

**REPORT ON EXAMINATION**  
**OF**  
**OLD DOMINION INSURANCE COMPANY**  
**JACKSONVILLE, FLORIDA**

**AS OF**  
**DECEMBER 31, 2005**

**BY THE**  
**OFFICE OF INSURANCE REGULATION**

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Tallahassee, Florida

February 13, 2007

Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Honorable Eleonor Kitzman  
Secretary, Southeastern Zone, NAIC  
Director of Insurance  
300 Arbor Lake Drive  
Suite 1200  
Columbia, South Carolina 29223

Alfred W. Gross  
Chairman, NAIC Financial Condition (E) Committee  
Commissioner, Virginia Bureau of Insurance  
State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219

Dear Sirs and Madam:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination of December 31, 2005, of the financial condition and corporate affairs of:

**OLD DOMINION INSURANCE COMPANY  
4601 Touchton Road East, Suite 3300  
JACKSONVILLE, FLORIDA 32245**

Hereinafter referred to as the "Company". Such report of examination is herewith respectfully submitted.

## **SCOPE OF EXAMINATION**

This examination covered the period of January 1, 2003 through December 31, 2005. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) as of December 31, 2002. This examination commenced, with planning at the Office, on August 7, 2006, to August 9, 2006. The fieldwork commenced on August 14, 2006, and was concluded as of October 6, 2006. Additional work was completed for the examination, ending on the date of the report. The examination included any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination.

This financial examination was an association zone statutory financial examination conducted in accordance with the Financial Condition Examiners Handbook, Accounting Practices and Procedures Manual and annual statement instructions promulgated by the NAIC as adopted by Rules 69O-137.001(4) and 69O-138.001, Florida Administrative Code, with due regard to the statutory requirements of the insurance laws and rules of the State of Florida.

In this examination, emphasis was directed to the quality, value and integrity of the statement assets and the determination of liabilities, as those balances affect the financial solvency of the Company.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio report, the A.M. Best Report, the Company's independent audit reports and certain work papers prepared by the Company's independent certified public accountant (CPA) were reviewed and utilized where applicable within the scope of this examination.

We valued and verified the integrity of the balances of the Company's assets and liabilities as reported in its annual statement as of December 31, 2005, as those balances affect the financial solvency of the Company.

Transactions subsequent to year-end 2005 were reviewed where relevant and deemed significant to the Company's financial condition.

This report of examination is confined to financial statements and comments on matters that involve departures from laws, regulations or rules, or which are deemed to require special explanation or description.

Based on the review of the Company's control environment and the materiality level set for this examination, reliance was placed on work performed by the Company's CPAs, after verifying the statutory requirements, for the following accounts:

- Amounts Recoverable from Reinsurers
- Other Expenses
- Taxes, Licenses and Fees
- Current Federal and Income Taxes
- Ceded Reinsurance Premiums Payable
- Funds held by Company under Reinsurance Treaties
- Provision for Reinsurance

### **Status of Adverse Findings from Prior Examination**

The following is a summary of adverse findings contained in the Office's prior examination report along with the resulting action taken by the Company.

## **General**

The Company had not written insurance coverage in certain lines of business for a period of five years. **Resolution:** On October 19, 2006, the Company requested to retain certain lines of business except for Mobile Home Multi Peril. The Company requested to remove Mobile Home Multi Peril from its certificate of authority.

The Company's reply to General Interrogatories, Part 1 – Common Interrogatories, General questions 7.1 and 7.2 were incorrect. The Company stated that there was no foreign entity controlling 10% or more of the reporting entity. White Mountains Insurance Group, Ltd., domiciled in Bermuda, indirectly owned 50% of the Company. **Resolution:** The Company complied by correctly answering questions on the annual statement General Interrogatories.

## **Affiliated Companies**

The Company's Schedule Y - Organization Chart for 2002 did not include OneBeacon Insurance Company as the owner of the other 50% of Main Street America Holdings, Inc., the parent of Old Dominion Insurance Company. The annual statement instructions for Schedule Y - Organization Chart and Rule 69O-143.045, Florida Administrative Code provide for direct or indirect affiliates with the power to vote 10% or more of the voting securities to be included in the organizational chart. **Resolution:** The Company complied by providing a complete Schedule Y in the annual statement.

## **Agent's Balances**

This Company's calculation of agent's balances over 90 days old included some negative policy balances and the Company was unable to calculate the amount over 90 days old based on the effective dates of the policies. The calculation of total overdue receivables must not include negative policy balances and the aging must be calculated base on effective dates. **Resolution:** The Company complied by correctly calculating total overdue receivables.

## **Information Technology (IT)**

The Company's notification to the Facilities and Data Security sections for employee terminations took up to 6 days, which allowed terminated employees continued logical and physical access. **Resolution:** The Company created a procedure in which the Human Resource and Management section completed a Change in Status Application whenever an employees' status changed. The MSA Managers Guide - Exit Process, dictated that managers would notify the IT section of any change in an employee's status. Also, due to the findings of the last IT evaluation performed in April to May of 2003, the Company developed a disaster recovery plan.

## **Corporate Records**

Documentation did not exist in the minutes of the Board of Director's meetings that the 1999 examination report by the Office was reviewed by the Board of Directors. **Resolution:** The 2002 examination report was reviewed and discussed at the meeting of the Board of Directors on March 11, 2005. This was documented in the board minutes.

There was no improvement in the Company's reporting to the Florida Hurricane Catastrophe Fund (FHCF), in accordance with Sections 215.555(5)(c), Florida Statutes and Rule 19O-8.029, Florida Administrative Code, in the three years since the last examination. **Resolution:** The Company complied by accurately reporting to FHCF.

## HISTORY

### General

The Company was incorporated in Florida on April 22, 1981 and commenced business on June 3, 1981 as Old Dominion Insurance Company.

In 1985, Innovative Resources Associates, Inc., (IRA) purchased all of the outstanding shares of the Company from Larry D. Barnette. In 1991, IRA changed its name to O.D.I.C. Holdings, Inc., a management company, whose outstanding shares were owned by Gary Vose (85%) and Larry E. Haynes (15%). In June of 1992, the Company was purchased by the Green Tree Companies, Inc., a holding company for The Mutual Assurance Company. In August of 1992 a stock purchase agreement was executed by the Green Tree Companies, Inc., whereby the Company's policyholder's surplus would be increased to at least \$10 million.

During January of 1996, The Mutual Assurance Company was merged into National Grange Mutual Insurance Company (NGM) with NGM continuing as the surviving company. As a result of this merger, the Company was transferred from The Mutual Assurance Company's holding company to NGM's holding company, Main Street America Financial Corporation (MSAFC). In March, 1998, MSAFC exchanged all of the capital stock of the Company and other assets of Main

Street America Holdings, Inc. (MSAHI) for newly issued shares of MSAHI. MSAHI was a holding company 50% owned by MSAFC and 50% owned by Fund American Enterprises Holdings, Inc.

In October, 1999, a share transfer endorsement took place, transferring all of the shares of MSAHI held by Fund American Enterprises Holdings, Inc. to White Mountains Holdings (Barbados) SRL. White Mountains Holdings (Barbados) SRL is a wholly owned subsidiary of White Mountains Insurance Group, Inc., formerly Fund American Enterprises Holdings, Inc. White Mountains Insurance Group, Inc., reorganized and re-domesticated to Bermuda as White Mountains Insurance Group, LTD.

In May of 2001, White Mountains Insurance Group, LTD acquired OneBeacon Insurance Company, which was also known as CGU Insurance Company, and transferred the 222,093 shares of Main Street America Holdings, Inc. held by its subsidiary, White Mountains Holdings (Barbados) SRL to OneBeacon Insurance Company.

Control of MSAHI is with MSAFC by means of a tiebreaking vote authority, until 2008.

The Company was authorized to transact the following insurance coverage in Florida on December 31, 2005:

Fire	Allied Lines
Farmowners Multi Peril	Homeowners Multi Peril
Commercial Multi Peril	Ocean Marine
Inland Marine	Earthquake
Workers Compensation	Other Liability
Private Passenger Auto Liability	Commercial Automobile Liability
PPA Physical Damage	Commercial Auto Physical Damage
Fidelity	Surety
Glass	Burglary and Theft
Mobile Home Multi Peril	

The Company had not written insurance coverage in the lines of business of Ocean Marine, also Glass, Earthquake, Farmowners and Mobile Home Multi Peril in violation of Section 624.430, Florida Statutes, which states that any insurer who does not write any premiums in a kind or line of insurance within a calendar year shall have that kind or line of insurance removed from its certificate of authority.

Subsequent Event:

On October 19, 2006 the Company requested to retain the following lines of business:

- a. Glass – because the Company continued to write this coverage which was reported under Allied lines of business.
- b. Farmowners – because the Company assumed this line of business under various reinsurance agreements and continued to pay losses.
- c. Ocean Marine – because of the run-off claims and expenses.
- d. Earthquake – because this line was included under the Company’s Homeowners line of business.

The Company also requested to remove Mobile Home Multi Peril from its certificate of authority because it had no outstanding issues and had no plans to write this line of business.

The articles of incorporation, Article XII was amended on September 9, 2005 with regards to bonds or any contract of indemnity to be valid and binding when signed by the President, Vice President or Secretary. It also gave the Board of Directors, President, Secretary or Treasurer the power and authority to appoint and remove the Attorney-in-Fact.

## Capital Stock

As of December 31, 2005, the Company's capitalization was as follows:

Number of authorized common capital shares	2,500,000
Number of shares issued and outstanding	2,000,000
Total common capital stock	\$2,000,000
Par value per share	\$1.00

Control of the Company was maintained by its parent, Main Street America Holdings, Incorporated, who owned 100 percent of the stock issued by the Company, who in turn was 50% owned by OneBeacon Insurance Company, a Massachusetts company, and the other 50% was owned by Main Street America Financial Corporation, a New Hampshire corporation.

## Profitability of Company

The following table shows the profitability trend (in dollars) of the Company for the period of examination, as reported in the filed annual statement.

	<b>2005</b>	<b>2004</b>	<b>2003</b>
Premiums Earned	38,963,717	36,303,991	33,000,786
Net Underwriting Gain/(Loss)	(1,064,508)	(252,277)	(319,133)
Net Income	1,402,639	1,988,522	2,839,122
Total Assets	77,359,192	74,204,968	57,961,312
Total Liabilities	57,302,393	55,394,882	40,768,789
Surplus As Regards Policyholders	20,056,799	18,810,086	17,192,523

## **Dividends to Stockholders**

In accordance with Section 628.371, Florida Statutes, the Company declared and paid dividends to its stockholder in 2003 in the amount of \$400,000.

## **Management**

The annual shareholder meeting for the election of directors was held in accordance with Sections 607.1601 and 628.231, Florida Statutes. Directors serving as of December 31, 2005, were:

### **Directors**

#### **Name and Location**

#### **Principal Occupation**

Philip D. Koerner  
Jacksonville, Florida

Chairman, ODIC  
Chairman, CEO & President  
MSAFC, MSAHI, MSACC

Terry L. Baxter  
Lyme, New Hampshire

Director, Folksamerica Corp.

Cotton M. Cleveland  
New London, New Hampshire

President, Mather Associates

Albert H. Elfner, III  
Boston, Massachusetts

Retired

David (NMN) Freeman  
Manchester, Connecticut

President, Lydall, Inc.

William D. Gunter, Jr.  
Tallahassee, Florida

Chairman & CEO,  
Rogers, Atkins, Gunter & Assoc.

John A. Delaney  
Jacksonville, Florida

President, University of North Florida

James E. Morley, Jr.  
Annapolis, Maryland

President,  
National Association of College and  
University Business Officers

Barbara D. Stewart  
Atlanta, Georgia

President, Stewart Economics, Inc.

Thomas M. Van Berkel  
Jacksonville, Florida

President & CEO,  
NGM Insurance Company

Melvin L. Temares  
Coral Gables, Florida

VP & Chief Information Officer,  
University of Miami

The Board of Directors in accordance with the Company's bylaws appointed the following senior officers:

#### Senior Officers

##### Name

Joseph L. Grauwiler  
William C. McKenna  
Edward J. Kuhl

##### Title

President  
Secretary  
Treasurer

The Company's board appointed several internal committees in accordance with Section 607.0825, Florida Statutes. Following are the principal internal board committees and their members as of December 31, 2005:

#### Executive Committee

William D. Gunter, Jr.<sup>1</sup>  
Cotton M. Cleveland  
Barbara D. Stewart  
Philip D. Koerner  
John A. Delaney  
David Freeman

#### Audit Committee

James E. Morley, Jr.<sup>1</sup>  
Terry L. Baxter  
Cotton M. Cleveland  
David Freeman  
Melvin L. Temares

#### Investment Committee

Albert H Elfner, III<sup>1</sup>  
Philip D. Koerner  
Barbara D. Stewart  
William D. Gunter, Jr.  
John A. Delaney

<sup>1</sup> Chairman

The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

### **Conflict of Interest Procedure**

The Company adopted a policy statement requiring annual disclosure of conflicts of interest, in accordance with the Financial Condition Examiners Handbook.

### **Corporate Records**

The recorded minutes of the shareholder, Board of Directors, and certain internal committee adequately documented its meetings and approval of Company transactions in accordance with Section 607.1601, Florida Statutes, including the authorization of investments as required by Section 625.304, Florida Statutes.

### **Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales Through Reinsurance**

There were no acquisitions, mergers, disposals, dissolutions, and purchase or sales through reinsurance during the period under examination.

### **Surplus Debentures**

The Company reported no surplus debentures.

## **AFFILIATED COMPANIES**

The latest holding company registration statement was filed with the State of Florida on March 31, 2006, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

The following agreements were in effect between the Company and its affiliates:

### **Tax Allocation Agreement**

The Company's federal income tax return was combined with Main Street America Holdings Corporation, Main Street America Assurance Company and Main Street America Capital Corporation. The method of allocation between the companies was subject to a written agreement dated March 30, 1998 and approved by the Board of Directors. Allocation was based upon separate return calculations with the current credit for net losses recoverable on a consolidated basis.

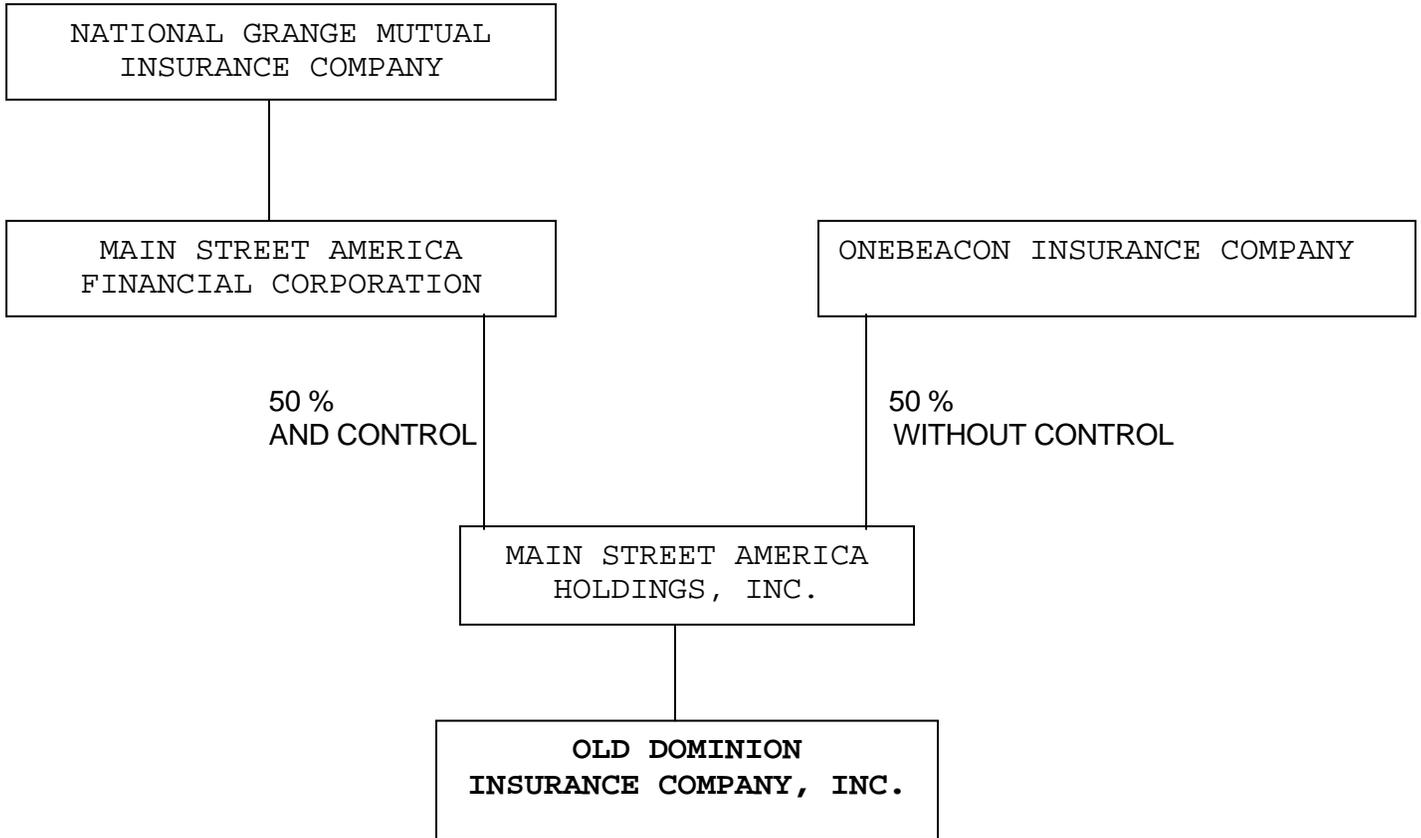
### **Cost Sharing Agreement**

Effective January 1, 1996, the Company entered into an intercompany expense allocation agreement with NGM to provide administrative and managerial services. NGM paid and accounted for direct costs of the Company. Indirect costs were allocated according to the NGM cost allocation procedures, based upon a uniform and reasonable basis for all affiliated companies. NGM furnished all affiliated companies with an accounting of costs and expenses paid by NGM on behalf of each affiliate in the agreement on a quarterly basis.

An organizational chart as of December 31, 2005, reflecting the holding company system, is shown below. Schedule Y of the Company's 2005 annual statement provided a list of all related companies of the holding company group.

**OLD DOMINION INSURANCE COMPANY, INC.  
ORGANIZATIONAL CHART**

**DECEMBER 31, 2005**



## FIDELITY BOND AND OTHER INSURANCE

The Company maintained fidelity bond coverage up to \$5,000,000 with a deductible of \$150,000 per loss, which adequately covered the suggested minimum amount of coverage for the Company as recommended by the NAIC. The Company had other property and liability insurance coverage appropriate for the operation of the business.

## PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company had no employees, no pension plans, stock ownership or insurance plans. All employees providing the services were employed by the ultimate parent, NGM Insurance Company. The Company incurred pension and insurance costs as part of the intercompany expense allocation agreement.

## STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes:

<u>STATE</u>	<u>DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
FL	NJ Eco Dev	5.200%	04/01/17	\$ 1,000,000	\$ 1,004,990
TOTAL FL DEPOSITS				\$ 1,000,000	\$ 1,004,990
DE	Merril Lynch	6.875%	11/15/18	\$ 100,000	\$ 114,112
GA	NJ Eco Dev	5.200%	04/01/17	85,000	85,424
SC	Merril Lynch	6.875%	11/15/18	125,000	142,640
SC	USTBDS	7.500%	11/15/16	100,000	125,609
VA	NJ Eco Dev	5.200%	04/01/17	550,000	552,745
TOTAL OTHER DEPOSITS				\$ 960,000	\$ 1,020,530
TOTAL SPECIAL DEPOSITS				\$ 1,960,000	\$ 2,025,520

## **INSURANCE PRODUCTS AND RELATED PRACTICES**

### **Territory**

The Company was authorized to transact insurance business in the state of Delaware, Florida, Georgia, Maryland, South Carolina and Virginia.

### **Treatment of Policyholders**

The Company established procedures for handling written complaints in accordance with Section 626.9541(1) (j), Florida Statutes.

The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim in accordance with Section 626.954(1)(i)3,a, Florida Statutes.

## **REINSURANCE**

Effective January 1, 1998, the Company entered into a pooling agreement in which NGM Insurance Company (NGM) was the lead company in an affiliated group of insurance companies, which utilized a pooling agreement. NGM had 40% of the pool, Main Street America Assurance Company had 55% and the Company had 5%. All lines of business were subject to the pooling agreement. Cessions to non-affiliated reinsurers occurred prior to the pool. Schedule F provisions were not shared by pool members; write-offs of uncollectible reinsurance were shared in accordance with each company's pooling percentage. The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, transfer of risk, reporting and settlement information deadlines.

**Assumed**

The Company assumed 5% of the combined insurance business of the pool.

**Ceded**

The Company ceded 100% of its business to the pool.

The reinsurance contracts were reviewed by the Company's appointed actuary and were utilized in determining the ultimate loss opinion.

**ACCOUNTS AND RECORDS**

The Company's accounting records were maintained on a computerized system. The Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Office.

The Company maintained its principal operational offices in Jacksonville, Florida, but this examination was conducted in Keene, New Hampshire.

An independent CPA audited the Company's statutory basis financial statements annually for the years 2003, 2004 and 2005, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers which were relied on during this examination, were prepared by the CPA as required by Rule 69O-137.002, Florida Administrative Code.

The Company and non-affiliates had the following agreements:

### **Custodial Agreement**

The Company had a custodial agreement with State Street Bank and Trust Company effective August 6, 2004. The agreement was in accordance with Rule 69O-143.042, Florida Administrative Code.

### **Independent Auditor Agreement**

The Company had an agreement with Ernst & Young, LLP to perform an audit of its Statutory financial statements for the years 2003, 2004 and 2005.

### **Risk-Based Capital**

The Company reported its risk-based capital at an adequate level.

### **Information Technology**

The Company's computer operations were in compliance with appropriate controls procedures as shown in the NAIC Exhibit C-Information Systems Questionnaire submitted by the Company. Due to the findings of the last IT evaluation report performed in May of 2003 by Tracy D. Gates, CISA, CPA, the Company has developed a disaster recovery plan which encompassed recovery of the WAN and a backup data plan. An internal control procedure was implemented to discontinue access rights of terminated employees.

## **FINANCIAL STATEMENTS PER EXAMINATION**

The following pages contain financial statements showing the Company's financial position as of December 31, 2005, and the results of its operations for the year then ended as determined by this examination. Adjustments made as a result of the examination are noted in the section of this report captioned, "Comparative Analysis of Changes in Surplus."

**OLD DOMINION INSURANCE COMPANY**  
**Assets**

**DECEMBER 31, 2005**

	Per Company	Examination Adjustments	Per Examination
Bonds	\$44,245,528		\$44,245,528
Stocks:			
Preferred	2,005,624		2,005,624
Common	5,503,522		5,503,522
Real Estate:			
Properties			
held for sale	1,348,096		1,348,096
Cash and Short-term investments	2,023,322		2,023,322
Agents' Balances:			
Uncollected premium	2,418,878		2,418,878
Deferred premium	7,778,451		7,778,451
Reinsurance recoverable	1,717,908		1,717,908
Interest and dividend			
income due & accrued	492,316		492,316
Net deferred tax asset	2,065,017		2,065,017
Receivable from parents, subsidiaries and affiliates	7,718,350		7,718,350
Guaranty funds receivable or on deposit	42,180		42,180
Totals	\$77,359,192	\$0	\$77,359,192

**OLD DOMINION INSURANCE COMPANY**  
**Liabilities, Surplus and Other Funds**

**DECEMBER 31, 2005**

	Per Company Examination Adjustments	Per Examination
Losses	\$22,391,928	\$22,391,928
Loss adjustment expenses	3,985,918	3,985,918
Commissions payable	934,236	934,236
Other expenses	492,333	492,333
Taxes, licenses and fees	400,272	400,272
Current federal & foreign income taxes	710,405	710,405
Unearned premium	19,792,782	19,792,782
Advance Premium	284,170	284,170
Ceded reinsurance premium payable	252,779	252,779
Funds held under reinsurance treaties	6,205,023	6,205,023
Provision for reinsurance	151,260	151,260
Drafts outstanding	1,211,715	1,211,715
Payable for securities	154,177	154,177
Aggregate write-ins for liabilities	335,395	335,395
<b>Total Liabilities</b>	<b>\$57,302,393</b>	<b>\$57,302,393</b>
Common capital stock	2,000,000	2,000,000
Gross paid in and contributed surplus	33,577,677	33,577,677
Unassigned funds (surplus)	(15,520,878)	(15,520,878)
Surplus as regards policyholders	\$20,056,799	\$20,056,799
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$77,359,192</b>	<b>\$0</b>

**OLD DOMINION INSURANCE COMPANY**  
**Statement of Income**

**DECEMBER 31, 2005**

**Underwriting Income**

Premiums earned	\$38,963,717
<b>DEDUCTIONS:</b>	
Losses incurred	22,954,790
Loss expenses incurred	4,920,574
Other underwriting expenses incurred	12,152,861
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	\$40,028,225
Net underwriting gain or (loss)	(\$1,064,508)

**Investment Income**

Net investment income earned	\$2,092,584
Net realized capital gains or (losses)	488,653
Net investment gain or (loss)	\$2,581,237

**Other Income**

Net gain or (loss) from agents' or premium balances charged off	\$0
Finance and service charges not included in premiums	343,284
Aggregate write-ins for miscellaneous income	(184,554)
Total other income	\$158,730

Net income before dividends to policyholders and before federal & foreign income taxes	\$1,675,459
Dividends to policyholders	0
Net Income, after dividends to policyholders, but before federal & foreign income taxes	\$1,675,459
Federal & foreign income taxes incurred	272,820
Net Income	\$1,402,639

**Capital and Surplus Account**

Surplus as regards policyholders, December 31 prior year	\$18,810,086
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**Gains and (Losses) in Surplus**

Net Income	\$1,402,639
Net unrealized capital gains or losses	(73,368)
Change in non-admitted assets	(14,561)
Change in provision for reinsurance	(151,260)
Change in net deferred income tax	83,263
Surplus adjustments: Paid in	0
Aggregate write-ins for gains and losses in surplus	0
Examination Adjustment	0
Change in surplus as regards policyholders for the year	\$1,246,713
Surplus as regards policyholders, December 31 current year	\$20,056,799

## COMMENTS ON FINANCIAL STATEMENTS

### Liabilities

**Losses and Loss Adjustment Expenses** \$26,377,846

The Chief Actuary of the Company rendered an opinion that the amounts carried in the balance sheet as of December 31, 2005, make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office actuary reviewed work papers provided by the Company and was in concurrence with this opinion.

**OLD DOMINION INSURANCE COMPANY  
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS**

**DECEMBER 31, 2005**

Surplus as Regards Policyholders  
per December 31, 2005, Annual Statement \$20,056,799

	<u>PER COMPANY</u>	<u>PER EXAM</u>	<u>INCREASE (DECREASE) IN SURPLUS</u>
<b>ASSETS:</b>			
No adjustment.			
<b>LIABILITIES:</b>			
No adjustment.			
Net Change in Surplus:			<u>0</u>
Surplus as Regards Policyholders December 31, 2005, Per Examination			<u><u>\$20,056,799</u></u>

## **SUMMARY OF FINDINGS**

### **Compliance with previous directives**

The Company has taken the necessary actions to comply with the comments made in the 2002 examination report issued by the Office.

### **Current examination comments and corrective action**

There were no of items of interest and corrective action to be taken by the Company regarding findings in the examination as of December 31, 2005.

## CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Old Dominion Insurance Company** as of December 31, 2005, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's Surplus as regards policyholders was \$20,056,799, which was in compliance with Section 624.408, Florida Statutes.

In addition to the undersigned Joseph Boor, FCAS. Office Actuary, participated in the examination.

Respectfully submitted,

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Joel V. Bengo  
Financial Examiner/Analyst II  
Florida Office of Insurance Regulation

Respectfully submitted,

---

Michael F. Hampton, CPA, CFE, DABFA, CFE, CPM  
Financial Examiner/Analyst Supervisor  
Florida Office of Insurance Regulation