE (USA) LIMITED	1FE		995,479
RECKITT BENCKISER TREASURY SERVICES PLC	1FE		989,117
TAKEDA PHARMACEUTICAL COMPANY LIMITED	2FE		796,629
HONDA MOTOR CO., LTD	1FE		750,000
UBS GROUP AG	1FE		749,909
BNP PARIBAS SA	2FE		748,655
VODAFONE GROUP PUBLIC LIMITED COMPANY	2FE		684,349
YARA INTERNATIONAL ASA	2FE		675,000

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 are less than 2.5% of the reporting entity's total admitted assets; therefore, detail is not required for this interrogatory.
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, 2025 the Company reported $32,528,300 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, 2025 the Company held nine mortgage loans in the amount of $32,528,300, all of which are below 70% loan-to-value.
18. Real estate in the amount of $29,437,046, representing 6.49% of the total admitted assets, was held by the Company as of December 31, 2025.
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, 2025

As of December 31, 2025, 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.