



# ANNUAL STATEMENT

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

## First Community Insurance Company

NAIC Group Code.....689, 689 (Current Period) (Prior Period)	NAIC Company Code..... 13990	Employer's ID Number..... 59-3210808
Organized under the Laws of Florida	State of Domicile or Port of Entry Florida	Country of Domicile US
Incorporated/Organized..... November 18, 1993	Commenced Business..... November 18, 1993	
Statutory Home Office	11101 Roosevelt Blvd. N..... St. Petersburg ..... FL ..... US ..... 33716 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	11101 Roosevelt Blvd. N..... St. Petersburg ..... FL ..... US..... 33716 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	727-823-4000 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 15707..... St. Petersburg ..... FL ..... US ..... 33733 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	11101 Roosevelt Blvd. N..... St. Petersburg ..... FL ..... US ..... 33716 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	727-823-4000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.bankersinsurance.com	
Statutory Statement Contact	Nicholas G. Popp <i>(Name)</i> FINCOMP@Bankersinsurance.com <i>(E-Mail Address)</i>	727-823-4000-4112 <i>(Area Code) (Telephone Number) (Extension)</i> 727-803-4139 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. John Arthur Strong #	President	2. Lydia Oforiwah Boakye	Chief Financial Officer
3. Richard Gerard Torra	Secretary	4.	

### OTHER

Ian Brazie Barber	Senior Vice President	Brian Jay Kesneck	Senior Vice President
Lisa Basta Thompson	Senior Vice President	Svetlana Vyacheslavovna Townsend	Senior Vice President
Liz Garzon Brown #	Chief Internal Auditor	William Alfred Lafontaine	Chief Marketing Officer
Ronald Joseph Zaleski Jr.	Chief Actuary	Robert Francis Klauzowski Jr.	Vice President
Robert Grant Southey Jr.	Vice President	Timothy Scott Stroble	Vice President
Randy Adler #	Assistant Vice President	Drew Mason Johnson #	Assistant Vice President

### DIRECTORS OR TRUSTEES

John Arthur Strong (Chairman)	Ted Taylor Devine	Jeffery William Goettman #	Brian Jay Kesneck
Brett Miller Menke	Connie Simmons Parker	David Hamilton Reed	

State of..... Florida  
County of..... Pinellas

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) John Arthur Strong	_____ (Signature) Lydia Oforiwah Boakye	_____ (Signature) Richard Gerard Torra
1. (Printed Name) President	2. (Printed Name) Chief Financial Officer	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of February, 2016

a. Is this an original filing? Yes [X] No [ ]  
b. If no  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

\_\_\_\_\_  
Michelle S Cheney

## 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).....	65,232,534		65,232,534	72,609,286
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 (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 (\$.....11,182,932, Schedule E-Part 1), cash equivalents (\$.....4,750,280, Schedule E-Part 2) and short-term investments (\$.....973,335, Schedule DA).....	16,906,547		16,906,547	34,393,450
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....	9,654		9,654	177,573
9. Receivables for securities.....			.0	
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).....	82,148,735	.0	82,148,735	107,180,309
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	399,839		399,839	462,966
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	347,174		347,174	192,616
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	11,144,235		11,144,235	12,153,078
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,855,993		1,855,993	2,802,864
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.....	2,601,455		2,601,455	2,642,683
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.....	817,198		817,198	294,796
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	768,207	300,090	468,117	158,229
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	100,082,836	300,090	99,782,746	125,887,541
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	100,082,836	300,090	99,782,746	125,887,541

### 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. Accounts Receivable.....	202,053	30,256	171,797	30,631
2502. Prepaid Expenses.....	269,834	269,834	.0	
2503. FIGA Recoupment.....	1,494		1,494	754
2598. Summary of remaining write-ins for Line 25 from overflow page.....	294,826	.0	294,826	126,844
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	768,207	300,090	468,117	158,229

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	12,239,251	11,836,148
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	2,918,937	2,750,059
4. Commissions payable, contingent commissions and other similar charges.....	763,908	2,754,130
5. Other expenses (excluding taxes, licenses and fees).....	1,157,415	1,059,201
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	141,729	612,251
7.1 Current federal and foreign income taxes (including \$.....32,338 on realized capital gains (losses)).....	265,041	737,125
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 \$.....39,263,628 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).....	30,029,102	32,930,774
10. Advance premium.....	2,872,017	3,074,819
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(109,763)	550,053
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	7,847,636	28,478,250
14. Amounts withheld or retained by company for account of others.....	672,853	949,894
15. Remittances and items not allocated.....	177,483	309,292
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		79,647
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	175,653	460,349
20. Derivatives.....		
21. Payable for securities.....		
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.....	171,719	347,626
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	59,322,980	86,929,617
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	59,322,980	86,929,617
29. Aggregate write-ins for special surplus funds.....	5,192,222	5,192,222
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	9,922,575	9,922,575
35. Unassigned funds (surplus).....	22,344,968	20,843,127
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).....	40,459,765	38,957,924
38. TOTALS (Page 2, Line 28, Col. 3).....	99,782,746	125,887,541

### DETAILS OF WRITE-INS

2501. State Income Tax Payable.....	171,719	347,626
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).....	171,719	347,626
2901. FRPCJUA Takeout Bonus As It Applies To Section 627.3511 Subparagraph 5a.....	5,192,222	5,192,222
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).....	5,192,222	5,192,222
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

Annual Statement for the year 2015 of the **First Community Insurance Company**  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	48,872,060	59,178,717
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	18,611,661	19,799,802
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	3,980,128	3,134,001
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	26,261,388	15,734,100
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	48,853,177	38,667,903
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	18,883	20,510,814
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,921,691	1,940,284
10. Net realized capital gains (losses) less capital gains tax of \$.....32,338 (Exhibit of Capital Gains (Losses)).....	60,056	214,557
11. Net investment gain (loss) (Lines 9 + 10).....	1,981,747	2,154,841
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....34,079).....	(34,079)	(24,580)
13. Finance and service charges not included in premiums.....	222,896	244,502
14. Aggregate write-ins for miscellaneous income.....	116,045	158,364
15. Total other income (Lines 12 through 14).....	304,861	378,286
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	2,305,491	23,043,941
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).....	2,305,491	23,043,941
19. Federal and foreign income taxes incurred.....	702,261	6,535,159
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,603,229	16,508,782
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	38,957,925	23,359,650
22. Net income (from Line 20).....	1,603,229	16,508,782
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(63,477).....	(117,885)	125,109
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(104,705)	(1,464,625)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	41,558	424,789
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	79,647	4,220
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.....	0	
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).....	1,501,843	15,598,275
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	40,459,769	38,957,925
<b>DETAILS OF WRITE-INS</b>		
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. Miscellaneous Income (Expense).....	116,045	158,364
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).....	116,045	158,364
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
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	46,061,576	35,633,774
2. Net investment income.....	2,407,861	2,608,289
3. Miscellaneous income.....	304,861	378,286
4. Total (Lines 1 through 3).....	48,774,298	38,620,349
5. Benefit and loss related payments.....	17,261,687	21,266,591
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	32,435,168	17,833,210
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....32,338 tax on capital gains (losses).....	1,206,684	6,878,749
10. Total (Lines 5 through 9).....	50,903,539	45,978,550
11. Net cash from operations (Line 4 minus Line 10).....	(2,129,241)	(7,358,201)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	29,247,199	45,096,027
12.2 Stocks.....		10,307,138
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	10,988	236,803
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	29,258,187	55,639,968
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	22,225,525	65,846,856
13.2 Stocks.....		18,131
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	22,225,525	65,864,987
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).....	7,032,662	(10,225,019)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	0	
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).....	(22,390,320)	24,517,832
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(22,390,319)	24,517,832
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(17,486,899)	6,934,612
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	34,393,446	27,458,834
19.2 End of year (Line 18 plus Line 19.1).....	16,906,547	34,393,446

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

20.0001 .....		
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## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	341,377	360,124	86,217	615,284
2. Allied lines.....	684,662	740,094	180,270	1,244,486
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....	24,992,027	20,493,304	17,235,732	28,249,599
5. Commercial multiple peril.....	17,099,228	10,519,273	11,360,198	16,258,303
6. Mortgage guaranty.....				.0
8. Ocean marine.....				.0
9. Inland marine.....	1,724,015	139,217	358,872	1,504,360
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.....	107,889	126,568	29,634	204,823
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.....	1,021,190	552,194	778,179	795,205
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.....	45,970,388	32,930,774	30,029,102	48,872,060

#### 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

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	86,217				86,217
2. Allied lines.....	180,270				180,270
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....	17,235,732				17,235,732
5. Commercial multiple peril.....	11,360,198				11,360,198
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	358,872				358,872
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.....	29,634				29,634
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.....	778,179				778,179
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.....	30,029,102	0	0	0	30,029,102
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					30,029,102

#### 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: Daily pro-rata

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire.....	346,408				5,031	341,377
2. Allied lines.....	28,157,124				27,472,462	684,662
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....	66,405,913		699,493		42,113,379	24,992,027
5. Commercial multiple peril.....	43,358,338				26,259,110	17,099,228
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....	2,165,670				441,655	1,724,015
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.....	111,798				3,909	107,889
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.....	1,021,190					1,021,190
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.....	141,566,441	.0	699,493	.0	96,295,546	45,970,388

#### 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.....	143,674		33,640	110,035	19,750	6,476	123,309	20.0
2. Allied lines.....	2,108,594		1,813,724	294,871	170,422	146,752	318,541	25.6
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....	24,505,963	1,242,955	12,322,169	13,426,749	6,588,839	6,063,656	13,951,932	49.4
5. Commercial multiple peril.....	7,747,910		3,544,692	4,203,218	5,052,038	5,141,514	4,113,742	25.3
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....	109,034			109,034	50,000	21,250	137,784	9.2
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.....	64,650			64,650	358,200	456,500	(33,650)	(16.4)
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.....	34,679,827	1,242,955	17,714,224	18,208,558	12,239,251	11,836,148	18,611,661	38.1

#### 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	XXX	0.0
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.....	17,541			17,541	3,250		1,041	19,750	3,135
2. Allied lines.....	980,678		918,250	62,428	339,500		231,506	170,422	77,841
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	5,093,088	376,139	2,697,667	2,771,560	7,230,492	300,508	3,713,721	6,588,839	1,303,399
5. Commercial multiple peril.....	5,387,161		2,082,319	3,304,842	3,981,750		2,234,554	5,052,038	1,462,243
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....	20,000			20,000	30,000			50,000	9,000
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.....	148,700			148,700	209,500			358,200	63,318
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.....	11,647,169	376,139	5,698,235	6,325,073	11,794,492	300,508	6,180,822	12,239,251	2,918,937

#### 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.....	5,283,569			5,283,569
1.2 Reinsurance assumed.....	373,497			373,497
1.3 Reinsurance ceded.....	3,623,157			3,623,157
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	2,033,909	0	0	2,033,909
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		25,810,203		25,810,203
2.2 Reinsurance assumed, excluding contingent.....		1,109		1,109
2.3 Reinsurance ceded, excluding contingent.....		23,221,358		23,221,358
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		354,406		354,406
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	2,235,548	0	2,235,548
3. Allowances to manager and agents.....				0
4. Advertising.....	(505)	128,568		128,063
5. Boards, bureaus and associations.....	7	678,108		678,115
6. Surveys and underwriting reports.....	270	704,425		704,695
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	1,214,009	10,873,164	42,342	12,129,515
8.2 Payroll taxes.....	112,636	798,104	2,689	913,429
9. Employee relations and welfare.....	199,801	1,651,443	3,133	1,854,377
10. Insurance.....	36,323	183,547	466	220,336
11. Directors' fees.....		82,242		82,242
12. Travel and travel items.....	29,161	281,256	840	311,257
13. Rent and rent items.....	105,226	732,443	2,772	840,441
14. Equipment.....	9,755	254,540	3	264,298
15. Cost or depreciation of EDP equipment and software.....	28,198	1,007,565	22,788	1,058,550
16. Printing and stationery.....	6,320	297,030	15	303,365
17. Postage, telephone and telegraph, exchange and express.....	98,431	938,679	885	1,037,995
18. Legal and auditing.....	26,393	346,421	81,506	454,320
19. Totals (Lines 3 to 18).....	1,866,024	18,957,535	157,439	20,980,998
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		2,259,548		2,259,548
20.2 Insurance department licenses and fees.....	8,589	141,896		150,485
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....		(215,956)		(215,956)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	8,589	2,185,488	0	2,194,077
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	71,607	2,882,817	3,972	2,958,396
25. Total expenses incurred.....	3,980,129	26,261,388	161,410	(a) 30,402,927
26. Less unpaid expenses - current year.....	2,918,936	2,063,052		4,981,988
27. Add unpaid expenses - prior year.....	2,750,060	4,425,582		7,175,642
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).....	3,811,252	28,623,918	161,410	32,596,580

**DETAILS OF WRITE-INS**

2401. Consulting fees.....	43,940	1,622,311		1,666,251
2402. Contract labor.....	27,666	308,274		335,940
2403. Bank charges and other fees.....		659,979		659,979
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	292,253	3,972	296,225
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	71,607	2,882,817	3,972	2,958,396

(a) Includes management fees of \$.....11,538,780 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).....56,511	.....54,853
1.1 Bonds exempt from U.S. tax.....	(a).....34,274	.....33,721
1.2 Other bonds (unaffiliated).....	(a).....2,049,622	.....1,988,037
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....6,491	.....6,491
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	2,146,898	2,083,101
11. Investment expenses.....	.....	(g).....161,410
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).....	.....	161,410
17. Net investment income (Line 10 minus Line 16).....	.....	1,921,691

### 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 \$.....163,813 accrual of discount less \$.....586,856 amortization of premium and less \$.....61,337 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 \$.....385 accrual of discount less \$.....0 amortization of premium and less \$.....0 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.....	(5,907)		(5,907)		
1.1 Bonds exempt from U.S. tax.....			0		
1.2 Other bonds (unaffiliated).....	85,286		85,286	(11,417)	
1.3 Bonds of affiliates.....			0		
2.1 Preferred stocks (unaffiliated).....			0		
2.11 Preferred stocks of affiliates.....			0		
2.2 Common stocks (unaffiliated).....			0		
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.....			0		
7. Derivative instruments.....			0		
8. Other invested assets.....	13,015		13,015	(169,946)	
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	92,394	0	92,394	(181,362)	0

### DETAILS OF WRITE-INS

0901. ....			0		
0902. ....			0		
0903. ....			0		
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.....		99,521	99,521
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.....			.0
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
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.....	300,090	242,127	(57,963)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	300,090	341,648	41,558
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	300,090	341,648	41,558

### 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. Accounts Receivable .....	30,256	18,436	(11,820)
2502. Prepaid Expenses.....	269,834	223,691	(46,143)
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).....	300,090	242,127	(57,963)

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying financial statements of **First Community Insurance Company** (“the Company” or “FCIC”) have been prepared on the basis of accounting practices prescribed or permitted by the Florida Office of Insurance Regulation.

The state of Florida requires insurance companies domiciled in the state of Florida to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Florida Office of Insurance Regulation.

Reconciliations of net income and policyholders’ surplus between the amounts reported in the accompanying financial statements (FL basis) and NAIC SAP follow:

	<u>State of Domicile</u>	December 2015	December 2014
<b>NET INCOME</b>			
(1) FCIC state basis	FL	\$1,603,229	\$16,508,782
(2) State Prescribed Practices: NONE			0
(3) State Permitted Practices: NONE			0
(4) NAIC SAP (1 - 2 - 3 = 4)	FL	\$1,603,229	\$16,508,782
<b>SURPLUS</b>			
(5) FCIC state basis	FL	\$40,459,765	\$38,957,924
(6) State Prescribed Practices: NONE			0
(7) State Permitted Practices: NONE			0
(8) NAIC SAP (5 - 6 - 7 = 8)	FL	\$40,459,765	\$38,957,924

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by daily pro rata method for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
2. Bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market value.
4. Redeemable preferred stocks are stated at amortized value. Perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
5. First lien mortgage loans on real estate are stated at their unpaid principal balances. Mortgages other than first liens are nonadmitted.
6. Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all collateralized mortgage obligations (“CMO’s”). The prospective adjustment method is used to value all mortgage backed securities (“MBS’s”). Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
7. The Company does not have any investments in insurance or non-insurance subsidiary or affiliated companies.
8. Investments in joint ventures, partnerships, and LLCs are stated using the share of the earnings or losses of the investee from the most recent available financial statements as prescribed in SSAP No. 97 paragraph 13d.
9. The accounting for derivatives is not applicable to the Company. The Company does not hold or issue derivative investments.
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves (see Note 30 for further discussion).
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. In accordance with SAP 55, liabilities for unpaid loss and loss adjustment expenses are established regardless of any payments made to third party administrators, management companies or other entities.

## NOTES TO FINANCIAL STATEMENTS

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. During year 2013, the Company established \$5,000 as the new threshold for capitalization.

13. The Company does not have pharmaceutical rebates.

D. Going Concern

Not applicable

**Note 2 – Accounting Changes and Correction of Errors**

Not applicable

**Note 3 – Business Combinations and Goodwill**

A. Statutory Purchase Method

Not applicable.

B. Statutory Mergers

Not applicable.

C. Writedowns for Impairment of Investments in Affiliates

Not applicable.

**Note 4 – Discontinued Operations**

A. Not applicable.

**Note 5 – Investments**

A. Mortgage Loans

Not applicable.

B. Troubled Debt Restructuring for Creditors

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed and Structured Securities

1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker/dealer survey values or internal estimates.

2. The following summarizes, in the aggregate, all securities with a recognized other-than-temporary impairment, wherein the Company has (a) an intent to sell or (b) an inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis:

	Amortized cost basis before other-than-temporary impairment	Other-than temporary impairment recognized in loss	Fair Value
Aggregate intent to sell	\$ -	\$ -	\$ -
Aggregate lack of intent & inability	\$ -	\$ -	\$ -

3. The Company does not hold securities with a recognized other-than-temporary impairment where the present value of cash flows expected to be collected is less than the amortized cost basis of the securities.

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

Amortized Cost	Less than 12 Months		12 Months or More		Total	
	Unrealized Losses	Market Value	Unrealized Losses	Market Value	Unrealized Losses	Market Value
	\$(158,239)	\$12,685,776	\$(129,039)	\$5,159,245	\$(287,278)	\$17,845,021

## NOTES TO FINANCIAL STATEMENTS

5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

**E. Repurchase Agreements**

Not applicable.

**F. Real Estate**

The Company does not own any real estate.

**G. Low Income Housing Tax Credits**

Not applicable.

**H. Restricted Asset**

2. Restricted assets including pledged summarized by restricted asset category

Restricted Asset Category	Gross Restricted							Total Current Year Admitted Restricted	Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year 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											
h. Letter stock or securities											

**NOTES TO FINANCIAL STATEMENTS**

restricted as to sale										
j. On deposit with state	6,590,807				6,590,807	8,338,361	(1,747,554)	6,590,807	6.59%	0%
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	7,847,636				7,847,636	28,478,250	(20,630,614)	7,847,636	7.84%	0%
o. Total restricted assets	14,438,443				14,438,443	38,816,611	(22,378,168)	14,438,443	14.43%	0%

- (a) Subset of column 1  
(b) Subset of column 3

**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. Detail for Those Greater than 10% of Admitted Assets**

Not applicable.

**B. Writedowns for Impairments of Joint Ventures, Partnerships and LLCs**

The Company did not recognize any impairment / write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during 2015.

**Note 7 – Investment Income****A. Accrued Investment Income**

The Company does not admit investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans or amounts on mortgage loans in default).

**B. Amounts Nonadmitted**

Not applicable.

**Note 8 – Derivative Instruments**

Not applicable.

**NOTES TO FINANCIAL STATEMENTS****Note 9 – Income Taxes**

## A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

1. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	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 3-6) Total
(a) Gross Deferred Tax Asset	2,837,948	2,497	2,840,445	2,950,685	-	2,950,685	(112,737)	2,497	(110,240)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	2,837,948	2,497	2,840,445	2,950,685	-	2,950,685	(112,737)	2,497	(110,240)
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal (Net Admitted Deferred Tax Assets) (1c-1d)	2,837,948	2,497	2,840,445	2,950,685	-	2,950,685	(112,737)	2,497	(110,240)
(f) Deferred Tax Liabilities	-	238,990	238,990	8,033	299,970	308,002	(8,033)	(60,980)	(69,012)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability)	2,837,948	(236,493)	2,601,455	2,972,652	(299,970)	2,642,683	(104,704)	63,477	(41,228)

## 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 3-6) Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	2,727,818	-	2,727,818	2,884,085	-	2,884,085	(156,267)	-	(156,267)
(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:	20,123	-	20,123	9,419	-	9,419	10,704	-	10,704
1. Adjusted Gross Deferred Tax Assets expected to be realized following the balance sheet date	20,123	-	20,123	9,419	-	9,419	10,704	-	10,704
2. Adjusted Gross Deferred Tax Assets allowed per limitation threshold	XXX	XXX	5,678,747	XXX	XXX	5,447,286	XXX	XXX	231,460
(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	90,007	2,497	92,504	57,181	-	57,181	32,826	2,497	35,323
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101									
Total 2(a)+2(b)+2(c)	2,837,948	2,497	2,840,445	2,950,685	-	2,950,685	(112,737)	2,497	(110,240)

## 3. Other Admissibility Criteria

	2015	2014
a. Ratio percentage used to determine recovery period and threshold limitation amount	570.180%	911.300%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	37,858,311	36,315,241

**NOTES TO FINANCIAL STATEMENTS**

## 4. Impact Tax Planning Strategies

	2015		2014		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c).	2,837,948	2,497	2,950,685	-	(112,737)	2,497
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e).	2,837,948	2,497	2,950,685	-	(112,737)	2,497
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. Does the company's tax planning strategies include the use of reinsurance? Yes[ ] No [X]						

## B. Regarding deferred tax liabilities that are not recognized:

Not applicable.

## C. Current and deferred income taxes consist of the following major components:

## 1. Current income taxes incurred:

	1 2015	2 2014	3 (Col 1-2) Change
(a) Federal	609,343	6,511,431	(5,902,088)
(b) Foreign	-	-	-
(c) Subtotal	609,343	6,511,431	(5,902,088)
(d) Federal income tax on net capital gains	32,338	115,531	(83,193)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	92,918	23,728	69,190
(g) Federal and Foreign income taxes incurred	734,600	6,650,690	(5,916,090)

## 2. Deferred Tax Assets:

	1 2015	2 2014	3 (Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	186,885	150,826	36,059
(2) Unearned premium reserve and premium suspense	2,315,503	2,542,042	(226,539)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Fixed assets	14,388	-	14,388
(7) Non-deductible accruals	166,460	84,474	81,986
(8) Receivables-nonadmitted	-	-	-
(9) Net operating loss carry-forward	-	-	-
(10) Tax credit carry-forward	-	-	-
(11) Other (including items <5% of total ordinary tax assets)	49,680	53,764	(4,083)
(12) Other assets – nonadmitted	105,032	119,577	(14,545)
<b>(99) Subtotal</b>	<b>2,837,948</b>	<b>2,950,685</b>	<b>(112,737)</b>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Non-admitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	2,837,948	2,950,685	(112,737)

**NOTES TO FINANCIAL STATEMENTS**

(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real Estate	2,497	-	2,497
(4) Other (including items <5% of total capital tax assets)	-	-	-
<b>(99) Subtotal</b>	<b>2,497</b>	<b>-</b>	<b>2,497</b>
(f) Statutory valuation allowance adjustment	-	-	-
(g) Non-admitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
(i) Admitted deferred tax assets (2d+2h)	2,840,445	2,950,685	(110,240)

## 3. Deferred Tax Liabilities:

	1	2	3
	<b>2015</b>	<b>2014</b>	<b>(Col 1-2) Change</b>
(a) Ordinary:			
(1) Investments	-	8,033	(8,033)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total capital tax assets)	-	-	-
(6) Additional acquisition costs-installment premium	-	-	-
(7) Discount of accrued salvage and subrogation	-	-	-
(8) Guaranty funds receivable	-	-	-
<b>(99) Subtotal</b>	<b>-</b>	<b>8,033</b>	<b>(8,033)</b>
(b) Capital:			
(1) Investments	238,990	238,990	-
(2) Real estate	-	60,980	(60,980)
(3) Other (including items <5% of total capital tax assets)	-	-	-
<b>(99) Subtotal</b>	<b>238,990</b>	<b>299,970</b>	<b>(60,980)</b>
(c) Deferred tax liabilities (3a99+3b99)	238,990	308,002	(69,012)

4. Net deferred tax assets/liabilities (2i-3c) 2,601,455      2,642,683      (41,228)

## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

Description	2015	
	Amount (000's)	Effective Tax Rate %
Provision computed at statutory rate	818,243	35.00%
Nondeductible expenses	3,786	0.2
Change in non-admitted assets	14,545	0.6
Tax exempt income deduction	(10,006)	(0.4)
Dividends Received Deduction	-	0.0
Prior Year True-up	12,734	0.5
Other	-	0.0
<b>Totals</b>	<b>839,302</b>	<b>35.90%</b>
Federal and foreign income taxes incurred	734,600	31.4
Realized capital gains (losses) tax	-	0.0
Change in net deferred income taxes	104,702	4.5
<b>Totals</b>	<b>839,302</b>	<b>35.90%</b>

## E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits

3. At December 31, 2015 the Company has \$-0- in unused operating loss carryforward.

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## NOTES TO FINANCIAL STATEMENTS

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2. For 2015 and 2014, the Company has the following income tax expense available for recoupment in the event of future net losses.

Year	Amount
2015	641,681
2014	6,719,881

3. 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:

Bankers Business Group, Inc.  
 Bankers Financial Corporation  
 Bankers Home Warranty Association, Inc.  
 Bankers Insurance Company  
 Bankers Insurance Group, Inc.  
 Bankers Insurance Services, Inc.  
 Bankers International Financial Corporation  
 Bankers International Securities, Inc.  
 Bankers Life Insurance Company  
 Bankers Surety Services, Inc.  
 Bankers Specialty Insurance Company  
 Bankers Underwriters, Inc.  
 Bankers Warranty Group, Inc.  
 Bankers Warranty Group of Florida, Inc.  
 Bankers Warranty Group of Oklahoma, Inc.  
 BFC Asset Group, Inc.  
 BFC Surety Group, Inc.  
 BinTech Partners, Inc..  
 BKW – Asset Management, Inc.  
 BKW – Greenacres Assets, Inc.  
 Bonded Builders Inspection Services, LLC (f/k/a Southeast Bonded Homebuilders Warranty Association, LLC)  
 Bonded Builders Home Warranty Association of Nevada, Inc.  
 Bonded Builders Home Warranty Association of South Carolina, Inc.  
 Bonded Builders Home Warranty Association of Texas, Inc.  
 Bonded Builders Insurance Company, A Risk Retention Group  
 Bonded Builders Service Corporation  
 Command Claims, Inc.  
 Decision Administrative Services, Inc.  
 Decision Payroll Services, Inc.  
 DecisionHR Holdings, Inc.  
 DecisionHR USA, Inc.  
 DecisionHR, Inc.  
 DecisionHR I, Inc.  
 DecisionHR II, Inc.  
 DecisionHR V, Inc.  
 DecisionHR VII, Inc.  
 DecisionHR VIII, Inc.  
 DecisionHR IX, Inc.  
 DecisionHR XIII, Inc.  
 DecisionHR XIV, Inc.  
 DecisionHR XXI, Inc.  
 DecisionHR XXII, Inc.  
 DecisionHR 30, Inc.  
 DecisionHR 41, Inc.  
 DecisionHR 42, Inc.  
 DecisionHR 44, Inc.  
 DecisionHR 45, Inc.  
 DedicatedHR USA, Inc.  
 Emerge Monitoring, Inc.  
 Emerge Monitoring II, LLC  
 Executive Aviation Group, Inc.  
 First Community Insurance Company  
 G. D. van Wagenen Financial Services, Inc.  
 Gilchrist Executive Retreat and Conference Center, Inc.  
 Lakeland Hills Assets, Inc.  
 River Road Real Property Holdings, Inc.  
 Southern Rental & Leasing Corporation  
 Suwannee Lake Plantation, Inc.  
 Wildlife & Natural Wilderness Trust, Inc.

The below company has not been capitalized or is inactive at December 31, 2015:

VAC Service Corporation, Inc.

## NOTES TO FINANCIAL STATEMENTS

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled at year-end.

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 and Affiliates

A. Nature of Relationships

The Company is a wholly owned subsidiary of Bankers Specialty Insurance Company (Parent), a privately held corporation incorporated in the state of Louisiana.

B. Detail of Transactions Greater than ½% of Admitted Assets

- On June 1, 2013, the Company renewed its Property Catastrophe Excess of Loss Reinsurance agreement with BIC (“Reinsurer”) insuring Fire, Allied Lines, Homeowners and Business Owners policies. According to the agreement, the reinsurer shall be liable for 100% of the Ultimate Net Loss not to exceed \$3 million as respects any one Loss Occurrence. The limit of liability of the reinsurer in respect to losses occurring during the term of the agreement shall not exceed 100% of \$6 million. The agreement expired on May 31, 2014 and is now in run off.
- On December 31, 2014, the Company mutually terminated its Multi-Line Quota Share Reinsurance Agreement (“Treaty 39.5”) with BIC (“Reinsurer”) insuring Fire, Allied Lines, and Homeowners policies classified as excluding wind coverage. The Reinsurer returned all unearned premium applicable to the unexpired liability less the commission allowed by the Reinsurer thereon. The Reinsurer was relieved of all liability for losses occurring subsequent to the effective date of the termination.
- The Company paid the following commissions pursuant to affiliated agency agreements:

	2015	2014
Bankers Underwriters, Inc. (BUI)	6,663,431	7,653,932
Bankers Insurance Services (BIS)	357,314	433,435
Bankers Surety Services ( BSS)	785,681	771,349
Total	7,806,426	8,724,452

- The Company did not have any security transactions with affiliates in 2015.

C. Change in Terms of Intercompany Arrangements

In 2015, the administrator for the intercompany management fees and cost sharing arrangement was changed from Bankers Insurance Group to Bankers Financial Group, the ultimate parent.

D. Amounts Due To or From Related Parties

The Company reported \$41,784 and \$0 due from parent and \$(641,549) and \$165,553 due to affiliates in the current and prior year, respectively. The amounts due to affiliates are as follows:

Affiliate	2015	2014
Bankers Insurance Company (BIC)	(790,042)	108,839
BinTech, Inc.	(27,150)	248,037
Bankers Surety Services ( BSS)	-	36,927
Bankers Insurance Group (BIG)	(6)	(249,067)
Bankers Financial Corp.	127,840	(2,937)
Bankers Underwriters, Inc. (BUI)	6,028	17,881
Bankers Specialty Insurance Company (BSIC)	41,784	-
Total	(641,549)	165,533

Company policy is for intercompany balances to be settled within 30 days following the close of the month.

E. Guarantees or Contingencies for Related Parties

(See Note 14).

F. Management, Service Contracts, Cost Sharing Arrangements

The company has cost sharing arrangements with the Parent and certain affiliates. The agreements allocate cost based upon the scope of work and responsibilities for the benefit of other affiliated companies. The company also has a servicing contract arrangement with an affiliate which administers the operation of flood, cash processing and insurance customer service.

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## NOTES TO FINANCIAL STATEMENTS

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The allocations in 2015 pursuant to cost allocation arrangement are as follows:

<b>Allocated to:</b>					
	BIC	FCIC	BSIC	BLIC	BFC Affiliates
<b>Allocated from:</b>					
BIC	\$ -	\$ 892,838	\$ 108,122	\$ -	\$ -
FCIC	\$ 1,702,844	\$ -	\$ 1,418,361	\$ -	\$ 164,383
BFC	\$ 3,530,318	\$ 11,604,256	\$ 779,209	\$ 985,393	\$ 8,506,277

Allocated expenses from/to affiliated companies are settled at the end of each month. Any true-up at year end is settled within 30 days.

The company and certain affiliates are party to an internal contract labor arrangement. Pursuant to the arrangement, certain employees are leased to other group members. During the years ended December 31, 2015 and 2014, the contract labor expense recovered was \$252,607 and \$5,739,016, respectively.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable.

J. Writedowns for Impairments of Investments in Affiliates

Not applicable.

K. Foreign Subsidiary Valued using CARVM

Not applicable.

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable.

M. Non-Insurance Subsidiary, Controlled and Affiliated (SCA) Entity Valuations

Not applicable

N. Insurance SCA Entities Utilizing Prescribed or Permitted Practices

Not applicable

### **Note 11 – Debt**

A. Amount, Interest, Maturities, Collateral, Covenants

Not applicable.

B. Federal Home Loan Bank Agreements

Not applicable.

### **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

A. Defined Benefit Plans

Not applicable.

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## NOTES TO FINANCIAL STATEMENTS

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**B-D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions**

Not applicable.

**E. Defined Contribution Plans**

The Ultimate Parent, Bankers Financial Corporation ("BFC"), sponsors a defined contribution savings plan covering substantially all employees of the Company. See Note 12G.

**F. Multiemployer Plans**

Not applicable.

**G. Consolidated/Holding Company Plans**

BFC sponsors a defined contribution savings plan ("Plan") covering substantially all employees of the Company. Effective January 1, 2003, the Plan provides that the Company may, but is not required to, make a contribution each year. Employees may contribute up to the government maximum allowed for a given year to the Plan which is subject to a discretionary BFC match. The BFC match is allocated to the Company based on employee's contributions. The Company's share of this savings plan expense was \$196,067 and \$34,955 in 2015 and 2014, respectively. The Company has no legal obligation for benefits under this plan.

On December 26, 2007, the BFC Board of Directors approved a new non-qualified deferred compensation program known as the Value Appreciation Plan ("VAP"). The purpose of the VAP was to enable the Company and its subsidiary companies to attract and retain persons of outstanding competence as key employees of BFC and/or its subsidiaries and to retain the benefit of counsel from the Company's retirees.

Effective January 2011, the BFC Board of Directors discontinued the granting of additional awards under the VAP program for years 2011 and forward. The Company shall pay all employee entitlements earned through December 31, 2010 consistent with the provisions of the VAP program.

**H. Post-employment Benefits and Compensated Absences**

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

**I. Impact of Medicare Modernization Act on Postretirement Benefits**

Not applicable.

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations****(1) Outstanding Shares**

As of December 31, 2015 and 2014, the Company had 1,500,000 shares of \$4 par value common stock authorized, of which 750,000 issued and outstanding. As of December 31, 2015 BSIC held 750,000 shares.

**(2) Dividend Rate of Preferred Stock**

Not applicable.

**(3) Dividend Restrictions**

The maximum amount of dividends which can be paid by State of Florida insurance companies without prior approval by the Insurance Commission cannot exceed the larger of: 10% of policyholders' surplus or the entire net income of the first preceding year plus a two year carry forward. The allowable dividend may also be computed as 10% of surplus with dividends constrained to unassigned funds minus 25% of unrealized capital gains. A third computation provides for the lesser of 10% of surplus or net investment income plus a three year carry forward with dividends constrained to unassigned funds minus 25% of unrealized capital gains. Consistent with Florida statute 628.371 and should the Company pay a dividend, the dividend shall not be greater than the Company's available and accumulated surplus funds derived from realized operating profits and net realized capital gains.

In lieu of the above computations, the maximum dividend may be up to the greater of 10% of surplus derived from realized net operating profits and realized capital gains or net operating profits and net realized capital gains from the immediately preceding calendar year, limited to 115% of minimum required surplus after dividends. For the year 2015, the maximum dividend allowable not requiring approval or notice pursuant to Florida Statute 628.371 is \$4,045,977.

**(4) Dates and Amounts of Dividends Paid**

There were no dividends paid by the Company in 2015 and 2014.

**(5) Amount of Ordinary Dividends That May Be Paid**

Other than the limitations described above in paragraph C, there are no other limitations on the amount of ordinary dividends that may be paid other than the general restriction under the insurance regulations of Florida that no dividend (ordinary or extraordinary) may be declared or paid from any source other than unassigned funds without approval of the Florida Insurance Commission.

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## NOTES TO FINANCIAL STATEMENTS

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## (6) Restrictions on Unassigned Funds

. There are no restrictions on the unassigned funds of the Company other than those described above in paragraphs 3 and 5 and these unassigned funds are held for the benefit of the owner and policyholders

## (7) Mutual Surplus Advances

Not applicable.

## (8) Company Stock Held for Special Purposes

Not applicable.

## (9) Changes in Special Surplus Funds

Not applicable.

## (10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus	Current Year Increase (Decrease) in Surplus
1. Non-admitted assets	(300,090)	41,559
2. Unrealized gain or (loss)	(1,149,078)	(181,363)
3. Gross deferred tax assets/liabilities	2,690,786	(41,229)
4. Dividends to stockholders	(2,500,000)	-
5. Unauthorized Reinsurance	-	79,647
6. Retained Earnings	23,603,350	1,603,229
<b>Total Increase/(Decrease)</b>	<b>22,344,968</b>	<b>1,501,843</b>

## (11) Surplus Notes

Not applicable.

## (12) and (13) Quasi Reorganizations

Not applicable.

**Note 14 – Contingencies**

## A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. As indicated in Note 10E, the Company has made no guarantees on behalf of affiliates.

## B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the State of Florida in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or in the case of loss based assessments, at the time the losses are incurred.

The Company did not receive any notification of insolvencies or make any assessment payment during 2015.

## 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

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## **NOTES TO FINANCIAL STATEMENTS**

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G. All other Contingencies

At the end of the current and prior year, the Company had \$11,491,409 and \$12,445,215, respectively in admitted premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, there are no uncollectible premiums receivable as of the end of the current year.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

**Note 15 – Leases**

A. Lessee Leasing Arrangements

The Company subleases office facilities under a lease arrangement with its Parent company, BIC. The 2015 and 2014 lease expense allocated for these facilities was \$840,441 and \$779,060, respectively. The Parent and the Company have agreed to continue the lease agreement which expired in 2008 on a month-to-month basis. The total subleased space and the annual base rent are subject to change from time to time as necessary.

B. Lessor Leasing Arrangements

The Company is not engaged in any operating or leveraged leases.

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and with Concentrations of Credit Risk**

(1) Face or Contract Amounts

Not applicable.

(2) Nature and Terms

Not applicable.

(3) Exposure to Credit-Related Losses

Not applicable.

(4) Collateral Policy

Not applicable.

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

Not applicable.

C. Wash Sales

There were no wash sales transactions.

**Note 18 – Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans**

A. Administrative Services Only ("ASO") Plans

Not applicable.

B. Administrative Services Contract ("ASC") Plans

Not applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### Note 19 – Direct Premiums Written/Produced by Managing General Agents / Third Party Administrators

#### A. Detail if Amount Greater than 5% of Policyholder's Surplus

As reported in the following chart, two managing general agents ("MGA") write direct premiums greater than 5% of policyholders' surplus. The terms of the MGA contracts give the MGAs authority for reinsurance ("R") The Company retains underwriting authority for all policies issued under this agreement.

Name and Address	FEI Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premium Written
Bankers Underwriters, Inc. 11101 Roosevelt Blvd. N St. Petersburg, FL 33716	59-2958834	No	Fire, HO, Allied Lines, CMP, G/L & Inland Marine	R	\$ 138,774,989

### Note 20 – Fair Value Measurements

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

##### 1. Assets and Liabilities Measured at Fair Value: Levels 1, 2 and 3

	(Level 1) \$	(Level 2) \$	(Level 3) \$	Total \$
<b>a. Assets at fair value</b>				
Preferred Stock				
Industrial and Misc	-	-	-	-
Perpetual Preferred Stock	-	-	-	-
Industrial and Misc	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Preferred Stocks	-	-	-	-
Bonds				
U.S. Governments	-	-	-	-
Industrial and Misc	-	209,738	-	209,738
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	209,738	-	209,738
Common Stock				
Industrial and Misc	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	-	-	-	-
Derivative Assets				
Interest rate contracts	-	-	-	-
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total Derivatives	-	-	-	-
Separate account assets	-	-	-	-
Total assets at fair value	-	209,738	-	209,738
<b>b. Liabilities at fair value</b>				
Derivative liabilities	-	-	-	-
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

##### 2. Rollforward of Level 3 items

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

##### 3. Policy on Transfers Into and Out of Level 3

Transfers into Level 3 and out of Level 3 are recognized at the beginning of the period.

## NOTES TO FINANCIAL STATEMENTS

### 4. Inputs and Techniques Used for Fair Value

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. The observable inputs are used in valuation models to calculate the fair value for the asset.

Level 3 inputs are unobservable for the asset and liability and are supported by little or no market activity but are significant to the estimated fair value of the assets or liabilities.

For both bonds and equity securities quoted market values are provided by third-party organizations (Interactive Data Services, Northern Trust, and Bloomberg). If quoted market values are unavailable, fair value is estimated by using broker adjusted pricing and/or internal models.

### 5. Derivative assets and liabilities

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 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 able in Note 20A.

Type of Financial Instruments	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Financial Instruments – assets	64,907,807	65,232,534	2,310,052	62,597,755		
Bonds						
Cash equivalents and short-term investments	16,906,547	16,906,547	16,906,547			
Total Assets	81,814,354	82,139,081	19,216,599	62,597,755		

### D. Items for which Not Practicable to Estimate Fair Values

Not applicable.

## **Note 21 – Other Items**

### A. Unusual or Infrequent Items

Not applicable.

### B. Troubled Debt Restructuring for Debtors

Not applicable.

### C. Other Disclosures

- Assets in the amount of \$6,590,807 and \$8,338,361 at December 31, 2015 and 2014, respectively, were on deposit with government authorities or trustees as required by law.
- Direct Bail Bond Consideration Withheld by Agents

Pursuant to Section 624.4094 of the Florida Insurance Code, the Company reports Bail Bond Premium as follows:

Name of State	Gross Bail Bond Premium Written	Premium Taxes Incurred	Total Consideration Withheld by Agent	Amount of Bail Bond Premium Included in Surety Line 24
Florida	792,004	9,708	739,914	52,091
Louisiana	6,303,886	-	5,894,744	409,142
North Carolina	2,887,823	54,869	2,700,115	187,709
Texas	5,726,901	5,956	5,354,652	372,249
Totals	15,710,615	70,533	14,689,425	1,021,190

**NOTES TO FINANCIAL STATEMENTS****3. Bail Bond Build Up Funds**

In accordance with Section 648.29(1), Florida Statutes, for Bail Bond business all build up funds pledged to indemnify an insurer, which are posted by a bail bond agent or agency with the insurer, must be held in an individual build-up trust account for the agent or agency. These funds must be held in an FDIC-approved or FSLIC-approved bank or savings and loan association in the state of Florida, jointly in the name of the agent or the agency and the insurer or in trust for the agent or agency by the insurer. An accounting of all such funds is maintained by the Company which designates the amounts collected on each bond written.

Additionally, in accordance with Section 648.29(3), Florida Statutes, build-up funds are the sole property of the agent or agency. Upon termination of the bail bond agency or agent's contract and discharge of open bond liabilities on the bonds written, build-up funds are due and payable to the bail bond agent or agency no later than 6 months after the initial discharge of the open bond liabilities.

Pursuant to Section 624.29 of the Florida Insurance Code, the Company reports the total amount of the Bail Bond build-up funds at \$656,020 and \$629,242 as of December 31, 2015 and December 31, 2014, respectively. These funds are segregated from the general operating fund of the Company and are not reported as an asset or liability within the financial statements.

**4. Agents' Balances Certification****EXHIBIT C****AGENTS' BALANCES CERTIFICATION**

As of December 31, 2015

**THIS FORM IS DUE ON MARCH 1, MAY 15, AUGUST 15, AND NOVEMBER 15  
WITH ANNUAL AND QUARTERLY STATEMENT FILINGS  
PROPERTY/CASUALTY COMPANIES ONLY**

Agents' Balances or Uncollected	
Premiums per Statement-before reduction for ceded reinsurance balances payable	\$ 347,174 (1)
Premiums collected from ' ' Controlled ' ' or ' ' Controlling ' ' Persons	\$ _____ (2)
Premiums Collected by ' ' Controlled ' ' or ' ' Controlling ' ' Person within 15 working days immediately preceding reporting period; F.S. 625.012(5) (a) I.	\$ _____ (3)
*Amount of Applicable:	
Trust Fund	\$ _____ (4)
Letter of Credit	\$ _____ (5)
Financial Guaranty Bond	\$ _____ (6)
Total of Lines (4), (5), & (6)	\$ _____ (7)
(2) minus (3) minus (7), should not exceed zero	\$ _____ (8)

**D. Business Interruption Insurance Recoveries**

Not applicable.

**E. State Transferable and Non - Transferable Tax Credits**

Not applicable.

**F. Subprime Mortgage Related Risk Exposure**

- The Company's exposure to the subprime mortgage market is limited to investments in securitization structures of mortgage-backed securities or debt obligations of financial institutions whose primary business was subprime lending. For mortgage-backed securities, the Company considers subprime to mean the weighted average credit score of the underlying collateral securitizing the structure is under 620. Accordingly, no securities are defined as subprime. For debt obligations of financial institutions, the Company considers if the primary income source for the corporation was derived from subprime lending. The Company has not made any investments in derivative structures such as collateralized debt obligations (CDO) or collateralized loan obligations (CLO). The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses allocated from defaults or foreclosures within securitized structures. Conservative investment practices limit the company's exposure to such losses. All investments are closely reviewed as part of the ongoing other-than-temporary impairment monitoring process.

## NOTES TO FINANCIAL STATEMENTS

### 2. Direct Exposure - Mortgage Loans

The Company has no direct exposure through investments in subprime mortgage loans

### 3. Direct Exposure – Other Investment Classes Loans

The table below summarizes the Company’s investments relating to mortgage-backed securities and debt obligations issued by financial institutions considered to have subprime exposure per the Company’s classification criteria.

	Actual Cost	Book Value	Fair Value	Impairments Recognized
Residential mortgage-backed securities	6,107,166	6,196,295	6,211,339	-
Debt obligations issued by financial institutions	-	-	-	-
Unaffiliated equity interest in financial institutions	-	-	-	-
<b>Total</b>	<b>6,107,166</b>	<b>6,196,295</b>	<b>6,211,339</b>	<b>-</b>

4. The company has no underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

### G. Proceeds from Issuance of Insurance-Linked Securities

Not applicable.

### Note 22 – Events Subsequent

#### Type 1

In February 2016, the Company received cash in the amount of \$20,990 from two of its catastrophe reinsurers. These amounts have been included in the estimates of Schedule F penalties.

### Note 23 - Reinsurance

#### A. Unsecured Reinsurance Recoverables

The Company has unsecured reinsurance recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with individual reinsurers, authorized or unauthorized, that exceeds 3 % of policyholders’ surplus as of December 31, 2015 as follows:

NAIC Code	Federal ID#	Name of Reinsurer	Amount
25364	13-1675535	Swiss Reinsurance America	\$ 27,149,000
N/A	AA-9991310	Florida Hurricane Catastrophe Fund	\$ 1,744,000
22039	13-2673100	General Reinsurance Corporation	\$ 1,487,000

#### B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables for paid losses and loss adjustment expenses that exceed 5% of policyholders’ surplus for an individual reinsurer or 10% of policyholders’ surplus in dispute.

#### C. Reinsurance Assumed and Ceded

- The Company was approved for one assumption of \$12,897 Homeowners policies from Citizens Property Insurance Corporation (“CPIC”). The assumption transaction was completed with 1, 277 policies assumed on April 28, 2015.
- The following table summarizes assumed and ceded unearned premiums and the related commission equity at December 31, 2015.

	Assumed		Ceded		Assumed Less Ceded	
	UPR	Comm Equity	UPR	Comm Equity	UPR	Comm Equity
a. Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. All Other	18,694	-	39,263,628	10,528,876	(32,244,934)	(10,528,876)
c. Totals	\$ 18,694	\$ -	\$ 39,263,628	\$ 10,528,876	\$ (32,244,934)	\$ (10,528,876)
d. Direct Unearned Premium Reserve	\$69,274,037					

**NOTES TO FINANCIAL STATEMENTS**

3. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts payable (receivable) accrued at December 31, 2015 are as follows:

Description	Direct	Assumed	Ceded	Net
a. Cont. comm.	-	-	\$ 275,582	\$ (275,582)
b. Other				
c. Total	-	-	\$ 275,582	\$ (275,582)

## D. Uncollectible Reinsurance

Not applicable.

## E. Commutation of Ceded Reinsurance

There was no commutation reinsurance in 2015.

In May 2014, the Company commuted a 67.5% portion of a property catastrophe reinstatement premium protection agreement with a reinsurer. The Company recognized the amounts received from the reinsurers as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The Company also increased its loss and loss adjustment expense reserves (thereby increasing losses and loss adjustment expenses incurred) to recognize the effect of releasing the reinsurer from its obligations under the agreement. The Company assumed the risk on the reinsurer's proportionate share on all remaining claims under the treaties. The net effect of the commutation was a decrease in losses and loss adjustment expenses of \$3,790.

The combined financial effect of the 2014 commutation is as follows:

Statement of Income Account	Amount
1. Losses incurred	\$ (3,790)
2. Loss adjustment expenses incurred	-
3. Premiums earned	-
4. Other	-
Total	\$ (3,790)
Reinsurer	Amount
AELOUS REINSURANCE LTD.	\$ (3,790)
Total	\$ (3,790)

## F. Retroactive Reinsurance

Not applicable.

## G. Reinsurance Accounted for as Deposit

Not applicable.

## H. Run-off Agreements

Not applicable.

## I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable.

## J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable.

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## A. Method Used to Estimate

Not applicable.

## B. Method Used to Record

Not applicable.

## C. Amount and Percent of Net Retrospective Premiums

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

## D. Medical Loss Ratio Rebates

Not applicable.

## E. Calculation of Non admitted Accrued Retrospective Premiums

Not applicable.

## F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

Not applicable.

**Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses**

(000's omitted) Lines of Business	2015 Calendar Year Losses and LAE Incurred			2015 Loss Year Losses and LAE Incurred	Shortage (Redundancy)
	Losses Incurred	LAE Incurred	Totals		
Fire/Allied/Inland Marine	580	46	626	(23)	649
Homeowners	13,952	2,807	16,759	16,097	662
Commercial Multiperil	4,114	1,107	5,221	5,623	(402)
Other Liability	(34)	21	(13)	158	(171)
<b>Total</b>	<b>18,612</b>	<b>3,981</b>	<b>22,593</b>	<b>21,855</b>	<b>738</b>

The estimated loss and loss adjustment expenses attributable to insured events of prior years have increase by approximately \$738,000 as shown in the chart above. Increases or decreases of this nature may occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes over the original estimates of the cost of these claims. Recent loss development trends are also taken into account in the determination of the overall adequacy of unpaid losses and loss adjustment expenses.

**Note 26 – Intercompany Pooling Arrangements**

A. Not applicable.

**Note 27 – Structural Settlements**

A. Reserves Released due to Purchase of Annuities

Not applicable.

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not applicable.

**Note 28 – Health Care Receivables**

A. and B. Not applicable.

**Note 29 – Participating Policies**

A. Not applicable.

**Note 30 – Premium Deficiency Reserves**

A. The Company evaluated the need to record a premium deficiency reserve as of the end of 2015 and 2014 and does not anticipate the need to record a reserve for its property and casualty business. Accordingly, as of December 31, 2015 and 2014, the Company recorded \$0, for premium deficiency reserves. This evaluation was completed on January 31, 2016. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.

**Note 31 – High Deductibles**

A. Not applicable.

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

A. Tabular Discounts

Not applicable.

B. Non-Tabular Discounts

Not applicable.

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## NOTES TO FINANCIAL STATEMENTS

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C. Changes in Discount Assumptions

Not applicable.

**Note 33 – Asbestos and Environmental Reserves**

A. Five-Year Rollforward of Asbestos Reserves, Direct, Assumed and Net

Not applicable.

B. Asbestos IBNR and Bulk Reserve, Direct, Assumed and Net

Not applicable.

C. Asbestos LAE Reserve, Direct, Assumed and Net

Not applicable.

D. Five-Year Rollforward of Environmental Reserves, Direct, Assumed and Net

Not applicable.

E. Environmental IBNR and Bulk Reserve, Direct, Assumed and Net

Not applicable.

F. Environmental LAE Reserve, Direct, Assumed and Net

Not applicable.

**Note 34 – Subscriber Savings Accounts**

A. Not applicable.

**Note 35 – Multiple Peril Crop**

A. Not applicable.

**Note 36 – Financial Guaranty Insurance**

A. and B. Not applicable.

# 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  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  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
- 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. 12/31/2012
- 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. 12/31/2012
- 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). 05/30/2014
- 3.4 By what department or departments?  
Florida 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  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  No
- 4.12 renewals? Yes  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
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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
- 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
- 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<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes  No
- 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
- 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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP Suite 1200 201 East Kennedy Boulevard Tampa, FL 33602-5827
- 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
- 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
- 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  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?  
Leslie R. Marlo, FCAS, MAAA Madison Consulting Group, Inc. 309 Oak Hill Lane Newtown Square, PA 19703
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 12.11 Name of real estate holding company Phillips Edison Strategic Investment Fund I LLC
- 12.12 Number of parcels involved 2
- 12.13 Total book/adjusted carrying value \$ 9,654

12.2 If yes, provide explanation  
Phillips Edison Strategic Investment Fund I LLC ( with a book/adjusted carrying value of \$ 9,654) currently owns 2 properties: land parcel in Idaho and one other parcels.

**FOR UNITED STATES BRANCES 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  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
- 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
- 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

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  No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes  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  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
- 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
- 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
- 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
- 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 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 \$ 0
- 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<br>Nature of Restriction | 2<br>Description | 3<br>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 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<br>Name of Custodian(s) | 2<br>Custodian Address                      |
|---------------------------|---|
| Northern Trust            | 100 2nd Ave South, St. Petersburg, FL 33701 |
- 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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository | 2<br>Name(s)                                 | 3<br>Address                                 |
|--------------------------------------|--|--|
| 105900                               | General Re-New England Asset Management Inc. | 76 Batterson Park Road, Farmington, CT 06032 |
- 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
- 29.2 If yes, complete the following schedule:

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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	69,205,741	68,881,014	(324,727)
30.2	Preferred Stocks	0	0	0
30.3	Totals	69,205,741	68,881,014	(324,727)

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

Fair Market Values are determined by our custodian bank, via interactive Data Corporation, S&P, Reuters and/or verified by the Investment Department through independent brokers/dealers.

- 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  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  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  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? \$ 1,072,718

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 Services Office, Inc.	\$ 457,336

34.1 Amount of payments for legal expenses, if any? \$ 137,981

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
Greenberg Traurig PA	\$ 53,969
Timothy J Meenan PA	46,442

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 23,346

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
Property Casualty Insurers of America	\$ 23,346

**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	\$	48,872,060	59,178,717	
2.3	Premium Ratio (2.1/2.2)				
2.4	Reserve Numerator	\$	0	0	
2.5	Reserve Denominator	\$	45,187,290	47,516,981	
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 Insurance</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 models its property exposure in order to estimate the probable maximum loss and determine the requisite amount of catastrophe reinsurance to purchase. The modelling software identifies all property exposures and exposures by county and type of business. For contract year 2015/2016, the Company uses 50% RMS (Risklink version 13.1) and 50% AIR Touchtone (version 2.0).</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 purchases Property Catastrophe Reinsurance coverage to protect itself from excessive property loss. Also, the Company participates in the Florida Hurricane Catastrophe Fund.</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 [ ]
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:				

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

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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 (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 (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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
		\$	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 <input type="checkbox"/>	No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	\$	0
		\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	500,000

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

- 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. \_\_\_\_\_
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]
- 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 [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] 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 Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12 Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13 Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.14 Other*	\$ 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. Inurred 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
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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).....	111,798	259,586	276,062	409,407	770,898
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	30,669,202	30,300,532	26,819,086	24,318,726	23,816,255
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	110,463,744	131,057,531	107,204,838	71,143,121	65,106,045
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,021,190	835,628	684,013	471,297	83,207
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	142,265,934	162,453,277	134,983,999	96,342,551	89,776,405
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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).....	107,889	254,720	270,104	395,890	751,615
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,750,054	2,766,262	31,524	(1,447,085)	1,457,006
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	42,091,255	33,181,607	76,646,996	32,645,214	24,243,311
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	1,021,190	835,628	684,013	471,297	83,207
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	45,970,388	37,038,217	77,632,637	32,065,316	26,535,139
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	18,883	20,510,814	2,914,925	3,413,682	(5,002,809)
14. Net investment gain (loss) (Line 11).....	1,981,747	2,154,841	1,752,211	3,285,486	1,607,387
15. Total other income (Line 15).....	304,861	378,286	200,650	142,916	130,211
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	702,261	6,535,159	3,001,762	(54,142)	(374,989)
18. Net income (Line 20).....	1,603,229	16,508,782	1,866,024	6,896,226	(2,890,222)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	99,782,746	125,887,541	107,659,524	72,308,060	68,760,435
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	347,174	192,616			
20.2 Deferred and not yet due (Line 15.2).....	11,144,235	12,153,078	12,114,852	9,226,640	9,004,206
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	59,322,980	86,929,617	84,299,874	51,959,169	57,119,811
22. Losses (Page 3, Line 1).....	12,239,251	11,836,148	11,274,652	8,246,485	10,115,240
23. Loss adjustment expenses (Page 3, Line 3).....	2,918,937	2,750,059	3,125,120	2,068,164	1,619,539
24. Unearned premiums (Page 3, Line 9).....	30,029,102	32,930,774	55,071,274	30,668,166	32,454,227
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	40,459,765	38,957,924	23,359,650	20,348,891	11,640,625
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	(2,129,241)	(7,358,201)	32,096,009	(459,708)	5,573,573
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	40,459,765	38,957,924	23,359,650	20,348,891	11,640,625
29. Authorized control level risk-based capital.....	6,639,763	3,985,033	4,673,470	4,178,482	4,634,560
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	79.4	67.7	57.9	60.7	63.2
31. Stocks (Lines 2.1 & 2.2).....			11.4	0.4	5.5
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	20.6	32.1	30.4	38.3	29.0
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	0.0	0.2	0.3	0.5	2.3
38. Receivable for securities (Line 9).....				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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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).....					2,366,972
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	2,366,972
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).....	0.0				20.3

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	(117,885)	125,109	46,411	165,901	(797,182)
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	1,501,843	15,598,275	3,010,761	8,708,262	(5,169,265)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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).....	64,650	198,500	385,464	708,431	435,985
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,361,303	3,274,970	1,855,476	3,942,243	4,251,713
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	33,496,828	28,779,155	17,145,486	16,883,887	20,329,840
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).....	35,922,782	32,252,625	19,386,426	21,534,561	25,017,538
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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).....	64,650	198,500	385,464	708,431	435,985
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	513,940	489,681	239,489	1,620,666	2,524,306
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	17,629,967	18,550,125	14,690,878	11,395,972	12,210,731
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).....	18,208,558	19,238,306	15,315,831	13,725,069	15,171,022
<b>Operating Percentages</b> (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).....	38.1	33.5	34.5	35.0	61.7
68. Loss expenses incurred (Line 3).....	8.1	5.3	6.8	6.9	8.0
69. Other underwriting expenses incurred (Line 4).....	53.7	26.6	53.2	48.0	47.9
70. Net underwriting gain (loss) (Line 8).....	0.0	34.7	5.5	10.1	(17.6)
<b>Other Percentages</b>					
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).....	56.5	41.5	36.2	50.3	50.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	46.2	38.8	41.3	41.9	69.7
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).....	113.6	95.1	332.3	157.6	228.0
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(59)	(510)	104	(547)	501
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).....	(0.2)	(2.2)	0.5	(4.7)	3.0
<b>Two Year Loss Development (000 omitted)</b>					
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).....	(679)	(722)	(748)	1,138	393
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).....	(2.9)	(3.5)	(6.4)	6.8	2.0

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 [X]

If no, please explain:

The Company is not party to a merger

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	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					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....	(2).....					80.....	113.....	1.....	(35).....	XXX.....
2. 2006.....	33,873.....	17,184.....	16,690.....	6,135.....	2,168.....	282.....	59.....	651.....	244.....	323.....	4,598.....	XXX.....	
3. 2007.....	46,983.....	25,890.....	21,093.....	8,872.....	4,055.....	482.....	202.....	1,006.....	468.....	156.....	5,635.....	XXX.....	
4. 2008.....	50,087.....	30,751.....	19,336.....	15,530.....	6,528.....	661.....	246.....	1,386.....	672.....	274.....	10,131.....	XXX.....	
5. 2009.....	63,505.....	41,264.....	22,241.....	19,136.....	7,952.....	1,543.....	583.....	1,833.....	1,014.....	201.....	12,963.....	XXX.....	
6. 2010.....	81,027.....	56,693.....	24,334.....	25,904.....	12,905.....	1,601.....	853.....	2,313.....	1,403.....	535.....	14,656.....	XXX.....	
7. 2011.....	89,887.....	61,482.....	28,405.....	23,418.....	8,138.....	1,551.....	563.....	2,007.....	1,079.....	310.....	17,196.....	XXX.....	
8. 2012.....	92,846.....	58,995.....	33,851.....	16,567.....	4,958.....	756.....	174.....	1,832.....	570.....	216.....	13,453.....	XXX.....	
9. 2013.....	111,881.....	58,652.....	53,229.....	20,843.....	3,800.....	802.....	104.....	2,322.....	474.....	346.....	19,589.....	XXX.....	
10. 2014.....	157,517.....	98,339.....	59,178.....	33,928.....	16,137.....	1,269.....	595.....	4,794.....	2,156.....	319.....	21,103.....	XXX.....	
11. 2015.....	148,911.....	100,039.....	48,872.....	25,145.....	13,146.....	700.....	355.....	3,115.....	1,253.....	118.....	14,206.....	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	195,476.....	79,787.....	9,647.....	3,734.....	21,339.....	9,446.....	2,797.....	133,495.....	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.....	150.....	150.....							11.....	11.....		0.....	XXX.....
2. 2006.....												0.....	XXX.....
3. 2007.....					50.....	25.....			11.....	4.....		32.....	XXX.....
4. 2008.....	5.....	3.....										2.....	XXX.....
5. 2009.....	25.....	13.....	(345).....	2.....	52.....	29.....	1.....	1.....	47.....	41.....	350.....	(306).....	XXX.....
6. 2010.....	496.....	179.....	48.....	22.....	31.....	13.....	12.....	6.....	74.....	53.....		388.....	XXX.....
7. 2011.....	240.....	91.....	128.....	65.....	129.....	55.....	19.....	11.....	48.....	37.....		305.....	XXX.....
8. 2012.....	687.....	159.....	246.....	106.....	104.....	38.....	40.....	16.....	63.....	25.....		796.....	XXX.....
9. 2013.....	1,809.....	515.....	863.....	156.....	198.....		100.....	18.....	280.....	19.....		2,542.....	XXX.....
10. 2014.....	2,126.....	1,090.....	2,520.....	1,307.....	204.....	93.....	297.....	155.....	919.....	470.....		2,951.....	XXX.....
11. 2015.....	6,486.....	3,500.....	8,638.....	4,525.....	128.....	62.....	672.....	363.....	1,725.....	748.....		8,451.....	XXX.....
12. Totals.....	12,024.....	5,700.....	12,098.....	6,183.....	896.....	315.....	1,141.....	570.....	3,178.....	1,408.....	350.....	15,161.....	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.....	0.....	0.....
2. 2006..	7,068.....	2,470.....	4,598.....	20.9.....	14.4.....	27.5.....				0.....	0.....
3. 2007..	10,421.....	4,754.....	5,667.....	22.2.....	18.4.....	26.9.....				0.....	32.....
4. 2008..	17,582.....	7,449.....	10,133.....	35.1.....	24.2.....	52.4.....				2.....	0.....
5. 2009..	22,292.....	9,635.....	12,657.....	35.1.....	23.3.....	56.9.....				(335).....	29.....
6. 2010..	30,479.....	15,435.....	15,044.....	37.6.....	27.2.....	61.8.....				343.....	45.....
7. 2011..	27,540.....	10,039.....	17,501.....	30.6.....	16.3.....	61.6.....				212.....	93.....
8. 2012..	20,295.....	6,046.....	14,249.....	21.9.....	10.2.....	42.1.....				668.....	128.....
9. 2013..	27,217.....	5,086.....	22,131.....	24.3.....	8.7.....	41.6.....				2,001.....	541.....
10. 2014..	46,057.....	22,003.....	24,054.....	29.2.....	22.4.....	40.6.....				2,249.....	702.....
11. 2015..	46,609.....	23,952.....	22,657.....	31.3.....	23.9.....	46.4.....				7,099.....	1,352.....
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0.....	0.....	XXX.....	12,239.....	2,922.....

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior.....	1,892	2,244	2,179	1,941	1,944	1,849	1,934	1,824	1,823	1,821	(2)	(3)
2. 2006.....	6,585	4,815	4,451	4,188	4,121	4,146	4,216	4,189	4,189	4,190	2	2
3. 2007.....	XXX	7,265	5,501	5,172	5,058	5,066	5,195	5,136	5,122	5,122	0	(14)
4. 2008.....	XXX	XXX	9,192	9,738	9,659	9,556	9,500	9,453	9,390	9,419	29	(34)
5. 2009.....	XXX	XXX	XXX	10,405	10,882	11,218	11,808	11,832	11,832	11,832	0	0
6. 2010.....	XXX	XXX	XXX	XXX	13,878	14,208	14,027	13,907	13,912	14,114	202	207
7. 2011.....	XXX	XXX	XXX	XXX	XXX	18,163	16,978	17,118	16,728	16,563	(165)	(555)
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	13,305	13,610	13,245	12,949	(296)	(661)
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,644	19,959	20,022	63	378
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,856	20,966	110	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,819	XXX	XXX
12. Totals.....											(59)	(679)

### 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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior.....	.000	742	1,583	1,869	1,904	1,868	1,828	1,824	1,823	1,821	XXX	XXX
2. 2006.....	2,934	3,874	3,932	4,055	4,067	4,135	4,189	4,189	4,189	4,191	XXX	XXX
3. 2007.....	XXX	3,253	4,964	4,941	4,963	4,988	5,023	5,095	5,097	5,097	XXX	XXX
4. 2008.....	XXX	XXX	5,705	8,412	8,824	8,966	9,364	9,382	9,386	9,417	XXX	XXX
5. 2009.....	XXX	XXX	XXX	5,804	9,253	10,567	11,393	11,634	11,744	12,144	XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	8,293	12,366	13,267	13,462	13,706	13,746	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	10,601	14,935	15,835	16,140	16,268	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	7,864	11,277	11,982	12,191	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,445	16,277	17,741	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,693	18,465	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,344	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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior.....	544	295	17	7	(1)	(1)	105			
2. 2006.....	2,628	625	248	6			28			
3. 2007.....	XXX	2,452	447	128	8		60			
4. 2008.....	XXX	XXX	1,183	356	111	17	102	24	4	
5. 2009.....	XXX	XXX	XXX	2,055	472	215	210	24	18	(347)
6. 2010.....	XXX	XXX	XXX	XXX	2,954	667	409	178	67	32
7. 2011.....	XXX	XXX	XXX	XXX	XXX	3,917	833	541	182	71
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	2,873	1,296	509	164
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,308	1,750	789
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,603	1,355
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,422

**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	114,674,514	118,887,017		22,531,940	26,360,649	18,062,907	186,483	
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	L	409,143	184,106						
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	L	6,595,391	7,159,566		3,997,783	4,345,958	1,406,381	10,805	
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	L	8,671,391	8,980,766		3,290,546	3,330,561	1,968,213	13,174	
42. South Dakota.....SD	N								
43. Tennessee.....TN	N								
44. Texas.....TX	L	11,216,004	12,787,134		4,859,555	5,034,124	2,004,161	12,434	
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).....5	141,566,443	147,998,589	0	34,679,824	39,071,292	23,441,662	222,896	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.

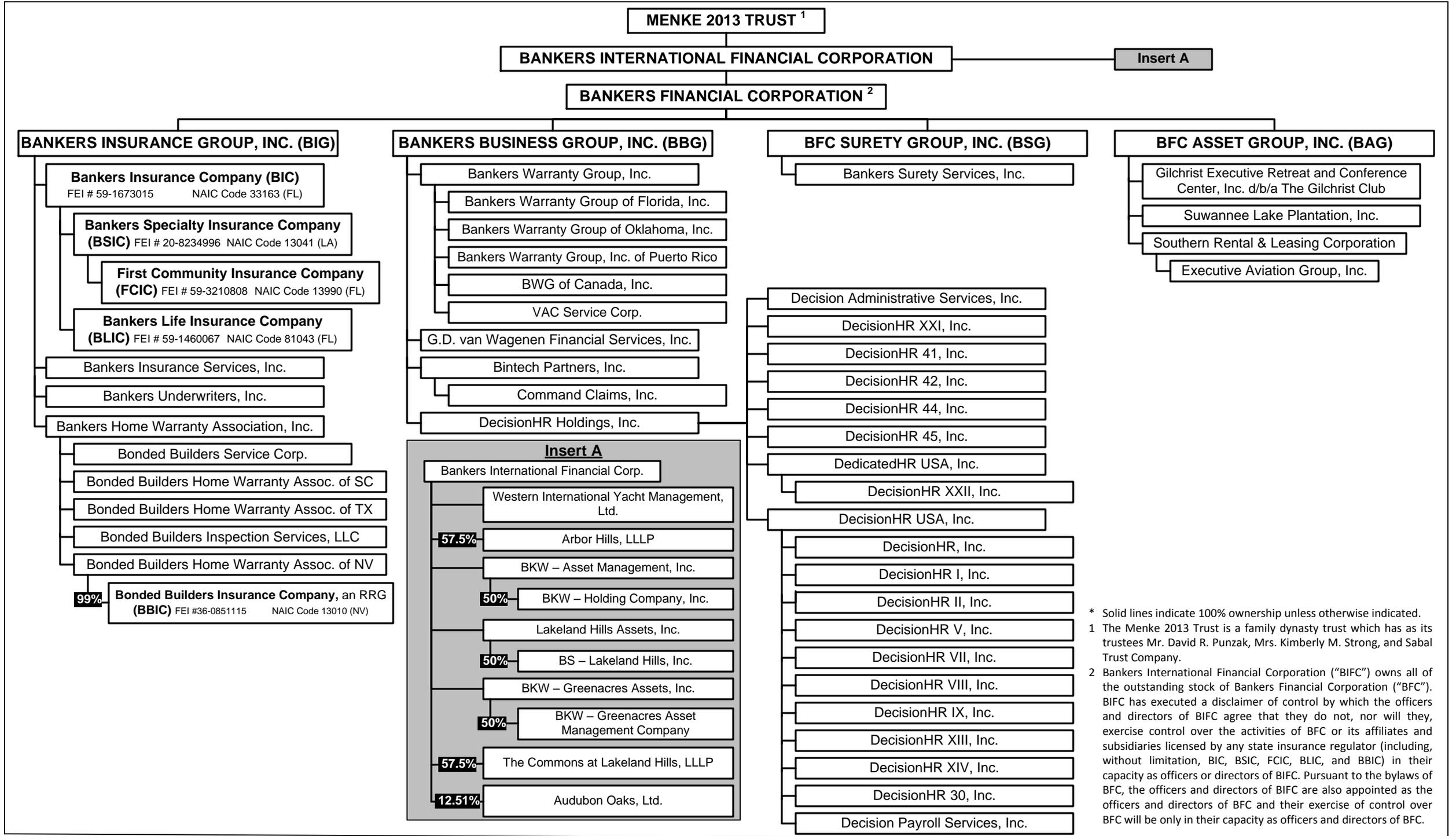
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to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

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

Premiums are allocated to those states where the insured risks are located.

**PART 1 - ORGANIZATIONAL CHART \***

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\* Solid lines indicate 100% ownership unless otherwise indicated.

1 The Menke 2013 Trust is a family dynasty trust which has as its trustees Mr. David R. Punzak, Mrs. Kimberly M. Strong, and Sabal Trust Company.

2 Bankers International Financial Corporation ("BIFC") owns all of the outstanding stock of Bankers Financial Corporation ("BFC"). BIFC has executed a disclaimer of control by which the officers and directors of BIFC agree that they do not, nor will they, exercise control over the activities of BFC or its affiliates and subsidiaries licensed by any state insurance regulator (including, without limitation, BIC, BSIC, FCIC, BLIC, and BBIC) in their capacity as officers or directors of BIFC. Pursuant to the bylaws of BFC, the officers and directors of BIFC are also appointed as the officers and directors of BFC and their exercise of control over BFC will be only in their capacity as officers and directors of BFC.

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