

Sample License or Permit Bond for ARES Applicants

[The requirements for a license or permit bond are described in 83 Ill. Adm. Code 451.50. The following Sample License or Permit Bond for ARES Applicants has been prepared by the Staff of the Illinois Commerce Commission. It is intended to be a source of information and a template that may be of use to entities petitioning the Illinois Commerce Commission for a Certificate of Service Authority to be an Alternative Retail Electric Supplier ("ARES") under Section 16-115 of the Public Utilities Act ("Act") [220 ILCS 5/16-115] and 83 Ill. Adm. Code 451, Certification of Alternative Retail Electric Suppliers. The following sample is not intended to constitute legal advice regarding compliance with Section 16-115 of the Act, 83 Ill. Adm. Code 451, or any applicable case law.]

License or Permit Bond

License or Permit Bond No B10017152
Aegis Security Insurance Company
 2407 Park Drive, Suite 200, Harrisburg, PA 17110

KNOW ALL MEN BY THESE PRESENTS, That we, **Hiko Energy, LLC** as Principal, and **Aegis Security Insurance Company**, a **Pennsylvania** Corporation, and authorized to do business in Illinois, as Surety, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS as Obligee, in the sum of **Three Hundred THOUSAND AND NO/100 Dollars (\$300,000.00)**, for which sum, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business to operate as an ARES (Alternative Retail Electric Supplier) under 220 ILCS 5/16-115 and is required to execute this bond under 83 Illinois Administrative Code Part 451.50 by the Obligee.

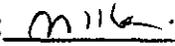
NOW, Therefore, if the Principal fully and faithfully perform all duties and obligations of the Principal as an ARES, then this obligation to be void; otherwise to remain in full force and effect.

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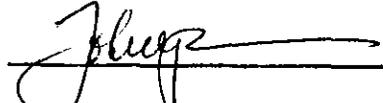
This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety; said notice to be sent to 527 East Capitol Avenue, Springfield, Illinois 62701, of the aforesaid State of Illinois, by certified mail.

Dated this 31st day of January, 2012

Hiko Energy, LLC Principal

by: 

Aegis Security Insurance Company Surety

by: 

John C. Wagner, Attorney-in-fact

AEGIS SECURITY INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND CAPITAL AND SURPLUS
DECEMBER 31, 2010 AND 2009

ADMITTED ASSETS

	<u>2010</u>	<u>2009</u>
Bonds, at statement value (fair value, 2010, \$13,167,291; 2009, \$18,784,827)	\$ 13,660,286	\$ 18,810,660
Stocks:		
Preferred: At fair value (cost, 2010, \$200,000; 2009, \$950,733)	172,560	811,008
At cost (fair value, 2010, \$1,823,603; 2009, \$1,470,734)	1,749,768	1,449,768
Common, fair value (cost, 2010, \$15,958,611; 2009, \$11,175,072)	15,745,098	9,880,010
Subsidiary, equity basis (cost, 2010, \$5,687,432; 2009, \$5,216,827)	<u>13,138,453</u>	<u>11,972,869</u>
	30,805,879	24,113,655
Mortgage loans on real estate	3,315,106	4,139,445
Real estate, cost less accumulated depreciation:		
Occupied by Company	2,482,652	2,548,789
Held-for-sale	2,670,251	2,669,045
Cash and short-term investments	12,414,035	9,091,460
Other invested assets	<u>1,180,550</u>	<u>994,835</u>
	<u>52,868,473</u>	<u>43,557,229</u>
Total cash and invested assets	<u>66,528,759</u>	<u>62,367,889</u>
Accrued investment income	183,809	274,340
Premiums in course of collection:		
Affiliate:		
American Sentinel Insurance Company	794,392	250,155
Mobile-Rec., Inc.	921,561	1,007,791
Other	6,080,876	4,600,640
Reinsurance recoverable on paid losses	1,201,506	1,705,378
Federal income tax recoverable		436,480
Net admitted deferred tax asset	<u>1,681,105</u>	<u>1,859,782</u>
	<u>10,863,249</u>	<u>10,134,566</u>
	<u>\$ 77,392,008</u>	<u>\$ 72,502,455</u>

LIABILITIES AND CAPITAL AND SURPLUS

	<u>2010</u>	<u>2009</u>
Losses	\$ 10,436,166	\$ 9,404,307
Loss adjustment expenses	1,625,742	1,462,785
Reinsurance payable on paid loss and loss adjustment expenses:		
Affiliate, American Sentinel Insurance Company	554,678	206,881
Other	22,447	35,322
Commissions payable	1,012,859	1,537,194
Accounts payable and accrued expenses	859,002	1,036,156
Accrued federal income taxes	414,159	
Accrued taxes, licenses and fees	465,842	189,332
Unearned premiums	15,773,786	15,483,378
Advance premiums	249,275	254,796
Ceded reinsurance premiums payable	1,854,299	1,052,364
Amounts withheld for account of others	835,253	1,164,313
Payable to affiliate, American Sentinel Insurance Company	<u>1,141,300</u>	<u>1,180,000</u>
Total liabilities	<u>35,244,808</u>	<u>33,006,828</u>
Capital and surplus:		
Common stock, par value (per share, 2010, \$1.40; 2009, \$1.00); authorized (2010, 5,000,000 shares; 2009, 3,000,000 shares); issued and outstanding (2010 and 2009, 3,000,000 shares)	4,200,000	3,000,000
Special surplus funds	243,440	286,720
Paid-in surplus	5,266,827	5,266,827
Unassigned surplus	<u>32,436,933</u>	<u>30,942,080</u>
Total capital and surplus	<u>42,147,200</u>	<u>39,495,627</u>
	<u>\$ 77,392,008</u>	<u>\$ 72,502,455</u>