

**IN UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 11
In re:	)	
AFFIRMATIVE INSURANCE	)	Case No. 15-12136 (CSS)
HOLDINGS, INC., <i>et al.</i> <sup>1</sup>	)	
Debtors.	)	(Jointly Administered)
	)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY  
AND DISCLAIMER REGARDING DEBTORS' SCHEDULES OF ASSETS AND  
LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS<sup>2</sup>**

The Schedules of Assets and Liabilities (the “**Schedules**”) and Statements of Financial Affairs (the “**Statements**”) of Affirmative Insurance Holdings, Inc. (“**AIHI**” and collectively with the “**Debtors**”), filed with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) on December 18, 2015, are unaudited and have been prepared pursuant to 11 U.S.C. § 521 and Rule 1007 of the Federal Rules of Bankruptcy Procedure and Rule 1007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware by the Debtors’ management with the assistance of their advisors. While the Debtors’ management has made reasonable efforts to ensure that the Statements and Schedules are accurate and complete, based on information that was available at the time of preparation, the Schedules and Statements remain subject to further revision and verification by the Debtors. Subsequent receipt or discovery of information may result in material changes in financial and other data contained in the Schedules and Statements. Moreover, inadvertent errors or omissions may exist. Accordingly, the Debtors reserve the right to amend or supplement the Schedules and Statements from time to time as may be necessary or appropriate. The Notes Regarding Schedules of Assets and Liabilities and Statements of Financial Affairs (the “**Global Notes**”) are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements.

1. On October 14, 2015 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”). Except as otherwise noted, all asset and liability information

<sup>1</sup> The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Affirmative Insurance Holdings, Inc. (0432); Affirmative Management Services, Inc. (7252); Affirmative Services, Inc. (7255); Affirmative Underwriting Services, Inc. (7250); Affirmative Insurance Services, Inc. (8823); Affirmative General Agency, Inc. (2345); Affirmative Insurance Group, Inc. (7246); and Affirmative, L.L.C. (2347). The location of the Debtors' corporate headquarters and the service address for all Debtors is 4450 Sojourn Drive, Suite 500 Addison, TX 75001.

<sup>2</sup> A Statement of Financial Affairs or a Schedule of Assets and Liabilities for a particular Debtor begins immediately after these Global Notes (as defined below).

is as near as possible to the Petition Date, unless otherwise indicated. The Debtors continue to operate their businesses and manage their properties as debtors in possession as authorized by sections 1107(a) and 1108 of the Bankruptcy Code.

2. Joint Administration. Pursuant to an order dated October 19, 2015 [Docket No. 38], the Debtors' respective chapter 11 cases are jointly administered for procedural purposes under the case name and caption set forth above. Notwithstanding the joint administration of the Debtors' cases for procedural purposes, each Debtor has filed its own Schedules and Statements.

3. Limitations of Liability. The Debtors and their officers, employees, agents, attorney and financial advisors do not guarantee or warrant the accuracy, completeness or timeliness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused, in whole or in part, by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. The Debtors and their officers, employees, agents, attorneys and financial advisors expressly do not undertake any obligation to update, modify, revise or re-categorize the information provided herein or to notify any third party should the information be updated, modified, revised or re-categorized. In no event shall the Debtors or their officers, employees, agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused.

4. Affirmative Insurance Holdings, Inc. Chief Executive Officer, Michael McClure, has signed the Schedules and Statements on behalf of the Debtors. Mr. McClure is an authorized signatory for all Debtors. In reviewing and signing the Schedules and the Statements, Mr. McClure has necessarily relied upon the efforts, statements and representations of various personnel of the Debtors. Mr. McClure has not, and could not have, personally verified the accuracy of each such statement and representation, including, for example, statements and representations concerning amounts owed to creditors.

5. The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtors.

6. Reservation of Rights. Based on the information available at the time of preparation, the Debtors' management made every reasonable effort to ensure the Schedules and Statements are as accurate and complete as possible, but in advertent errors or omissions may have occurred. Because the Schedules and Statements contain unaudited information, which is subject to further review, verification and potential adjustment, there can be no assurance that these Schedules or Statements are complete. Subsequent information or discovery may result in material changes to these Schedules or

Statements. The Debtors' last audited financial statements were completed for the fiscal year ended December 31, 2014.

7. Nothing contained in the Global Notes or the Schedules and Statements shall constitute a waiver of any of the Debtors' rights with respect to these chapter 11 cases and specifically with respect to any issues involving substantive consolidation, equitable subordination, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets, avoid transfers, or collect money owed.

8. For the avoidance of doubt, listing a claim on Schedule D as "secured," on Schedule E as "priority," on Schedule F as "unsecured nonpriority," or listing a contract or lease on Schedule G as "executor" or "unexpired," does not constitute an admission by the Debtors of the legal rights of any claimant, or a waiver of the Debtors' right to recharacterize or reclassify such claim or contract.

9. Any failure to designate a claim listed on the Debtors' Schedules as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent" or "unliquidated" or is not subject to objection. The Debtors reserve the right to dispute, or to assert setoff rights, counterclaims or defenses to, any claim reflected on its Schedules as to amount, liability or classification, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated."

10. All amounts shown in the Schedules and Statements are in U.S. Dollars.

11. Estimates and Assumptions. The preparation of the Schedules and Statements required the Debtors to make certain estimates and assumptions that affected the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expense. Actual results could differ materially from these estimates.

Asset Presentation and Valuation. The Debtors do not have current market valuations for all of their assets. It would be prohibitively expensive, unduly burdensome and an inefficient use of estate assets for the Debtors to obtain current market valuations for all assets. When necessary, the Debtors have indicated that the value of certain assets are \$0.00 or "Undetermined." Amounts ultimately realized may vary materially from net book value (or whatever value was ascribed). Accordingly, the Debtors reserve all rights to amend, supplement or adjust the asset values set forth herein. As applicable, fixed assets and leasehold improvement assets that have been fully depreciated or fully amortized, or were expensed for GAAP accounting purposes, have no net book value, however are still included in the Schedules and Statements.

The description of an amount as "Undermined" is not intended to reflect upon the materiality of such amount.

Liabilities. Wherever possible, amounts owed as of the Petition Date are presented. Some of the scheduled liabilities are unknown, contingent and/or unliquidated at this

time. In some cases, the amounts are listed as \$0.00 or “Undetermined.” Accordingly, the Schedules and Statements do not accurately reflect the aggregate amount of the Debtors’ total liabilities.

12. Bankruptcy Court First-Day Orders. Certain of the Schedules and Statements may list creditors and set forth the Debtors’ estimate of the claims of creditors as of the Petition Date. The Bankruptcy Court authorized the Debtors to pay various outstanding prepetition claims, including, but not limited to, certain claims relating to employee compensation and benefits, customers, taxing and regulatory authorities. Consequently, certain prepetition fixed liquidated and undisputed unsecured claims have been paid as of the date of the filing of the Schedules and Statements. Accordingly, the actual unpaid claims of creditors that may be allowed in these cases may differ from the amounts set forth in the Schedules and Statements. To the extent that these liabilities have been or will be satisfied, they are not listed in the Schedules.

13. The Debtors have sought to allocate liabilities between the prepetition and post-petition periods based on the information and research that was conducted in connection with the preparation of the Schedules. As additional information becomes available and further research is conducted, the allocation of liabilities between prepetition and post-petition periods may change. The Debtors reserve the right to change the allocation of any liability between the prepetition and post-petition periods to the extent additional information becomes available.

14. Contingent Assets and Causes of Action. Despite reasonable efforts to identify all known assets, the Debtors might not have identified and/or set forth all of their causes of action against third parties as assets in their Schedules and Statements, including, but not limited to, avoidance actions arising under chapter 5 of the Bankruptcy Code and actions under relevant non-bankruptcy laws to recover assets. The Debtors reserve any and all rights with respect to any causes of action they may have, and neither these Global Notes, nor the Schedules shall be deemed a waiver of any such right or cause of action.

15. All totals that are included in the Schedules represent totals of all the known amounts included in the tables.

16. There may be instances in the Schedules and Statements where the Debtors have deemed it necessary and appropriate to redact from the public record information such as names, addresses or amounts. Typically, the Debtors have used this approach because of an agreement between the Debtors and a third party, concerns of confidentiality, or concerns for the privacy of, or otherwise preserving the confidentiality of personally identifiable information with respect to, an individual.

17. Insiders. In the circumstance where the Schedules and Statements require information regarding insiders and/or officers and directors, the Debtors have attempted to include therein each of the Debtors’ (a) “directors” (or persons in similar positions), and (b) employees that may be, or may have been during the relevant period, “officers,” as such term is defined by applicable law. The listing of a party as an insider is not intended to be, nor should it be, construed as a legal characterization of such party as an

insider and does not act as an admission of any fact, claim, right, or defense, and all such rights, claims, and defenses are hereby expressly reserved. Employees have been included in this disclosure for informational purposes only and should not be deemed to be “insiders” in terms of control of the Debtors, management responsibilities or functions, decision-making or corporate authority and/or as otherwise defined by applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

18. These Global Notes are in addition to the specific notes set forth in the individual Schedules and Statements. Disclosure of information in one Schedule, Statement, exhibit, or continuation sheet, even if incorrectly placed, shall be deemed to be disclosed in the correct Schedule, Statement, exhibit or continuation sheet.

19. The Debtors specifically reserve the right to amend, modify, supply, correct, change or alter any part of the Schedules and Statements as and to the extent necessary or as they deem appropriate.

20. In the event that the specific notations on the Schedules and Statements conflict or contradict these Global Notes, these Global Notes shall control.

### **Specific Notes**

21. Schedule B: It would be unduly burdensome and an inefficient use of estate assets and other resources for the Debtors to obtain current market valuations of all of its assets listed in Schedule B. Accordingly, unless otherwise indicated, net book values are reflected on the Debtors’ Schedules and Statements as of the Petition Date. These amounts may materially vary from current fair market value. The values set forth in Schedule B are as of or as near as possible to the Petition Date.

22. Schedules: Part 11: Question 72: The value of the Net Operating Loss (“NOL”) is listed as “Undetermined” in these Schedules. Per the Debtors federal tax returns, the NOLs generated from the calendar years 2007 through 2013 total \$195,399,724. For the year ending December 31, 2014, the Debtors reported a consolidated loss of \$45,172,492, and a consolidated NOL adjustment of \$11,924,123. Based on Schedule 5 and 6 of the 2014 consolidated federal return, it is the Debtors’ belief that the total amount of the NOLs as of year-end 2014 equals \$228,648,093. However, the actual value of the NOLs is undetermined as of the Petition Date.

23. Schedules: Part 11: Question 75: The “Hallberg Claim” is listed by the Debtors as being valued at \$7.0 million plus post-judgment interest. The original judgment entered on December 2009 was for \$7,670,210. The Debtors have collected approximately \$500,000-\$600,000 through wage garnishments and seizing certain cash accounts. Statutory post-judgment interest in Illinois accrues at 9% per annum (215 ILCS 5/2-1303), therefore the total claim amount continues to increase and the Debtors believe that this claim will have additional value, with an estimate of approximately \$10 million as of the Petition Date.

24. Schedule D: Although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature or amount of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim. The descriptions provided on Schedule D are intended only to be a summary. Without limiting the foregoing, the inclusion on Schedule D of creditors that have asserted mechanic's and other similar liens is not intended to be an acknowledgement of the validity, extent, or priority of any such liens, and the Debtors reserve their right to challenge such liens and the underlying claims on any ground whatsoever. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in these Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

- a. Except as specifically stated herein, real property lessors, utility companies and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D all parties that may believe their claims are secured through setoff rights, deposits posted by, or on behalf of, the Debtors, or inchoate statutory lien rights.
- b. Certain of the Debtor's agreements listed on Schedule G may be in the nature of secured financings. No attempt has been made to identify such agreements, for purposes of Schedule D. In certain instances, the Debtor may be a co-obligor, co-mortgager or guarantor with respect to scheduled claims of the Debtor and its affiliates, and no claim scheduled on Schedule D is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities.

25. Schedule D/E/F: The claims listed on Schedule D/F arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive, and thus, the Debtors do not list a date for each claim listed on Schedule D/F.

26. Disputed, Contingent and/or Unliquidated Claims: Schedules D, E and F permit each of the Debtors to designate a claim as disputed, contingent, and/or unliquidated. A failure to designate a claim on any of these schedules as disputed, contingent, and/or unliquidated does not constitute an admission that such claim is not subject to objection. The Debtors reserve the right to dispute, or assert offsets or defenses to any claim reflected on these Schedules as to nature, amount, liability, or status or to otherwise designate any claim as disputed, contingent or unliquidated.

27. Schedule E/F: As of the Petition Date, certain employees were owed (i) wages, salaries and commissions earned during the one hundred and eighty days prior to the Petition Date ("Priority Wages"); (ii) accrued and unused paid time off for vacation, sick and paid leaves ("PTO") earned during the one hundred and eighty days prior to the Petition Date; (iii) accrued commissions; and (iv) accrued and unused PTO earned prior

to the one hundred and eighty days preceding the Petition Date. However, the Bankruptcy Court has approved the payment of certain unsecured priority claims against the Debtors, including, without limitation, certain claims for wages, salaries, and contributions to benefit plans. At the time that this schedule was prepared, the Debtors are only aware of certain priority claims relating to PTO.

- a. The Debtor has listed the best estimate of all the claims against the Debtor's estate held by governmental and quasi-governmental entities. The Debtors have not determined whether, and to what extent, any of the creditors identified on Schedule E/F are entitled to priority under Section 507 of the Bankruptcy Code. The Debtors reserves the right to assert that claims identified on Schedule E are not claims of governmental entities and/or those claims are not entitled to priority.
- b. Certain of the Debtor's agreements listed on Schedule D of secured financings may include an unsecured component. No attempt has been made to verify the potential unsecured balance of any secured claim and therefore, these amounts are not been included in Schedule E/F as presented.

28. Schedule F: Schedule F does not include certain deferred charges, deferred liabilities or general reserves. Such amounts, however, are reflected on the Debtors' books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date. The claims listed on Schedule F arose or were incurred on various dates.

- a. Certain claims listed on Schedule F may include claims that creditors may also assert claims for administrative priority pursuant to section 503(b)(9) of the Bankruptcy Code.
- b. Where Schedule F lists creditors and sets forth the Debtors' scheduled amount attributable to such claims, such scheduled amount reflects amounts owed as of the Commencement Date regardless of any post-petition payments made on behalf of First-Day Orders entered by the Court.

29. Schedule G: While reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors or omissions may have occurred. The Debtors' listing of a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. Any and all of the Debtors' rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are reserved, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument related to a creditor's claim. In addition, the Debtors might have entered into various other types of agreements in the

ordinary course of its business, such as supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. In some cases, the same supplier or provider appears multiple times on Schedule G. This multiple listing is intended to reflect distinct agreements between the applicable Debtors and such supplier or provider. The Debtors' omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission. Schedule G may be amended at any time to add any omitted contract or agreement.

As of the Petition Date, the Debtors were in the process of assigning certain operating agreements to affiliates of Confie Seguros Holding Co. in relation to the sale of the Debtor's MGA business on June 30, 2015. Such assignments were not complete as of the Petition Date. Out of an abundance of caution, the Debtors have listed such agreements on Schedule G and designated them "Confie Assignment Pending." The Debtor's inclusion of such contracts, leases or agreements on Schedule G is not an admission that such contract, lease or agreement is an executory contract or unexpired lease.

The Debtors reserve all rights to dispute or challenge the characterization of the structure of any transaction or any document or instrument related to a creditor's claim, including, but not limited to, whether any lease is a true lease or financing arrangement.

The Debtors may be party to certain agreements that have expired by their terms, but all parties continue to operate under the agreement. Out of an abundance of caution, the Debtors may have listed such agreements on Schedule G. The Debtors' inclusion of such contracts, leases or agreements on Schedule G is not an admission that such contract, lease or agreement is an executory contract or unexpired lease.

Omission of a contract, lease or agreement from Schedule G does not constitute an admission that such omitted contract, lease or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts, leases or agreements are not impaired by the omission.

30. Schedule H: Schedule H reflects guarantees or other obligations by various Debtor affiliates of obligations primarily vested in other related affiliates. The Debtors may not have identified certain guarantees that are embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. The Debtors reserve their rights to amend the Schedules to the extent that additional guarantees are identified or such guarantees are discovered to have expired or to be unenforceable.

31. Statements. Part 1: Question 1 and 2 – Income from Operation of Business and Income Other than from Operation of Business. Commission income is generally recognized at the date the insurance policy is bound with the applicable underwriting



insurance company. Commissions on premium endorsements are recognized when processed.

Profit-sharing commissions, which enable the Managing General Agency (“MGA”) to collect commission income and fees in excess of provisional commissions, are recorded when it is probable that estimates of loss ratios will be below the levels stated in the agency contracts. Provisional commissions may be reduced when it is probable that estimates of loss ratios will be above the levels stated in the related agency contract.

- a. The MGA receives policy fees to compensate for the costs of providing policyholder administration services such as policy issuance, policy cancellation, and policy rewrite and reinstatement. Generally, policy fees are non-refundable and are recognized over the related insurance policy term.
- b. The MGA recognizes revenue from providing claims handling services. Claims service revenue is deferred and recognized as services are performed.
- c. The MGA recognizes billing fees from the installment billing of policyholder premiums as installments are billed.

32. Statements. Part 2: Question 3 – Certain Transfers Made Before Filing Bankruptcy. The Debtors process all of their disbursements through a consolidated, centralized processing facility without regard for the individual Debtor or Non-Debtor entity involved. Consequently, for purposes of these Schedules and Statements, the Debtors have attempted to allocate and assign the payments made to creditors in the 90 days preceding the Petition Date to the individual Debtor entities based on the company code assigned to the individual components of aggregated invoices. The responses to this question reflect the creditor's payment activity by payment date as opposed to cleared date and by vendor/creditor code as it appears in the Debtors' payment register. As such, the information may include associated credit memo information. It does not reflect any payroll/payroll tax related payments during the 90 days preceding the Petition Date for rank and file employees.

- a. The Debtors make certain payments relating to D&O Insurance coverage and a Life Insurance policy for Mr. McClure. These payments are not included in the insider payment summary, as these policy payments are for the benefit of the Debtor.
- b. As a general practice, the Debtors have leased vehicles at the Addison, TX facility for executive usage when an executive is on premises for business purposes. This expense is not allocated to an individual in the payment summary, as usage by executive varies from year to year and to allocate based on usage would be unnecessarily burdensome to the Estate. Further, these leased vehicles are no longer in the Debtor's possession.

- c. Various expenses are paid by Affirmative Services, Inc. for the benefit of the non-debtor Insurance Companies. These expenses are billed and settled monthly by the respective insurance carriers and are not included in the insider payment schedule.
- d. As a general practice, the Debtors' officers and directors used the Debtors' corporate credit card to pay the majority of reimbursable business expenses that would have otherwise been incurred by the Debtors' officers and directors and thereafter reimbursed by the Debtors.
- e. The Debtors have listed an "Other Property" asset relating to 2015-2016 season tickets for the Dallas Stars, a local professional hockey team. These tickets were an expense and are an asset of the Debtors. The tickets have been used for various purposes. As a practice, the unused tickets are sold on a secondary market (Ticketmaster.com), to which the proceeds are deposited directly into a personal bank account for Michael McClure. Michael McClure uses these proceeds to offset reimbursable business expenses, which the net amounts of those other business expenses have been reflected in the detail provided in the applicable Statement response. The total amount within the prior year that has been used to offset Michael McClure's expense reimbursements is \$7,169.40.

33. Statements. Part 2: Question 6 – Certain Transfers Made Before Filing Bankruptcy- Cont. (Setoffs.) The Debtors accept payment in the form of credit cards. As a result of the relationship with the credit card processing companies, specifically Chase Paymentech, the Debtors are involved in setoff transactions every day. Documentation of these credit card setoff transactions for the 90 days prior to the Petition Date would prove onerous and unwieldy. Consequently, the Debtors have not attempted to report this information on these reports.

34. Statements. Part 3: Question 26d – Financial Statements. In the ordinary course of business the Debtors provide financial statements to certain creditors, customers and state and local licensing or permitting agencies. In addition, in connection with marketing their assets for sale the Debtors have provided financial statements to potential acquirers.

35. Statements. Part 4: Question 9 – Gifts and Charitable Contributions. Prior to July 1, 2015, Affirmative Management Services, Inc. (2137) and Affirmative Services, Inc. (2138) received donations from employees to fund "Project Hero." Donations were deposited into UMB's Hero Account (Account number XXXX-XX-8336) and disbursements were made to approved charities and/or are awarded to employees. All related Project Hero gifts included herein are direct contributions made from the UMB Hero Account and are essentially funds provided by employees and not the Debtors themselves.

36. Statements. Part 6: Question 11 – Payments Related to Debt Counseling and Bankruptcy. Payments include retainers to professionals. Retainers may have been reduced or adjusted by prepetition or post-petition obligations applied, but not reflected in the exhibit. In addition, payments may include amounts not directly related to debt counseling and bankruptcy.

37. Statements. Part 13: Question 26 – Details about the Debtor's Business or Connections to Any Business. KPMG was appointed as the Debtor's independent auditing firm on May 26, 2006. KPMG was dismissed on July 15, 2015. The last financial statement KPMG reviewed was the Q1 2015 10-Q. KPMG's last audit was for the 12/31/14 10-K.

Protiviti was engaged as the Debtor's internal audit and SOX compliance vendor in 2008. Protiviti was never formally terminated; however, no funding was allocated for Protiviti to perform any additional work in 2015.

The last internal audit Protiviti performed was a claims audit which closed in November 2014. Protiviti performed SOX testing for year-end 2014. Protiviti never audited financial statements and only performed SOX testing which KPMG leveraged for their audit report.

\*\*\*END OF GLOBAL NOTES\*\*\*

\*\*SCHEDULES AND STATEMENTS BEGIN ON THE FOLLOWING PAGE\*\*

Debtor Name **Affirmative Insurance Holdings, Inc.**  
**United States Bankruptcy Court for the District of Delaware**  
Case number (if known): **15-12136**

☐ Check if this is an amended filing

Official Form 206Sum

**Summary of Assets and Liabilities for Non-Individuals**

12/15

**Part 1: Summary of Assets**

**1. Schedule A/B: Assets - Real and Personal Property** (Official Form 206A/B)

**1a. Real property:**

Copy line 88 from *Schedule A/B*..... \$0.00

**1b. Total personal property:**

Copy line 91A from *Schedule A/B*..... \$35,820,761.78

**1c. Total of all property:**

Copyline 92 from *Schedule A/B*..... \$35,820,761.78

**Part 2: Summary of Liabilities**

**2. Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)

Copy the total dollar amount listed in Column A, *Amount of claim*, from line 3 of Schedule D..... \$15,518,789.13

**3. Schedule E/F: Creditors Who Have Unsecured Claims** (Official Form 206E/F)

**3a. Total of amounts of priority unsecured claims:**

Copy the total claims from Part 1 from the line 5a of *Schedule E/F*..... \$0.00

**3b. Total amount of claims of nonpriority amount of unsecured claims:**

Copy the total amount of claims from Part 2 from line 5b of *Schedule E/F*..... + \$97,005,926.74

**4. Total liabilities** .....

Lines 2 + 3a + 3b \$112,524,715.87

Debtor Name **Affirmative Insurance Holdings, Inc.**  
**United States Bankruptcy Court for the District of Delaware**  
Case number (if known): **15-12136**

☐ Check if this is an amended filing

Official Form 206A/B

**Schedule A/B: Assets - Real and Personal Property**

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be complete and accurate as possible. If more space is needed, attach a separate spreadsheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

**Part 1: Cash and cash equivalents**

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.  
☒ Yes. Fill in the information below.

**All cash of cash equivalents owned or controlled by the debtor**

**Current value of debtor's interest**

2. **Cash on hand**

3. **Checking, savings, money market, or financial brokerage accounts**

Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	
3.1 UMB FINANCIAL CORPORATION	CONTROL ACCT	8646	\$0.00
3.2 UMB FINANCIAL CORPORATION	CONTROL ACCT	8654	\$8,572,000.00
3.3 UBS FINANCIAL SERVICES INC.	MONEY MARKET ACCT	4180	\$137.03
3.4 FROST BANK	OPERATING ACCT	3151	\$1,000.00
3.5 FROST BANK	INVESTMENT ACCT (CD)	0217	\$15,150.00
3.6 AMERICAN EXPRESS CENTURION BANK, FSB	INVESTMENT ACCOUNT (CD)	2654	\$305,761.00

4. **Other cash equivalents**

5. **Total of Part 1**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

**\$8,894,048.03**

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

**Part 2: Deposits and prepayments****6. Does the debtor have any deposits or prepayments?**

- ☐ No. Go to Part 3.
- ☒ Yes. Fill in the information below.

**Current value of  
debtor's interest****7. Deposits, including security deposits and utility deposits**

Description, including name of holder of deposit

- 7.1 CONFIE SEGUROS HOLDING CO. OTHER DEPOSIT- DEPOSIT WITH  
ATTN: VALERIA RICO CONFIE (RE TSA AGREEMENT)  
7711 CENTER AVE., SUITE 200  
HUNTINGTON BEACH, CA 92647

\$51,500.00

**8. Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**

Description, including name of holder of prepayment

**9. Total of Part 2**

Add lines 7 through 8. Copy the total to line 81.

**\$51,500.00****Part 3: Accounts Receivable****10. Does the debtor have any accounts receivable?**

- ☐ No. Go to Part 4.
- ☒ Yes. Fill in the information below.

**Current value of  
debtor's interest****11. Accounts receivable**

11a. 90 days old or less:	\$15,532,461.90	-	\$0	=	\$15,532,461.90
	face amount		doubtful or collectible accounts		
11b. Over 90 days old:		-		=	
	face amount		doubtful or collectible accounts		

**12. Total of Part 3**

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

**\$15,532,461.90**

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

**Part 4: Investments****13. Does the debtor own any investments?**

- ☐ No. Go to Part 5.
- ☒ Yes. Fill in the information below.

	Valuation method used for current value	Current value of debtor's interest
<b>14. Mutual funds of publicly traded stocks not included in Part 1</b>		
Name of fund or stock:		
<b>15. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture</b>		
15.1 100% INTEREST IN AFFIRMATIVE INSURANCE HOLDINGS STATUTORY TRUST II		\$0.00
15.2 100% INTEREST IN AFFIRMATIVE INSURANCE HOLDINGS STATUTORY TRUST I		\$0.00
15.3 100% INTEREST IN AFFIRMATIVE, L.L.C.		\$0.00
15.4 100% INTEREST IN AFFIRMATIVE INSURANCE GROUP, INC.		\$0.00
15.5 100% INTEREST IN AFFIRMATIVE UNDERWRITING SERVICES, INC.		\$0.00
15.6 100% INTEREST IN AFFIRMATIVE MANAGEMENT SERVICES, INC.		\$0.00
<b>16. Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1</b>		
<b>17. Total of Part 4</b>		<b>\$0.00</b>
Add lines 14 through 16. Copy the total to line 83.		

**Part 5: Inventory, excluding agricultural assets****18. Does the debtor own any inventory (excluding agricultural assets)?**

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

☒ No. Go to Part 6.☐ Yes. Fill in the information below.

General description	Date of the last physical inventory	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
19. <b>Raw Materials</b>				
20. <b>Work in progress</b>				
21. <b>Finished goods, including goods held for resale</b>				
22. <b>Other inventory or supplies</b>				
23. <b>Total of Part 5</b> Add lines 19 through 22. Copy the total to line 84.				
24. <b>Is any of the property listed in Part 5 perishable?</b>				
<input type="checkbox"/> No.				
<input type="checkbox"/> Yes.				
25. <b>Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?</b>				
<input type="checkbox"/> No.				
<input type="checkbox"/> Yes. Book Value _____ Valuation Method _____ Current Value _____				
26. <b>Has any of the property listed in Part 5 been appraised by a professional within the last year?</b>				
<input type="checkbox"/> No.				
<input type="checkbox"/> Yes.				

**Part 6:** Farming and fishing-related assets (other than titled motor vehicles and land)



Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

**27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?**☒ No. Go to Part 7.☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
28. Crops - either planted or harvested			

**29. Farm animals**

Examples: Livestock, poultry, farm-raised fish

**30. Farm machinery and equipment**

(Other than titled motor vehicles)

**31. Farm and fishing supplies, chemicals, and feed****32. Other farming and fishing-related property not already listed in Part 6****33. Total of Part 6**

Add lines 28 through 32. Copy the total to line 85.

**34. Is the debtor a member of an agricultural cooperative?**☐ No.☐ Yes.**Is any of the debtor's property stored at the cooperative?**☐ No.☐ Yes.

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

35. Has any of the property listed in Part 6 been purchased within 20 days before the bankruptcy was filed?

☐ No.

☐ Yes. Book Value \_\_\_\_\_ Valuation Method \_\_\_\_\_ Current Value \_\_\_\_\_

36. Is a depreciation schedule available for any of the property listed in Part 6?

☐ No.

☐ Yes.

37. Has any of the property listed in Part 6 been appraised by a professional within the last year?

☐ No.

☐ Yes.

**Part 7:** Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

☒ No. Go to Part 8.

☐ Yes. Fill in the information below.

	General description	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture			
40.	Office fixtures			
41.	Office equipment, including all computer equipment and communication systems equipment and software			
42.	Collectibles			
	Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or			

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

**43. Total of Part 7.**

Add lines 39 through 42. Copy the total to line 86.

**44. Is a depreciation schedule available for any of the property listed in Part 7?**☐ No.☐ Yes.**45. Has any of the property listed in Part 7 been appraised by a professional within the last year?**☐ No.☐ Yes.**Part 8: Machinery, equipment, and vehicles****46. Does the debtor own or lease any machinery, equipment, or vehicles?**☒ No. Go to Part 9.☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
<b>47. Automobiles, vans, trucks, motorcycles, trailers, or titled farm vehicles</b>			
<b>48. Watercraft, trailers, motors, and related accessories</b> Examples: Boats, trailers, motors, floating homes, personal watercraft, fishing vessels			
<b>49. Aircraft and accessories</b>			
<b>50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)</b>			

**51. Total of Part 8.**

Add lines 47 through 50. Copy the total to line 87.

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

52. Is a depreciation schedule available for any of the property listed in Part 8?

☐ No.☐ Yes.

53. Has any of the property listed in Part 8 been appraised by a professional within the last year?

☐ No.☐ Yes.**Part 9:** Real property

54. Does the debtor own or lease any real property?

☒ No. Go to Part 10.☐ Yes. Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property	Nature and extent of debtor's interest in property	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
--------------------------------------	--	-------------------------------------	---	------------------------------------

56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

57. Is a depreciation schedule available for any of the property listed in Part 9?

☐ No.☐ Yes.

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

☐ No.☐ Yes.**Part 10: Intangibles and intellectual property**

59. Does the debtor have any interests in intangibles or intellectual property?

☐ No. Go to Part 11.☒ Yes. Fill in the information below.

General description	Net book value of debtor's interest	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, or trade secrets			
61. Internet domain names and websites			
62. Licenses, franchises, and royalties			
63. Customer lists, mailing lists, or other compilations			
64. Other intangibles, or intellectual property			
64.1 SEE ATTACHED SCHEDULE PART 10: QUESTION 64			\$0.00
65. Goodwill			
66. Total of Part 10. Add lines 60 through 65. Copy the total to line 89.			\$0.00

67. Do your lists or records include personally identifiable information of customers?

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

☒ No.☐ Yes.

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

☒ No.☐ Yes.

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

☒ No.☐ Yes.**Part 11: All other assets**

70. Does the debtor own any other assets that have not yet been reported on this form?

☐ No. Go to Part 12.☒ Yes. Fill in the information below.**Current value of  
debtor's interest**71. **Notes receivable**

Description (include name of obligor)

-

=

Total face amount

Doubtful or uncollectible amount

72. **Tax refunds and unused net operating losses (NOLs)**

Description (for example, federal, state, local)

72.1 FEDERAL TAX REFUND	TAX YEAR 2014	\$100,000.00
72.2 ALABAMA STATE TAX REFUND	TAX YEAR 2012	\$1,805.00
72.3 ALABAMA STATE TAX REFUND	TAX YEAR 2013	\$8,846.00
72.4 LOUISIANA STATE TAX REFUND	TAX YEAR 2013	\$60,008.00
72.5 LOUISIANA STATE TAX REFUND	TAX YEAR 2009	\$62,562.00
72.6 NET OPERATING LOSS - NOL AS OF 12/31/2014	TAX YEAR 2007-2013	UNDETERMINED

Debtor Affirmative Insurance Holdings, Inc.

Case Number (if known) 15-12136

**73. Interests in insurance policies or annuities**

73.1 THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

\$0.00

**74. Causes of action against third parties (whether or not a lawsuit has been filed)****Nature of claim****Amount Requested****75. Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off**

\$7,000,000.00

**Nature of claim** HALLBERG LITIGATION CLAIM**Amount Requested** \$7.0 MILLION PLUS POST-JUDGMENT INTEREST**76. Trusts, equitable or future interests in property****77. Other property of any kind not already listed**

Examples: Season tickets, country club membership

77.1 INVESTMENT IN STATUTORY TRUSTS

\$1,702,000.00

77.2 DEFERRED DEBT ISSUANCE/MODIFICATION COSTS

\$1,398,941.97

77.3 UNAMORTIZED TRUST PREFERRED

\$1,008,588.88

77.4 2015-16 SEASON TICKETS FOR THE DALLAS STARS

UNDETERMINED

**78. Total of Part 11.**

Add lines 71 through 77. Copy the total to line 90.

**\$11,342,751.85****79. Has any of the property listed in Part 11 been appraised by a professional within the last year?**☒ No.☐ Yes.

Debtor Affirmative Insurance Holdings, Inc.



Case Number (if known) 15-12136

**Part 12: Summary**

Type of property	Current value of personal property	Current value of real property
80. <b>Cash, cash equivalents, and financial assets.</b> <i>Copy line 5, Part 1.</i>	\$8,894,048.03	
81. <b>Deposits and prepayments.</b> <i>Copy line 9, Part 2.</i>	\$51,500.00	
82. <b>Accounts receivable.</b> <i>Copy line 12, Part 3.</i>	\$15,532,461.90	
83. <b>Investments.</b> <i>Copy line 17, Part 4.</i>	\$0.00	
84. <b>Inventory.</b> <i>Copy line 23, Part 5.</i>		
85. <b>Farming and fishing-related assets.</b> <i>Copy line 33, Part 6.</i>		
86. <b>Office furniture, fixtures, and equipment; and collectibles.</b> <i>Copy line 43, Part 7.</i>		
87. <b>Machinery, equipment, and vehicles.</b> <i>Copy line 51, Part 8.</i>		
88. <b>Real Property.</b> <i>Copy line 56, Part 9.</i>		
89. <b>Intangibles and intellectual property.</b> <i>Copy line 66, Part 10.</i>	\$0.00	
90. <b>All other assets.</b> <i>Copy line 78, Part 11.</i>	\$11,342,751.85	
91. <b>Total.</b> Add lines 80 through 90 for each column.	91a. <div style="border: 1px solid black; padding: 2px;">\$35,820,761.78</div>	+ 91b. <div style="border: 1px solid black; padding: 2px;">\$0.00</div>
92. <b>Total of all property on Schedule A/B.</b> Lines 91a + 91b = 92.....	<div style="border: 1px solid black; padding: 2px;">\$35,820,761.78</div>	



## SCHEDULE PART 10: QUESTION 64- INTANGIBLES AND INTELLECTUAL PROPERTY

Trademark	Application No. (Application Date)	Registration No. (Registration Date)	Owner	Country
AFFIRMATIVE INSURANCE HOLDINGS, INC. (Stylized/Design)  	76600933  (Jul 6, 2004)	3052363  (Jan 31, 2006)	<b>Affirmative Insurance Holdings, Inc.</b>	<b>USA</b>
AFFIRMATIVE (Word Mark)  <b>AFFIRMATIVE</b>	76600934  (Jul 6, 2004)	3081233  (Apr 18, 2006)	<b>Affirmative Insurance Holdings, Inc.</b>	<b>USA</b>
AFFIRMATIVE (Stylized/Design)  	76600935  (Jul 6, 2004)	3052364  (Jan 31, 2006)	<b>Affirmative Insurance Holdings, Inc.</b>	<b>USA</b>

Domain Name	Registrar	Expiration Date	Notes
aains.net	Network Solutions	4/19/2016	Not in use
affirmative-insurance.com	Network Solutions	1/25/2016	Not in use
affirmative.com	Network Solutions	4/23/2017	HOLDING COMPANY SITE  Certain contents and functionality hosted on the site, including those listed on Schedule 1.01(b)(i)(B) shall be transferred to Buyer.
affirmativeagencies.com	Network Solutions	6/16/2016	Not in use
affirmativeagent.com	Network Solutions	8/24/2015	Not in use
affirmativeagents.com	Network Solutions	6/16/2016	Not in use
affirmativedirect.com	Network Solutions	11/28/2015	Not in use
affirmativeholdings.com	Network Solutions	12/28/2015	Redirect to affirmative.com
affirmativeinsurance.com	Network Solutions	6/8/2016	Not in use
affirmativeinsuranceholdings.com	Network Solutions	12/28/2015	Not in use
affirmativeinsurancesc.com	Network Solutions	4/29/2016	Not in use
affirmativepremiumfinance.com	Network Solutions	3/8/2016	Not in use
affm.com	Network Solutions	12/18/2015	Not in use
affmins.com	Network Solutions	7/19/2015	Not in use
americanagenciesholdings.com	Network Solutions	4/14/2016	Not in use
gotoaffirmative.com	Network Solutions	2/11/2016	Not in use

## SCHEDULE PART 10: QUESTION 64- INTANGIBLES AND INTELLECTUAL PROPERTY (CONT.)

Domain Name	Registrar	Expiration Date	Notes
michiganstaffcounsel.com	Network Solutions	3/8/2016	Not in use
myaffirmative.com	Network Solutions	8/24/2015	Not in use
myaffirmativeinsurance.com	Network Solutions	2/25/2016	Not in use
portal-affirmativeinsurance.com	Network Solutions	3/7/2016	Internal Portal Website
spacecoastunderwriters.com	Network Solutions	6/22/2016	Not in use

Debtor Name **Affirmative Insurance Holdings, Inc.**  
**United States Bankruptcy Court for the District of Delaware**  
Case number (if known): **15-12136**

☐ Check if this is an amended filing

## Official Form 206D

**Schedule D - Creditors Who Have Claims Secured by Property**

12/15

Be as complete and accurate as possible

**1. Do any creditors have claims secured by debtor's property?**

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.  
☒ Yes. Fill in all of the information below.

**Part 1: List Creditors Who Have Secured Claims****2. List in alphabetical order all creditors who have secured claims.** If a creditor has more than one secured claim, list the creditor separately for each claim.

**Amount of Claim**  
Do not deduct the value of collateral

**Value of collateral that supports this claim**

2.1	Creditor's name	Describe debtor's property that is subject to a lien	Amount of Claim	Value of collateral
	CISCO SYSTEMS CAPITAL CORPORATION	UCC LIEN	\$0.00	\$0.00
	Creditor's mailing address CISCO WEBEX LLC 16720 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	Describe the lien		
	Creditor's email address, if known	Is the creditor an insider or related party?		
	Date debt was incurred	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	Last four digits of account number	Is anyone else liable on this claim?		
	Do multiple creditors have an interest in the same property?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out Schedule H: Codebtors (Official Form 206H).		
	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	As of the petition filing date, the claim is:		
		<input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed		
2.2	CIT TECHNOLOGIES CORPORATION	UCC LIEN	\$0.00	\$0.00
	Creditor's mailing address 21719 NETWORK PLACE CHICAGO, IL 60673-1217	Describe the lien		
	Creditor's email address, if known	Is the creditor an insider or related party?		
	Date debt was incurred	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	Last four digits of account number	Is anyone else liable on this claim?		
	Do multiple creditors have an interest in the same property?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out Schedule H: Codebtors (Official Form 206H).		
	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	As of the petition filing date, the claim is:		
	<input checked="" type="checkbox"/> No. Specify each creditor, including this creditor, and its relative priority.	<input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed		
	<input type="checkbox"/> Yes. The relative priority of creditors is specified on lines			

**3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.**

\$15,518,789.13

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Part 1: Additional Page(s)**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

AMOUNT OF CLAIM  
Do not deduct the  
value of collateralValue of collateral  
that supports this  
claim**2.3**

Creditor's name

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

Describe debtor's property that is subject to a lien

UCC LIEN

\$0.00

\$0.00

Creditor's mailing address

ATTENTION: NICHOLAS ARGIROU  
AS COLLATERAL AGENT  
11 MADISON AVENUE  
NEW YORK, NY 10010

Describe the lien

Creditor's email address, if known

nicholas.argiour@credit-suisse.com

Date debt was incurred

Is the creditor an insider or related party?

☒ No☐ YesLast four digits of  
account numberDo multiple creditors have an interest in the same  
property?☒ No☐ Yes. Specify each creditor, including this  
creditor and its relative priority.☒ No. Specify each creditor, including this creditor,  
and its relative priority.☐ Yes. The relative priority of creditors is specified on  
lines

Is anyone else liable on this claim?

☒ No☐ Yes. Fill out Schedule H: Codebtors (Official Form 206H).

As of the petition filing date, the claim is:

☒ Contingent☒ Unliquidated☒ Disputed**2.4**

Creditor's name

DELL FINANCIAL SERVICES L.L.C.

Describe debtor's property that is subject to a lien

UCC LIEN

\$0.00

\$0.00

Creditor's mailing address

C/O DELL USA LP  
PO BOX 676021  
DALLAS, TX 75267

Describe the lien

Creditor's email address, if known

Date debt was incurred

Is the creditor an insider or related party?

☒ No☐ YesLast four digits of  
account numberDo multiple creditors have an interest in the same  
property?☒ No☐ Yes. Specify each creditor, including this  
creditor and its relative priority.☒ No. Specify each creditor, including this creditor,  
and its relative priority.☐ Yes. The relative priority of creditors is specified on  
lines

Is anyone else liable on this claim?

☒ No☐ Yes. Fill out Schedule H: Codebtors (Official Form 206H).

As of the petition filing date, the claim is:

☒ Contingent☒ Unliquidated☒ Disputed

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Part 1: Additional Page(s)**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

AMOUNT OF CLAIM  
Do not deduct the  
value of collateralValue of collateral  
that supports this  
claim**2.5**

Creditor's name

JCF AFFM DEBT HOLDINGS L.P.

Creditor's mailing address

ATTENTION: SALLY ROCKER  
J.C. FLOWERS & CO., LLC  
767 FIFTH AVENUE  
23RD FLOOR  
NEW YORK, NY 10153

Creditor's email address, if known

srocker@jcfco.com

Date debt was incurred

Last four digits of  
account numberDo multiple creditors have an interest in the same  
property?☒ No☐ Yes. Specify each creditor, including this  
creditor and its relative priority.☒ No. Specify each creditor, including this creditor,  
and its relative priority.☐ Yes. The relative priority of creditors is specified on  
lines

Describe debtor's property that is subject to a lien

SECOND LIEN CREDIT AGREEMENT DATED AS OF  
SEPTEMBER 30, 2013

\$15,518,789.13

\$0.00

Describe the lien

Is the creditor an insider or related party?

☒ No☐ Yes

Is anyone else liable on this claim?

☒ No☐ Yes. Fill out Schedule H: Codebtors (Official Form 206H).

As of the petition filing date, the claim is:

☒ Contingent☒ Unliquidated☒ Disputed**2.6**

Creditor's name

MARQUETTE EQUIPMENT FINANCE, LLC

Creditor's mailing address

ATTENTION: CATHY LAWRENCE  
6975 UNION PARK CENTER SUITE 200  
COTTONWOOD HEIGHTS, UT 84047

Creditor's email address, if known

Cathy.Lawrence@meqf.com

Date debt was incurred

Last four digits of  
account numberDo multiple creditors have an interest in the same  
property?☒ No☐ Yes. Specify each creditor, including this  
creditor and its relative priority.☒ No. Specify each creditor, including this creditor,  
and its relative priority.☐ Yes. The relative priority of creditors is specified on  
lines

Describe debtor's property that is subject to a lien

UCC LIEN

\$0.00

\$0.00

Describe the lien

Is the creditor an insider or related party?

☒ No☐ Yes

Is anyone else liable on this claim?

☒ No☐ Yes. Fill out Schedule H: Codebtors (Official Form 206H).

As of the petition filing date, the claim is:

☒ Contingent☒ Unliquidated☒ Disputed

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Part 1: Additional Page(s)**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

AMOUNT OF CLAIM  
Do not deduct the  
value of collateralValue of collateral  
that supports this  
claim**2.7**

Creditor's name

U.S. BANK NATIONAL ASSOCIATION

Describe debtor's property that is subject to a lien

UCC LIEN

\$0.00

\$0.00

Creditor's mailing address

ATTENTION: LISA DOLAN  
AS ADMINISTRATIVE AGENT AND COLLATERAL  
AGENT  
CM-9703  
SAINT PAUL, MN 55170-9703  
Creditor's email address, if known

Lisa.Dolan2@USBank.com

Date debt was incurred

Describe the lien

Is the creditor an insider or related party?

☒ No☐ Yes

Is anyone else liable on this claim?

☒ No☐ Yes. Fill out Schedule H: Codebtors (Official Form 206H).Last four digits of  
account numberDo multiple creditors have an interest in the same  
property?☒ No☐ Yes. Specify each creditor, including this  
creditor and its relative priority.☒ No. Specify each creditor, including this creditor,  
and its relative priority.

As of the petition filing date, the claim is:

☒ Contingent☒ Unliquidated☒ Disputed☐ Yes. The relative priority of creditors is specified on  
lines

Debtor Name **Affirmative Insurance Holdings, Inc.**

**United States Bankruptcy Court for the District of Delaware**

Case number (if known): 15-12136

☐ Check if this is an amended filing

## Official Form 206E/F

## Schedule E/F - Creditors Who Have Claims Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with **PRIORITY** unsecured claims and Part 2 for creditors with **NONPRIORITY** unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the **Additional Page** of that **Part** included in this form.

### Part 1: List All Creditors with PRIORITY Unsecured Claims

**1. Do any creditors have priority unsecured claims?**

☐ No. Go to Part 2.

☒ Yes. Go to line 2.

**2. List in alphabetical order all creditor who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.**

		Total claim	Priority amount
2.1	<b>Priority creditor's name and mailing address</b> DALLAS COUNTY TAX OFFICE 500 ELM STREET DALLAS, TX 75202	<b>As of the petition filing date, the claim is:</b> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	   
	<b>Date or dates debt was incurred</b> FY 2015	<b>Basis for the claim:</b> PROPERTY TAX	
	<b>Last 4 digits of account number</b>	<b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
	<b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S. )		

2.2	<p><b>Priority creditor's name and mailing address</b></p> <p>DELAWARE SECRETARY OF STATE DIVISION OF CORPORATIONS JOHN G TOWNSEND BLDG. 401 FEDERAL STREET STE 4 DOVER, DE 19901</p> <p><b>Date or dates debt was incurred</b></p> <p>FY 2015</p> <p><b>Last 4 digits of account number</b></p> <p><b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S. )</p>	<p><b>As of the petition filing date, the claim is:</b></p> <p><input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed</p> <p><b>Basis for the claim:</b></p> <p>FRANCHISE TAX</p> <p><b>Is the claim subject to offset?</b></p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p>	<p><b>\$0.00</b></p> <p><b>\$0.00</b></p>
-----	--	--	---

2.3	<b>Priority creditor's name and mailing address</b> DEPARTMENT OF TREASURY INTERNAL REVENUE SERVICE OGDEN, UT 84201	<b>As of the petition filing date, the claim is:</b> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	\$0.00	\$0.00
	<b>Date or dates debt was incurred</b> FY 2015	<b>Basis for the claim:</b> FEDERAL TAXES		
	<b>Last 4 digits of account number</b>	<b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
	<b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S.C. )			



Debtor Name

Affirmative Insurance Holdings, Inc.

Case number (if known): 15-12136

**Part 1: Additional Page**

		Total claim	Priority amount
<b>2.4</b>	<b>Priority creditor's name and mailing address</b> EAST BATON ROUGE PARISH ASSESSOR 222 ST. LOUIS STREET BATON ROUGE, LA 70802  <b>Date or dates debt was incurred</b> FY 2015  <b>Last 4 digits of account number</b>  <b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S. )	<b>As of the petition filing date, the claim is:</b> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> PROPERTY TAX  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00          \$0.00
<b>2.5</b>	<b>Priority creditor's name and mailing address</b> ST, TAMMANY PARISH JUSTICE CENTER 701 N COLUMBIA STREET COVINGTON, LA 70433  <b>Date or dates debt was incurred</b> FY 2015  <b>Last 4 digits of account number</b>  <b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S. )	<b>As of the petition filing date, the claim is:</b> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> PROPERTY TAX  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00          \$0.00
<b>2.6</b>	<b>Priority creditor's name and mailing address</b> TEXAS COMPTROLLER OF PUBLIC ACCOUNTS P.O.BOX 13528 CAPITOL STATION AUSTIN, TX 78711  <b>Date or dates debt was incurred</b> FY 2015  <b>Last 4 digits of account number</b>  <b>Specify Code subsection of PRIORITY unsecured claim:</b> 11 U.S.C. § 507(a) ( 11 U.S. )	<b>As of the petition filing date, the claim is:</b> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> STATE INCOME TAXES  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00          \$0.00

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

		Amount of claim
<b>3.1</b>	<b>Nonpriority creditor's name and mailing address</b> AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DR STE 500 ADDISON, TX 75001  <b>Date or dates debt was incurred</b>  <b>Last 4 digits of account number</b> 230000	<b>As of the petition filing date, the claim is:</b> <b>\$9,045,490.70</b> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> 2014 INCOME TAX PAYABLE  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.2</b>	<b>Nonpriority creditor's name and mailing address</b> BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE TRUST OFFICE 500 ROSS STREET 12 FLOOR PITTSBURGH, PA 15262  <b>Date or dates debt was incurred</b>  <b>Last 4 digits of account number</b> 280030	<b>As of the petition filing date, the claim is:</b> <b>\$4,742,978.74</b> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> INTEREST PAYABLE-TPS 1  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.3</b>	<b>Nonpriority creditor's name and mailing address</b> BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE TRUST OFFICE 500 ROSS STREET 12 FLOOR PITTSBURGH, PA 15262  <b>Date or dates debt was incurred</b>  <b>Last 4 digits of account number</b> 280030	<b>As of the petition filing date, the claim is:</b> <b>\$3,898,532.36</b> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> INTEREST PAYABLE-TPS 2  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.4</b>	<b>Nonpriority creditor's name and mailing address</b> BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE TRUST OFFICE 500 ROSS STREET 12 FLOOR PITTSBURGH, PA 15262  <b>Date or dates debt was incurred</b>  <b>Last 4 digits of account number</b> 280030	<b>As of the petition filing date, the claim is:</b> <b>\$181,235.67</b> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> INTEREST PAYABLE-USAGENCIES  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Debtor Name

Affirmative Insurance Holdings, Inc.

Case number (if known): 15-12136

**Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

Amount of claim

<p><b>3.5 Nonpriority creditor's name and mailing address</b>            BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE            TRUST OFFICE            500 ROSS STREET 12 FLOOR            PITTSBURGH, PA 15262</p> <p><b>Date or dates debt was incurred</b></p> <p><b>Last 4 digits of account number</b>            250001</p>	<p><b>As of the petition filing date, the claim is:</b> <b>\$30,928,000.00</b></p> <p><input checked="" type="checkbox"/> Contingent  <input type="checkbox"/> Unliquidated  <input type="checkbox"/> Disputed</p> <p><b>Basis for the claim:</b>            NOTES PAYABLE-TPS 1</p> <p><b>Is the claim subject to offset?</b>  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes</p>
<p><b>3.6 Nonpriority creditor's name and mailing address</b>            BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE            TRUST OFFICE            500 ROSS STREET 12 FLOOR            PITTSBURGH, PA 15262</p> <p><b>Date or dates debt was incurred</b></p> <p><b>Last 4 digits of account number</b>            250001</p>	<p><b>As of the petition filing date, the claim is:</b> <b>\$25,774,000.00</b></p> <p><input checked="" type="checkbox"/> Contingent  <input type="checkbox"/> Unliquidated  <input type="checkbox"/> Disputed</p> <p><b>Basis for the claim:</b>            NOTES PAYABLE-TPS 2</p> <p><b>Is the claim subject to offset?</b>  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes</p>
<p><b>3.7 Nonpriority creditor's name and mailing address</b>            BANK OF NEW YORK MELLON TRUST COMPANY, AS TRUSTEE            TRUST OFFICE            500 ROSS STREET 12 FLOOR            PITTSBURGH, PA 15262</p> <p><b>Date or dates debt was incurred</b></p> <p><b>Last 4 digits of account number</b>            250001</p>	<p><b>As of the petition filing date, the claim is:</b> <b>\$20,105,689.27</b></p> <p><input checked="" type="checkbox"/> Contingent  <input type="checkbox"/> Unliquidated  <input type="checkbox"/> Disputed</p> <p><b>Basis for the claim:</b>            NOTES PAYABLE-USAGENCIES</p> <p><b>Is the claim subject to offset?</b>  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes</p>
<p><b>3.8 Nonpriority creditor's name and mailing address</b>            CONFIE            7711 CENTER AVE.,            SUITE 200            HUNTINGTON BEACH, CA 92647</p> <p><b>Date or dates debt was incurred</b></p> <p><b>Last 4 digits of account number</b></p>	<p><b>As of the petition filing date, the claim is:</b> <b>\$2,330,000.00</b></p> <p><input checked="" type="checkbox"/> Contingent  <input checked="" type="checkbox"/> Unliquidated  <input checked="" type="checkbox"/> Disputed</p> <p><b>Basis for the claim:</b>            MGA PURCHASE PRICE ADJUSTMENT</p> <p><b>Is the claim subject to offset?</b>  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes</p>

Debtor Name

Affirmative Insurance Holdings, Inc.

Case number (if known): 15-12136

**Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

Amount of claim

<b>3.9 Nonpriority creditor's name and mailing address</b> JAMES R. MORGAN C/O PEARLIE ROBINSON V. AFFIRMATIVE INSURANCE HOLDINGS, INC., ET. AL. 1605 TWENTY-FIRST STREET SOUTH BIRMINGHAM, AL 35205  Date or dates debt was incurred  Last 4 digits of account number	<b>As of the petition filing date, the claim is:</b> <span style="float: right;">\$0.00</span> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> LITIGATION  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.10 Nonpriority creditor's name and mailing address</b> JOSEPH G. FISHER C/O JOSEPH G. FISHER V. AFFIRMATIVE INSURANCE HOLDINGS, INC. 1815 N. ORCHARD ST. UNIT 1 CHICAGO, IL 60614  Date or dates debt was incurred  Last 4 digits of account number	<b>As of the petition filing date, the claim is:</b> <span style="float: right;">\$0.00</span> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> LITIGATION  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.11 Nonpriority creditor's name and mailing address</b> LANQUANDREA HAWKINS C/O EEOC CHARGE 1531 S. HWY 121 #2034 LEWISVILLE, TX 75067  Date or dates debt was incurred  Last 4 digits of account number	<b>As of the petition filing date, the claim is:</b> <span style="float: right;">\$0.00</span> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> LITIGATION  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.12 Nonpriority creditor's name and mailing address</b> MICHELLE D. MILLER C/O EEOC CHARGE 2525 O'NEAL LANE APT. 623 BATON ROUGE, LA 70816  Date or dates debt was incurred  Last 4 digits of account number	<b>As of the petition filing date, the claim is:</b> <span style="float: right;">\$0.00</span> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> LITIGATION  <b>Is the claim subject to offset?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Debtor Name

Affirmative Insurance Holdings, Inc.

Case number (if known): 15-12136

**Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

Amount of claim

**3.13 Nonpriority creditor's name and mailing address**

PAIGE DUNLAP  
C/O EEOC CHARGE  
5116 MUSTANG TR.  
PLANO, TX 75093

As of the petition filing date, the claim is:

\$0.00

- ☒ Contingent  
☒ Unliquidated  
☒ Disputed

Basis for the claim:

LITIGATION

Date or dates debt was incurred

Last 4 digits of account number

Is the claim subject to offset?

- ☒ No  
☐ Yes

**3.14 Nonpriority creditor's name and mailing address**

PAIGE DUNLAP  
C/O EEOC CHARGE  
5116 MUSTANG TR.  
PLANO, TX 75093

As of the petition filing date, the claim is:

\$0.00

- ☒ Contingent  
☒ Unliquidated  
☒ Disputed

Basis for the claim:

LITIGATION

Date or dates debt was incurred

Last 4 digits of account number

Is the claim subject to offset?

- ☒ No  
☐ Yes

**3.15 Nonpriority creditor's name and mailing address**

PEARLIE ROBINSON  
C/O PEARLIE ROBINSON V. AFFIRMATIVE INSURANCE HOLDINGS, INC., ET. AL.  
P.O. BOX 364  
THOMASVILLE, AL 36784

As of the petition filing date, the claim is:

\$0.00

- ☒ Contingent  
☒ Unliquidated  
☒ Disputed

Basis for the claim:

LITIGATION

Date or dates debt was incurred

Last 4 digits of account number

Is the claim subject to offset?

- ☒ No  
☐ Yes

**3.16 Nonpriority creditor's name and mailing address**

RICK A. DEL GIUDICE, GOZDECKI, DEL GIUDICE, AMERICUS, FARKAS AND  
BROCATO, LLP  
C/O JOSEPH G. FISHER V. AFFIRMATIVE INSURANCE HOLDINGS, INC.  
ONE EAST WACKER  
SUITE 1700  
CHICAGO, IL 60601

As of the petition filing date, the claim is:

\$0.00

- ☒ Contingent  
☒ Unliquidated  
☒ Disputed

Basis for the claim:

LITIGATION

Date or dates debt was incurred

Last 4 digits of account number

Is the claim subject to offset?

- ☒ No  
☐ Yes

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims****5. Add the amounts of priority and nonpriority unsecured claims.**

Debtor Name

**5a. Total claims from Part 1**

\$0.00

**5b. Total claims from Part 2**

\$97,005,926.74

**5b. Total claims of Parts 1 and 2**

Lines 5a + 5b = 5c

\$97,005,926.74

Debtor Name **Affirmative Insurance Holdings, Inc.**  
**United States Bankruptcy Court for the District of Delaware**  
Case number (if known): **15-12136**

☐ Check if this is an amended filing

## Official Form 206G

### Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, numbering the entries consecutively.

#### 1. Does the debtor have any executory contracts or unexpired leases?

- ☐ No. Check this box and file this form with the court with the debtor's other schedules. There is nothing else to report on this form.
- ☒ Yes. Fill in all of the information below even if the contracts or leases are listed on Schedule A/B: Assets - Real and Personal Property (Official Form 206A/B)

#### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.1	State what the contract or lease is for and the nature of the debtor's interest	<b>AVID INVOICE ACCOUNTS PAYABLE MANAGEMENT TOOL</b>	<b>AVIDXCHANGE, INC. 9735A NORTHCROSS CENTER COURT HUNTERSVILLE, NC 28078</b>
	State the term remaining	4/27/2015-4/26/2016	
	List the contract number of any government contract	N/A	
2.2	State what the contract or lease is for and the nature of the debtor's interest	<b>EMPLOYEE HEALTH PLAN ADMINISTRATION</b>	<b>BLUE CROSS AND BLUE SHIELD OF TEXAS 1001 EAST LOOKOUT DRIVE RICHARDSON, TX 75082</b>
	State the term remaining	1/1/2015-12/31/2016	
	List the contract number of any government contract	N/A	
2.3	State what the contract or lease is for and the nature of the debtor's interest	<b>FINANCIAL PLANNING AND MANAGEMENT SOFTWARE</b>	<b>CLARITY USA INC. #6123-234 HUDSON AVENUE ALBANY, NY 12210</b>
	State the term remaining	7/1/2013-6/30/2014	
	List the contract number of any government contract	N/A	
2.4	State what the contract or lease is for and the nature of the debtor's interest	<b>TRANSFER AGENCY SERVICES</b>	<b>COMPUTERSHARE TRUST COMPANY, N.A. AND COMPUTERSHARE, INC. 250 ROYALL STREET CANTON, MA 02021</b>
	State the term remaining	11/1/2015-10/31/2016	
	List the contract number of any government contract	N/A	
2.5	State what the contract or lease is for and the nature of the debtor's interest	<b>T&amp;E EXPENSE MANAGEMENT SYSTEM CONFIE ASSIGNMENT PENDING</b>	<b>CONCUR TECHNOLOGIES, INC. 601 108TH AVENUE NE, SUITE 1000 BELLEVUE, WA 98004</b>
	State the term remaining	1/28/2014-1/27/2017	
	List the contract number of any government contract	N/A	

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Additional Page(s) if Debtor has More Executory Contracts or Unexpired Leases**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.6	State what the contract or lease is for and the nature of the debtor's interest	TRANSITION SERVICES AGREEMENT - IT, ACCOUNTING, HUMAN RESOURCES, AND FACILITIES SERVICES	CONFIE ADMINISTRATIVE SERVICES, INC., CONFIE SEGUROS HOLDING, II CO., AND CONFIE INSURANCE GROUP HOLDINGS, INC. 7711 CENTER AVENUE, SUITE 200 HUNTINGTON BEACH, CA 92647
	State the term remaining List the contract number of any government contract	6/30/2015-12/31/2016 N/A	
2.7	State what the contract or lease is for and the nature of the debtor's interest	REGISTERED AGENT SERVICES AND ANNUAL REPORT FILIGN FOR HOLDING COMPANY ENTITIES	CORPORATION SERVICE COMPANY 2711 CENTERVILLE ROAD WILMINGTON, DE 19808
	State the term remaining List the contract number of any government contract	INDEFINITE N/A	
2.8	State what the contract or lease is for and the nature of the debtor's interest	TAX CONSULTING SERVICES PROFESSIONAL SERVICES	DIXON HUGHES GOODMAN LLP 191 PEACHTREE STREET NE, SUITE 2700 ATLANTA, GA 30303
	State the term remaining List the contract number of any government contract	N/A N/A	
2.9	State what the contract or lease is for and the nature of the debtor's interest	EXECUTIVE EMPLOYMENT AGREEMENT TERMINATED 10/2/2015	EARL R. FONVILLE 1403 BELLEFONTE LANE COLLEYVILLE, TX 76034
	State the term remaining List the contract number of any government contract	12/1/2013-11/30/2016 N/A	
2.10	State what the contract or lease is for and the nature of the debtor's interest	ACTUARIAL CONSULTING SERVICES PROFESSIONAL SERVICES	EVP ADVISORS, INC. 514 WEST STATE STREET, SUITE 210 GENEVA, IL 60134
	State the term remaining List the contract number of any government contract	2/5/2015-2/4/2016 N/A	
2.11	State what the contract or lease is for and the nature of the debtor's interest	EXECUTIVE EMPLOYMENT AGREEMENT	JOHN P. KILLACKY 150 HARVESTER DRIVE, SUITE 250 BURR RIDGE, IL 60527
	State the term remaining List the contract number of any government contract	12/1/2013-11/30/2016 N/A	



Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Additional Page(s) if Debtor has More Executory Contracts or Unexpired Leases****Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.****List all contracts and unexpired leases****State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease**

2.12	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>GUARANTOR UNDER COOPERATIVE ENDEAVOR AGREEMENT PROVIDING INCENTIVES FOR OPERATIONS IN BATON ROUGE CONTRACT COMPLETE. DEMAND FOR REIMBURSEMENT OUTSTANDING.</b> 10/1/2009-9/30/2014  N/A	<b>LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT AND CITY OF BATON ROUGE/PARISH OF EAST BATON ROUGE</b> <b>C/O SHAWN WELCOME</b> <b>1051 NORTH THIRD STREET</b> <b>BATON ROUGE, LA 70802</b>
2.13	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining List the contract number of any government contract	<b>401(K) PLAN ADMINISTRATION</b>  12/24/2014-INDEFINITE N/A	<b>MASS MUTUAL LIFE INSURANCE COMPANY</b> <b>ATTENTION: EXECUTIVE VICE PRESEIDENT</b> <b>FOR RETIREMENT SERVICES</b> <b>1295 STATE STREET</b> <b>SPRINGFIELD, MA 01111</b>
2.14	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining List the contract number of any government contract	<b>SECOND AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT</b>  12/1/2013-11/30/2016 N/A	<b>MICHAEL J. MCCLURE</b> <b>150 HARVESTER DRIVE, SUITE 250</b> <b>BURR RIDGE, IL 60527</b>
2.15	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining List the contract number of any government contract	<b>MICROSOFT ENTERPRISE SOFTWARE LICENSING PARTIALLY ASSIGNED TO CONFIE</b>  12/17/2014-12/16/2015 N/A	<b>MICROSOFT LICENSING, GP</b> <b>DEPARTMENT 551, VOLUME LICENSING</b> <b>6100 NEIL ROAD, SUITE 210</b> <b>RENO, NV 89511</b>
2.16	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining List the contract number of any government contract	<b>WHISTLEBLOWER HOTLINE PROVISION AND MAINTENANCE</b>  10/25/2014-10/25/2016 N/A	<b>NAVEX GLOBAL, INC.</b> <b>13950 BALLANTYNE CORPORATE PLACE</b> <b>CHARLOTTE, NC 28277</b>
2.17	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining List the contract number of any government contract	<b>FINDER'S FEE AGREEMENT FOR MARKETING FOR SALE OF USAGENCIES DIRECT - NOW A REHABILITATOR ASSET</b>  3/10/2015-INDEFINITE N/A	<b>PROPEL ADVISORY GROUP, INC.</b> <b>P.O. BOX 8659</b> <b>ATLANTA, GA 31106</b>

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Additional Page(s) if Debtor has More Executory Contracts or Unexpired Leases****Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.****List all contracts and unexpired leases****State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease**

2.18	State what the contract or lease is for and the nature of the debtor's interest	<b>INTERNAL AUDIT AND SOX COMPLIANCE CONSULTING SERVICES PROFESSIONAL SERVICES</b>	<b>PROTIVITI, INC. 101 NORTH WACKER DRIVE, SUITE 1400 CHICAGO, IL 60606</b>
	State the term remaining	N/A	
	List the contract number of any government contract	N/A	
2.19	State what the contract or lease is for and the nature of the debtor's interest	<b>SEC FILING SERVICES AND ACTIVE DISCLOSURE SERVICES 3-MONTH RENEWAL CYCLE</b>	<b>R.R. DONNELLY 111 SOUTH WACKER DRIVE, 35TH FLOOR CHICAGO, IL 60606</b>
	State the term remaining	9/18/2015-12/17/2015	
	List the contract number of any government contract	N/A	
2.20	State what the contract or lease is for and the nature of the debtor's interest	<b>MAS500 GENERAL LEDGER SOFTWARE</b>	<b>SAGE SOFTWARE, INC. 56 TECHNOLOGY DRIVE IRVINE, CA 92618</b>
	State the term remaining	INDEFINITE	
	List the contract number of any government contract	N/A	
2.21	State what the contract or lease is for and the nature of the debtor's interest	<b>GROUP LIFE/DISABILITY INSURANCE POLICY</b>	<b>THE STANDARD INSURANCE COMPANY 900 SW FIFTH AVENUE PORTLAND, OR 97204</b>
	State the term remaining	1/1/2015-12/31/2016	
	List the contract number of any government contract	N/A	
2.22	State what the contract or lease is for and the nature of the debtor's interest	<b>INVESTMENT CONSULTING SERVICES FOR 401(K) PLAN</b>	<b>UBS FINANCIAL SERVICES, INC. 6390 MAIN STREET WILLIAMSVILLE , NY 14221</b>
	State the term remaining	6/1/2014-INDEFINITE	
	List the contract number of any government contract	N/A	
2.23	State what the contract or lease is for and the nature of the debtor's interest	<b>AD VALOREM TAX SERVICES PROFESSIONAL SERVICES</b>	<b>WAYNE COOLEY &amp; ASSOCIATES P.O. BOX 12603 DALLAS, TX 75225</b>
	State the term remaining	3/6/2012-INDEFINITE	
	List the contract number of any government contract	N/A	

Debtor Name **Affirmative Insurance Holdings, Inc.**  
**United States Bankruptcy Court for the District of Delaware**  
Case number (if known): **15-12136**

☐ Check if this is an  
amended filing

## Official Form 206H

**Schedule H: Codebtors****12/15**

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, numbering the entries consecutively.

**1. Does the debtor have any codebtors?**

☐ No. Check this box and file this form with the court with the debtor's other schedules. There is nothing else to report on this form.

☒ Yes.

**2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G.** Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

**Column 1: Codebtor****Column 2: Creditor**

Name	Mailing Address	Name	Check all schedules that apply
2.1 AFFIRMATIVE GENERAL AGENCY, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.2 AFFIRMATIVE GENERAL AGENCY, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.3 AFFIRMATIVE GENERAL AGENCY, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.4 AFFIRMATIVE INSURANCE GROUP, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.5 AFFIRMATIVE INSURANCE GROUP, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Additional Page(s) if Debtor has More Codebtors**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor		Column 2: Creditor	
Name	Mailing Address	Name	Check all schedules that apply
2.6 AFFIRMATIVE INSURANCE GROUP, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.7 AFFIRMATIVE INSURANCE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.8 AFFIRMATIVE INSURANCE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.9 AFFIRMATIVE INSURANCE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.10 AFFIRMATIVE MANAGEMENT SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.11 AFFIRMATIVE MANAGEMENT SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.12 AFFIRMATIVE MANAGEMENT SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.13 AFFIRMATIVE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G

Debtor Name **Affirmative Insurance Holdings, Inc.**Case number (if known): **15-12136****Additional Page(s) if Debtor has More Codebtors**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor		Column 2: Creditor	Check all schedules that apply
Name	Mailing Address	Name	
2.14 AFFIRMATIVE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.15 AFFIRMATIVE SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.16 AFFIRMATIVE UNDERWRITING SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.17 AFFIRMATIVE UNDERWRITING SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.18 AFFIRMATIVE UNDERWRITING SERVICES, INC.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.19 AFFIRMATIVE, L.L.C.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.20 AFFIRMATIVE, L.L.C.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	JCF AFFM DEBT HOLDINGS L.P.	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G
2.21 AFFIRMATIVE, L.L.C.	4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT AND COLLATERAL AGENT	<input checked="" type="checkbox"/> D <input type="checkbox"/> E/F <input type="checkbox"/> G

Debtor Name Affirmative Insurance Holdings, Inc.  
 United States Bankruptcy Court for the District of Delaware  
 Case Number: 15-12136

## Official Form 202

### Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**WARNING - Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. 152, 1341, 1519, and 3571.**

#### Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets- Real and Personal Property* (Official Form 206 A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206 D)
- ☒ *Schedule E/F: Creditors Who Have Claims Unsecured Claims* (Official Form 206 E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206 G)
- ☒ *Schedule H: Executory Contracts and Unexpired Leases* (Official Form 206 H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ *Other document that requires a declaration*

I, Michael J. McClure, the Chief Executive Officer of Affirmative Insurance Holdings, Inc., declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 35 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Executed on: 12/18/2015  
 MM / DD / YYYY

Signature 

Michael J. McClure

Printed Name

Chief Executive Officer

Title

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY  
AND DISCLAIMER REGARDING DEBTORS' SCHEDULES OF ASSETS AND  
LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS<sup>2</sup>**

-1-

is as near as possible to the Petition Date, unless otherwise indicated. The Debtors continue to operate their businesses and manage their properties as debtors in possession as authorized by sections 1107(a) and 1108 of the Bankruptcy Code.

2. Joint Administration. Pursuant to an order dated October 19, 2015 [Docket No. 38], the Debtors' respective chapter 11 cases are jointly administered for procedural purposes under the case name and caption set forth above. Notwithstanding the joint administration of the Debtors' cases for procedural purposes, each Debtor has filed its own Schedules and Statements.

3. Limitations of Liability. The Debtors and their officers, employees, agents, attorney and financial advisors do not guarantee or warrant the accuracy, completeness or timeliness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused, in whole or in part, by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. The Debtors and their officers, employees, agents, attorneys and financial advisors expressly do not undertake any obligation to update, modify, revise or re-categorize the information provided herein or to notify any third party should the information be updated, modified, revised or re-categorized. In no event shall the Debtors or their officers, employees, agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused.

4. Affirmative Insurance Holdings, Inc. Chief Executive Officer, Michael McClure, has signed the Schedules and Statements on behalf of the Debtors. Mr. McClure is an authorized signatory for all Debtors. In reviewing and signing the Schedules and the Statements, Mr. McClure has necessarily relied upon the efforts, statements and representations of various personnel of the Debtors. Mr. McClure has not, and could not have, personally verified the accuracy of each such statement and representation, including, for example, statements and representations concerning amounts owed to creditors.

5. The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtors.

6. Reservation of Rights. Based on the information available at the time of preparation, the Debtors' management made every reasonable effort to ensure the Schedules and Statements are as accurate and complete as possible, but in advertent errors or omissions may have occurred. Because the Schedules and Statements contain unaudited information, which is subject to further review, verification and potential adjustment, there can be no assurance that these Schedules or Statements are complete. Subsequent information or discovery may result in material changes to these Schedules or



Statements. The Debtors' last audited financial statements were completed for the fiscal year ended December 31, 2014.

7. Nothing contained in the Global Notes or the Schedules and Statements shall constitute a waiver of any of the Debtors' rights with respect to these chapter 11 cases and specifically with respect to any issues involving substantive consolidation, equitable subordination, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets, avoid transfers, or collect money owed.

8. For the avoidance of doubt, listing a claim on Schedule D as "secured," on Schedule E as "priority," on Schedule F as "unsecured nonpriority," or listing a contract or lease on Schedule G as "executor" or "unexpired," does not constitute an admission by the Debtors of the legal rights of any claimant, or a waiver of the Debtors' right to recharacterize or reclassify such claim or contract.

9. Any failure to designate a claim listed on the Debtors' Schedules as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent" or "unliquidated" or is not subject to objection. The Debtors reserve the right to dispute, or to assert setoff rights, counterclaims or defenses to, any claim reflected on its Schedules as to amount, liability or classification, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated."

10. All amounts shown in the Schedules and Statements are in U.S. Dollars.

11. Estimates and Assumptions. The preparation of the Schedules and Statements required the Debtors to make certain estimates and assumptions that affected the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expense. Actual results could differ materially from these estimates.

Asset Presentation and Valuation. The Debtors do not have current market valuations for all of their assets. It would be prohibitively expensive, unduly burdensome and an inefficient use of estate assets for the Debtors to obtain current market valuations for all assets. When necessary, the Debtors have indicated that the value of certain assets are \$0.00 or "Undetermined." Amounts ultimately realized may vary materially from net book value (or whatever value was ascribed). Accordingly, the Debtors reserve all rights to amend, supplement or adjust the asset values set forth herein. As applicable, fixed assets and leasehold improvement assets that have been fully depreciated or fully amortized, or were expensed for GAAP accounting purposes, have no net book value, however are still included in the Schedules and Statements.

The description of an amount as "Undermined" is not intended to reflect upon the materiality of such amount.

Liabilities. Wherever possible, amounts owed as of the Petition Date are presented. Some of the scheduled liabilities are unknown, contingent and/or unliquidated at this

time. In some cases, the amounts are listed as \$0.00 or “Undetermined.” Accordingly, the Schedules and Statements do not accurately reflect the aggregate amount of the Debtors’ total liabilities.

12. Bankruptcy Court First-Day Orders. Certain of the Schedules and Statements may list creditors and set forth the Debtors’ estimate of the claims of creditors as of the Petition Date. The Bankruptcy Court authorized the Debtors to pay various outstanding prepetition claims, including, but not limited to, certain claims relating to employee compensation and benefits, customers, taxing and regulatory authorities. Consequently, certain prepetition fixed liquidated and undisputed unsecured claims have been paid as of the date of the filing of the Schedules and Statements. Accordingly, the actual unpaid claims of creditors that may be allowed in these cases may differ from the amounts set forth in the Schedules and Statements. To the extent that these liabilities have been or will be satisfied, they are not listed in the Schedules.

13. The Debtors have sought to allocate liabilities between the prepetition and post-petition periods based on the information and research that was conducted in connection with the preparation of the Schedules. As additional information becomes available and further research is conducted, the allocation of liabilities between prepetition and post-petition periods may change. The Debtors reserve the right to change the allocation of any liability between the prepetition and post-petition periods to the extent additional information becomes available.

14. Contingent Assets and Causes of Action. Despite reasonable efforts to identify all known assets, the Debtors might not have identified and/or set forth all of their causes of action against third parties as assets in their Schedules and Statements, including, but not limited to, avoidance actions arising under chapter 5 of the Bankruptcy Code and actions under relevant non-bankruptcy laws to recover assets. The Debtors reserve any and all rights with respect to any causes of action they may have, and neither these Global Notes, nor the Schedules shall be deemed a waiver of any such right or cause of action.

15. All totals that are included in the Schedules represent totals of all the known amounts included in the tables.

16. There may be instances in the Schedules and Statements where the Debtors have deemed it necessary and appropriate to redact from the public record information such as names, addresses or amounts. Typically, the Debtors have used this approach because of an agreement between the Debtors and a third party, concerns of confidentiality, or concerns for the privacy of, or otherwise preserving the confidentiality of personally identifiable information with respect to, an individual.

17. Insiders. In the circumstance where the Schedules and Statements require information regarding insiders and/or officers and directors, the Debtors have attempted to include therein each of the Debtors’ (a) “directors” (or persons in similar positions), and (b) employees that may be, or may have been during the relevant period, “officers,” as such term is defined by applicable law. The listing of a party as an insider is not intended to be, nor should it be, construed as a legal characterization of such party as an

insider and does not act as an admission of any fact, claim, right, or defense, and all such rights, claims, and defenses are hereby expressly reserved. Employees have been included in this disclosure for informational purposes only and should not be deemed to be “insiders” in terms of control of the Debtors, management responsibilities or functions, decision-making or corporate authority and/or as otherwise defined by applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

18. These Global Notes are in addition to the specific notes set forth in the individual Schedules and Statements. Disclosure of information in one Schedule, Statement, exhibit, or continuation sheet, even if incorrectly placed, shall be deemed to be disclosed in the correct Schedule, Statement, exhibit or continuation sheet.

19. The Debtors specifically reserve the right to amend, modify, supply, correct, change or alter any part of the Schedules and Statements as and to the extent necessary or as they deem appropriate.

20. In the event that the specific notations on the Schedules and Statements conflict or contradict these Global Notes, these Global Notes shall control.

### **Specific Notes**

21. Schedule B: It would be unduly burdensome and an inefficient use of estate assets and other resources for the Debtors to obtain current market valuations of all of its assets listed in Schedule B. Accordingly, unless otherwise indicated, net book values are reflected on the Debtors’ Schedules and Statements as of the Petition Date. These amounts may materially vary from current fair market value. The values set forth in Schedule B are as of or as near as possible to the Petition Date.

22. Schedules: Part 11: Question 72: The value of the Net Operating Loss (“NOL”) is listed as “Undetermined” in these Schedules. Per the Debtors federal tax returns, the NOLs generated from the calendar years 2007 through 2013 total \$195,399,724. For the year ending December 31, 2014, the Debtors reported a consolidated loss of \$45,172,492, and a consolidated NOL adjustment of \$11,924,123. Based on Schedule 5 and 6 of the 2014 consolidated federal return, it is the Debtors’ belief that the total amount of the NOLs as of year-end 2014 equals \$228,648,093. However, the actual value of the NOLs is undetermined as of the Petition Date.

23. Schedules: Part 11: Question 75: The “Hallberg Claim” is listed by the Debtors as being valued at \$7.0 million plus post-judgment interest. The original judgment entered on December 2009 was for \$7,670,210. The Debtors have collected approximately \$500,000-\$600,000 through wage garnishments and seizing certain cash accounts. Statutory post-judgment interest in Illinois accrues at 9% per annum (215 ILCS 5/2-1303), therefore the total claim amount continues to increase and the Debtors believe that this claim will have additional value, with an estimate of approximately \$10 million as of the Petition Date.

24. Schedule D: Although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature or amount of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim. The descriptions provided on Schedule D are intended only to be a summary. Without limiting the foregoing, the inclusion on Schedule D of creditors that have asserted mechanic's and other similar liens is not intended to be an acknowledgement of the validity, extent, or priority of any such liens, and the Debtors reserve their right to challenge such liens and the underlying claims on any ground whatsoever. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in these Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

- a. Except as specifically stated herein, real property lessors, utility companies and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D all parties that may believe their claims are secured through setoff rights, deposits posted by, or on behalf of, the Debtors, or inchoate statutory lien rights.
- b. Certain of the Debtor's agreements listed on Schedule G may be in the nature of secured financings. No attempt has been made to identify such agreements, for purposes of Schedule D. In certain instances, the Debtor may be a co-obligor, co-mortgager or guarantor with respect to scheduled claims of the Debtor and its affiliates, and no claim scheduled on Schedule D is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities.

25. Schedule D/E/F: The claims listed on Schedule D/F arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive, and thus, the Debtors do not list a date for each claim listed on Schedule D/F.

26. Disputed, Contingent and/or Unliquidated Claims: Schedules D, E and F permit each of the Debtors to designate a claim as disputed, contingent, and/or unliquidated. A failure to designate a claim on any of these schedules as disputed, contingent, and/or unliquidated does not constitute an admission that such claim is not subject to objection. The Debtors reserve the right to dispute, or assert offsets or defenses to any claim reflected on these Schedules as to nature, amount, liability, or status or to otherwise designate any claim as disputed, contingent or unliquidated.

27. Schedule E/F: As of the Petition Date, certain employees were owed (i) wages, salaries and commissions earned during the one hundred and eighty days prior to the Petition Date ("Priority Wages"); (ii) accrued and unused paid time off for vacation, sick and paid leaves ("PTO") earned during the one hundred and eighty days prior to the Petition Date; (iii) accrued commissions; and (iv) accrued and unused PTO earned prior

to the one hundred and eighty days preceding the Petition Date. However, the Bankruptcy Court has approved the payment of certain unsecured priority claims against the Debtors, including, without limitation, certain claims for wages, salaries, and contributions to benefit plans. At the time that this schedule was prepared, the Debtors are only aware of certain priority claims relating to PTO.

- a. The Debtor has listed the best estimate of all the claims against the Debtor's estate held by governmental and quasi-governmental entities. The Debtors have not determined whether, and to what extent, any of the creditors identified on Schedule E/F are entitled to priority under Section 507 of the Bankruptcy Code. The Debtors reserves the right to assert that claims identified on Schedule E are not claims of governmental entities and/or those claims are not entitled to priority.
- b. Certain of the Debtor's agreements listed on Schedule D of secured financings may include an unsecured component. No attempt has been made to verify the potential unsecured balance of any secured claim and therefore, these amounts are not been included in Schedule E/F as presented.

28. Schedule F: Schedule F does not include certain deferred charges, deferred liabilities or general reserves. Such amounts, however, are reflected on the Debtors' books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date. The claims listed on Schedule F arose or were incurred on various dates.

- a. Certain claims listed on Schedule F may include claims that creditors may also assert claims for administrative priority pursuant to section 503(b)(9) of the Bankruptcy Code.
- b. Where Schedule F lists creditors and sets forth the Debtors' scheduled amount attributable to such claims, such scheduled amount reflects amounts owed as of the Commencement Date regardless of any post-petition payments made on behalf of First-Day Orders entered by the Court.

29. Schedule G: While reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors or omissions may have occurred. The Debtors' listing of a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. Any and all of the Debtors' rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are reserved, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument related to a creditor's claim. In addition, the Debtors might have entered into various other types of agreements in the

ordinary course of its business, such as supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. In some cases, the same supplier or provider appears multiple times on Schedule G. This multiple listing is intended to reflect distinct agreements between the applicable Debtors and such supplier or provider. The Debtors' omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission. Schedule G may be amended at any time to add any omitted contract or agreement.

As of the Petition Date, the Debtors were in the process of assigning certain operating agreements to affiliates of Confie Seguros Holding Co. in relation to the sale of the Debtor's MGA business on June 30, 2015. Such assignments were not complete as of the Petition Date. Out of an abundance of caution, the Debtors have listed such agreements on Schedule G and designated them "Confie Assignment Pending." The Debtor's inclusion of such contracts, leases or agreements on Schedule G is not an admission that such contract, lease or agreement is an executory contract or unexpired lease.

The Debtors reserve all rights to dispute or challenge the characterization of the structure of any transaction or any document or instrument related to a creditor's claim, including, but not limited to, whether any lease is a true lease or financing arrangement.

The Debtors may be party to certain agreements that have expired by their terms, but all parties continue to operate under the agreement. Out of an abundance of caution, the Debtors may have listed such agreements on Schedule G. The Debtors' inclusion of such contracts, leases or agreements on Schedule G is not an admission that such contract, lease or agreement is an executory contract or unexpired lease.

Omission of a contract, lease or agreement from Schedule G does not constitute an admission that such omitted contract, lease or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts, leases or agreements are not impaired by the omission.

30. Schedule H: Schedule H reflects guarantees or other obligations by various Debtor affiliates of obligations primarily vested in other related affiliates. The Debtors may not have identified certain guarantees that are embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. The Debtors reserve their rights to amend the Schedules to the extent that additional guarantees are identified or such guarantees are discovered to have expired or to be unenforceable.

31. Statements. Part 1: Question 1 and 2 – Income from Operation of Business and Income Other than from Operation of Business. Commission income is generally recognized at the date the insurance policy is bound with the applicable underwriting

insurance company. Commissions on premium endorsements are recognized when processed.

Profit-sharing commissions, which enable the Managing General Agency (“MGA”) to collect commission income and fees in excess of provisional commissions, are recorded when it is probable that estimates of loss ratios will be below the levels stated in the agency contracts. Provisional commissions may be reduced when it is probable that estimates of loss ratios will be above the levels stated in the related agency contract.

- a. The MGA receives policy fees to compensate for the costs of providing policyholder administration services such as policy issuance, policy cancellation, and policy rewrite and reinstatement. Generally, policy fees are non-refundable and are recognized over the related insurance policy term.
- b. The MGA recognizes revenue from providing claims handling services. Claims service revenue is deferred and recognized as services are performed.
- c. The MGA recognizes billing fees from the installment billing of policyholder premiums as installments are billed.

32. Statements. Part 2: Question 3 – Certain Transfers Made Before Filing Bankruptcy. The Debtors process all of their disbursements through a consolidated, centralized processing facility without regard for the individual Debtor or Non-Debtor entity involved. Consequently, for purposes of these Schedules and Statements, the Debtors have attempted to allocate and assign the payments made to creditors in the 90 days preceding the Petition Date to the individual Debtor entities based on the company code assigned to the individual components of aggregated invoices. The responses to this question reflect the creditor's payment activity by payment date as opposed to cleared date and by vendor/creditor code as it appears in the Debtors' payment register. As such, the information may include associated credit memo information. It does not reflect any payroll/payroll tax related payments during the 90 days preceding the Petition Date for rank and file employees.

- a. The Debtors make certain payments relating to D&O Insurance coverage and a Life Insurance policy for Mr. McClure. These payments are not included in the insider payment summary, as these policy payments are for the benefit of the Debtor.
- b. As a general practice, the Debtors have leased vehicles at the Addison, TX facility for executive usage when an executive is on premises for business purposes. This expense is not allocated to an individual in the payment summary, as usage by executive varies from year to year and to allocate based on usage would be unnecessarily burdensome to the Estate. Further, these leased vehicles are no longer in the Debtor's possession.

- c. Various expenses are paid by Affirmative Services, Inc. for the benefit of the non-debtor Insurance Companies. These expenses are billed and settled monthly by the respective insurance carriers and are not included in the insider payment schedule.
- d. As a general practice, the Debtors' officers and directors used the Debtors' corporate credit card to pay the majority of reimbursable business expenses that would have otherwise been incurred by the Debtors' officers and directors and thereafter reimbursed by the Debtors.
- e. The Debtors have listed an "Other Property" asset relating to 2015-2016 season tickets for the Dallas Stars, a local professional hockey team. These tickets were an expense and are an asset of the Debtors. The tickets have been used for various purposes. As a practice, the unused tickets are sold on a secondary market (Ticketmaster.com), to which the proceeds are deposited directly into a personal bank account for Michael McClure. Michael McClure uses these proceeds to offset reimbursable business expenses, which the net amounts of those other business expenses have been reflected in the detail provided in the applicable Statement response. The total amount within the prior year that has been used to offset Michael McClure's expense reimbursements is \$7,169.40.

33. Statements. Part 2: Question 6 – Certain Transfers Made Before Filing Bankruptcy- Cont. (Setoffs.) The Debtors accept payment in the form of credit cards. As a result of the relationship with the credit card processing companies, specifically Chase Paymentech, the Debtors are involved in setoff transactions every day. Documentation of these credit card setoff transactions for the 90 days prior to the Petition Date would prove onerous and unwieldy. Consequently, the Debtors have not attempted to report this information on these reports.

34. Statements. Part 3: Question 26d – Financial Statements. In the ordinary course of business the Debtors provide financial statements to certain creditors, customers and state and local licensing or permitting agencies. In addition, in connection with marketing their assets for sale the Debtors have provided financial statements to potential acquirers.

35. Statements. Part 4: Question 9 – Gifts and Charitable Contributions. Prior to July 1, 2015, Affirmative Management Services, Inc. (2137) and Affirmative Services, Inc. (2138) received donations from employees to fund "Project Hero." Donations were deposited into UMB's Hero Account (Account number XXXX-XX-8336) and disbursements were made to approved charities and/or are awarded to employees. All related Project Hero gifts included herein are direct contributions made from the UMB Hero Account and are essentially funds provided by employees and not the Debtors themselves.



36. Statements. Part 6: Question 11 – Payments Related to Debt Counseling and Bankruptcy. Payments include retainers to professionals. Retainers may have been reduced or adjusted by prepetition or post-petition obligations applied, but not reflected in the exhibit. In addition, payments may include amounts not directly related to debt counseling and bankruptcy.

37. Statements. Part 13: Question 26 – Details about the Debtor's Business or Connections to Any Business. KPMG was appointed as the Debtor's independent auditing firm on May 26, 2006. KPMG was dismissed on July 15, 2015. The last financial statement KPMG reviewed was the Q1 2015 10-Q. KPMG's last audit was for the 12/31/14 10-K.

Protiviti was engaged as the Debtor's internal audit and SOX compliance vendor in 2008. Protiviti was never formally terminated; however, no funding was allocated for Protiviti to perform any additional work in 2015.

The last internal audit Protiviti performed was a claims audit which closed in November 2014. Protiviti performed SOX testing for year-end 2014. Protiviti never audited financial statements and only performed SOX testing which KPMG leveraged for their audit report.

\*\*\*END OF GLOBAL NOTES\*\*\*

\*\*SCHEDULES AND STATEMENTS BEGIN ON THE FOLLOWING PAGE\*\*

**Fill in this information to identify the case:**Debtor name **Affirmative Insurance Holdings, Inc.**United States Bankruptcy Court for the: DISTRICT OF DELAWARECase number (if known) **15-12136**☐ Check if this is an amended filing**Official Form 207****Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy****12/15**

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

**Part 1: Income****1. Gross revenue from business**☐ None.**Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year****From the beginning of the fiscal year to filing date:**  
From **1/01/2015** to **Filing Date****Sources of revenue**  
Check all that apply☐ Operating a business☒ Other **DIVIDEND INCOME  
FROM SUBSIDIARIES****Gross revenue**  
(before deductions and exclusions)**\$0.00****For prior year:**  
From **1/01/2014** to **12/31/2014**☐ Operating a business☒ Other **DIVIDEND INCOME  
FROM SUBSIDIARIES****\$9,968,000.00****For year before that:**  
From **1/01/2013** to **12/31/2013**☐ Operating a business☒ Other **DIVIDEND INCOME  
FROM SUBSIDIARIES****\$6,700,000.00****2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☐ None.**Description of sources of revenue****Gross revenue from each source**  
(before deductions and exclusions)**From the beginning of the fiscal year to filing date:**  
From **1/01/2015** to **Filing Date****GAIN ON SALE OF MGA  
BUSINESS****\$77,305,884.46****From the beginning of the fiscal year to filing date:**  
From **1/01/2015** to **Filing Date****GAIN ON SALE OF RETAIL  
BUSINESS****\$0.00****From the beginning of the fiscal year to filing date:**  
From **1/01/2015** to **Filing Date****OTHER INCOME-TAX  
REFUNDS****\$6,623.00**

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

	Description of sources of revenue	Gross revenue from each source (before deductions and exclusions)
<b>From the beginning of the fiscal year to filing date:</b> From <b>1/01/2015</b> to <b>Filing Date</b>	<b>INTEREST INCOME-OTHER</b>	<b>\$457.00</b>
<b>From the beginning of the fiscal year to filing date:</b> From <b>1/01/2015</b> to <b>Filing Date</b>	<b>INTEREST INCOME-ESCROW ACCOUNTS</b>	<b>\$0.00</b>
<b>From the beginning of the fiscal year to filing date:</b> From <b>1/01/2015</b> to <b>Filing Date</b>	<b>INTEREST INCOME-CASH AT BANK</b>	<b>\$439.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>GAIN ON SALE OF MGA BUSINESS</b>	<b>\$0.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>GAIN ON SALE OF RETAIL BUSINESS</b>	<b>\$10,000,000.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>OTHER INCOME-TAX REFUNDS</b>	<b>\$0.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>INTEREST INCOME-OTHER</b>	<b>\$1,026.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>INTEREST INCOME-ESCROW ACCOUNTS</b>	<b>\$2,448.00</b>
<b>For prior year:</b> From <b>1/01/2014</b> to <b>12/31/2014</b>	<b>INTEREST INCOME-CASH AT BANK</b>	<b>\$416.00</b>
<b>For year before that:</b> From <b>1/01/2013</b> to <b>12/31/2013</b>	<b>GAIN ON SALE OF MGA BUSINESS</b>	<b>\$0.00</b>
<b>For year before that:</b> From <b>1/01/2013</b> to <b>12/31/2013</b>	<b>GAIN ON SALE OF RETAIL BUSINESS</b>	<b>\$64,971,309.00</b>
<b>For year before that:</b> From <b>1/01/2013</b> to <b>12/31/2013</b>	<b>OTHER INCOME-TAX REFUNDS</b>	<b>\$0.00</b>
<b>For year before that:</b> From <b>1/01/2013</b> to <b>12/31/2013</b>	<b>INTEREST INCOME-OTHER</b>	<b>\$4,352.00</b>
<b>For year before that:</b> From <b>1/01/2013</b> to <b>12/31/2013</b>	<b>INTEREST INCOME-ESCROW ACCOUNTS</b>	<b>\$525.00</b>

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

For year before that:  
From **1/01/2013** to **12/31/2013**

## Description of sources of revenue

Gross revenue from  
each source  
(before deductions and  
exclusions)

**INTEREST INCOME-CASH  
AT BANK**

**\$198.00****Part 2: List Certain Transfers Made Before Filing for Bankruptcy****3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers--including expense reimbursements--to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,225. (This amount may be adjusted on 4/01/16 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☒ None.

## Creditor's Name and Address

## Dates

## Total amount of value

Reasons for payment or transfer  
*Check all that apply*

**4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider**

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,225. (This amount may be adjusted on 4/01/16 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☐ None.

Insider's name and address  
Relationship to debtor

## Dates

## Total amount of value

## Reasons for payment or transfer

4.1.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>12/31/2014</b>	<b>\$5,500,000.00</b>	<b>2013 FEDERAL INCOME TAX SETTLEMENT</b>
4.2.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>03/31/2015</b>	<b>\$2,500,000.00</b>	<b>2013 FEDERAL INCOME TAX SETTLEMENT</b>
4.3.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>04/09/2015</b>	<b>\$200,000.00</b>	<b>2013 FEDERAL INCOME TAX SETTLEMENT</b>
4.4.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>04/30/2015</b>	<b>\$900,000.00</b>	<b>2013 FEDERAL INCOME TAX SETTLEMENT</b>
4.5.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>05/08/2015</b>	<b>\$447,912.00</b>	<b>2013 FEDERAL INCOME TAX SETTLEMENT</b>
4.6.	<b>AFFIRMATIVE INSURANCE COMPANY 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001 SUBSIDIARY</b>	<b>06/30/2015</b>	<b>\$20,000,000.00</b>	<b>CAPITAL CONTRIBUTION TO AIC</b>

**5. Repossessions, foreclosures, and returns**

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**☒ None

Creditor's name and address	Describe of the Property	Date	Value of property
-----------------------------	--------------------------	------	-------------------

**6. Setoffs**

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☐ None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
<b>SEE ATTACHED SOFA PART 2: QUESTION 6</b>	Last 4 digits of account number: _____		<b>\$163,098.38</b>

**Part 3: Legal Actions or Assignments****7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

☐ None.

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.1.	<b>INSUREONE INDEPENDENT INSURANCE AGENCY, LLC, AFFIRMATIVE INSURANCE HOLDINGS, INC. AND AFFIRMATIVE INSURANCE SERVICES, INC. V. JAMES P. HALLBERG 03-CH-20974</b>	<b>SUPPLEMENTARY ENFORCEMENT PROCEEDINGS</b>	<b>CIRCUIT COURT OF COOK COUNTY CHANCERY DIVISION 50 WEST WASHINGTON STREET CHICAGO, IL 60602</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.2.	<b>INSUREONE INDEPENDENT INSURANCE AGENCY, LLC, AFFIRMATIVE INSURANCE HOLDINGS, INC. AND AFFIRMATIVE INSURANCE SERVICES, INC. V. JAMES P. HALLBERG, J&amp;P HOLDINGS, INC., PREFERRED RISK SERVICES, INC., UNITED SECURITY LIFE AND HEALTH INSURANCE COMPANY, 6640 LLC 10-CH-51165</b>	<b>FRAUDULENT CONVEYANCE ACTION</b>	<b>CIRCUIT COURT OF COOK COUNTY CHANCERY DIVISION 50 WEST WASHINGTON STREET CHICAGO, IL 60602</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.3.	<b>JOSEPH G. FISHER V. AFFIRMATIVE INSURANCE HOLDINGS, INC. 01-15-0004-9630</b>	<b>EMPLOYMENT CONTRACT</b>	<b>AAA ARBITRATION</b>	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input checked="" type="checkbox"/> Concluded
7.4.	<b>LANQUANDREA HAWKINS CHARGE NO. 450-2014-02506</b>	<b>EEOC CHARGE</b>	<b>U.S. EQUAL OPPORTUNITY EMPLOYMENT COMMISS DALLAS DISTRICT OFFICE 207 S HOUSTON ST #3 DALLAS, TX 75202</b>	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

	Case title Case number	Nature of case	Court or agency's name and address	Status of case
7.5.	MICHELLE D. MILLER CHARGE NO. 846-2015-22565	EEOC CHARGE	U.S. EQUAL OPPORTUNITY EMPLOYMENT COMMIS BATON ROUGE DISTRICT OFFICE HALE BOGGS FEDERAL BUILDING 500 POYDRAS STREET, SUITE 800 NEW ORLEANS, LA 70113	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.6.	PAIGE DUNLAP CHARGE NO. 450-2014-03320	EEOC CHARGE	U.S. EQUAL OPPORTUNITY EMPLOYMENT COMMIS DALLAS DISTRICT OFFICE 207 S HOUSTON ST #3 DALLAS, TX 75202	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.7.	PAIGE DUNLAP CHARGE NO. 450-2015-00707	EEOC CHARGE	U.S. EQUAL OPPORTUNITY EMPLOYMENT COMMIS DALLAS DISTRICT OFFICE 207 S HOUSTON ST #3 DALLAS, TX 75202	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.8.	PEARLIE ROBINSON V. AFFIRMATIVE INSURANCE HOLDINGS, INC., AFFIRMATIVE INSURANCE COMPANY, USAGENCIES MANAGEMENT SERVICES, INC. (K/N/A AFFIRMATIVE GENERAL AGENCY, INC.), AND LIFCO, LLC 15-13917AA	CONTRACT AND BAD FAITH	U.S. COURT OF APPEALS FOR THE 11TH CIRCU 56 FORSYTH ST., N.W. ATLANTA, GA 30303	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

**8. Assignments and receivership**

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None**Part 4: Certain Gifts and Charitable Contributions****9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000**☒ None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
------------------------------	---	-------------	-------

**Part 5: Certain Losses****10. All losses from fire, theft, or other casualty within 1 year before filing this case.**☒ None.

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136****Description of the property lost and how the loss occurred****Amount of payments received for the loss**

If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received.

List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).

**Dates of loss****Value of property lost****Part 6: Certain Payments or Transfers****11. Payments related to bankruptcy**

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☐ None.
**Who was paid or who received the transfer?**  
**Address**
**If not money, describe any property transferred****Dates****Total amount or value**

11.1. **SEE ATTACHED SOFA PART 6: QUESTION 11 FOR AFFIRMATIVE INSURANCE SERVICES, INC. (15-12140)**

**\$0.00****Email or website address**
**Who made the payment, if not debtor?**  
**AFFIRMATIVE INSURANCE SERVICES, INC. (15-12140)**
**12. Self-settled trusts of which the debtor is a beneficiary**

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

☒ None.**Name of trust or device****Describe any property transferred****Dates transfers were made****Total amount or value****13. Transfers not already listed on this statement**

List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None.
**Who received transfer?**  
**Address**
**Description of property transferred or payments received or debts paid in exchange****Date transfer was made****Total amount or value****Part 7: Previous Locations****14. Previous addresses**

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☒ Does not apply**Address****Dates of occupancy From-To****Part 8: Health Care Bankruptcies**

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136****15. Health Care bankruptcies**

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

- ☒ No. Go to Part 9.
- ☐ Yes. Fill in the information below.

Facility name and address

Nature of the business operation, including type of services the debtor provides

If debtor provides meals and housing, number of patients in debtor's care

**Part 9: Personally Identifiable Information****16. Does the debtor collect and retain personally identifiable information of customers?**

- ☒ No.
- ☐ Yes. State the nature of the information collected and retained.

**17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?**

- ☐ No. Go to Part 10.
- ☒ Yes. Does the debtor serve as plan administrator?

☐ No Go to Part 10.☒ Yes. Fill in below:

Name of plan

**AFFIRMATIVE INSURANCE HOLDINGS, INC. 401(K) PLAN**

Employer identification number of the plan

EIN: **75-2770432**

Has the plan been terminated?

- ☒ No
- ☐ Yes

**Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units****18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

- ☒ None

Financial Institution name and Address

Last 4 digits of account number

Type of account or instrument

Date account was closed, sold, moved, or transferred

Last balance before closing or transfer

**19. Safe deposit boxes**

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

- ☒ None

Depository institution name and address

Names of anyone with access to it Address

Description of the contents

Do you still have it?

**20. Off-premises storage**

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.



Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**☐ None

Facility name and address	Names of anyone with access to it	Description of the contents	Do you still have it?
RECALL 681 EXECUTIVE DRIVE WILLOWBROOK, IL 60527	AFFIRMATIVE INSURANCE COMPANY, IN REHABILITATION 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	DOCUMENTS	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
RECALL 2009 COUNTRY CLUB DR. CARROLTON, TX 75006	AFFIRMATIVE INSURANCE COMPANY, IN REHABILITATION 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001	DOCUMENTS	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

**Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own****21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

☒ None**Part 12: Details About Environment Information**

For the purpose of Part 12, the following definitions apply:

*Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).

*Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.

*Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

**22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.**

- ☒ No.  
☐ Yes. Provide details below.

Case title Case number	Court or agency name and address	Nature of the case	Status of case
---------------------------	----------------------------------	--------------------	----------------

**23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?**

- ☒ No.  
☐ Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
-----------------------	------------------------------------	-----------------------------	----------------

**24. Has the debtor notified any governmental unit of any release of hazardous material?**

- ☒ No.  
☐ Yes. Provide details below.

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

Site name and address

Governmental unit name and address

Environmental law, if known

Date of notice

**Part 13: Details About the Debtor's Business or Connections to Any Business****25. Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☐ None

Business name address

Describe the nature of the business

Employer identification number

Do not include Social Security number or ITIN.

Dates business existed

- |       |  |                                   |  |
|-------|--|-----------------------------------|--|
| 25.1. | <b>AFFIRMATIVE, L.L.C.<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b>                             | <b>HOLDING COMPANY</b>            | <b>EIN: 72-1282347</b><br><br><b>From-To 10/18/1994- PRESENT</b> |
| 25.2. | <b>AFFIRMATIVE INS.<br/>HOLDINGS STAT TRUST I<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b>      | <b>NON-OPERATING SUB</b>          | <b>EIN: 20-6442290</b><br><br><b>From-To 12/17/2004- PRESENT</b> |
| 25.3. | <b>AFFIRMATIVE INSURANCE<br/>GROUP, INC.<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b>           | <b>HOLDING COMPANY</b>            | <b>EIN: 56-2347246</b><br><br><b>From-To 4/17/2003- PRESENT</b>  |
| 25.4. | <b>AFFIRMATIVE<br/>MANAGEMENT SERVICES,<br/>INC.<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b>   | <b>OPERATING SERVICES COMPANY</b> | <b>EIN: 56-2347252</b><br><br><b>From-To 4/17/2003- PRESENT</b>  |
| 25.5. | <b>AFFIRMATIVE<br/>UNDERWRITING SERVICES,<br/>INC.<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b> | <b>HOLDING COMPANY</b>            | <b>EIN: 56-2347250</b><br><br><b>From-To 4/17/2003- PRESENT</b>  |
| 25.6. | <b>AFFIRMATIVE INS.<br/>HOLDINGS STAT TRUST II<br/>4450 SOJOURN DRIVE,<br/>SUITE 500<br/>ADDISON, TX 75001</b>     | <b>NON-OPERATING SUB</b>          | <b>EIN: 20-6552168</b><br><br><b>From-To 5/31/2005- PRESENT</b>  |

**26. Books, records, and financial statements**

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

Name and address

Date of service

From-To

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

Name and address		Date of service From-To
26a.1.	<b>MICHAEL J. MCCLURE 150 HARVESTER DRIVE., SUITE 250 BURR RIDGE, IL 60527</b>	<b>MAY 14, 2007 TO PRESENT</b>
26a.2.	<b>EARL FONVILLE 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001</b>	<b>AUGUST 6, 2007 TO OCTOBER 2, 2015</b>
26a.3.	<b>TAMEKA KING 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001</b>	<b>OCTOBER 21, 2013 TO PRESENT</b>

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

Name and address		Date of service From-To
26b.1.	<b>KPMG 2323 ROSS AVENUE #1400 DALLAS, TX 75201</b>	<b>MAY 26, 2006 TO JULY 15, 2015</b>

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

Name and address		If any books of account and records are unavailable, explain why
26c.1.	<b>MICHAEL J. MCCLURE 150 HARVESTER DRIVE., SUITE 250 BURR RIDGE, IL 60527</b>	
26c.2.	<b>TAMEKA KING 4450 SOJOURN DRIVE, SUITE 500 ADDISON, TX 75001</b>	

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

Name and address	
26d.1.	<b>ABRY PARTNERS, LLC 111 HUNTINGTON AVENUE BOSTON, MA 02199</b>
26d.2.	<b>AON BENFIELD SECURITIES, INC. 200 EAST RANDOLPH STREET CHICAGO, IL 60601</b>
26d.3.	<b>CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH 11 MADISON AVENUE NEW YORK, NY 10010</b>
26d.4.	<b>JCF AFFM DEBT HOLDINGS L.P. 767 FIFTH AVENUE, 23RD FLOOR NEW YORK, NY 10153</b>

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136****Name and address**

26d.5. **ERNST AND YOUNG LLP**  
**ON BEHALF OF AFFIRMATIVE INSURANCE HOLDI**  
**5 TIMES SQUARE**  
**NEW YORK, NY 10036**

26d.6. **PRICEWATERHOUSECOOPERS LLP**  
**ON BEHALF OF ABRY PARTNERS, LLC**  
**125 HIGH STREET**  
**BOSTON, MA 02110**

26d.7. **CONFIE SEGUROS HOLDING CO.**  
**7711 CENTER AVE., SUITE 200**  
**HUNTINGTON BEACH, CA 92647**

**27. Inventories**

Have any inventories of the debtor's property been taken within 2 years before filing this case?

- ☒ No
- ☐ Yes. Give the details about the two most recent inventories.

**Name of the person who supervised the taking of the inventory**

**Date of inventory**

**The dollar amount and basis (cost, market, or other basis) of each inventory**

**28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.**

<b>Name</b>	<b>Address</b>	<b>Position and nature of any interest</b>	<b>% of interest, if any</b>
<b>LONG MEADOW INVESTORS, LLC</b>	<b>1200 HIGH RIDGE ROAD STAMFORD, CT 06905</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>MICHAEL J. MOSS</b>	<b>1200 HIGH RIDGE ROAD STAMFORD, CT 06905</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>LONG MEADOW HOLDINGS, L.P.</b>	<b>1200 HIGH RIDGE ROAD STAMFORD, CT 06905</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>DAVID I. SCHAMIS</b>	<b>375 PARK AVENUE, 21ST FLOOR NEW YORK, NY 10152</b>	<b>DIRECTOR</b>	
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>ERIC RAHE</b>	<b>767 FIFTH AVENUE 23RD FLOOR NEW YORK, NY 10022</b>	<b>DIRECTOR</b>	
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>JONATHAN W. OLD, III</b>	<b>1200 HIGH RIDGE ROAD STAMFORD, CT 06905</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
<b>NAME</b>	<b>ADDRESS</b>	<b>POSITION AND NATURE OF ANY INTEREST</b>	<b>% OF INTEREST, IF ANY</b>
<b>JOHN P. KILLACKY</b>	<b>150 HARVESTER DRIVE., SUITE 250 BURR RIDGE, IL 60527</b>	<b>EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL</b>	

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136**

Name	Address	Position and nature of any interest	% of interest, if any
<b>MICHAEL J. MCCLURE</b>	<b>150 HARVESTER DRIVE., SUITE 250 BURR RIDGE, IL 60527</b>	<b>DIRECTOR AND CHIEF EXECUTIVE OFFICER</b>	
Name	Address	Position and nature of any interest	% of interest, if any
<b>MORY KATZ</b>	<b>11 ELIDE ROAD KATONAH, NY 10536</b>	<b>DIRECTOR</b>	
Name	Address	Position and nature of any interest	% of interest, if any
<b>NEW AFFIRMATIVE, LLC</b>	<b>767 FIFTH AVENUE, 23RD FLOOR NEW YORK, NY 10153</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
Name	Address	Position and nature of any interest	% of interest, if any
<b>NIMROD T. FRAZER</b>	<b>2052 RIDGE AVE. MONTGOMERY, AL 36106</b>	<b>DIRECTOR</b>	
Name	Address	Position and nature of any interest	% of interest, if any
<b>RED MOUNTAIN CAPITAL PARTNERS LLC</b>	<b>10100 SANTA MONICA BLVD # 925 LOS ANGELES, CA 90067</b>	<b>SHAREHOLDER</b>	<b>&gt;5%</b>
Name	Address	Position and nature of any interest	% of interest, if any
<b>ROBERT T. WILLIAMS</b>	<b>603 LANTERN WAY ATWATER, OH 44201</b>	<b>DIRECTOR</b>	
Name	Address	Position and nature of any interest	% of interest, if any
<b>THOMAS C. DAVIS</b>	<b>4318 ABBOTT AVE. DALLAS, TX 75201</b>	<b>DIRECTOR, CHAIRMAN</b>	

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- ☐ No  
☒ Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
<b>PAUL J. ZUCCONI</b>	<b>2801 MILL HAVEN CT. PLANO, TX 75093</b>	<b>DIRECTOR</b>	<b>TERMINATED ON 8/26/2015</b>
Name	Address	Position and nature of any interest	Period during which position or interest was held
<b>EARL R. FONVILLE</b>	<b>1403 BELLEFONTE LN. COLLEYVILLE, TX 76034</b>	<b>EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER</b>	<b>TERMINATED ON 10/2/2015</b>
Name	Address	Position and nature of any interest	Period during which position or interest was held
<b>JOSEPH G. FISHER</b>	<b>1815 N. ORCHARD STREET, UNIT 1 CHICAGO, IL 60614</b>	<b>PRESIDENT &amp; CHIEF OPERATING OFFICER</b>	<b>TERMINATED ON 8/28/2015</b>

Debtor **Affirmative Insurance Holdings, Inc.**Case number (if known) **15-12136****30. Payments, distributions, or withdrawals credited or given to insiders**

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- ☒ No  
☐ Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
-------------------------------	--	-------	--------------------------------

**31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?**

- ☒ No  
☐ Yes. Identify below.

Name of the parent corporation	Employer Identification number of the parent corporation
--------------------------------	--

**32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?**

- ☒ No  
☐ Yes. Identify below.

Name of the parent corporation	Employer Identification number of the parent corporation
--------------------------------	--

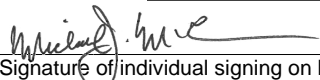
**Part 14: Signature and Declaration**

**WARNING** -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 12/18/2015

  
 Signature of individual signing on behalf of the debtor

**MICHAEL MCCLURE**  
 Printed name

Position or relationship to debtor **CHIEF EXECUTIVE OFFICER**

**Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?**

- ☐ No  
☒ Yes

## STATEMENT OF FINANCIAL AFFAIRS

### PART 2: QUESTION 6

#### SETOFFS

**AFFIRMATIVE INSURANCE HOLDINGS, INC.**  
**CASE NO. 15-12136**  
**SEE ATTACHED SOFA PART 2: QUESTION 6**

**NAME OF CREDITOR**

CONFIE SEGUROS HOLDING CO. ("CONFIE")

**ADDRESS OF CREDITOR**

7711 CENTER AVE SUITE 200, HUNTINGTON BEACH, CA 92647

**DESCRIPTION**

CONFIE SEGUROS HOLDING CO., A RAPIDLY GROWING NATIONAL PROVIDER OF PERSONAL LINES INSURANCE, SIGNED A DEFINITIVE AGREEMENT TO ACQUIRE THE RETAIL DISTRIBUTION ARM OF AFFIRMATIVE INSURANCE HOLDINGS, INC. (OTC: AFFM) (THE "RETAIL AGENCY GROUP"). AS A PART OF THE TRANSACTION, CONFIE WAS DUE A SECURITY DEPOSIT OF \$350,000. DURING THE TRANSACTION, CONFIE INCURRED CERTAIN EXPENSES RELATED TO TRANSACTION SERVICE AGREEMENT ("TSA") INVOICES, LOSS REIMBURSEMENTS, PHONE CHARGES, AND UNCOVERED LOSS REIMBURSEMENTS. THE DEBTOR ALSO INCURRED CERTAIN EXPENSES IN THE TRANSACTION THAT CREDITED THE BALANCES DUE TO CONFIE. IN TOTAL, THE NET EFFECT WAS A BALANCE OF \$186,901.62, LEAVING A NET BALANCE PAID TO CONFIE FOR THE INTEREST IN THE SECURITY DEPOSIT OF \$163,098.38.

**DATE ACTION WAS TAKEN**

AUGUST 10, 2015

**AMOUNTS**

CONFIE DEPOSIT	\$	350,000.00
BALANCES DUE TO CONFIE:		
TSA INVOICES		48,317.82
LOSS REIMBURSEMENTS		45,412.69
PHONE CHARGES		99,929.00
UNCOVERED LOSS REIMBURSEMENTS		17,500.00
CREDIT DUE TO CONFIE BASED ON TSA		(24,257.89)
		186,901.62
NET BALANCE PAID TO CONFIE	\$	163,098.38