

License or Permit Bond

License or Permit Bond No B10017151
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 One Hundred Fifty THOUSAND AND NO/100 Dollars (\$150,000.00), 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 for Alternative Gas Supplier ("AGS") under 220 ILCS 5/19-110 and is required to execute this bond under 83 Illinois Administrative Code Part 551.50 by the Obligee.

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

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.

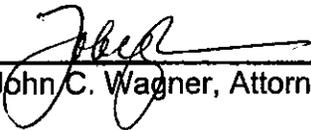
Dated this 31st day of January, 2012

Hiko Energy, LLC Principal

Sample License or Permit Bond for ARES Applicants

by: MIL

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

	2010	2009
Bonds, at statement value (fair value, 2010, \$13,167,291; 2009, \$18,784,827)	<u>\$ 13,660,286</u>	<u>\$ 18,810,660</u>
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

	2010	2009
Losses	<u>\$ 10,436,166</u>	<u>\$ 9,404,307</u>
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>

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