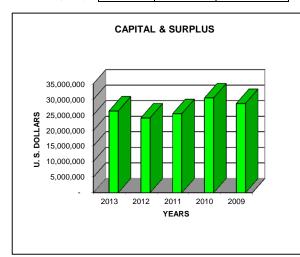
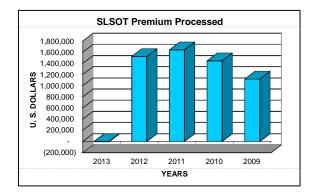
NATIONAL SECURITY FIRE & CASUALTY COMPANY

U. S. Insurer - 2014 EVALUATION

| | | 0. | 0. mourci - 2 | | | | August-14 |
|--|----------------------------|--|--------------------------|--------------------------|--|--------------------------|--------------------------|
| | Texas # 1-Jan-81 | 80101106 | NAIC # AMB # | 0316-12114 00687 | | | |
| State of Domicile: Location of Main Administrative Offices: | | | ALABAMA Elba, AL | | Incorporation Date: Commenced Business: | | 1-Jan-59 1-Jan-59 |
| Name of Insurance Group: The National | | Security Group, Inc. Security Group, Inc. www.ambest.com | | | Parent Domicile Delaware | | |
| Affirmed | 20-Nov-13 | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Capital & Surplus | | 31-Mar-14 27,096,795 | 26,317,374 | 24,088,799 | 25,458,751 | 30,521,017 | 28,741,607 |
| Underwriting Gain (Loss) | | | 764,206 | (2,784,047) | (6,328,164) | 2,826,743 | 1,974,537 |
| Net Income After Tax | | | 2,389,202 | 2,468,945 | (2,036,400) | 5,394,243 | 4,178,906 |
| Cash Flow from Operations | | | 1,825,662 | 1,873,077 | (6,215,280) | 433,998 | 6,179,225 |
| Return on Policyholder Surplus | | | 11.8% | 10.9% | -10.3% | 16.3% | 18.4% |
| Gross Premium Net Premium | | | 55,712,401 47,249,995 | 52,519,879 44,257,236 | 52,785,369 45,187,717 | 54,742,196 48,722,522 | 54,983,883 48,323,725 |
| Gross Premium to Surplus Ratio | | | 212% | 218% | 207% | 179% | 191% |
| Net Premium to Surplus Ratio | | | 180% | 184% | 177% | 160% | 168% |
| Direct Premium Total | | | 55,666,755 | 52,411,908 | 52,664,751 | 54,603,058 | 54,983,883 |
| Direct Premium in Texas (Sch. T) | | | 5,970 | 1,681,201 | 1,883,812 | 1,654,112 | 1,312,901 |
| % of Direct Premium in Texas | | | 0% | 3% | 4% | 3% | 2% |
| Texas' Rank in writings (Schedule T) | | | 9 of 10 | 9 of 11 | 9 of 11 | 9 of 11 | 9 of 11 |
| SLSOT Premium Processed | | | (5,260) | 1,523,250 | 1,640,716 | 1,443,878 | 1,117,761 |
| Rank among all Texas S/L Insurers | | | 201 | 124 | 116 | 122 | 121 |
| Combined Ratio | | | 98% | 106% | | 94% | 96% |
| IRIS Ratios Outside Usual Range | | | 1 | 1 | 2 | 0 | 1 |

| | 2013 | 2012 | 2011 | | |
|------------------------|---------------------|------|------|--|--|
| Gross Prem./Surplus | 212% | 218% | 207% | | |
| Net Prem/Surplus | 180% | 184% | 177% | | |
| Change - Net Premium | 7% | -2% | -7% | | |
| Surplus Aid Ratio | 0% | 0% | 0% | | |
| 2 Yr. Operating Ratio | 97% | 106% | 98% | | |
| Investment Yield | 2.6% | 3.4% | 3.5% | | |
| Surplus Change (Gross) | 9% | -5% | -17% | | |
| Surplus Change (Net) | 9% | -5% | -17% | | |
| Liab. to Liquid Assets | 86% | 88% | 92% | | |
| Agents Bal. to Surplus | 2% | 1% | 4% | | |
| | Reserve Development | | | | |
| 1Year Devl / Surplus | -1% | -1% | -4% | | |
| 2Year Devl / Surplus | -3% | 1% | -7% | | |
| C.Deficiency / Surplus | 3% | -1% | -1% | | |





Issue Date

