

REPORT ON EXAMINATION
OF
OMEGA INSURANCE COMPANY
GAINESVILLE, FLORIDA
AS OF
DECEMBER 31, 2013

BY THE
FLORIDA OFFICE OF INSURANCE REGULATION

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April 2, 2015

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

Dear Sir:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2013, of the financial condition and corporate affairs of:

**OMEGA INSURANCE COMPANY
7201 N.W. 11th PLACE
GAINESVILLE, FLORIDA 32605**

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

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2009 through December 31, 2013. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) as of December 31, 2008. This examination commenced with planning at the Office on July 21, 2014 to July 25, 2014. The fieldwork commenced on July 28, 2014, and concluded as of April 2, 2015.

This financial examination was a 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.

The Financial Condition Examiners Handbook requires that the examination be planned and performed to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

This report of examination is confined to significant adverse findings, a material change in the financial statements or other information of regulatory significance or requiring regulatory action. The report comments on matters that involved departures from laws, regulations or rules, or which were deemed to require special explanation or description.

SUMMARY OF SIGNIFICANT FINDINGS

Current Exam Findings

The following is a summary of material adverse findings, significant non-compliance findings, or material changes in the financial statements noted during this examination.

Related Party Activities

The Company did not timely update its consolidated holding company registration statements for Tower Hill Insurance Group to include the reinsurance data compilation agreement among affiliates executed on July 24, 2014, which was not in compliance with Rule 69O-143.046(4), Florida Administrative Code. The Company also did not notify the Office of its intention to enter into this agreement at least 30 days prior to the execution of the agreement, which was not in compliance with Rule 69O-143.047(4), Florida Administrative Code.

Prior Exam Findings

There were no findings, exceptions, or corrective actions to be taken by the company for the examination as of December 31, 2008.

SUBSEQUENT EVENTS

The Company filed an updated holding company registration statement on October 15, 2014 which included several changes to management of the Company subsequent to the examination date.

Joseph DiMartino resigned from his position as Chief Operating Officer (COO) from all Companies. In response to Mr. DiMartino's resignation, Donald Matz, Jr., assumed the position of interim COO. Subsequently, Ronald Laconi was appointed as COO. Joel Curran resigned from his positions as Chief Underwriting Officer (CUO) and Chief Compliance Officer (CCO) from all Companies to become Chief Commercial Officer of affiliate Tower Hill Prime Insurance Company. In response to Mr. Curran's resignation, Stephen Allnut assumed the position of CUO for all Companies and Scott Rowe, Internal Counsel, assumed the position of CCO for all Companies. Brian Elsmore resigned from his position as Chief Technology Officer (CTO). In response to Mr. Elsmore's resignation, Ralph Kubicsek, former Assistant Vice President of Operations, assumed the position of CTO.

HISTORY

General

The Company was incorporated in Florida on May 8, 1979 as a stock property and casualty insurer and commenced business on July 1, 1979 under the name Omni Life Insurance Company. The Company changed its name to Omega Insurance Company on August 13, 1980. Tower Hill Insurance Group first assumed the management of the Company in 1987. On April 28, 2005, the Office approved a purchase agreement for William J. Shively, owner of the Company's managing general agent, to acquire sixty percent voting ownership of the Company's stock from LPMC, Inc., the Company's former parent. On September 13, 2010, the Office approved a change in control of Omega Insurance Company to Omega Insurance Holdings, Inc. Per a stock transfer agreement with LPMC, Inc. signed on August 15, 2011, Omega Insurance Holdings, Inc., in turn, was owned by James H. Winston Revocable Trust and majority owned by William and Patricia Shively.

In 2012, the Company voluntarily surrendered its Certificates of Authority (COA) in Georgia, Mississippi, Louisiana, and South Carolina. On July 15, 2013, the Company notified the Office

that it wished to remove Allied Lines, Fire, and Other Liability from its Certificate of Authority, which were removed as of August 27, 2013. The Company concentrates its writing in the homeowners multiple peril line. The Company, together with the other four Tower Hill Insurance Companies, share common management and collectively represents the fourth largest homeowner's writer in the state of Florida.

The Company was authorized to transact the following insurance coverage in Florida on various dates and continued to be authorized to transact these lines of business in Florida as of December 31, 2013:

Homeowners Multi Peril	Mobile Home Multi Peril
Inland Marine	Mobile Home Physical Damage

The Articles of Incorporation and the Bylaws were not amended during the period covered by this examination.

Dividends to Stockholders

In accordance with Section 628.371, Florida Statutes, the Company declared and paid dividends to its stockholders in 2009 in the amount of \$1,960,000.

Capital Stock and Capital Contributions

As of December 31, 2013, the Company's capitalization was as follows:

Number of authorized common capital shares	2,232,500
Number of shares issued and outstanding	2,232,500
Total common capital stock	\$4,509,650
Par value per share	\$2.02

Omega Insurance Company was wholly owned and controlled by its parent, Omega Insurance Holdings, Inc., who in turn was 68 percent owned by Tower Hill Insurance Holdings, LLC and 32

percent owned by James H. Winston Revocable Trust. Tower Hill Insurance Holdings, LLC was wholly owned by William and Patricia Shively.

Surplus Notes

The Company did not have any surplus notes during the period of this examination.

Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales through Reinsurance

On September 13, 2010, the Office approved a change in control of Omega Insurance Company to the then newly formed holding company, Omega Insurance Holdings, Inc.

CORPORATE RECORDS

The recorded minutes of the Shareholder(s), Board of Directors (Board) and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, in compliance with the NAIC Financial Condition Examiners Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments as required by Section 625.304, Florida Statutes.

Conflict of Interest

The Company adopted a policy statement requiring periodic disclosure of conflicts of interest in accordance with the NAIC Financial Condition Examiners Handbook adopted by Rule 69O-138.001, Florida Administrative Code.

MANAGEMENT AND CONTROL

Management

The annual shareholder meeting for the election of directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2013, were

Name and Location	Principal Occupation
James Horner Winston Jacksonville, Florida	President, Chief Executive Officer LPMC, Inc.
William John Shively Lexington, Kentucky	Chief Executive Officer, Chairman of the Board Omega Insurance Company
Donald Carl Matz, Jr. Gainesville, Florida	President Omega Insurance Company
Joel Philip Curran Gainesville, Florida	Chief Underwriting Officer Omega Insurance Company
Timothy Jon Meenan Tallahassee, Florida	Attorney Blank & Meenan, PA
Timothy Arthur Bienek Flower Mound, Texas	Director Omega Insurance Company

In accordance with the Company's Bylaws, the Board appointed the following senior officers:

Senior Officers

Name	Title
William John Shively	Chief Executive Officer
Donald Carl Matz, Jr.	President
Joseph Francis DiMartino (a)	Chief Operating Officer
Joel Philip Curran (b)	Chief Underwriting Officer, Chief Compliance Officer
Benjamin Lane Bussey, III	Chief Financial Officer, Treasurer
Scott Parker Rowe	Secretary

(a) Replaced by Ronald Bruce Laconi on November 19, 2014, pending Office approval.

(b) Replaced by Stephen Eric Allnutt as Chief Underwriting Officer and by Scott Philip Rowe as Chief Compliance Officer on October 1, 2014, pending Office approval.

The Holding Company's internal committees were all maintained at the MGA level.

Audit Committee

Timothy Arthur Bienek ¹
Joel Philip Curran
Timothy Jon Meenan

¹ Chairman

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

Affiliated Companies

The most recent holding company registration statement was filed with the Office on December 15, 2014, as required by Section 628.801, Florida Statutes.

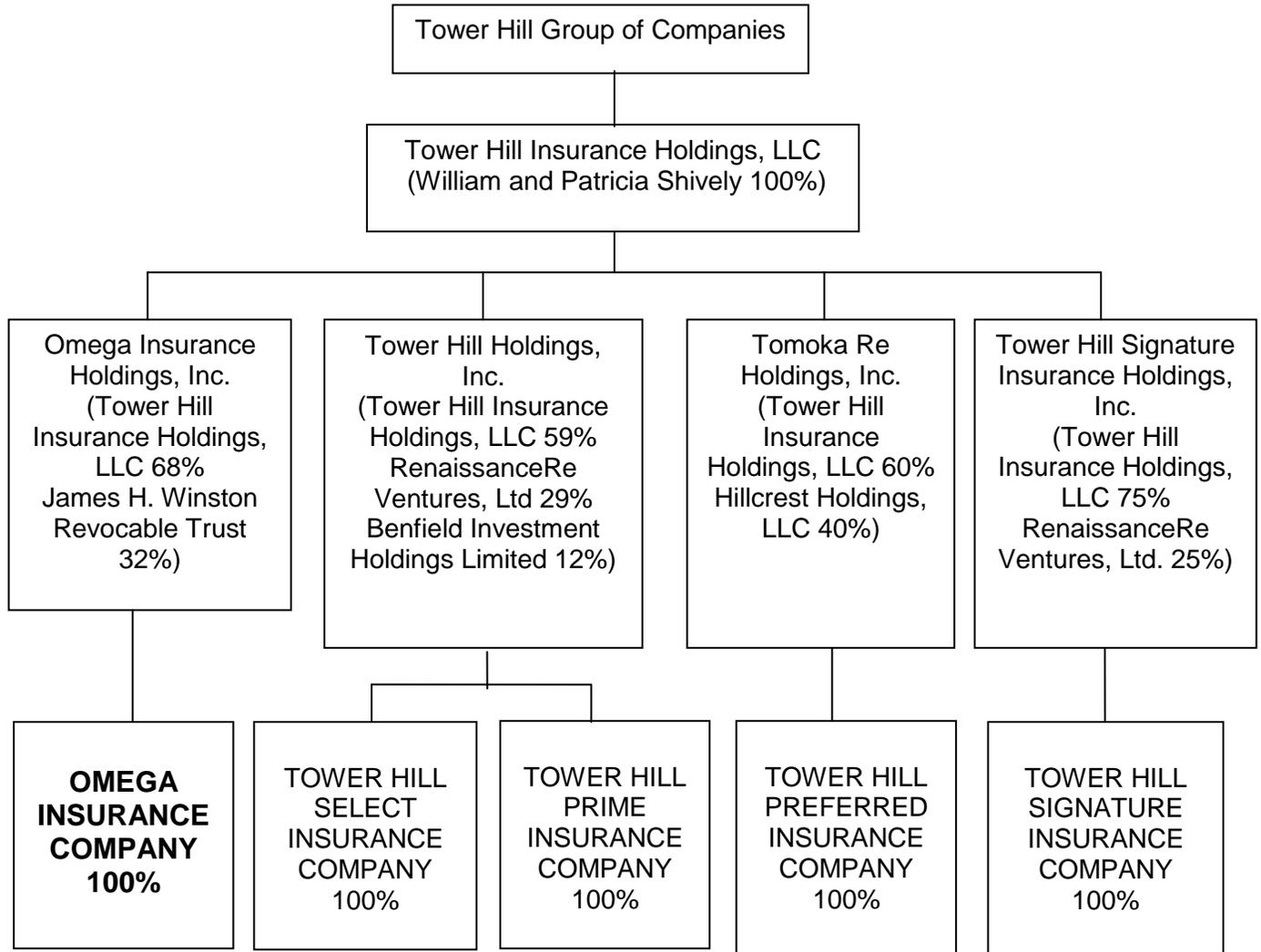
The Company did not timely update its consolidated holding company registration statements for Tower Hill Insurance Group to include the reinsurance data compilation agreement among affiliates executed on July 24, 2014, which was not in compliance with Rule 69O-143.046(4), Florida Administrative Code.

A simplified organizational chart as of December 31, 2013, reflecting the holding company system, is shown on the following page.

Schedule Y of the Company's 2013 annual statement provided a list of all related companies of the holding company group.

**OMEGA INSURANCE COMPANY
ORGANIZATIONAL CHART**

DECEMBER 31, 2013



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

Tax Allocation Agreement

The Company, along with its parent, filed a consolidated federal income tax return. The consolidated return was prepared as if each individual corporation filed a separate return based on the income, losses, deductions and credit of such individual corporation. Tax payments by the Company were made to the Parent.

Claims Services Agreement

The Company entered into a Claims Services Agreement with its affiliate, Tower Hill Claims Service Inc., effective January 1, 2008. The agreement automatically renewed annually unless otherwise terminated within the guidelines of the agreement. Claims services included administration, investigation, adjusting, payment, and litigation supervision. Fees were based upon claim amount with a maximum fee of \$1,500. The total amount incurred under this agreement amounted to \$418,953 for 2013.

Management Agreement

The Company entered into a Management Agreement with its parent, Omega Insurance Holdings, Inc. on April 13, 2011. The agreement is effective for five years and automatically renewed for successive five-year periods unless terminated within the guidelines of the agreement. Services provided under the agreement included legal counsel, executive management, reinsurance oversight, resource management, audit services, technology, marketing, purchasing, central operations and processing. On a monthly basis, the Company paid its parent a management and services fee totaling approximately \$986,018 for 2013.

Managing General Agent Agreement

The Company entered into a Managing General Agency Agreement (MGA) with its affiliate, Tower Hill Insurance Group, Inc. effective January 1, 2008. The agreement was continuous unless terminated within the guidelines of the agreement. On a monthly basis, the Company paid policy and inspection fees to Tower Hill Insurance Group, Inc. totaling \$1,198,469 for 2013. The Company also incurred MGA commission expense of \$12,181,025 for 2013.

Reinsurance Data Compilation Agreement

The Company entered into a Reinsurance Data Compilation Agreement with its affiliate, Tomoka Reinsurance Intermediaries, Inc. effective July 24, 2014 whereby the affiliate prepared and provided the Reinsurance Broker, TigerRisk Partners, LLC (TigerRisk), with underwriting exposure and modeling data per industry standards for all reinsurance placements made on the Company's behalf. Fees are on a commission basis of fifty percent of brokerage revenue.

The Company did not notify the Office of its intention to enter into this agreement at least 30 days prior to the execution of the agreement, which was not in compliance with Rule 69O-143.047(4), Florida Administrative Code.

FIDELITY BOND AND OTHER INSURANCE

The Company maintained fidelity bond coverage up to \$3,000,000 per policy period, which reached the suggested minimum as recommended by the NAIC.

The Company also maintained Directors and Officers (D&O) liability coverage with limits of \$6,500,000 per policy period with a deductible of \$300,000 each claim.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company had no employees and therefore no pension, stock ownership or insurance plans.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance only in the State of Florida.

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 626.9541(1) (i) 3a, Florida Statutes.

COMPANY GROWTH

The Company's gross written premium, which decreased by \$44,127,368 from 2009 to 2010, has since increased gradually to \$55,336,359 in 2013. Accordingly, the ceded written premium decreased \$11.4 million since 2009. However, from 2012 to 2013, the Company's net earned premium decreased \$5,952,819 due to quota share changes as discussed in the reinsurance section of the report.

The Company's gross paid losses increased \$2,458,089 and ceded paid losses increased \$5,069,084 resulting in a net paid loss decrease of \$2,610,994 from the 2012 due to quota share reinsurance changes as discussed in the reinsurance section of the report.

The Company's underwriting expenses, which were stable at approximately \$6 million from 2009 to 2011, decreased significantly from 2011 to 2013 by \$3,425,554 as a result of ceding commission adjustments from its quota share contracts.

Surplus, increased from \$9,899,107 in 2009 to \$13,553,146 in 2013 with a slight decrease from 2012 to 2013 due to an overall net loss in 2013 of \$941,359 offset by \$374,096 in other surplus changes.

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 statements.

	2013	2012	2011	2010	2009
Premiums Earned	5,669,443	11,622,262	14,374,686	17,910,771	15,347,975
Net Underwriting Gain/(Loss)	(1,161,123)	792,487	734,693	812,381	(1,254,168)
Net Income	(941,359)	1,979,416	1,227,471	1,314,353	(1,043,767)
Total Assets	32,557,527	32,535,982	30,788,665	31,080,964	39,777,100
Total Liabilities	19,004,381	18,415,573	18,242,275	19,571,912	29,877,993
Surplus As Regards Policyholders	13,553,146	14,120,409	12,546,390	11,509,052	9,899,107

LOSS EXPERIENCE

During the current examination period, the Company showed unfavorable development overall.

The one and two-year net loss developments were \$36,000 favorable and \$836,000 unfavorable,

respectively. As of December 31, 2013, the Company recorded their ultimate reserves at the top end of their independent actuary's range to prevent any more unfavorable development.

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Assumed

The Company assumed approximately \$42 million in 2009 as part of a reinsurance pooling agreement. That agreement was cancelled in 2010 resulting in negative assumed premium of approximately \$3.7 million for that year. The Company did not assume any reinsurance from 2011 to 2013.

Ceded

The Company has entered into several reinsurance contracts to protect itself from excessive homeowners' multiple peril losses and from catastrophic events. During the years ended December 31, 2013 and 2012, the Company ceded premiums under quota share, catastrophe excess of loss, and accident year excess of loss reinsurance agreements.

After June 2013, the Company commuted its 2011, 2012, and 2013 quota share reinsurance contracts with three participating reinsurers. Cash payments received at commutation totaled approximately \$1.8 million and an equal amount of loss reserves was recorded.

The Company entered a new quota share reinsurance agreement effective on June 1, 2013. Under the new quota share, the Company will cede 75 percent of new, renewal and in-force business while retaining 25 percent. Previously, the Company ceded 80 percent while retaining 20 percent. The Company's affiliated captives, Tower Hill Re and Orange Grove Re Ltd., each have 5 percent participation in the June 1, 2013 quota share. The new quota share change resulted in an increase in the net reserve for unearned premiums of approximately \$1,255,000 and a decrease in amounts due to reinsurers of approximately \$367,000 (written premiums less related expenses) which is settled with the Company within 90 days. The effect of this transaction on the statutory statement of operations was a decrease in underwriting income of approximately \$290,000 pre-tax. This was primarily the result of the immediate recognition of commissions ceded associated with the change in unearned premiums (as required by Statutory accounting). The after-tax effect on surplus was a decrease of approximately \$189,000.

The Company ceded \$44,830,000 and \$36,303,000 in reinsurance premiums earned in 2013 and 2012 respectively.

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 maintained its principal operational offices in Gainesville, Florida.

The Company's accounting records were maintained on fully integrated electronic systems by the Managing General Agent, utilizing purchased and customized Microsoft Dynamics SL (Solomon) for its accounting software.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company maintained a custodial agreement with JP Morgan Chase Bank, N.A., entered into on April 1, 2010. The agreement was in compliance with Rule 69O-143.042, Florida Administrative Code.

Reinsurance Brokerage Agreement

The Company maintained a reinsurance brokerage agreement effective June 10, 2010 with TigerRisk. Pursuant to the agreement, TigerRisk negotiated agreements and placed reinsurance as directed by the Company for customary brokerage commissions.

Asset Management Agreement

The Company maintained an asset management agreement with Conning Asset Management Company (Conning) effective March 1, 2002. Pursuant to the agreement, Conning provided investment advisory and portfolio management services in accordance with the investment guidelines of the Company.

Financial Management Agreement

The Company maintained a financial management agreement with BlackRock Financial Management, Inc. (BlackRock) effective October 21, 2013. Pursuant to the agreement, BlackRock provided investment advisory and portfolio management services in accordance with the investment guidelines of the Company's investment policy.

Analytics Service Agreement

The Company maintained an analytics service agreement with Clearwater Analytics (Clearwater) effective February 1, 2010. Pursuant to the agreement, Clearwater provided licensed access to investment data and accounts management services.

Independent Auditor Agreement

An independent CPA audited the Company's statutory basis financial statements annually for all years under examination, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA as required by Rule 69O-137.002, Florida Administrative Code.

INFORMATION TECHNOLOGY REPORT

Tracy Gates, CFE, CISA, performed an evaluation of the information technology and computer systems of the Company. Results of the evaluation were noted in the Information Technology Report provided to the Company.

STATUTORY DEPOSITS

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

STATE	Description	Par Value	Market Value
FL	Cash	<u>\$300,000</u>	<u>\$300,000</u>
TOTAL FLORIDA DEPOSITS		\$300,000	\$300,000
TOTAL OTHER DEPOSITS		<u>0</u>	<u>0</u>
TOTAL SPECIAL DEPOSITS		<u>\$300,000</u>	<u>\$300,000</u>

FINANCIAL STATEMENTS PER EXAMINATION

The following pages contain financial statements showing the Company's financial position as of December 31, 2013, and the results of its operations for the year then ended as determined by this examination.

OMEGA INSURANCE COMPANY
Assets

DECEMBER 31, 2013

	Per Company	Examination Adjustments	Per Examination
Bonds	\$8,495,361		\$8,495,361
Stocks:			
Common	254,468		254,468
Mortgage Loans on real estate:			
First liens	837,523		837,523
Cash and Short-Term Investments	16,890,805		16,890,805
Investment income due and accrued	36,964		36,964
Agents' Balances:			
Uncollected premium	3,774,693		3,774,693
Reinsurance recoverable	1,025,663		1,025,663
Current federal and foreign income tax recoverable and interest thereon	137,000		137,000
Net deferred tax asset	1,104,900		1,104,900
Aggregate write-in for other than invested assets	150		150
	<hr/>		
Totals	<u>\$32,557,527</u>	<u>\$0</u>	<u>\$32,557,527</u>

OMEGA INSURANCE COMPANY
Liabilities, Surplus and Other Funds

DECEMBER 31, 2013

	Per Company	Examination Adjustments	Per Examination
Losses	\$2,422,786		\$2,422,786
Loss adjustment expenses	362,269		362,269
Commissions payable	236,390		236,390
Other expenses	120,313		120,313
Taxes, licenses and fees	207,994		207,994
Unearned premium	6,972,405		6,972,405
Ceded reinsurance premiums payable	8,229,509		8,229,509
Amounts withheld	365,850		365,850
Payable to parent, subsidiaries and affiliates	86,840		86,840
Payable for securities	25		25
Total Liabilities	\$19,004,381	\$0	\$19,004,381
Common capital stock	\$4,509,650		\$4,509,650
Gross paid in and contributed surplus	5,736,761		5,736,761
Unassigned funds (surplus)	3,306,735		3,306,735
Surplus as regards policyholders	\$13,553,146	\$0	\$13,553,146
Total liabilities, surplus and other funds	<u>\$32,557,527</u>	<u>\$0</u>	<u>\$32,557,527</u>

OMEGA INSURANCE COMPANY
Statement of Income

DECEMBER 31, 2013

Underwriting Income

Premiums earned		\$5,669,443
	Deductions:	
Losses incurred		\$3,353,767
Loss expenses incurred		877,791
Other underwriting expenses incurred		2,599,008
Aggregate write-ins for underwriting deductions		0
Total underwriting deductions		<u>\$6,830,566</u>
Net underwriting gain or (loss)		(\$1,161,123)

Investment Income

Net investment income earned		\$73,691
Net realized capital gains or (losses)		<u>(361)</u>
Net investment gain or (loss)		\$73,330

Other Income

Net gain or (loss) from agents' or premium balances charged off		\$0
Finance and service charges not included in premiums		0
Aggregate write-ins for miscellaneous income		<u>0</u>
Total other income		<u>\$0</u>

Net income before dividends to policyholders and before federal & foreign income taxes		(\$1,087,793)
Dividends to policyholders		<u>0</u>
Net Income, after dividends to policyholders, but before federal & foreign income taxes		(\$1,087,793)
Federal & foreign income taxes		<u>(146,434)</u>
Net Income		<u><u>(\$941,359)</u></u>

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year		\$14,120,409
Net Income		(\$941,359)
Net unrealized capital gains or losses		3,949
Change in net deferred income tax		13,300
Change in non-admitted assets		356,847
Change in provision for reinsurance		0
Change in excess statutory over statement reserves		0
Surplus adjustments: Paid in		0
Aggregate write-ins for gains and losses in surplus		0
Examination Adjustment		<u>0</u>
Change in surplus as regards policyholders for the year		<u><u>(\$567,263)</u></u>
Surplus as regards policyholders, December 31 current year		<u><u>\$13,553,146</u></u>

A comparative analysis of changes in surplus is shown below.

OMEGA INSURANCE COMPANY
Comparative Analysis of Changes in Surplus

DECEMBER 31, 2013

The following is a reconciliation of Surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders
December 31, 2013, per Annual Statement \$13,553,146

	<u>PER</u> <u>COMPANY</u>	<u>PER</u> <u>EXAM</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>IN SURPLUS</u>
ASSETS:			
No Adjustment			
LIABILITIES:			
No Adjustment			
Net Change in Surplus:			<u>0</u>
Surplus as Regards Policyholders December 31, 2013, Per Examination			<u><u>\$13,553,146</u></u>

COMMENTS ON FINANCIAL STATEMENTS

Liabilities

Losses and Loss Adjustment Expenses

\$2,785,055

An outside actuarial firm appointed by the Board of Directors, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2013, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary, Dennis Henry, FCAS, MAAA of The Actuarial Advantage, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$13,553,146 exceeded the minimum of \$5,000,000 required by Section 624.408, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Related Party Activities

We recommend that the Company timely amend its consolidated holding company registration statement to disclose all affiliate transactions in accordance with Rule 69O-143.046, Florida Administrative Code and timely notify the Office of all applicable affiliate transactions in accordance with Rule 69O-143.047, Florida Administrative Code.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Omega Insurance Company** as of December 31, 2013, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's surplus as regards policyholders was \$13,553,146, which exceeded the minimum of \$5,000,000 required per entity by Section 624.408, Florida Statutes.

In addition to the undersigned, Tracy Gates, CFE, CISA, Examiner-In-Charge and IT specialist, Travis Harrison, CPA, and Sam Hebert, Participating Examiners, of Highland Clark, LLC participated in the examination. We also recognize, Dennis Henry, FCAS MAAA, consulting actuary of The Actuarial Advantage, Jonathan Frisard, Examination Manager and Jeff Rockwell, Participating Examiner of the Office participated in the examination.

Respectfully submitted,

Robin Brown, CFE
Chief Examiner
Florida Office of Insurance Regulation