



ANNUAL STATEMENT

For the Year Ended December 31, 2015
of the Condition and Affairs of the

Tower Hill Prime Insurance Company

NAIC Group Code.....3484, 3484 (Current Period) (Prior Period)	NAIC Company Code..... 11027	Employer's ID Number..... 59-3600233
Organized under the Laws of Florida	State of Domicile or Port of Entry Florida	Country of Domicile US
Incorporated/Organized..... October 1, 1999	Commenced Business..... April 1, 2000	
Statutory Home Office	7201 N.W. 11th Place..... Gainesville FL US 32605 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	7201 N.W. 11th Place..... Gainesville FL US..... 32605 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	800-509-1592 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 147018..... Gainesville FL US 32614-7018 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	7201 N.W. 11th Place..... Gainesville FL US 32605 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	800-509-1592 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.thig.com	
Statutory Statement Contact	Benjamin Lane Bussey III <i>(Name)</i> lbussey@thig.com <i>(E-Mail Address)</i>	352-333-1426 <i>(Area Code) (Telephone Number) (Extension)</i> 352-333-1426 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Donald Carl Matz Jr.	Chief Operating Officer	2. Scott Parker Rowe	Secretary/Chief Compliance Officer
3. Benjamin Lane Bussey III	Chief Financial Officer/Treasurer	4. William John Shively	Chief Executive Officer

OTHER			
Stephen Eric Allnutt	Chief Underwriting Officer	Ronald Bruce Laconi	President

DIRECTORS OR TRUSTEES

William John Shively, Chairman	Donald Carl Matz Jr.	Timothy Arthur Bienek	Joel Philip Curran
James Nicholas Smith	George Gregory King		

State of..... FLORIDA
County of..... ALACHUA

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) Donald Carl Matz Jr. _____ 1. (Printed Name) Chief Operating Officer _____ (Title)	_____ (Signature) Scott Parker Rowe _____ 2. (Printed Name) Secretary/Chief Compliance Officer _____ (Title)	_____ (Signature) Benjamin Lane Bussey III _____ 3. (Printed Name) Chief Financial Officer/Treasurer _____ (Title)
---	---	---

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of _____ 2016	b. If no	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	98,624,593		98,624,593	61,419,252
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	5,739,629		5,739,629	3,546,188
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	2,178,735		2,178,735	2,349,815
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$....(4,620,658), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....36,782,001, Schedule DA).....	32,161,343		32,161,343	44,103,611
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	627
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	138,704,299	.0	138,704,299	111,419,493
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	525,839		525,839	318,993
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	9,919,299		9,919,299	7,982,029
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	5,108,563		5,108,563	6,641,505
16.2 Funds held by or deposited with reinsured companies.....	346,098		346,098	711,574
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	2,644,585		2,644,585	
18.2 Net deferred tax asset.....	2,825,076	426,273	2,398,803	2,388,400
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	19,636,506
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	39,841	39,841	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	160,113,600	466,114	159,647,486	149,098,500
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	160,113,600	466,114	159,647,486	149,098,500

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepaid Expenses.....	39,841	39,841	.0	
2502.....			.0	
2503.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	39,841	39,841	.0	.0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	14,890,883	11,751,649
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	57,699	32,453
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	2,160,087	1,796,082
4. Commissions payable, contingent commissions and other similar charges.....	1,500,747	235,800
5. Other expenses (excluding taxes, licenses and fees).....	81,337	132,871
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	88,384	1,077,966
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		1,297,004
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....94,407,689 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	26,204,562	24,148,959
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	33,739,131	32,693,342
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....	699,771	1,215,884
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	13,000	5,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	437,252	
20. Derivatives.....		
21. Payable for securities.....	54	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	13,858	945
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	79,886,765	74,387,955
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	79,886,765	74,387,955
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	120	120
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	5,000,000	5,000,000
34. Gross paid in and contributed surplus.....	75,400,039	65,400,039
35. Unassigned funds (surplus).....	(639,438)	4,310,386
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	79,760,721	74,710,545
38. TOTALS (Page 2, Line 28, Col. 3).....	159,647,486	149,098,500

DETAILS OF WRITE-INS

2501. Salvage Recoverable.....	13,858	945
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	13,858	945
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	38,745,512	41,088,504
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	26,294,956	14,500,615
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	4,913,963	3,791,661
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	16,642,241	7,550,270
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	47,851,160	25,842,546
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(9,105,648)	15,245,958
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,878,788	1,030,222
10. Net realized capital gains (losses) less capital gains tax of \$.....73,430 (Exhibit of Capital Gains (Losses)).....	136,372	231,470
11. Net investment gain (loss) (Lines 9 + 10).....	2,015,160	1,261,692
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	80,000	0
15. Total other income (Lines 12 through 14).....	80,000	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(7,010,488)	16,507,651
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(7,010,488)	16,507,651
19. Federal and foreign income taxes incurred.....	(2,436,261)	5,329,124
20. Net income (Line 18 minus Line 19) (to Line 22).....	(4,574,227)	11,178,527
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	74,710,545	43,773,480
22. Net income (from Line 20).....	(4,574,227)	11,178,527
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(174,055).....	(323,153)	5,414
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	160,321	(337,500)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(204,765)	94,624
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(8,000)	(4,000)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....	10,000,000	20,000,000
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	5,050,177	30,937,064
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	79,760,721	74,710,545
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Gain on Sale of fixed assets.....	80,000	
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	80,000	0
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	39,909,634	39,484,287
2. Net investment income.....	2,260,411	1,233,723
3. Miscellaneous income.....	80,000	
4. Total (Lines 1 through 3).....	42,250,045	40,718,010
5. Benefit and loss related payments.....	21,232,058	21,930,384
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	20,912,081	12,543,112
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....124,717 tax on capital gains (losses).....	1,578,758	4,293,187
10. Total (Lines 5 through 9).....	43,722,897	38,766,683
11. Net cash from operations (Line 4 minus Line 10).....	(1,472,852)	1,951,327
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	16,622,059	5,041,607
12.2 Stocks.....	1,801,478	1,282,952
12.3 Mortgage loans.....	171,080	162,753
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	3	106
12.7 Miscellaneous proceeds.....	681	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	18,595,302	6,487,419
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	54,610,491	44,306,321
13.2 Stocks.....	4,143,994	1,376,787
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		627
13.7 Total investments acquired (Lines 13.1 to 13.6).....	58,754,484	45,683,735
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(40,159,182)	(39,196,316)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	10,000,000	20,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	19,689,765	(17,917,772)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	29,689,765	2,082,228
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(11,942,269)	(35,162,760)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	44,103,612	79,266,372
19.2 End of year (Line 18 plus Line 19.1).....	32,161,343	44,103,612

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
---------------	--	--

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	1,588,364	571,707	570,917	1,589,154
2.	Allied lines.....	3,353,164	1,610,948	1,570,604	3,393,508
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....	29,134,084	21,893,988	18,273,487	32,754,585
5.	Commercial multiple peril.....	6,562,645		5,716,442	846,203
6.	Mortgage guaranty.....				0
8.	Ocean marine.....				0
9.	Inland marine.....	162,858	72,316	73,112	162,062
10.	Financial guaranty.....				0
11.1	Medical professional liability - occurrence.....				0
11.2	Medical professional liability - claims-made.....				0
12.	Earthquake.....				0
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....				0
16.	Workers' compensation.....				0
17.1	Other liability - occurrence.....				0
17.2	Other liability - claims-made.....				0
17.3	Excess workers' compensation.....				0
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....				0
19.3, 19.4	Commercial auto liability.....				0
21.	Auto physical damage.....				0
22.	Aircraft (all perils).....				0
23.	Fidelity.....				0
24.	Surety.....				0
26.	Burglary and theft.....				0
27.	Boiler and machinery.....				0
28.	Credit.....				0
29.	International.....				0
30.	Warranty.....				0
31.	Reinsurance - nonproportional assumed property.....				0
32.	Reinsurance - nonproportional assumed liability.....				0
33.	Reinsurance - nonproportional assumed financial lines.....				0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	40,801,115	24,148,959	26,204,562	38,745,512

DETAILS OF WRITE-INS

3401.	.....				0
3402.	.....				0
3403.	.....				0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	570,917				570,917
2.	Allied lines.....	1,570,604				1,570,604
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....	18,273,487				18,273,487
5.	Commercial multiple peril.....	5,716,442				5,716,442
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	73,112				73,112
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....					0
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	26,204,562	0	0	0	26,204,562
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					26,204,562

DETAILS OF WRITE-INS

3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(a) State here basis of computation used in each case: Monthly Pro-Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	5,183,534				3,595,170	1,588,364
2. Allied lines.....	20,481,273				17,128,109	3,353,164
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....	212,516,145			91,374,385	92,007,676	29,134,084
5. Commercial multiple peril.....	10,651,253				4,088,608	6,562,645
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....	651,432				488,574	162,858
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....						.0
11.2 Medical professional liability - claims-made.....						.0
12. Earthquake.....						.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....						.0
17.2 Other liability - claims-made.....						.0
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....						.0
21. Auto physical damage.....						.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX					.0
32. Reinsurance - nonproportional assumed liability.....	XXX					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	249,483,637	.0	.0	91,374,385	117,308,137	40,801,115

DETAILS OF WRITE-INS

3401. ....						.0
3402. ....						.0
3403. ....						.0
3498. Summary of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	875,413		511,109	364,304	194,373	204,395	354,282	22.3
2. Allied lines.....	5,504,489		3,868,911	1,635,578	851,723	593,127	1,894,174	55.8
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....	73,199,928	370,261	52,858,703	20,711,486	13,228,889	10,330,777	23,609,598	72.1
5. Commercial multiple peril.....	12,433	408,102		420,535	611,000	617,250	414,285	49.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....	95,272		71,454	23,818	4,900	6,100	22,618	14.0
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....				0			0	0.0
11.2 Medical professional liability - claims-made.....				0			0	0.0
12. Earthquake.....				0			0	0.0
13. Group accident and health.....				0			0	0.0
14. Credit accident and health (group and individual).....				0			0	0.0
15. Other accident and health.....				0			0	0.0
16. Workers' compensation.....				0			0	0.0
17.1 Other liability - occurrence.....				0			0	0.0
17.2 Other liability - claims-made.....				0			0	0.0
17.3 Excess workers' compensation.....				0			0	0.0
18.1 Products liability - occurrence.....				0			0	0.0
18.2 Products liability - claims-made.....				0			0	0.0
19.1, 19.2 Private passenger auto liability.....				0			0	0.0
19.3, 19.4 Commercial auto liability.....				0			0	0.0
21. Auto physical damage.....				0			0	0.0
22. Aircraft (all perils).....				0			0	0.0
23. Fidelity.....				0			0	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....				0			0	0.0
28. Credit.....				0			0	0.0
29. International.....				0			0	0.0
30. Warranty.....				0			0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0			0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0			0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	79,687,535	778,363	57,310,177	23,155,721	14,890,885	11,751,649	26,294,957	67.9

DETAILS OF WRITE-INS

3401.				0			0	0.0
3402.				0			0	0.0
3403.				0			0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	369,070		252,797	116,273	312,500		234,400	194,373	57,780
2. Allied lines.....	1,573,371		1,048,949	524,422	1,313,665		986,364	851,723	156,024
3. Farmowners multiple peril.....				.0				.0	
4. Homeowners multiple peril.....	25,521,476	633,468	17,708,755	8,446,189	16,519,400	425,400	12,162,100	13,228,889	1,854,476
5. Commercial multiple peril.....	180,000	293,500		473,500	137,500			611,000	91,007
6. Mortgage guaranty.....				.0				.0	
8. Ocean marine.....				.0				.0	
9. Inland marine.....				.0	20,000		15,100	4,900	800
10. Financial guaranty.....				.0				.0	
11.1 Medical professional liability - occurrence.....				.0				.0	
11.2 Medical professional liability - claims-made.....				.0				.0	
12. Earthquake.....				.0				.0	
13. Group accident and health.....				.0				(a) .0	
14. Credit accident and health (group and individual).....				.0				.0	
15. Other accident and health.....				.0				(a) .0	
16. Workers' compensation.....				.0				.0	
17.1 Other liability - occurrence.....				.0				.0	
17.2 Other liability - claims-made.....				.0				.0	
17.3 Excess workers' compensation.....				.0				.0	
18.1 Products liability - occurrence.....				.0				.0	
18.2 Products liability - claims-made.....				.0				.0	
19.1, 19.2 Private passenger auto liability.....				.0				.0	
19.3, 19.4 Commercial auto liability.....				.0				.0	
21. Auto physical damage.....				.0				.0	
22. Aircraft (all perils).....				.0				.0	
23. Fidelity.....				.0				.0	
24. Surety.....				.0				.0	
26. Burglary and theft.....				.0				.0	
27. Boiler and machinery.....				.0				.0	
28. Credit.....				.0				.0	
29. International.....				.0				.0	
30. Warranty.....				.0				.0	
31. Reinsurance - nonproportional assumed property.....	.XXX			.0	.XXX			.0	
32. Reinsurance - nonproportional assumed liability.....	.XXX			.0	.XXX			.0	
33. Reinsurance - nonproportional assumed financial lines.....	.XXX			.0	.XXX			.0	
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
35. TOTALS.....	27,643,917	926,968	19,010,501	9,560,384	18,303,065	425,400	13,397,964	14,890,885	2,160,087

DETAILS OF WRITE-INS

3401. ....				.0				.0	
3402. ....				.0				.0	
3403. ....				.0				.0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Including \$.0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	13,379,134			13,379,134
1.2 Reinsurance assumed.....	306,624			306,624
1.3 Reinsurance ceded.....	9,494,635			9,494,635
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	4,191,123	0	0	4,191,123
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		62,157,504		62,157,504
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		52,984,533		52,984,533
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	9,172,971	0	9,172,971
3. Allowances to manager and agents.....				0
4. Advertising.....				0
5. Boards, bureaus and associations.....		438,334		438,334
6. Surveys and underwriting reports.....		144,199		144,199
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	188,518	1,043,135	25,136	1,256,789
8.2 Payroll taxes.....	14,422	79,799	1,923	96,144
9. Employee relations and welfare.....	37,704	208,627	5,027	251,358
10. Insurance.....	7,913	43,788	1,055	52,756
11. Directors' fees.....	2,250	12,450	300	15,000
12. Travel and travel items.....	254	1,404	34	1,692
13. Rent and rent items.....	9,894	54,745	1,319	65,958
14. Equipment.....	21,026	116,342	2,803	140,171
15. Cost or depreciation of EDP equipment and software.....	3,577	19,792	477	23,846
16. Printing and stationery.....	7,167	39,659	956	47,782
17. Postage, telephone and telegraph, exchange and express.....	186,099	1,029,749	24,813	1,240,661
18. Legal and auditing.....	244,016	1,350,224	218,041	1,812,281
19. Totals (Lines 3 to 18).....	722,840	4,582,247	281,884	5,586,971
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		3,161,456		3,161,456
20.2 Insurance department licenses and fees.....		8,560		8,560
20.3 Gross guaranty association assessments.....		229		229
20.4 All other (excluding federal and foreign income and real estate).....		4,633		4,633
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	3,174,878	0	3,174,878
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	(287,855)	0	(287,855)
25. Total expenses incurred.....	4,913,963	16,642,241	281,884	(a) 21,838,088
26. Less unpaid expenses - current year.....	2,160,086	1,678,931	(8,463)	3,830,554
27. Add unpaid expenses - prior year.....	1,796,082	1,398,813	47,824	3,242,719
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	4,549,959	16,362,123	338,171	21,250,253

DETAILS OF WRITE-INS

2401. Miscellaneous expense.....		(287,855)		(287,855)
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	(287,855)	0	(287,855)

(a) Includes management fees of \$....4,592,891 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....55,658	.....61,121
1.1 Bonds exempt from U.S. tax.....	(a).....64,929	.....218,052
1.2 Other bonds (unaffiliated).....	(a).....1,515,959	.....1,552,965
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....165,173	.....170,093
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....113,606	.....113,418
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....38,501	.....45,023
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,953,826	.....2,160,672
11. Investment expenses.....	.....	(g).....281,884
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....281,884
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,878,788

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....24,333 accrual of discount less \$.....669,088 amortization of premium and less \$.....123,529 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....3,388 amortization of premium and less \$.....3,489 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(1,525)	.....	.....(1,525)	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(31,280)	.....	.....(31,280)	.....(105,531)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....242,604	.....	.....242,604	.....(391,678)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....3	.....	.....3	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....209,802	.....0	.....209,802	.....(497,209)	.....0

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....	426,273	102,300	(323,973)
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....		23,846	23,846
21. Furniture and equipment, including health care delivery assets.....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	39,841	135,203	95,362
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	466,114	261,349	(204,765)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	466,114	261,349	(204,765)

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Prepaid Expenses.....	39,841	135,203	95,362
2502.....			.0
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	39,841	135,203	95,362

NOTES TO FINANCIAL STATEMENTS**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1) Accounting Practices

The financial statements of Tower Hill Prime Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Florida Office of Insurance Regulation (OIR).

The OIR recognizes only statutory accounting practices prescribed or permitted by the state of Florida for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Florida Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective January 1, 2001 including revisions as of March 2015, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Florida. The state has adopted some significant prescribed accounting practices that differ from those found in NAIC SAP. There are no material differences in the prescribed and permitted practices of the state of Florida that affect the Company.

	State of Domicile	2015	2014
NET INCOME			
(1) Tower Hill Prime Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	FL	\$ (4,574,227)	\$ 11,178,527
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	FL	\$ (4,574,227)	\$ 11,178,527
SURPLUS			
(5) Tower Hill Prime Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	FL	\$ 79,760,721	\$ 74,710,545
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	FL	\$ 79,760,721	\$ 74,710,545

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are carried at cost, which approximates market value.
- 2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- 3) Common Stocks are stated at market value.
- 4) Preferred stocks - Not Applicable
- 5) Mortgage loans are stated in accordance with SSAP 37.
- 6) Loan-backed securities are stated at amortized cost. The retrospective adjustment method is used to determine amortized value for all loan backed securities.
- 7) Investments in subsidiaries, controlled, or affiliated companies - Not Applicable
- 8) Investments in joint ventures, partnerships, or LLCs - Not Applicable
- 9) Investments in derivatives - Not Applicable
- 10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) Not applicable as the company does not write major medical insurance with prescription drug coverage.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

There are no material changes in accounting principles and/or corrections reflected in this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

The Company was not involved in any statutory purchase or statutory merger as defined by SSAP No. 68. The Company did not recognize an impairment loss.

NOTE 4 – DISCONTINUED OPERATIONS

The Company has no discontinued operations as defined by SSAP No. 24.

NOTE 5 – INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2015 is 5%.
- (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was 61%.
- (3) Not applicable as the Company only holds Mortgage Loans.
- (4) Age Analysis of Mortgage Loans:

		Residential			Commercial		Mezzanine	Total
		Farm	Insured	All Other	Insured	All Other		
a. Current Year								
1. Recorded Investment (All)								
(a)	Current	\$	\$	\$	\$	\$ 2,178,734	\$	\$ 2,178,734
(b)	30-59 Days Past Due							
(c)	60-89 Days Past Due							
(d)	90-179 Days Past Due							
(e)	180+ Days Past Due							
2. Accruing Interest 90-179 Days Past Due								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Interest Accrued							
3. Accruing Interest 180+ Days Past Due								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Interest Accrued							
4. Interest Reduced								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Number of Loans							
(c)	Percent Reduced	%	%	%	%	%	%	%
b. Prior Year								
1. Recorded Investment (All)								
(a)	Current	\$	\$	\$	\$	\$ 2,349,815	\$	\$ 2,349,815
(b)	30-59 Days Past Due							
(c)	60-89 Days Past Due							
(d)	90-179 Days Past Due							
(e)	180+ Days Past Due							
2. Accruing Interest 90-179 Days Past Due								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Interest Accrued							
3. Accruing Interest 180+ Days Past Due								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Interest Accrued							
4. Interest Reduced								
(a)	Recorded Investment	\$	\$	\$	\$	\$	\$	\$
(b)	Number of Loans							
(c)	Percent Reduced	%	%	%	%	%	%	%

- (5) - (9) There are no impaired Mortgage Loans.

- B. Debt Restructuring – Not Applicable
- C. Reverse Mortgages – Not Applicable
- D. Loan-Backed Securities

- (1) Prepayment assumptions for loan-backed and structure securities were determined using the Bloomberg Cash Model.

NOTES TO FINANCIAL STATEMENTS

(2) - (5) The Company did not have any other than temporary impairment write-downs or securities in an unrealized loss position in the current year.

E. Repurchase Agreements and/or Securities Lending Transactions – Not Applicable

F. Real Estate – Not Applicable

G. Investments in Low-Income Housing Trade Credits (LIHTC) – Not Applicable

H. Other Disclosures and Unusual Items

(1) Restricted Assets (Including Pledged)

	Gross Restricted							Percentage		
	Current Period					6	7	8	9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Period Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock										
i. FHLB capital stock										
j. On deposit with state	619,303				619,303	617,312	1,990	619,303	0.387%	0.387%
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	\$ 619,303	\$	\$	\$	\$ 619,303	\$ 617,312	\$ 1,990	\$ 619,303	0.387%	0.387%

(a) Subset of column 1

(b) Subset of column 3

(2)- (3) The Company did not have any other Restricted Assets in the current year.

I. Working Capital Finance Investments – Not Applicable

J. Offsetting and Netting of Assets and Liabilities – Not Applicable

K. Structured Notes – Not Applicable

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

A. The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, and Limited Liability Companies during the statement period.

NOTE 7 – INVESTMENT INCOME

A. Any investment income due and accrued with amounts greater than 90 days past due was excluded from surplus.

B. The total amount excluded was \$ -0-.

NOTE 8 – DERIVATIVE INSTRUMENTS

The company does not invest in derivative instruments as defined by SSAP No. 31.

NOTES TO FINANCIAL STATEMENTS**NOTE 9 – INCOME TAXES****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 2,882,968	\$	\$ 2,882,968	\$ 2,716,700	\$	\$ 2,716,700	\$ 166,268	\$	\$ 166,268
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	2,882,968		2,882,968	2,716,700		2,726,371	166,268		166,268
d. Deferred tax assets nonadmitted	426,273		426,273	102,300		102,300	323,973		323,973
e. Subtotal net admitted deferred tax asset (1c-1d)	2,456,695		2,456,695	2,614,400		2,614,400	(157,705)		(157,705)
f. Deferred tax liabilities	9,147	48,745	57,892	3,200	222,800	226,000	5,947	(174,055)	(168,108)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 2,447,548	\$ (48,745)	\$ 2,398,803	\$ 2,611,200	\$ (222,800)	\$ 2,388,400	\$ (163,652)	\$ 174,055	\$ 10,403

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 2,142,240	\$	\$ 2,142,240	\$ 1,423,500	\$	\$ 1,423,500	\$ 718,740	\$	\$ 718,740
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	256,563		256,563	961,700	(222,800)	738,900	(705,137)	222,800	(782,337)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	256,563		256,563	1,516,000	(222,800)	1,293,200	(1,259,437)	222,800	(1,036,637)
Adjusted gross deferred tax assets allowed per limitation threshold			11,416,178			10,848,300			567,878
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	57,892		57,892	3,200	222,800	226,000	54,692	(222,800)	(168,108)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a)+2(b)+2(c)	\$ 2,456,695	\$	\$ 2,456,695	\$ 2,388,400	\$	\$ 2,388,400	\$ 68,295	\$	\$ 68,295

3. Other Admissibility Criteria

	2015	2014
a. Ratio percentage used to determine recovery period and threshold limitation amount	959.500%	1,274.800%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 76,107,851	\$ 72,322,145

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 2,882,968	\$	\$ 2,716,700	\$	\$ 166,268	\$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 2,456,695	\$	\$ 2,614,400	\$	\$ (157,705)	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? YES**B. Deferred Tax Liabilities Not Recognized**

There are no deferred tax liabilities that are not recognized in accordance with SSAP No. 101.

NOTES TO FINANCIAL STATEMENTS

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	\$ (2,436,261)	\$ 5,329,124	\$ (7,765,385)
b. Foreign			
c. Subtotal	\$ (2,436,261)	\$ 5,329,124	\$ (7,765,835)
d. Federal income tax on net capital gains	73,430	124,700	(51,270)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ (2,362,831)	\$ 5,453,824	\$ (7,816,655)

2. Deferred Tax Assets

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary			
1. Discounting of unpaid losses	\$ 289,503	\$ 267,100	\$ 22,403
2. Unearned premium reserve	1,834,320	1,690,500	143,820
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward	759,145	759,100	45
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)			
99. Subtotal	\$ 2,882,968	\$ 2,716,700	\$ 166,268
b. Statutory valuation allowance adjustment			
c. Nonadmitted	426,273	102,300	323,973
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 2,456,695	\$ 2,614,400	\$ (157,705)
e. Capital:			
1. Investments	\$	\$	\$
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$	\$	\$
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	\$ 2,456,695	\$ 2,614,400	\$ (157,705)

3. Deferred Tax Liabilities

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 4,961	\$ 3,200	\$ 1,761
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)	4,186		4,186
99. Subtotal	\$ 9,147	\$ 3,200	\$ 5,947
b. Capital:			
1. Investments	\$ 48,745	\$ 222,800	\$ (174,055)
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	48,745	222,800	(174,055)
c. Deferred tax liabilities (3a99+3b99)	\$ 57,892	\$ 222,800	\$ (174,055)

4. Net Deferred Tax Assets (2i - 3c)	\$ 2,398,803	\$ 2,388,400	\$ 10,403
---	---------------------	---------------------	------------------

NOTES TO FINANCIAL STATEMENTS

- D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Among the more significant book to tax adjustments were the following:

	2015	
	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ (2,427,970)	35.0
Proration of tax exempt investment income	17,518	(0.3)
Tax exempt income deduction	(76,318)	1.1
Dividends received deduction	(40,467)	0.6
Disallowed travel and entertainment		0.0
Other permanent differences		0.0
Temporary Differences:		
Total ordinary DTAs	\$	0.0
Total ordinary DTLs		0.0
Total capital DTAs		0.0
Total capital DTLs		0.0
Other:		
Statutory valuation allowance adjustment	\$	0.0
Accrual adjustment – prior year	3,975	(0.1)
Other	110	(0.0)
Totals	\$ (2,523,152)	36.4
Federal and foreign income taxes incurred	(2,436,261)	35.1
Realized capital gains (losses) tax	73,430	(1.1)
Change in net deferred income taxes	(160,321)	2.3
Total statutory income taxes	\$ (2,523,152)	36.4

- E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2015, the Company had \$-0- of unused post-acquisition operating loss carryforwards. The Company had \$2,168,985 of unused pre-acquisition operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount
2015	\$
2014	\$ 5,549,411

The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

- F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Tower Hill Holdings, Inc. (the Parent)
Tower Hill Select Insurance Company

2. The Company has entered into a tax sharing agreement with the Parent where the Company's federal income tax is consolidated with the Parent. The consolidated return is 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 are made to the Parent.

- G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

- A B&C. The following is a list of material transactions between the Company and its affiliates, excluding reinsurance transactions and non-insurance transactions which are less than ½ of 1% of the total admitted assets in accordance with SSAP No. 25.

On a monthly basis the Company paid MGA fees to Tower Hill Insurance Group, LLC totaling approximately \$3,798,253 for the calendar year.

On a monthly basis the Company received net premiums processed (less commissions and expenses) from Tower Hill Insurance Group, LLC totaling \$186,398,846 for the calendar year. The commissions included totaled \$53,825,524.

On a monthly basis the Company paid its parent a management and services fee totaling \$4,592,891 for the calendar year.

On a monthly basis the Company paid Tower Hill Insurance Group, LLC for inspection fees incurred totaling approximately \$573,179 for the calendar year.

On a monthly basis the Company paid service fees to Tower Hill Claims Services, LLC for claims processing and adjustment totaling \$3,510,621.

NOTES TO FINANCIAL STATEMENTS

A complete listing of transactions is included in Schedule Y.

- D. The Company reported \$(437,252) and \$19,636,506 as amounts due (to)/from affiliated companies in 2015 and 2014 respectively. The detail of these amounts is as follows:

	2015	2014
Omega Insurance Company	70	-
Tower Hill Select Insurance Company	70	-
Tower Hill Signature Insurance Company	(12,725)	-
Tower Hill Preferred Insurance Company	(31,011)	9,009
Tower Hill Holdings	(393,655)	19,627,497
Totals	\$ (437,252)	\$ 19,636,506

As to the 2014 recoverable, in February 2015, the Company received a capital contribution of \$20 million and received approval from the Office of Insurance Regulation per SSAAP 72 to accrue the contribution in the 2014 Annual Statement. These amounts are reported on the balance sheet Page 2 Line 23 Receivables from parent, subsidiaries, and affiliates and Page 3 Line 19 Payables to parents, subsidiaries and affiliates. The terms of settlement require that this amount is paid within 30 days.

The Company also reported \$9,919,229 due from Tower Hill Insurance Group, LLC. This amount represents net premiums less related commissions plus provisional commission. The terms of the settlement require that these amounts are paid within 45 days. These amounts are reported on the balance sheet (page 2) on line 15.1 Agents balances and are related to the new premiums processed less commissions and expenses per agency agreement and the Provisional Commission.

In 2010, the Company issued a mortgage loan to Tower Hill Insurance Group, LLC for real estate used by the affiliate. The cost less monthly repayments is \$2,178,735. The Company earned interest related to this investment of \$ 113,418. Additional details on this asset can be found in Schedule B and page 12 of this statement.

The Company reported amounts due to/from affiliated companies for written premiums (less commissions and losses paid) related to reinsurance (as reflected per Schedule F Part 3) for Renaissance Re, Orange Grove Re, Tower Hill Re and DaVinci Reinsurance Limited. Premiums less commissions are reported on the balance sheet (page 3) line 12. Losses paid are reported on the balance sheet (page 2) on line 16.1.

- E. No guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the Company's or related party's assets or liabilities have been made.
- F. The Company has entered into a General Agency (GA) agreement with Tower Hill Insurance Group, LLC to provide marketing, underwriting, accounting, and administrative services. The Company has an agreement with Tower Hill Claims Services, LLC to provide claims processing services. Tower Hill Holdings, Inc. has agreed to provide the Company with accounting and administrative services, not otherwise covered by the GA contract, and to perform all statutory filing and regulatory requirements of the Company.
- G. All outstanding shares of the Company are owned by Tower Hill Holdings, Inc., an insurance holding company domiciled in the state of Florida. The Company has no control relationships with related parties that result in different operating results had the Company been autonomous.
- H. The Company does not own any shares of the stock of an upstream intermediate or its ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated company.
- I. The Company does not own any interest in a Subsidiary, controlled, or affiliated entity (SCA) as defined by SSAP No. 46.
- J. The Company had no impairment write-down of SCA during the current year.
- K. The Company does not own a foreign subsidiary valued using CARVM.
- L. The Company does not have a downstream Holding Company valued using the Look-Through Method.
- M. The Company does not own any interest in a Subsidiary, controlled, or affiliated entity (SCA) as defined by SSAP No. 46.
- N. The Company does not own any interest in a Subsidiary, controlled, or affiliated entity (SCA) as defined by SSAP No. 46.

NOTE 11 – DEBT

The Company does not have any capital notes or other forms of debt requiring disclosure in accordance with SSAP No. 15.

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

- A. – D. The Company has no defined benefits plans.
- E. The Company has no defined contribution plans.
- F. The Company has no multi-employer plans.
- G. The Company has no consolidated/holding company plans.
- H. The Company has no post-employment benefit plans or compensated absences.
- I. The Company has no impact from the Medicare Modernization Act on Postretirement Benefits (INT 04-17).

NOTES TO FINANCIAL STATEMENTS**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

- A. The Company has 120 shares authorized, issued, and outstanding of common stock at \$1.00 par. In February 2015, the Company received a capital contribution of \$20 million and received approval from the Office of Insurance Regulation per SSAP 72 to accrue the contribution in the 2014 Annual Statement. In May 2015, the Company received a capital contribution of \$10 million from its Parent company
- B. The Company has no preferred stock outstanding.
- C. Dividends payable to stockholders, without prior approval of the domiciliary commissioner, are limited by the laws of the Company's state of incorporation (Florida) to an amount that is based on restrictions relating to statutory surplus and operating profit. In general, the Company is restricted to the greater of 10% of statutory surplus or entire net operating profits of the Company for the preceding calendar year, not to exceed unassigned funds provided that after such payment the surplus as regards policyholders equals or exceeds 115 percent of the minimum required statutory surplus. As reported herein, surplus as regards to policyholders totals \$ 79,760,721, unassigned surplus totals \$ (639,438) and the Operating Profit/(Loss) totals \$ (4,574,227).
- D. No dividends were paid in 2015.
- E. Restrictions on the amount of company profit that may be paid as ordinary dividends to stockholders are noted above in 13 C.
- F. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- G. The Company has no advances to surplus.
- H. There are no amounts of stock held by the Company, including stock of affiliated companies, for special purposes such as conversion of preferred stock, employee stock option plans or stock purchase warrants.
- I. There were no changes in balances of special surplus funds from the prior year.
- J. The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$90,527
- K. The reporting entity issued the following surplus debentures or similar obligations:

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note*	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
12/31/2013	4.000%	\$ 5,000,000	\$ 5,000,000	\$	\$	\$ 422,335	03/15/2025
Total	XXX	\$ 5,000,000	\$ 5,000,000	\$	\$	\$ 422,335	XXX

* Total should agree with Page 3, Line 33.

In February 2014 the Company received the proceeds of a \$5,000,000 surplus note it issued on December 31, 2013, and received approval from the Office of Insurance Regulation per SSAP 72 to accrue the surplus in the 2013 Annual Statement. The principal amount of this note, and all accrued and unpaid interest, is due and payable on March 15, 2025. Any principal or interest payment must be approved in advance by the Office of Insurance Regulation. The note bears annual interest of 4.00%.

- L. & M. The Company has not undergone any quasi-reorganization.

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

- A. Contingent Commitments – Not Applicable
- B. Assessments

The Company establishes estimated reserves for guaranty fund assessments payable, premium tax credits, and policy surcharges recoverable in accordance with SSAP No. 35R when applicable. These are based on the best data available from the Guaranty Associations and the National Conference of Insurance Guaranty Funds (NCIGF). Further Florida statues allow recoupment of FIGA assessments through policy rate filings. The filings have been completed and are approved by statute. In December 2012 the Company received and paid assessments of \$-0- to the Florida Insurance Guaranty Association, Inc. The Assessment was prospective-premium based and in accordance with SSAP 35R the payment was immediately expensed. As with prior assessments, the Company expects to recoup the cost of the assessment through premium surcharges collected in future periods.

The Company paid assessments of \$-0- to the Florida Insurance Guaranty Association during 2015.

The Company accrued \$-0- for guaranty assessments payable included on the liabilities page 3 line 6. The company accrued premium tax and surcharges recoverable in the amount of \$-0- included on assets page 2 line 19.

- C. Gain Contingencies – Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – Not Applicable
- E. Product Warranties – Not Applicable
- F. Joint and Several Liabilities – Not Applicable
- G. All Other Contingencies

Various lawsuits against the Company have arisen in the ordinary course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

NOTES TO FINANCIAL STATEMENTS**NOTE 15 – LEASES**

The Company has no material lease arrangements as the lessee or lessor.

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not invest in any financial instrument that has an off-balance sheet risk or concentration of credit risk as defined by SSAP No. 27.

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. Transfers of Receivables Reported as Sales – Not Applicable
- B. Transfer and Servicing of Financial Assets – Not Applicable
- C. Wash Sales – Not Applicable

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

The Company does not underwrite or service uninsured A&H plans or partially insured plans.

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/Produced By
Tower Hill Insurance Group, LLC 7201 Northwest 11th Place Gainesville, FL 32605	27-0867974	YES	Homeowners, Multi-peril, Inland Marine, Fire, Allied Lines, and Commercial	U,C,CA,B,P	\$ 242,415,024
Torrent Technologies, Inc. 1830 3rd Avenue East, Suite 202 Kalispell, MT 59901	20-2411836	NO	Federal Flood	U,C,CA,B,P	7,068,612
Total	XXX	XXX	XXX	XXX	\$ 249,483,636

NOTE 20 – FAIR VALUE MEASUREMENTS

- A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

1) Fair Value Measurements at Reporting Date

The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100 Fair Value Measurements. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1) and lowest priority to unobservable inputs (level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level that is significant to the fair value measurement of the instrument.

SSAR No. 100 defines fair value as the exit price or the amount that would be: (1) received to sell an asset or (2) paid to transfer a liability in an orderly transition between marketplace participants at the measurement date. When determining an exit price the Company must, whenever possible, rely upon observable market data. Prior to the adoption of SSAP No. 100, the Company primarily obtained pricing from various external services, including broker quotes.

The fair value measurement and exit price notion requires the Company's valuation also to consider what a marketplace participant would pay to buy an asset or receive to assume a liability. Therefore, while the Company can consider pricing data from outside services, the Company ultimately determines whether the data or inputs used by these outside services are observable or unobservable.

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Common Stock	\$ 5,739,629	\$	\$	\$ 5,739,629
Total	\$ 5,739,629	\$	\$	\$ 5,739,629

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Total	\$	\$	\$	\$

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred in or out of Level 3. During the year, no transfers in or out of level 3 were required.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Level 1 and Level 2 Valuation Techniques

All invested assets of the Company measured at fair value are classified as either Level 1 or Level 2. Financial assets that fall within Level 1 are priced according to observable data from identical or similar securities that have traded in the marketplace. Also, within Level 2 are

NOTES TO FINANCIAL STATEMENTS

securities that are valued by outside pricing services because the inputs used in pricing the securities are market observable. The company has evaluated the pricing methodology and has determined that the inputs are observable.

Level 3 Valuation Techniques

Financial assets that fall within level 3 of the hierarchy are valued based upon unobservable market inputs, normally because they are not actively traded on a public market. The Company includes broker quotes in this category due to the lack of transparency in the process that brokers use to develop such prices and due to the lack of a binding or completed sale or purchase transaction. The Company does not have any material assets or liabilities measured at fair value in this category.

(5) Derivative Fair Values – Not Applicable

B. Other Fair Value Disclosures – Not Applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures, and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Long Term Bonds	\$ 98,674,676	\$ 98,624,592	\$ 6,290,253	\$ 92,334,340	\$	\$
Common Stock	5,739,629	5,739,629	5,739,629			
Cash, Cash Equivalents, and Short Term Investments	32,161,232	32,161,343	32,161,343			
Mortgage Loan		2,178,734				2,178,734
Total	\$ 136,575,537	\$ 138,704,298	\$ 44,191,225	\$ 92,334,340	\$	\$ 2,178,734

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Mortgage Loan	\$ 2,178,734	5.000%	08/23/2025	It is not practical to determine the fair values of mortgage loans for purposes of the above disclosures of Note 20C due to the fact that these items are not traded and therefore quoted market prices are not available. Also, the cost of obtaining estimates of fair values from other sources is considered excessive given the immateriality of the mortgage loan.
Total	\$ 2,178,734			

NOTE 21 – OTHER ITEMS

A. Unusual or Infrequent Items – Not Applicable

B. Troubled Debt Restructuring Debtors – Not Applicable

C. Other Disclosures

The Company entered a new quota-share reinsurance agreement effective on June 1, 2015. Under the new quota share, the Company will cede 75% of new, renewal and in-force business while retaining 25%. Previously the Company ceded 75% while retaining 25%. The new quota-share change resulted in no increase or decrease in the net reserve for unearned premiums and a decrease in amounts due to reinsurers of approximately \$3.8 million (written premiums less related expenses) which is settled with the Company within 90 days. The effect of this transaction on the Statement of Income was an increase in underwriting income of approximately \$0.9 million 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 an increase of approximately \$0.6 million. This was a result of the combination of current and deferred taxes which resulted in a 35% overall effective tax rate on the transaction. In accordance with statutory accounting, current taxes are reported in the Statement of Income, while deferred taxes are reported as a change in surplus.

The Company elected to use rounding in reporting of amounts in the Annual Statement.

The Company elected to suppress zeros for numeric fields that are zero for printing purposes.

Below is the Agents' Balances Certification per Florida statute 625.012 (5) (b).

1) Agents' balances or uncollected premiums per statement before reduction for ceded reinsurance balances payable	\$ 9,919,299	
2) Premiums collected by "controlled" or "controlling" persons		\$ 398,043
3) Premiums collected by "controlled" or "controlling" persons within 15 working days immediately preceding reporting period; F.S. 625.0125(5)(a)1.		213,665
Amounts of applicable:		
4) Trust funds	184,378	
5) Letter of credit	-	
6) Financial guaranty bond	-	
7) Total [4 + 5 + 6]		\$ 184,378
8) Total Line (2) minus (3) minus (7); should not exceed zero		\$ 0

D. Business Interruption Insurance Recoveries

The Company has no business interruption losses, including amounts defined as an extraordinary item pursuant to SSAP No. 24, Discontinued Operations and Extraordinary Items.

NOTES TO FINANCIAL STATEMENTS**E. State Transferable and Non-Transferable Tax Credits**

The Company has no State Transferable Tax Credits.

F. Subprime Mortgage Related Risk Exposure

(1) The Company's exposure to Subprime mortgages is very minimal or nonexistent. Such exposure is determined by gauging the Company's holdings, if any, in directly issued mortgage loans, investments held in mortgage-backed and asset-backed fixed maturity investments, and equity positions held in issuers with subprime risk such as banks and home lenders. Exposure, if any, is differentiated as unrealized loss based on the current interest-rate environment and the related movement in market value of fixed-maturity investments. Conversely, realized loss exposure is dependent upon the non-performance of an investment being related to permanent impairment. Strategies employed to reduce or eliminate the Company's risk exposure in general include investment policies managing risk-and return that focus entirely on high-quality holdings. Additionally, maturities of the Company's investment portfolio are relatively short-term, with the majority less than five years, which aids in tempering market fluctuations. The current environment of falling interest rates serves to increase the market values of fixed maturities in general, should there be a desire to sell a security.

(2) The Company has no direct exposure through investments in Subprime mortgages.

(3) Direct Exposure Through Other Investments

		Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a.	Residential mortgage backed securities	\$ 22,296,626	\$ 22,246,030	\$ 22,289,119	\$
b.	Commercial mortgage backed securities	8,841,219	8,712,285	8,580,477	
c.	Collateralized debt obligations				
d.	Structured securities				
e.	Equity investments in SCAs*				
f.	Other assets	9,718,324	9,695,302	9,667,942	
g.	Total	\$ 40,856,169	\$ 40,653,617	\$ 40,537,538	\$

* These investments comprise 0% of the company's invested assets.

(4) The Company has no exposure to subprime mortgage risk through Mortgage Guarantee or Financial Guarantee insurance coverage.

G. Joint and Several Liabilities – Not Applicable**NOTE 22 – EVENTS SUBSEQUENT**

There were no events occurring subsequent to December 31, 2015 that affect the estimates used in preparing the financial statements or that may have a material effect on the financial condition of the Company.

NOTE 23 – REINSURANCE**A. Unsecured Reinsurance Recoverables**

The Company has \$13,000 of net reinsurance recoverable for losses paid and unpaid including IBNR, loss adjustment expenses, and unearned premiums that are not secured by letters of credit or ceded balances due to the Company (See Schedule F Parts 3, 5 and 6). Below are the aggregate reinsurance recoverable excluding ceded balances payable (for which the Company has a right of offset) that are greater than 3% of policyholders' surplus.

Federal ID #	NAIC #	Reinsurer's name	Unsecured Recoverable (000 omitted)
06-0237820	20699	Ace Property and Casualty Insurance Company	5,677
13-3031176	38636	Partners Reinsurance Company	4,351
30-0703280	15529	Tokio Millennium Reinsurance AG (US Branch)	4,226
CR-3194130	00000	Endurance Specialty Insurance Limited	3,103
22-2005057	26921	Everest Reinsurance	2,755

B. Reinsurance Recoverable in Dispute

The Company does not have any reinsurance recoverable for losses, paid and unpaid, including IBNR, in dispute by reason of notification, arbitration, or litigation that exceeds 5% of the ceding company's policyholder surplus or in the aggregate of all disputed items exceeds 10% of the ceding company's policyholder surplus.

C. Reinsurance Assumed and Ceded

(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$ 41,359,605	\$ 17,298,520	\$ (41,359,605)	\$ (17,298,520)
b. All Other			53,048,084	9,964,963	(53,048,084)	(9,964,963)
c. Total	\$	\$	\$ 94,407,689	\$ 27,263,483	\$ (94,407,689)	\$ (27,263,483)
d. Direct Unearned Premium Reserves			\$ 120,612,252			

NOTES TO FINANCIAL STATEMENTS

(2)

		Direct	Assumed	Ceded	Net
a.	Contingent commission	\$	\$	\$	\$
b.	Sliding scale adjustments			(1,500,747)	1,500,747
c.	Other profit commission arrangements				
d.	Total	\$	\$	\$ (1,500,747)	\$ 1,500,747

(3) The Company has no reinsurance risk attributed to protected cells.

D. Uncollectible Reinsurance

The Company has not identified any uncollectible reinsurance recoverable.

E. Commutation of Ceded Reinsurance

The Company has not commuted any reinsurance contracts in 2015

F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance.

G. Reinsurance Accounted for as a Deposit

The Company did not have any reinsurance requiring deposit accounting.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The Company did not have any run-off agreements.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) The Company did not have any certified reinsurers which were downgraded or whose status was subject to revocation.

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The Company did not have any reinsurance agreements that qualify for reinsurer aggregation.

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDTERMINATION

The Company does not write retroactively rated contracts or other contracts subject to re-determination.

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Incurred losses and loss adjustment expenses recorded in 2015 that were attributable to insured events of prior years has increased by \$6,616,000 compared with amounts previously reported in 2014 for these same periods. The development reported was influenced by the volume of late reported claims whereby policyholders assigned benefits to roofers replacing roofs from suspected hail damage. This activity was experienced widely in Florida by the P&C industry in general, and taken up with the courts as well as the legislature in Tallahassee. In recent years, and again in 2015, the Company has recorded its liabilities for claims reserves at the highest point permitted in the actuarial reserve range.

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

The Company is not part of any inter-company pooling arrangements.

NOTE 27 – STRUCTURED SETTLEMENTS

The Company has no structured settlement arrangements in place.

NOTE 28 – HEALTH CARE RECEIVABLES

The Company has no health care receivables as defined by SSAP No. 84.

NOTE 29 – PARTICIPATING POLICIES

The Company does not write participating policies as defined by SSAP No. 51.

NOTE 30 – PREMIUM DEFICIENCY RESERVES

As of December 31, 2015 the Company has no liability related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premiums deficiency reserves.

NOTE 31 – HIGH DEDUCTIBLES

The Company does not write any high/large deductible policies.

NOTES TO FINANCIAL STATEMENTS

NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company does not discount liabilities for unpaid loss and unpaid loss adjustment expenses.

NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES

The Company does not have any asbestos/environmental claims.

NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS

The Company is not a reciprocal exchange and therefore does not have subscriber savings accounts.

NOTE 35 – MULTIPLE PERIL CROP INSURANCE

The Company does not write multiple peril crop insurance.

NOTE 36 – FINANCIAL GUARANTY INSURANCE

The Company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Florida
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/11/2015
- 3.4 By what department or departments?
Florida Department of Financial Services, Office of Insurance Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [X] No []
- 4.12 renewals? Yes [X] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, Suite 1700, 100 North Tampa Street, Tampa, FL 33602
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
KPMG 303 Peachtree Street NE, Atlanta, GA 30308
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company _____
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers \$ 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes No
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes No N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 619,303
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:
- | 1
Nature of Restriction | 2
Description | 3
Amount |
|----------------------------|------------------|-------------|
| | | \$ |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No
- 28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian Address |
|----------------------------|---|
| J.P. Morgan Chase Bank, NA | 340 S Cleveland Ave Bldg 350, Westerville, OH 43081 |
- 28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation
- | 1
Name(s) | 2
Location(s) | 3
Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No
- 28.04 If yes, give full and complete information relating thereto:
- | 1
Old Custodian | 2
New Custodian | 3
Date of Change | 4
Reason |
|--------------------|--------------------|---------------------|-------------|
| | | | |
- 28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:
- | 1
Central Registration Depository | 2
Name(s) | 3
Address |
|--------------------------------------|--------------------------------------|---|
| 107423 | Conning Asset Management | City PL II, 185 Asylum St, Hartford, CT 06103 |
| 107105 | BlackRock Financial Management, Inc. | 55 East 52nd Street, New York, NY 10055 |
- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes No

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	134,787,290	134,837,263	49,973
30.2	Preferred Stocks	0	0	0
30.3	Totals	134,787,290	134,837,263	49,973

30.4 Describe the sources or methods utilized in determining fair values:

Fair market value of bonds were obtained from the Valuation Securities Manual of the NAIC. For those bonds where there were no fair values available in the Valuation of Securities Manual, other sources were used, such as brokers valuations. Fair value for certain governmental securities, including Treasuries and GNMA, are carried at amortized value per statutory reporting requirements as outlined by the Valuation of Securities Manual.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 438,334

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Service Office	\$ 349,567

34.1 Amount of payments for legal expenses, if any? \$ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]	
1.2	If yes, indicate premium earned on U.S. business only.		\$		0	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0	
1.31	Reason for excluding:					
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0	
1.6	Individual policies:					
	Most current three years:					
1.61	Total premium earned		\$		0	
1.62	Total incurred claims		\$		0	
1.63	Number of covered lives				0	
	All years prior to most current three years:					
1.64	Total premium earned		\$		0	
1.65	Total incurred claims		\$		0	
1.66	Number of covered lives				0	
1.7	Group policies:					
	Most current three years:					
1.71	Total premium earned		\$		0	
1.72	Total incurred claims		\$		0	
1.73	Number of covered lives				0	
	All years prior to most current three years:					
1.74	Total premium earned		\$		0	
1.75	Total incurred claims		\$		0	
1.76	Number of covered lives				0	
2.	Health Test:					
				1	2	
				Current Year	Prior Year	
2.1	Premium Numerator	\$		0	\$	0
2.2	Premium Denominator	\$		38,745,512	\$	41,088,504
2.3	Premium Ratio (2.1/2.2)					
2.4	Reserve Numerator	\$		0	\$	0
2.5	Reserve Denominator	\$		43,313,231	\$	37,729,143
2.6	Reserve Ratio (2.4/2.5)					
3.1	Does the reporting entity issue both participating and non-participating policies?				Yes [] No [X]	
3.2	If yes, state the amount of calendar year premiums written on:					
3.21	Participating policies		\$		0	
3.22	Non-participating policies		\$		0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:					
4.1	Does the reporting entity issue assessable policies?				Yes [] No []	
4.2	Does the reporting entity issue non-assessable policies?				Yes [] No []	
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%	
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.		\$		0	
5.	FOR RECIPROCAL EXCHANGES ONLY:					
5.1	Does the exchange appoint local agents?				Yes [] No []	
5.2	If yes, is the commission paid:					
5.21	Out of Attorney's-in-fact compensation				Yes [] No [] N/A []	
5.22	As a direct expense of the exchange				Yes [] No [] N/A []	
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?					
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?				Yes [] No []	
5.5	If yes, give full information:					
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company does not write workers' compensation contracts.</u>					
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The company utilizes two computer models to estimate residential property PML's in Florida- Applied Insurance Research (AIR). Touchstone (Version 3.0) and Risk Management Solutions Inc.'s (RMS) Risklink (Version 15.0) model. These computer models simulate natural catastrophes and project their expected losses. These models utilize the latest software technologies, meteorology findings, and structural engineering codes. These models have been validated and have been used extensively throughout the insurance and reinsurance industry.</u>					
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>The Company has purchased excess catastrophe reinsurance through markets and the Florida Hurricane Catastrophe Fund to limit losses from these types of loss. The Company has also purchased a multiple line excess of loss reinsurance contract on a per risk basis to cover its property and commercial business. The commercial business also employs facultative reinsurance for it's business.</u>					
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?				Yes [X] No []	

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From %
- 12.42 To %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

12.61	Letters of Credit						\$	0
12.62	Collateral and other funds						\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):						\$	1,000,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?							Yes [] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.							3
14.1	Is the company a cedant in a multiple cedant reinsurance contract?							Yes [] No [X]
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:							
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?							Yes [] No []
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?							Yes [] No []
14.5	If the answer to 14.4 is no, please explain:							
15.1	Has the reporting entity guaranteed any financed premium accounts?							Yes [] No [X]
15.2	If yes, give full information							
16.1	Does the reporting entity write any warranty business?							Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:							
		1	2	3	4	5		
		Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium		
		Incurred	Unpaid	Premium	Unearned	Earned		
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		0
	* Disclose type of coverage:							
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:							Yes [] No [X]
17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5						\$	0
17.12	Unfunded portion of Interrogatory 17.11						\$	0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11						\$	0
17.14	Case reserves portion of Interrogatory 17.11						\$	0
17.15	Incurred but not reported portion of Interrogatory 17.11						\$	0
17.16	Unearned premium portion of Interrogatory 17.11						\$	0
17.17	Contingent commission portion of Interrogatory 17.11						\$	0
	Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.							
17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5						\$	0
17.19	Unfunded portion of Interrogatory 17.18						\$	0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18						\$	0
17.21	Case reserves portion of Interrogatory 17.18						\$	0
17.22	Incurred but not reported portion of Interrogatory 17.18						\$	0
17.23	Unearned premium portion of Interrogatory 17.18						\$	0
17.24	Contingent commission portion of Interrogatory 17.18						\$	0
18.1	Do you act as a custodian for health savings accounts?							Yes [] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.						\$	0
18.3	Do you act as an administrator for health savings accounts?							Yes [] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.						\$	0

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	26,316,239	27,492,533	25,572,968	25,219,827	24,118,952
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	223,167,398	208,634,053	192,888,512	166,139,360	140,030,055
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	249,483,637	236,126,586	218,461,480	191,359,187	164,149,007
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	5,104,386	4,666,518	4,523,333	9,352,337	12,026,835
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	35,696,729	35,906,025	35,912,706	23,865,109	29,734,393
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	40,801,115	40,572,543	40,436,039	33,217,446	41,761,228
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(9,105,648)	15,245,958	2,195,199	(4,324,833)	1,613,941
14. Net investment gain (loss) (Line 11).....	2,015,160	1,261,692	464,623	5,116,441	1,990,538
15. Total other income (Line 15).....	80,000				
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	(2,436,261)	5,329,124	1,165,567	(383,796)	438,209
18. Net income (Line 20).....	(4,574,227)	11,178,527	1,494,255	1,175,404	3,166,270
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	159,647,486	149,098,500	125,084,406	109,734,347	110,202,096
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	9,919,299	7,982,029	6,239,743	8,619,945	7,579,609
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	79,886,765	74,387,955	81,310,926	73,400,164	74,843,953
22. Losses (Page 3, Line 1).....	14,890,883	11,751,649	15,339,633	15,000,071	15,427,221
23. Loss adjustment expenses (Page 3, Line 3).....	2,160,087	1,796,082	2,493,578	2,030,883	2,115,537
24. Unearned premiums (Page 3, Line 9).....	26,204,562	24,148,959	24,664,920	14,370,970	26,554,887
25. Capital paid up (Page 3, Lines 30 & 31).....	120	120	120	120	120
26. Surplus as regards policyholders (Page 3, Line 37).....	79,760,721	74,710,545	43,773,480	36,334,183	35,358,143
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(1,472,852)	1,951,327	11,345,387	(5,246,939)	966,568
Risk-Based Capital Analysis					
28. Total adjusted capital.....	79,760,721	74,710,545	43,773,480	36,334,183	35,358,143
29. Authorized control level risk-based capital.....	7,944,071	5,860,574	4,879,689	7,067,679	9,039,788
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	71.1	55.1	21.0	16.9	70.2
31. Stocks (Lines 2.1 & 2.2).....	4.1	3.2	2.9	2.4	2.1
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	1.6	2.1	2.3	2.9	3.0
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	23.2	39.6	73.8	77.8	24.6
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....		0.0		0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....	2,178,735	2,349,815	2,512,569	2,667,401	2,814,697
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	2,178,735	2,349,815	2,512,569	2,667,401	2,814,697
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	2.7	3.1	5.7	7.3	8.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(323,153)	5,414	340,770	81,352	(12,049)
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	5,050,177	30,937,064	7,439,298	976,040	2,958,606
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,475,174	5,043,320	4,466,487	7,100,616	5,194,953
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	73,990,724	60,543,603	51,811,702	48,460,943	40,404,437
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	80,465,898	65,586,923	56,278,189	55,561,559	45,599,390
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,023,700	1,378,775	1,371,790	4,507,059	3,263,756
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	21,132,021	16,709,824	14,510,055	23,317,304	21,287,592
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	23,155,721	18,088,599	15,881,845	27,824,363	24,551,348
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	67.9	35.3	53.8	60.3	44.2
68. Loss expenses incurred (Line 3).....	12.7	9.2	16.9	12.5	10.8
69. Other underwriting expenses incurred (Line 4).....	43.0	18.4	22.0	36.7	42.0
70. Net underwriting gain (loss) (Line 8).....	(23.5)	37.1	7.3	(9.5)	3.1
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	40.6	18.6	16.4	50.1	52.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	80.5	44.5	70.8	72.8	54.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	51.2	54.3	92.4	91.4	118.1
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	6,616	(111)	896	7,284	(2,002)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	8.9	(0.3)	2.5	20.6	(6.2)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	5,981	3,419	8,822	464	(3,106)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	13.7	9.4	24.9	1.4	(10.0)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	(10)	(125)	32	25	1	1	5	122	XXX
2. 2006.....	107,820	67,736	40,084	26,754	8,234	1,152	331	1,785	567	480	20,558	XXX
3. 2007.....	124,415	72,380	52,035	22,194	3,433	1,756	355	1,628	346	800	21,444	XXX
4. 2008.....	116,520	86,452	30,068	27,841	17,339	1,769	855	2,409	1,148	594	12,676	XXX
5. 2009.....	181,388	139,822	41,566	61,443	33,164	4,409	1,497	4,350	2,348	742	33,193	XXX
6. 2010.....	159,924	96,119	63,805	50,453	15,537	6,158	1,260	3,870	1,098	797	42,587	XXX
7. 2011.....	155,516	103,206	52,310	50,977	21,756	5,933	2,172	4,120	1,395	642	35,708	XXX
8. 2012.....	180,805	135,404	45,401	50,464	29,021	3,037	1,277	4,224	1,808	461	25,619	XXX
9. 2013.....	200,562	170,420	30,142	51,974	36,461	2,086	1,294	3,890	2,325	537	17,870	XXX
10. 2014.....	234,025	192,936	41,089	67,580	53,052	3,399	2,738	5,396	3,763	464	16,822	XXX
11. 2015.....	241,605	202,859	38,746	53,536	40,223	1,369	1,027	4,943	3,282	121	15,316	XXX
12. Totals.....	XXX	XXX	XXX	463,206	258,094	31,098	12,830	36,615	18,081	5,645	241,915	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	62	48			5	4			4	4		15	XXX
2. 2006.....												0	XXX
3. 2007.....	484	169			9	3			8	3		325	XXX
4. 2008.....	208	148	2		25	19			25	19	1	75	XXX
5. 2009.....	236	8	6		28		1		28		2	290	XXX
6. 2010.....	1,326	239	209	17	91	25	15	1	106	26	8	1,438	XXX
7. 2011.....	1,450	454	430	102	137	41	31	8	169	49	14	1,563	XXX
8. 2012.....	1,232	368	231	86	106	33	16	6	123	39	19	1,174	XXX
9. 2013.....	1,356	866	762	474	218	137	55	35	275	182	40	971	XXX
10. 2014.....	3,482	2,789	3,531	2,392	524	407	253	179	793	605	60	2,212	XXX
11. 2015.....	18,736	13,920	13,558	10,327	893	663	1,029	772	1,881	1,428	201	8,987	XXX
12. Totals.....	28,571	19,011	18,728	13,398	2,035	1,332	1,399	1,001	3,413	2,354	344	17,051	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX			XXX	13	2
2. 2006.	29,690	9,132	20,558	27.5	13.5	51.3				0	0
3. 2007.	26,079	4,310	21,769	21.0	6.0	41.8				314	11
4. 2008.	32,279	19,528	12,752	27.7	22.6	42.4				62	13
5. 2009.	70,500	37,017	33,484	38.9	26.5	80.6				234	57
6. 2010.	62,227	18,203	44,025	38.9	18.9	69.0				1,278	160
7. 2011.	63,246	25,976	37,270	40.7	25.2	71.2				1,324	239
8. 2012.	59,432	32,640	26,792	32.9	24.1	59.0				1,008	165
9. 2013.	60,616	41,774	18,842	30.2	24.5	62.5				778	194
10. 2014.	84,959	65,925	19,035	36.3	34.2	46.3				1,832	380
11. 2015.	95,945	71,641	24,303	39.7	35.3	62.7				8,047	940
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	14,891	2,160

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior.....	1,024	910	687	791	803	(2,878)	(3,415)	(3,453)	(3,447)	(3,319)	128	134
2. 2006.....	21,147	20,428	18,744	18,697	18,811	19,074	19,021	19,316	19,340	19,340	1	25
3. 2007.....	XXX	20,656	20,299	19,552	19,676	19,668	19,844	19,940	20,075	20,482	407	542
4. 2008.....	XXX	XXX	13,263	11,708	12,033	11,880	11,472	11,479	11,497	11,485	(12)	5
5. 2009.....	XXX	XXX	XXX	28,982	29,225	28,880	30,589	30,453	31,092	31,454	362	1,001
6. 2010.....	XXX	XXX	XXX	XXX	33,931	35,853	37,433	39,485	39,741	41,173	1,432	1,688
7. 2011.....	XXX	XXX	XXX	XXX	XXX	27,994	32,812	32,073	32,962	34,424	1,462	2,352
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	23,382	22,740	23,297	24,293	997	1,553
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,502	15,868	17,184	1,316	(1,318)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,689	17,212	524	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,189	XXX	XXX
12. Totals.....											6,616	5,981

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior.....	000	444	618	737	818	(3,119)	(3,469)	(3,471)	(3,455)	(3,333)	XXX	XXX
2. 2006.....	12,399	16,685	18,028	18,464	18,578	18,784	18,812	19,281	19,340	19,340	XXX	XXX
3. 2007.....	XXX	14,469	17,694	18,488	19,246	19,376	19,535	19,800	20,012	20,162	XXX	XXX
4. 2008.....	XXX	XXX	8,436	10,302	11,338	11,586	11,251	11,280	11,388	11,416	XXX	XXX
5. 2009.....	XXX	XXX	XXX	16,385	25,172	27,320	28,589	29,614	30,348	31,191	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	21,522	30,462	33,451	36,344	38,140	39,815	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	19,496	27,842	29,098	31,246	32,982	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	18,936	20,602	22,108	23,203	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,212	14,882	16,305	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,448	15,189	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,655	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)											
	1	2	3	4	5	6	7	8	9	10		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior.....	618	299	28	17	(152)	94						
2. 2006.....	4,046	1,969	277	80	1							
3. 2007.....	XXX	3,527	1,825	406	169	95	16	18				
4. 2008.....	XXX	XXX	3,255	778	414	102	53	4	19	2		
5. 2009.....	XXX	XXX	XXX	4,854	1,642	507	296	156	1	6		
6. 2010.....	XXX	XXX	XXX	XXX	4,611	1,686	722	646	122	205		
7. 2011.....	XXX	XXX	XXX	XXX	XXX	2,893	1,309	385	149	352		
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,358	421	235	155		
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,392	250	307		
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,036	1,214		
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,489		

Tower Hill Prime Insurance Company SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	N								
2. Alaska.....AK	N								
3. Arizona.....AZ	N								
4. Arkansas.....AR	N								
5. California.....CA	N								
6. Colorado.....CO	N								
7. Connecticut.....CT	N								
8. Delaware.....DE	N								
9. District of Columbia.....DC	N								
10. Florida.....FL	L	249,483,637	241,604,790		79,687,535	96,378,599	45,946,981		
11. Georgia.....GA	N								
12. Hawaii.....HI	N								
13. Idaho.....ID	N								
14. Illinois.....IL	N								
15. Indiana.....IN	N								
16. Iowa.....IA	N								
17. Kansas.....KS	N								
18. Kentucky.....KY	N								
19. Louisiana.....LA	N								
20. Maine.....ME	N								
21. Maryland.....MD	N								
22. Massachusetts.....MA	N								
23. Michigan.....MI	N								
24. Minnesota.....MN	N								
25. Mississippi.....MS	N								
26. Missouri.....MO	N								
27. Montana.....MT	N								
28. Nebraska.....NE	N								
29. Nevada.....NV	N								
30. New Hampshire.....NH	N								
31. New Jersey.....NJ	N								
32. New Mexico.....NM	N								
33. New York.....NY	N								
34. North Carolina.....NC	N								
35. North Dakota.....ND	N								
36. Ohio.....OH	N								
37. Oklahoma.....OK	N								
38. Oregon.....OR	N								
39. Pennsylvania.....PA	N								
40. Rhode Island.....RI	N								
41. South Carolina.....SC	N								
42. South Dakota.....SD	N								
43. Tennessee.....TN	N								
44. Texas.....TX	N								
45. Utah.....UT	N								
46. Vermont.....VT	N								
47. Virginia.....VA	N								
48. Washington.....WA	N								
49. West Virginia.....WV	N								
50. Wisconsin.....WI	N								
51. Wyoming.....WY	N								
52. American Samoa.....AS	N								
53. Guam.....GU	N								
54. Puerto Rico.....PR	N								
55. US Virgin Islands.....VI	N								
56. Northern Mariana Islands.....MP	N								
57. Canada.....CAN	N								
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....	(a).....1	249,483,637	241,604,790	0	79,687,535	96,378,599	45,946,981	0	0

DETAILS OF WRITE-INS

58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

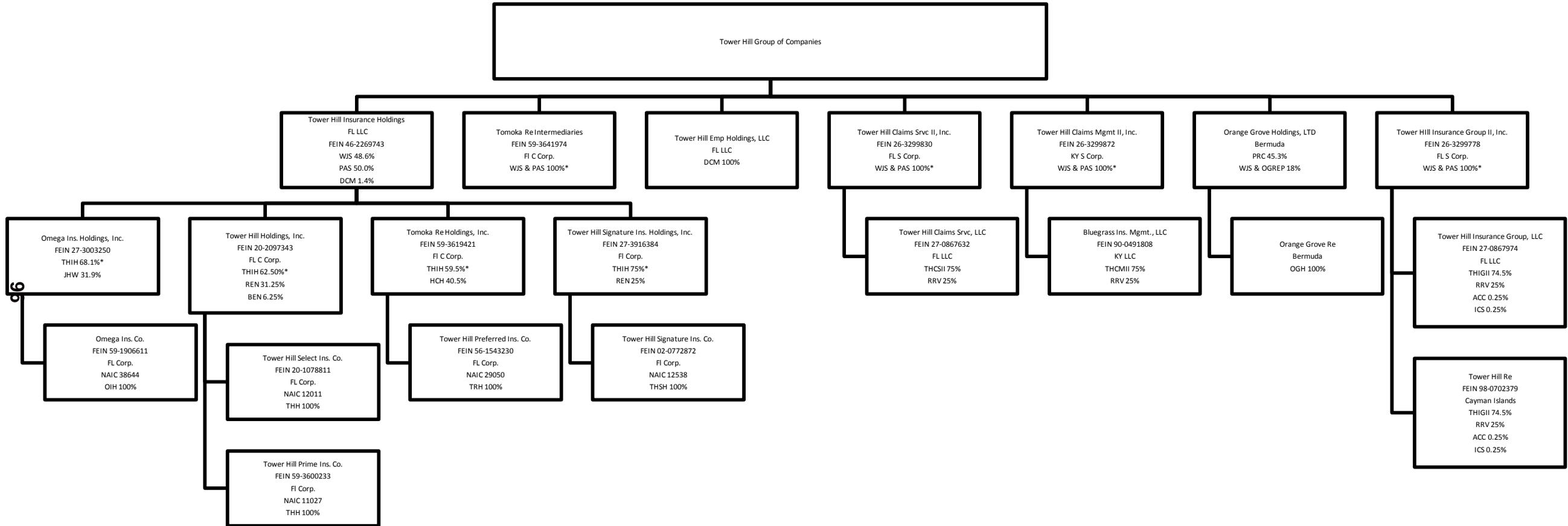
(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are allocated based on location of risk.

Insurance Related Organizations



Ownership Represented in % of Voting Shares:

Benfield Investment Holdings Limited ----- BEN	Tower Hill Insurance Holdings, LLC ----- THIH	Tower Hill Ins. Group, LLC ----- THIG
James H. Winston Revocable Trust ----- JHW	Partner Reinsurance Company ----- PRC	Tower Hill Claims Service, LLC ----- THCSII
RenaissanceRe Ventures, Ltd. ----- REN	Tower Hill Ins. Group II ----- THIGII	Tower Hill Holdings ----- THH
RRV US Holdings, Inc. ----- RRV	ICS Software Acquisition, Inc. ----- ICS	Orange Grove Re Partners LLC ----- OGREP
William J. Shively ----- WJS	Alachua Capital Corp ----- ACC	
Donald C. Matz, Jr. ----- DCM	Tower Hill Claims Service II ----- THCSII	
Hillcrest Holdings ----- HCH	Tomoka Re Holdings, Inc. ----- TRH	
Patricia A. Shively ----- PAS	Tower Hill Signature Ins. Comp. ----- THSH	
Orange Grove Holdings ----- OGH	Omega Ins. Holdings Inc. ----- OIH	

* Includes a proxy by Patricia A. Shively

2015 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	58
Cash Flow	5	Schedule P-Part 2H-Section 1-Other Liability-Occurrence	58
Exhibit of Capital Gains (Losses)	12	Schedule P-Part 2H-Section 2-Other Liability-Claims-Made	58
Exhibit of Net Investment Income	12	Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	59
Exhibit of Nonadmitted Assets	13	Schedule P-Part 2J-Auto Physical Damage	59
Exhibit of Premiums and Losses (State Page)	19	Schedule P-Part 2K-Fidelity, Surety	59
Five-Year Historical Data	17	Schedule P-Part 2L-Other (Including Credit, Accident and Health)	59
General Interrogatories	15	Schedule P-Part 2M-International	59
Jurat Page	1	Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property	60
Liabilities, Surplus and Other Funds	3	Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability	60
Notes To Financial Statements	14	Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines	60
Overflow Page For Write-ins	100	Schedule P-Part 2R-Section 1-Products Liability-Occurrence	61
Schedule A-Part 1	E01	Schedule P-Part 2R-Section 2-Products Liability-Claims-Made	61
Schedule A-Part 2	E02	Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty	61
Schedule A-Part 3	E03	Schedule P-Part 2T-Warranty	61
Schedule A-Verification Between Years	SI02	Schedule P-Part 3A-Homeowners/Farmowners	62
Schedule B-Part 1	E04	Schedule P-Part 3B-Private Passenger Auto Liability/Medical	62
Schedule B-Part 2	E05	Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical	62
Schedule B-Part 3	E06	Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)	62
Schedule B-Verification Between Years	SI02	Schedule P-Part 3E-Commercial Multiple Peril	62
Schedule BA-Part 1	E07	Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence	63
Schedule BA-Part 2	E08	Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made	63
Schedule BA-Part 3	E09	Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	63
Schedule BA-Verification Between Years	SI03	Schedule P-Part 3H-Section 1-Other Liability-Occurrence	63
Schedule D-Part 1	E10	Schedule P-Part 3H-Section 2-Other Liability-Claims-Made	63
Schedule D-Part 1A-Section 1	SI05	Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	64
Schedule D-Part 1A-Section 2	SI08	Schedule P-Part 3J-Auto Physical Damage	64
Schedule D-Part 2-Section 1	E11	Schedule P-Part 3K-Fidelity/Surety	64
Schedule D-Part 2-Section 2	E12	Schedule P-Part 3L-Other (Including Credit, Accident and Health)	64
Schedule D-Part 3	E13	Schedule P-Part 3M-International	64
Schedule D-Part 4	E14	Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property	65
Schedule D-Part 5	E15	Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability	65
Schedule D-Part 6-Section 1	E16	Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule D-Part 6-Section 2	E16	Schedule P-Part 3R-Section 1-Products Liability-Occurrence	66
Schedule D-Summary By Country	SI04	Schedule P-Part 3R-Section 2-Products Liability-Claims-Made	66
Schedule D-Verification Between Years	SI03	Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty	66
Schedule DA-Part 1	E17	Schedule P-Part 3T-Warranty	66
Schedule DA-Verification Between Years	SI10	Schedule P-Part 4A-Homeowners/Farmowners	67
Schedule DB-Part A-Section 1	E18	Schedule P-Part 4B-Private Passenger Auto Liability/Medical	67
Schedule DB-Part A-Section 2	E19	Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical	67
Schedule DB-Part A-Verification Between Years	SI11	Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)	67
Schedule DB-Part B-Section 1	E20	Schedule P-Part 4E-Commercial Multiple Peril	67
Schedule DB-Part B-Section 2	E21	Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence	68
Schedule DB-Part B-Verification Between Years	SI11	Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made	68
Schedule DB-Part C-Section 1	SI12	Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	68
Schedule DB-Part C-Section 2	SI13	Schedule P-Part 4H-Section 1-Other Liability-Occurrence	68
Schedule DB-Part D-Section 1	E22	Schedule P-Part 4H-Section 2-Other Liability-Claims-Made	68
Schedule DB-Part D-Section 2	E23	Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	69
Schedule DB-Verification	SI14	Schedule P-Part 4J-Auto Physical Damage	69
Schedule DL-Part 1	E24	Schedule P-Part 4K-Fidelity/Surety	69
Schedule DL-Part 2	E25	Schedule P-Part 4L-Other (Including Credit, Accident and Health)	69
Schedule E-Part 1-Cash	E26	Schedule P-Part 4M-International	69
Schedule E-Part 2-Cash Equivalents	E27	Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property	70
Schedule E-Part 3-Special Deposits	E28	Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability	70
Schedule E-Verification Between Years	SI15	Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule F-Part 1	20	Schedule P-Part 4R-Section 1-Products Liability-Occurrence	71
Schedule F-Part 2	21	Schedule P-Part 4R-Section 2-Products Liability-Claims-Made	71
Schedule F-Part 3	22	Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty	71
Schedule F-Part 4	23	Schedule P-Part 4T-Warranty	71
Schedule F-Part 5	24	Schedule P-Part 5A-Homeowners/Farmowners	72
Schedule F-Part 6-Section 1	25	Schedule P-Part 5B-Private Passenger Auto Liability/Medical	73
Schedule F-Part 6-Section 2	26	Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical	74
Schedule F-Part 7	27	Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)	75
Schedule F-Part 8	28	Schedule P-Part 5E-Commercial Multiple Peril	76
Schedule F-Part 9	29	Schedule P-Part 5F-Medical Professional Liability-Claims-Made	78
Schedule H-Accident and Health Exhibit-Part 1	30	Schedule P-Part 5F-Medical Professional Liability-Occurrence	77
Schedule H-Part 2, Part 3 and Part 4	31	Schedule P-Part 5H-Other Liability-Claims-Made	80
Schedule H-Part 5-Health Claims	32	Schedule P-Part 5H-Other Liability-Occurrence	79
Schedule P-Part 1-Summary	33	Schedule P-Part 5R-Products Liability-Claims-Made	82
Schedule P-Part 1A-Homeowners/Farmowners	35	Schedule P-Part 5R-Products Liability-Occurrence	81
Schedule P-Part 1B-Private Passenger Auto Liability/Medical	36	Schedule P-Part 5T-Warranty	83
Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical	37	Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical	84
Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)	38	Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)	84
Schedule P-Part 1E-Commercial Multiple Peril	39	Schedule P-Part 6E-Commercial Multiple Peril	85
Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence	40	Schedule P-Part 6H-Other Liability-Claims-Made	86
Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made	41	Schedule P-Part 6H-Other Liability-Occurrence	85
Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	42	Schedule P-Part 6M-International	86
Schedule P-Part 1H-Section 1-Other Liability-Occurrence	43	Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property	87
Schedule P-Part 1H-Section 2-Other Liability-Claims-Made	44	Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability	87
Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45	Schedule P-Part 6R-Products Liability-Claims-Made	88
Schedule P-Part 1J-Auto Physical Damage	46	Schedule P-Part 6R-Products Liability-Occurrence	88
Schedule P-Part 1K-Fidelity/Surety	47	Schedule P-Part 7A-Primary Loss Sensitive Contracts	89
Schedule P-Part 1L-Other (Including Credit, Accident and Health)	48	Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts	91
Schedule P-Part 1M-International	49	Schedule P Interrogatories	93
Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property	50	Schedule T-Exhibit of Premiums Written	94
Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability	51	Schedule T-Part 2-Interstate Compact	95
Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines	52	Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P-Part 1R-Section 1-Products Liability-Occurrence	53	Schedule Y-Detail of Insurance Holding Company System	97
Schedule P-Part 1R-Section 2-Products Liability-Claims-Made	54	Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates	98
Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty	55	Statement of Income	4
Schedule P-Part 1T-Warranty	56	Summary Investment Schedule	SI01
Schedule P-Part 2, Part 3 and Part 4 - Summary	34	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P-Part 2A-Homeowners/Farmowners	57	Underwriting and Investment Exhibit Part 1	6
Schedule P-Part 2B-Private Passenger Auto Liability/Medical	57	Underwriting and Investment Exhibit Part 1A	7
Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical	57	Underwriting and Investment Exhibit Part 1B	8
Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)	57	Underwriting and Investment Exhibit Part 2	9
Schedule P-Part 2E-Commercial Multiple Peril	57	Underwriting and Investment Exhibit Part 2A	10
Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence	58	Underwriting and Investment Exhibit Part 3	11

