



ANNUAL STATEMENT

For the Year Ended December 31, 2016
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 FL	State of Domicile or Port of Entry FL	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/Controller
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
Robert Francis Klauzowski Jr.	Vice President	Robert Grant Southey Jr.	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/Controller	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of February, 2017

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	_____

Michele 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).....	67,099,509		67,099,509	65,232,534
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 (\$.....11,484,616, Schedule E-Part 1), cash equivalents (\$.....2,050,711, Schedule E-Part 2) and short-term investments (\$.....1,128,308, Schedule DA).....	14,663,635		14,663,635	16,906,547
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	6,252		6,252	9,654
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).....	81,769,396	0	81,769,396	82,148,735
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	438,789		438,789	399,839
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	352,378		352,378	347,174
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	10,543,678		10,543,678	11,144,235
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,737,822		2,737,822	1,855,993
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.....	2,315,643	97,054	2,218,589	2,601,455
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.....	51,175		51,175	817,198
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	935,274	205,605	729,669	468,117
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	99,144,157	302,659	98,841,498	99,782,746
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	99,144,157	302,659	98,841,498	99,782,746

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 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Accounts Receivable.....	181,811	46,052	135,758	171,797
2502. Prepaid Expenses.....	159,552	159,552	(0)	
2503. FIGA Recoupment.....	2,483		2,483	1,494
2598. Summary of remaining write-ins for Line 25 from overflow page.....	591,429	0	591,429	294,826
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	935,274	205,605	729,669	468,117

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	14,625,885	12,239,251
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).....	3,426,046	2,918,937
4. Commissions payable, contingent commissions and other similar charges.....	694,804	763,908
5. Other expenses (excluding taxes, licenses and fees).....	898,961	1,157,415
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	417,773	141,729
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		265,041
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 \$.....37,547,723 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).....	27,203,092	30,029,102
10. Advance premium.....	2,560,502	2,872,017
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,875,156	(109,763)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	4,409,238	7,847,636
14. Amounts withheld or retained by company for account of others.....	858,173	672,853
15. Remittances and items not allocated.....	128,775	177,483
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	17,000	
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	907,123	175,653
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.....	0	171,719
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	58,022,527	59,322,980
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	58,022,527	59,322,980
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.....	9,922,576	9,922,575
35. Unassigned funds (surplus).....	22,704,175	22,344,968
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).....	40,818,972	40,459,765
38. TOTAL (Page 2, Line 28, Col. 3).....	98,841,498	99,782,746

DETAILS OF WRITE-INS

2501. State Income Tax Payable.....		171,719
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	171,719
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 through 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 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	43,201,030	48,872,060
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	20,905,753	18,611,661
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	5,734,649	3,980,128
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	18,052,708	26,261,388
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	44,693,110	48,853,177
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(1,492,080)	18,883
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,814,913	1,921,691
10. Net realized capital gains (losses) less capital gains tax of \$.....15,702 (Exhibit of Capital Gains (Losses)).....	29,159	60,056
11. Net investment gain (loss) (Lines 9 + 10).....	1,844,072	1,981,747
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....26,079).....	(26,079)	(34,079)
13. Finance and service charges not included in premiums.....	207,164	222,896
14. Aggregate write-ins for miscellaneous income.....	155,819	116,045
15. Total other income (Lines 12 through 14).....	336,904	304,861
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	688,896	2,305,491
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).....	688,896	2,305,491
19. Federal and foreign income taxes incurred.....	(40,121)	702,261
20. Net income (Line 18 minus Line 19) (to Line 22).....	729,017	1,603,229
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	40,459,769	38,957,925
22. Net income (from Line 20).....	729,017	1,603,229
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(22,552).....	(41,882)	(117,885)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(308,365)	(104,705)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(2,568)	41,558
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(17,000)	79,647
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	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).....	359,202	1,501,843
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	40,818,971	40,459,769
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous Income.....	155,819	116,045
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	155,819	116,045
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	42,643,777	46,061,576
2. Net investment income.....	2,164,274	2,407,861
3. Miscellaneous income.....	336,904	304,861
4. Total (Lines 1 through 3).....	45,144,956	48,774,298
5. Benefit and loss related payments.....	19,400,948	17,261,687
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	23,494,145	32,435,168
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	240,622	1,206,684
10. Total (Lines 5 through 9).....	43,135,715	50,903,539
11. Net cash from operations (Line 4 minus Line 10).....	2,009,241	(2,129,241)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	19,691,885	29,247,199
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	3,758	10,988
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).....	19,695,643	29,258,187
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	21,967,104	22,225,525
13.2 Stocks.....		
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).....	21,967,104	22,225,525
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).....	(2,271,461)	7,032,662
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	0	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).....	(1,980,692)	(22,390,320)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,980,692)	(22,390,319)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(2,242,912)	(17,486,899)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	16,906,547	34,393,446
19.2 End of year (Line 18 plus Line 19.1).....	14,663,635	16,906,547

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

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

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.....	(5,507)	86,217	0	80,710
2. Allied lines.....	(12,629)	180,270	0	167,641
3. Farmowners multiple peril.....	0		0	0
4. Homeowners multiple peril.....	21,343,187	17,235,732	14,986,252	23,592,667
5. Commercial multiple peril.....	15,856,568	11,360,198	10,887,748	16,329,018
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	0		0	0
9. Inland marine.....	2,350,731	358,872	515,392	2,194,211
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	0		0	0
11.2 Medical professional liability - claims-made.....	0		0	0
12. Earthquake.....	0		0	0
13. Group accident and health.....	0		0	0
14. Credit accident and health (group and individual).....	0		0	0
15. Other accident and health.....	0		0	0
16. Workers' compensation.....	0		0	0
17.1 Other liability - occurrence.....	(2,287)	29,634	0	27,347
17.2 Other liability - claims-made.....	0		0	0
17.3 Excess workers' compensation.....	0		0	0
18.1 Products liability - occurrence.....	0		0	0
18.2 Products liability - claims-made.....	0		0	0
19.1, 19.2 Private passenger auto liability.....	0		0	0
19.3, 19.4 Commercial auto liability.....	0		0	0
21. Auto physical damage.....	0		0	0
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	0		0	0
24. Surety.....	844,957	778,179	813,700	809,436
26. Burglary and theft.....	0		0	0
27. Boiler and machinery.....	0		0	0
28. Credit.....	0		0	0
29. International.....	0		0	0
30. Warranty.....	0		0	0
31. Reinsurance - nonproportional assumed property.....	0		0	0
32. Reinsurance - nonproportional assumed liability.....	0		0	0
33. Reinsurance - nonproportional assumed financial lines.....	0		0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	40,375,020	30,029,102	27,203,092	43,201,030

DETAILS OF WRITE-INS

3401.	0		0	0
3402.	0		0	0
3403.	0		0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 through 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.....					.0
2. Allied lines.....					.0
3. Farmowners multiple peril.....					.0
4. Homeowners multiple peril.....	14,986,252				14,986,252
5. Commercial multiple peril.....	10,887,748				10,887,748
6. Mortgage guaranty.....					.0
8. Ocean marine.....					.0
9. Inland marine.....	515,392				515,392
10. Financial guaranty.....					.0
11.1 Medical professional liability - occurrence.....					.0
11.2 Medical professional liability - claims-made.....					.0
12. Earthquake.....					.0
13. Group accident and health.....					.0
14. Credit accident and health (group and individual).....					.0
15. Other accident and health.....					.0
16. Workers' compensation.....					.0
17.1 Other liability - occurrence.....					.0
17.2 Other liability - claims-made.....					.0
17.3 Excess workers' compensation.....					.0
18.1 Products liability - occurrence.....					.0
18.2 Products liability - claims-made.....					.0
19.1, 19.2 Private passenger auto liability.....					.0
19.3, 19.4 Commercial auto liability.....					.0
21. Auto physical damage.....					.0
22. Aircraft (all perils).....					.0
23. Fidelity.....					.0
24. Surety.....	813,700				813,700
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.....	27,203,092	.0	.0	.0	27,203,092
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					.0
38. Balance (sum of Lines 35 through 37).....					27,203,092

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 through 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.....	(4,976)				531	(5,507)
2. Allied lines.....	28,293,647				28,306,276	(12,629)
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	57,119,212		107,802		35,883,827	21,343,187
5. Commercial multiple peril.....	41,650,752				25,794,184	15,856,568
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	2,926,510				575,779	2,350,731
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.....	(1,819)				468	(2,287)
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.....	844,957					844,957
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.....	130,828,283	0	107,802	0	90,561,065	40,375,020

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 through 3403 plus 3498) (Line 34 above).....	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.....	137,007		485	136,522	5,500	19,750	122,272	151.5
2. Allied lines.....	10,883,205		10,807,794	75,411	74,318	170,422	(20,693)	(12.3)
3. Farmowners multiple peril.....				0	0		0	0.0
4. Homeowners multiple peril.....	24,875,227	540,419	13,178,384	12,237,262	7,889,247	6,588,839	13,537,670	57.4
5. Commercial multiple peril.....	9,128,166	2,024	4,084,930	5,045,260	5,789,782	5,052,038	5,783,004	35.4
6. Mortgage guaranty.....				0	0		0	0.0
8. Ocean marine.....				0	0		0	0.0
9. Inland marine.....	904,352		24,688	879,664	594,588	50,000	1,424,252	64.9
10. Financial guaranty.....				0	0		0	0.0
11.1 Medical professional liability - occurrence.....				0	0		0	0.0
11.2 Medical professional liability - claims-made.....				0	0		0	0.0
12. Earthquake.....				0	0		0	0.0
13. Group accident and health.....				0	0		0	0.0
14. Credit accident and health (group and individual).....				0	0		0	0.0
15. Other accident and health.....				0	0		0	0.0
16. Workers' compensation.....				0	0		0	0.0
17.1 Other liability - occurrence.....	145,000			145,000	272,450	358,200	59,250	216.7
17.2 Other liability - claims-made.....				0	0		0	0.0
17.3 Excess workers' compensation.....				0	0		0	0.0
18.1 Products liability - occurrence.....				0	0		0	0.0
18.2 Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2 Private passenger auto liability.....				0	0		0	0.0
19.3, 19.4 Commercial auto liability.....				0	0		0	0.0
21. Auto physical damage.....				0	0		0	0.0
22. Aircraft (all perils).....				0	0		0	0.0
23. Fidelity.....				0	0		0	0.0
24. Surety.....				0	0		0	0.0
26. Burglary and theft.....				0	0		0	0.0
27. Boiler and machinery.....				0	0		0	0.0
28. Credit.....				0	0		0	0.0
29. International.....				0	0		0	0.0
30. Warranty.....				0	0		0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0	0		0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	46,072,957	542,443	28,096,281	18,519,119	14,625,885	12,239,251	20,905,753	48.4

DETAILS OF WRITE-INS

3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 through 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.....				0	5,500			5,500	1,500
2. Allied lines.....	6,359,163		6,297,450	61,713	529,000		516,395	74,318	114,560
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	7,380,607	417,105	4,326,570	3,471,142	8,153,057	136,693	3,871,645	7,889,247	1,556,891
5. Commercial multiple peril.....	6,645,242		3,243,540	3,401,702	4,866,000		2,477,920	5,789,782	1,672,738
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....	485,634		5,272	480,362	122,000		7,774	594,588	25,736
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					
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....	98,700			98,700	173,750			272,450	54,621
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.....	20,969,346	417,105	13,872,832	7,513,619	13,849,307	136,693	6,873,734	14,625,885	3,426,046
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 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

10

(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.....	6,857,054			6,857,054
1.2 Reinsurance assumed.....	201,091			201,091
1.3 Reinsurance ceded.....	3,765,353			3,765,353
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	3,292,792	0	0	3,292,792
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		23,461,471		23,461,471
2.2 Reinsurance assumed, excluding contingent.....		15,478		15,478
2.3 Reinsurance ceded, excluding contingent.....		21,678,808		21,678,808
2.4 Contingent - direct.....		260,139		260,139
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		550,450		550,450
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	1,507,830	0	1,507,830
3. Allowances to manager and agents.....				0
4. Advertising.....	1,581	53,935		55,516
5. Boards, bureaus and associations.....		702,529		702,529
6. Surveys and underwriting reports.....		536,191		536,191
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	1,242,909	5,736,335	83,149	7,062,393
8.2 Payroll taxes.....	97,638	424,050	3,691	525,379
9. Employee relations and welfare.....	167,704	867,229	3,042	1,037,975
10. Insurance.....	28,047	97,133	445	125,625
11. Directors' fees.....		22,953		22,953
12. Travel and travel items.....	16,910	118,392	602	135,904
13. Rent and rent items.....	98,048	457,955	1,568	557,571
14. Equipment.....	8,717	125,244	24	133,985
15. Cost or depreciation of EDP equipment and software.....	51,692	461,542	16,748	529,982
16. Printing and stationery.....	16,159	189,088	74	205,321
17. Postage, telephone and telegraph, exchange and express.....	65,137	568,369	899	634,405
18. Legal and auditing.....	83,887	1,231,832	67,934	1,383,653
19. Totals (Lines 3 to 18).....	1,878,429	11,592,777	178,176	13,649,382
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....	36	1,967,100		1,967,136
20.2 Insurance department licenses and fees.....	49	91,057		91,106
20.3 Gross guaranty association assessments.....		(1,568)		(1,568)
20.4 All other (excluding federal and foreign income and real estate).....			669	669
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	85	2,056,589	669	2,057,343
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	563,343	2,895,512	0	3,458,855
25. Total expenses incurred.....	5,734,649	18,052,708	178,845	(a) 23,966,202
26. Less unpaid expenses - current year.....	3,426,046	2,011,537		5,437,583
27. Add unpaid expenses - prior year.....	2,918,936	2,063,052		4,981,988
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).....	5,227,539	18,104,223	178,845	23,510,607

DETAILS OF WRITE-INS

2401. Consulting fees.....		633,514		633,514
2402. Contract labor.....	65,818	108,920		174,738
2403. Bank charges and other fees.....	5	583,358		583,363
2498. Summary of remaining write-ins for Line 24 from overflow page.....	497,520	1,569,720	0	2,067,240
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	563,343	2,895,512	0	3,458,855

(a) Includes management fees of \$.....4,107,536 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).....53,969	.....54,661
1.1 Bonds exempt from U.S. tax.....	(a).....33,209	.....32,984
1.2 Other bonds (unaffiliated).....	(a).....1,826,146	.....1,863,562
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).....42,551	.....42,551
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,955,875	.....1,993,758
11. Investment expenses.....	.....	(g).....178,176
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....669
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).....	.....	.....178,845
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,814,913

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

- (a) Includes \$.....93,018 accrual of discount less \$.....481,329 amortization of premium and less \$.....102,438 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 \$.....128 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.....	(4,097)		(4,097)		
1.1 Bonds exempt from U.S. tax.....			0		
1.2 Other bonds (unaffiliated).....	45,200		45,200	(61,031)	
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	(3,403)	
7. Derivative instruments.....			0		
8. Other invested assets.....	3,758		3,758		
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	44,861	0	44,861	(64,434)	0

DETAILS OF WRITE-INS

0901.					
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 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	97,054		(97,054)
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.....	205,604	300,090	94,486
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	302,658	300,090	(2,568)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	302,658	300,090	(2,568)

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 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Accounts Receivable.....	46,052	30,256	(15,796)
2502. Prepaid Expenses.....	159,552	269,834	110,282
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	205,604	300,090	94,486

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:

	SSAP #	F/S Page	F/S Line #	2016	2015
Net Income					
1. Company state basis (page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 729,017	\$ 1,603,229
2. State Prescribed Practices that (increase)/decrease NAIC SAP					
3. State Permitted Practices that (increase)/decrease NAIC SAP					
4. NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	\$ 729,017	\$ 1,603,229

	SSAP #	F/S Page	F/S Line #	2016	2015
Surplus					
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 40,818,972	\$ 40,459,765
6. State Prescribed Practices that (increase)/decrease NAIC SAP					
7. State Permitted Practices that (increase)/decrease NAIC SAP					
8. NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	\$ 40,818,972	\$ 40,459,765

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:

- 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.
- 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.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at market value.
- 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.
- First lien mortgage loans on real estate are stated at their unpaid principal balances. Mortgages other than first liens are nonadmitted.
- 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.

NOTES TO FINANCIAL STATEMENTS

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.
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

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

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.

NOTES TO FINANCIAL STATEMENTS

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
	\$40,924	\$7,334,548	\$153,776	\$9,631,442	\$194,700	\$16,965,990

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 (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year							8	9	Percentage	
	1	2	3	4	5	6	7			10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (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 Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending arrangements											
c. Subject to repurchases											

NOTES TO FINANCIAL STATEMENTS

e. agreement s											
d. Subject to reverse repurchase agreement s											
e. Subject to dollar repurchase agreement s											
f. Subject to dollar reverse repurchase agreement s											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	7,134,065				7,134,065	6,590,807	543,258		7,134,065	7.196	7.218
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreement s)											
m. Pledged as collateral not captured in other categories	4,409,238				4,409,238	7,847,636	(3,438,397)		4,409,238	4.447	4.461
n. Other restricted assets											
o. Total Restricted Assets	\$ 11,543,304	\$	\$	\$	\$ 11,543,304	\$ 14,438,443	\$ (2,895,139)		\$ 11,543,304	11.643	11.679

NOTES TO FINANCIAL STATEMENTS

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Funds Held	\$ 4,409,238				\$ 4,409,238	\$ 7,847,636	\$ (3,438,397)	\$ 4,409,238	4.447	4.461
Total (c)	\$ 4,409,238				\$ 4,409,238	\$ 7,847,636	\$ (3,438,397)	\$ 4,409,238	4.447	4.461

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
	\$	\$	\$	\$	\$	\$	\$	\$	0	0
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	0	0

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)n Columns 9 through 11 respectively.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
a. Cash	\$	\$	%	%
b. Schedule D, Part 1			%	%
c. Schedule D, Part 2, Sec. 1			%	%
d. Schedule D, Part 2, Sec. 2			%	%
e. Schedule B			%	%
f. Schedule A			%	%
g. Schedule BA, Part 1			%	%
h. Schedule DL, Part 1			%	%
i. Other			%	%
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	\$	\$	%	%

- * Column 1 divided by Asset Page, Line 26 (Column 1)
- ** Column 1 divided by Asset Page, Line 26 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset	\$	%

- * Column 1 divided by Liability Page, Line 26 (Column 1)

NOTES TO FINANCIAL STATEMENTS

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

L. 5* Securities

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 2016.

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.

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:

	2016			2015			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	2,529,584	25,049	2,554,633	2,837,948	2,497	2,840,445	(308,364)	22,552	(285,812)
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	2,529,584	25,049	2,554,633	2,837,948	2,497	2,840,445	(308,364)	22,552	(285,812)
(d) Deferred Tax Assets Nonadmitted	97,054	-	97,054	-	-	-	97,054	-	97,054
(e) Subtotal (Net Admitted Deferred Tax Assets) (1c-1d)	2,432,530	25,049	2,457,579	2,837,948	2,497	2,840,445	(405,418)	22,552	(382,866)
(f) Deferred Tax Liabilities	-	238,990	238,990	-	238,990	238,990	-	-	-
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability)	2,432,530	(213,941)	2,218,589	2,837,948	(236,493)	2,601,455	(405,418)	22,552	(382,866)

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components:

	1	2016 2	3 (Col 1+2) Total	4	2015 5	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	Change 8 (Col 2-5) Capital	9 (Col 3-6) Total
	Ordinary	Capital		Ordinary	Capital				
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	576,718	-	576,718	2,717,818	-	2,717,818	(2,151,100)	-	(2,151,100)
(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:									
	1,880,861	-	1,880,861	20,123	-	20,123	1,860,738	-	1,860,738
1. Adjusted Gross Deferred Tax Assets expected to be realized following the balance sheet date	1,880,861	-	1,880,861	20,123	-	20,123	1,860,738	-	1,860,738
2. Adjusted Gross Deferred Tax Assets allowed per limitation threshold	XXX	XXX	5,790,058	XXX	XXX	5,678,747	XXX	XXX	111,311
(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	(90,007)	(2,497)	(92,504)
(d) Deferred Tax Assets Admitted as the result of application of SSAP 101									
Total 2(a)+2(b)+2(c)	2,457,579	-	2,457,579	2,887,948	2,497	2,840,445	(380,369)	(2,497)	(382,866)

3. Other Admissibility Criteria

	2016	2015
a. Ratio percentage used to determine recovery period and threshold limitation amount	870.900%	570.180%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	38,503,330	37,858,311

4. Impact Tax Planning Strategies

	2016		2015		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by						
a. tax character, as a percentage.						
Adjusted Gross DTAs amount						
1. from Note 9A1(c).	2,529,584	25,049	2,837,948	2,497	(308,364)	22,552
Percentage of adjusted gross DTAs by tax character attributable to the impact of tax						
2. planning strategies.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Admitted Adjusted Gross						
3. DTAs amount from Note 9A1(e).	2,432,530	25,049	2,837,948	2,497	(405,418)	22,552
Percentage of net admitted adjusted gross DTAs by tax character admitted because of the						
4. 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:

NOTES TO FINANCIAL STATEMENTS

	1	2	3
	2016	2015	(Col 1-2) Change
(a) Federal	(10,495)	609,343	(619,838)
(b) Foreign	-	-	-
(c) Subtotal	(10,495)	609,343	(619,838)
(d) Federal income tax on net capital gains	15,702	32,338	(16,636)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	(29,626)	92,918	(122,544)
(g) Federal and Foreign income taxes incurred	(24,419)	734,600	(759,019)

2. Deferred Tax Assets:

	1	2	3
	2016	2015	(Col 1-2) Change
(a) Ordinary:			
(1) Discounting of unpaid losses	168,998	186,885	(17,887)
(2) Unearned premium reserve and premium suspense	2,092,466	2,315,503	(223,037)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Fixed assets	12,870	14,388	(1,518)
(7) Non-deductible accruals	124,821	166,460	(41,639)
(8) Receivables-nonadmitted	-	-	-
(9) Net operating loss carry-forward	-	-	-
(10) Tax credit carry-forward	-	-	-
(11) Other (including items <5% of total ordinary tax assets)	58,467	64,069	(5,602)
(12) Other assets – nonadmitted	71,962	105,032	(33,070)
(99) Subtotal	2,529,584	2,837,948	(308,364)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Non-admitted	97,054	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	2,432,530	2,837,948	(405,418)
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real Estate	25,049	2,497	22,552
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	25,049	2,497	22,552
(f) Statutory valuation allowance adjustment	-	-	-
(g) Non-admitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	25,049	2,497	22,552
(i) Admitted deferred tax assets (2d+2h)	2,457,579	2,840,445	(382,866)

NOTES TO FINANCIAL STATEMENTS

3. Deferred Tax Liabilities:

	1	2	3
	2016	2015	(Col 1-2) Change
(a) Ordinary:			
(1) Investments	-	-	-
(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	-	-	-
(99) Subtotal	-	-	-
(b) Capital:			
(1) Investments	238,990	238,990	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	238,990	238,990	-
(c) Deferred tax liabilities (3a99+3b99)	238,990	238,990	-

4. Net deferred tax assets/liabilities (2i-3c) 2,218,589 2,601,455 (382,866)

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

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

Description	2016	
	Amount (000's)	Effective Tax Rate %
Provision computed at statutory rate	246,610	35.00%
Nondeductible expenses	8,866	1.3
Change in non-admitted assets	33,070	4.7
Tax exempt income deduction	(9,810)	(1.4)
Dividends Received Deduction	-	0.0
Prior Year True-up	5,208	0.7
Other	-	0.0
Totals	283,944	40.3
Federal and foreign income taxes incurred	(24,420)	(3.5)
Realized capital gains (losses) tax	-	0.0
Change in net deferred income taxes	308,364	43.8
Totals	283,944	40.3

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

- At December 31, 2016 the Company has \$-0- in unused operating loss carryforward.
- For 2016 and 2015, the Company has the following income tax expense available for recoupment in the event of future net losses.

Year	Amount
2016	5,206
2015	607,366

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

NOTES TO FINANCIAL STATEMENTS

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.

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

NOTES TO FINANCIAL STATEMENTS**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

- Effective January 1, 2016, the Company reported Flood servicing fees to its affiliate, BinTech Partners amounted to \$1,986,636, of which \$497,487 was charged to ULAE expense and the remaining to underwriting expenses.
- The Company paid the following commissions pursuant to affiliated agency agreements:

	2016	2015
Bankers Underwriters, Inc. (BUI)	5,321,258	6,663,431
Bankers Insurance Services (BIS)	196,560	357,314
Bankers Surety Services (BSS)	649,967	785,681
Total	6,167,785	7,806,426

- The Company did not have any security transactions with affiliates in 2016.

C. Change in Terms of Intercompany Arrangements

In 2016, 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 \$74,486 and \$41,784 due to parent and \$(855,948) and \$(641,549) due to affiliates in the current and prior year, respectively. The amounts due to affiliates are as follows:

Affiliate	2016	2015
Bankers Insurance Company (BIC)	138,456	(790,042)
BinTech, Inc.	(50,507)	(27,150)
Bankers Surety Services (BSS)	-	-
Bankers Insurance Group (BIG)	-	(6)
Bankers Financial Corp.	679,130	127,840
Bankers Underwriters, Inc. (BUI)	15,050	6,028
Bankers Specialty Insurance Company (BSIC)	74,486	41,784
Total	855,948	(641,549)

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 allocations in 2016 pursuant to cost allocation arrangement are as follows:

Allocated to:					
	BIC	FCIC	BSIC	BLIC	BFC Affiliates
Allocated from:					
BIC	\$ -	\$ 1,097,113	\$ 135,050	\$ -	\$ 67,476
FCIC	\$ 1,306,740	\$ -	\$ 655,380	\$ -	\$ 749,589
BFC	\$ 3,685,858	\$ 4,153,211	\$ 708,727	\$ 797,317	\$ 10,018,313

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, 2016 and 2015, the contract labor expense was \$115,186 and \$252,607, respectively.

NOTES TO FINANCIAL STATEMENTS

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.

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 \$144,628 and \$196,067 in 2016 and 2015, respectively. The Company has no legal obligation for benefits under this plan.

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.

NOTES TO FINANCIAL STATEMENTS

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, 2016 and 2015, 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, 2016 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 2016, the maximum dividend allowable not requiring approval or notice pursuant to Florida Statute 628.371 is \$4,081,897.

(4) Dates and Amounts of Dividends Paid

There were no dividends paid by the Company in 2016 and 2015.

(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 Regulation.

(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	(302,659)	(2,569)
2. Unrealized gain or (loss)	(1,213,511)	(64,434)
3. Gross deferred tax assets/liabilities	2,315,643	(285,812)
4. Dividends to stockholders	(2,500,000)	-
5. Unauthorized Reinsurance	(17,000)	(17,000)
6. Retained Earnings	24,421,702	729,021
Total Increase/(Decrease)	22,704,175	359,207

NOTES TO FINANCIAL STATEMENTS

(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 2016.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable.

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All other Contingencies

At the end of the current and prior year, the Company had \$10,576,056 and \$11,491,409, 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 2016 and 2015 lease expense allocated for these facilities was \$557,571 and \$840,441, 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.

NOTES TO FINANCIAL STATEMENTS

(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.

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	\$ 128,264,551

NOTES TO FINANCIAL STATEMENTS**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 \$
a. Assets at fair value				
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	-	1,123,299	-	1,123,299
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	-	1,123,299	-	1,123,299
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	-	1,123,299	-	1,123,299
b. Liabilities at fair value				
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.

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.

NOTES TO FINANCIAL STATEMENTS

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 above in Note 20A.

Type of Financial Instruments	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Financial Instruments – assets	67,208,442	67,099,509	2,305,109	64,903,333		
Bonds						
Cash equivalents and short-term investments	14,663,635	14,663,635	14,663,635			

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 \$7,134,065 and \$6,590,807 at December 31, 2016 and 2015, 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	897,093	10,997	838,782	58,311
Louisiana	3,405,589	-	3,184,226	221,363
North Carolina	3,970,312	75,436	3,712,242	258,070
Texas	4,726,342	4,915	4,419,130	307,212
Totals	12,999,336	91,348	12,154,379	844,957

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 \$830,260 and \$656,020 as of December 31, 2016 and December 31, 2015, 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.

NOTES TO FINANCIAL STATEMENTS

4. Agents' Balances Certification

EXHIBIT C

AGENTS' BALANCES CERTIFICATION

As of December 31, 2016

**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	\$ <u>352,378</u> (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) 1.	\$ _____ (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.

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	5,778,714	5,808,751	5,814,530	-
Debt obligations issued by financial institutions	-	-	-	-
Unaffiliated equity interest in financial institutions	-	-	-	-
Total	5,778,714	5,808,751	5,814,530	-

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

NOTES TO FINANCIAL STATEMENTS

G. Proceeds from Issuance of Insurance-Linked Securities

Not applicable.

Note 22 – Events Subsequent

- A. Subsequent events have been considered through February 19, 2017, the date of issuance of these financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

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, 2016 as follows:

NAIC Code	Federal ID#	Name of Reinsurer	Amount
25364	13-1675535	Swiss Reinsurance America	\$ 28,046,000
96003	CR-3190770	Chubb Tempest Reinsurance Co. LTD	\$ 3,449,000
N/A	AA-9991310	Florida Hurricane Catastrophe Fund	\$ 1,496,000
22039	13-2673100	General Reinsurance Corporation	\$ 2,092,000

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	96,306	-	37,547,723	9,495,258	(37,451,417)	(9,495,258)
c. Totals	\$ 96,306	\$ -	\$ 37,547,723	\$ 9,495,258	\$ (37,451,417)	\$ (9,495,258)
d. Direct Unearned Premium Reserve	\$69,274,037					

- 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.	-	-	\$ 625,187	\$ (625,187)
b. Other	-	-	-	-
c. Total	-	-	\$ 625,187	\$ (625,187)

D. Uncollectible Reinsurance

Not applicable.

E. Commutation of Ceded Reinsurance

There was no commutation reinsurance in 2016 or 2015.

F. Retroactive Reinsurance

Not applicable.

G. Reinsurance Accounted for as Deposit

Not applicable.

H. Run-off Agreements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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.

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	2016 Calendar Year Losses and LAE Incurred			2016 Loss Year Losses and LAE Incurred	Shortage (Redundancy)
	Losses Incurred	LAE Incurred	Totals		
Fire/Allied/Inland Marine	1,526	141	1,667	1,731	(64)
Homeowners	13,538	3,757	17,297	16,502	793
Commercial Multiperil	5,783	1,759	7,542	6,983	559
Other Liability	59	77	136	30	107
Total	20,906	5,735	26,641	25,245	1,396

The estimated loss and loss adjustment expenses attributable to insured events of prior years have increase by approximately \$1,396,000 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.

NOTES TO FINANCIAL STATEMENTS

Note 30 – Premium Deficiency Reserves

- A. The Company evaluated the need to record a premium deficiency reserve as of the end of 2016 and 2015 and does not anticipate the need to record a reserve for its property and casualty business. Accordingly, as of December 31, 2016 and 2015, 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.
- 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 the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC
Company
Code | 3
State of
Domicile |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 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(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 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
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO USA, LLP 515 E Las Olas Blvd, 5th Floor, Fort Lauderdale, FL 33301
- 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. 14 Clover 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 1
- 12.13 Total book/adjusted carrying value \$ 6,252
- 12.2 If yes, provide explanation
Phillips Edison Strategic Investment Fund I LLC (with a book/adjusted carrying value of \$ 6,251.32) currently owns 1 property in Idaho
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes 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 and all subordinate 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 \$ _____
- 21.22 Borrowed from others \$ _____
- 21.23 Leased from others \$ _____
- 21.24 Other \$ _____
- 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 \$ _____
- 22.22 Amount paid as expenses \$ _____
- 22.23 Other amounts paid \$ _____
- 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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01 Were all of 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. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ _____

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.103 Total payable for securities lending reported on the liability page: \$ _____ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements \$ _____ 0

25.22 Subject to reverse repurchase agreements \$ _____ 0

25.23 Subject to dollar repurchase agreements \$ _____ 0

25.24 Subject to reverse dollar repurchase agreements \$ _____ 0

25.25 Placed under option agreements \$ _____ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ _____ 0

25.27 FHLB Capital Stock \$ _____ 0

25.28 On deposit with states \$ _____ 7,134,065

25.29 On deposit with other regulatory bodies \$ _____ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ _____ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ _____ 0

25.32 Other \$ _____ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$ _____

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

27.2 If yes, state the amount thereof at December 31 of the current year: \$ _____

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No

28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's 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 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
General Re-New England Asset Management Inc.	U
Nolan D. Shaerer is an employee of FCIC and manages all investment activity for the entity.	A

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes No

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105900	General Re-New England Asset Management Inc.	KUR85E5PS4GQFZTFC1 30	SEC	NO
	Nolan D. Shaeer			NO

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:

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

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	68,227,821	68,336,749	108,928
30.2 Preferred Stocks	0	0	0
30.3 Totals	68,227,821	68,336,749	108,928

30.4 Describe the sources or methods utilized in determining the 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 reliable 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? \$ 1,048,461

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	2
Name	Amount Paid
Insurance Services Office, Inc.	\$ 553,608

34.1 Amount of payments for legal expenses, if any? \$ 339,422

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	2
Name	Amount Paid
Greenberg Traurig PA	\$ 107,939
TIMOTHY SCOTT STROBLE	141,016

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 62,467

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	2
Name	Amount Paid
Property Casualty Insurers of America	\$ 62,467

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	\$	43,201,030	\$	48,872,060
2.3	Premium Ratio (2.1/2.2)				
2.4	Reserve Numerator	\$	0	\$	0
2.5	Reserve Denominator	\$	45,255,023	\$	45,187,290
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 fulfillment 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 uses catastrophe modeling software to model its property exposure in order to estimate the probable maximum loss and determine the requisite amount of catastrophe reinsurance to purchase. For treaty year 2016, the Company used an average of RMS RiskLink version 15.0 and AIR Touchstone version 3.1 using All Perils and Medium Term event rates for the hurricane peril.</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 checked="" type="checkbox"/>	No <input type="checkbox"/>
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	1	
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 checked="" 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 <i>SSAP No. 62R, Property and Casualty Reinsurance</i> , 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.								<u>2</u>
14.1	Is the reporting entity 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			0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			0
	* Disclose type of coverage:								
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption:							Yes []	No [X]
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5					\$			0
17.12	Unfunded portion of Interrogatory 17.11					\$			0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11					\$			0
17.14	Case reserves portion of Interrogatory 17.11					\$			0
17.15	Incurred but not reported portion of Interrogatory 17.11					\$			0
17.16	Unearned premium portion of Interrogatory 17.11					\$			0
17.17	Contingent commission portion of Interrogatory 17.11					\$			0
	Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above.								
17.18	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5					\$			0
17.19	Unfunded portion of Interrogatory 17.18					\$			0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18					\$			0
17.21	Case reserves portion of Interrogatory 17.18					\$			0
17.22	Incurred but not reported portion of Interrogatory 17.18					\$			0
17.23	Unearned premium portion of Interrogatory 17.18					\$			0
17.24	Contingent commission portion of Interrogatory 17.18					\$			0
18.1	Do you act as a custodian for health savings accounts?							Yes []	No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.					\$			0
18.3	Do you act as an administrator for health savings accounts?							Yes []	No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.					\$			0

FIVE-YEAR HISTORICAL DATA

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

	1 2016	2 2015	3 2014	4 2013	5 2012
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	(1,819)	111,798	259,586	276,062	409,407
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	31,215,181	30,669,202	30,300,532	26,819,086	24,318,726
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	98,877,766	110,463,744	131,057,531	107,204,838	71,143,121
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	844,957	1,021,190	835,628	684,013	471,297
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	130,936,085	142,265,934	162,453,277	134,983,999	96,342,551
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	(2,287)	107,889	254,720	270,104	395,890
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,332,595	2,750,054	2,766,262	31,524	(1,447,085)
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	37,199,755	42,091,255	33,181,607	76,646,996	32,645,214
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	844,957	1,021,190	835,628	684,013	471,297
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	40,375,020	45,970,388	37,038,217	77,632,637	32,065,316
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(1,492,080)	18,883	20,510,814	2,914,925	3,413,682
14. Net investment gain (loss) (Line 11).....	1,844,072	1,981,747	2,154,841	1,752,211	3,285,486
15. Total other income (Line 15).....	336,904	304,861	378,286	200,650	142,916
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	(40,121)	702,261	6,535,159	3,001,762	(54,142)
18. Net income (Line 20).....	729,017	1,603,229	16,508,782	1,866,024	6,896,226
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	98,841,498	99,782,746	125,887,541	107,659,524	72,308,060
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	352,378	347,174	192,616		
20.2 Deferred and not yet due (Line 15.2).....	10,543,678	11,144,235	12,153,078	12,114,852	9,226,640
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	58,022,527	59,322,980	86,929,617	84,299,874	51,959,169
22. Losses (Page 3, Line 1).....	14,625,885	12,239,251	11,836,148	11,274,652	8,246,485
23. Loss adjustment expenses (Page 3, Line 3).....	3,426,046	2,918,937	2,750,059	3,125,120	2,068,164
24. Unearned premiums (Page 3, Line 9).....	27,203,092	30,029,102	32,930,774	55,071,274	30,668,166
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).....	40,818,972	40,459,765	38,957,924	23,359,650	20,348,891
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	2,009,241	(2,129,241)	(7,358,201)	32,096,009	(459,708)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	40,818,972	40,459,765	38,957,924	23,359,650	20,348,891
29. Authorized control level risk-based capital.....	4,421,089	6,639,763	3,985,033	4,673,470	4,178,482
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	82.1	79.4	67.7	57.9	60.7
31. Stocks (Lines 2.1 & 2.2).....				11.4	0.4
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).....	17.9	20.6	32.1	30.4	38.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	0.0	0.0	0.2	0.3	0.5
38. Receivables 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
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
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				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2016	2015	2014	2013	2012
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(41,882)	(117,885)	125,109	46,411	165,901
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	359,202	1,501,843	15,598,275	3,010,761	8,708,262
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	145,000	64,650	198,500	385,464	708,431
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	11,924,564	2,361,303	3,274,970	1,855,476	3,942,243
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	34,545,836	33,496,828	28,779,155	17,145,486	16,883,887
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).....	46,615,400	35,922,782	32,252,625	19,386,426	21,534,561
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	145,000	64,650	198,500	385,464	708,431
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,091,597	513,940	489,681	239,489	1,620,666
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	17,282,522	17,629,967	18,550,125	14,690,878	11,395,972
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).....	18,519,119	18,208,558	19,238,306	15,315,831	13,725,069
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	48.4	38.1	33.5	34.5	35.0
68. Loss expenses incurred (Line 3).....	13.3	8.1	5.3	6.8	6.9
69. Other underwriting expenses incurred (Line 4).....	41.8	53.7	26.6	53.2	48.0
70. Net underwriting gain (loss) (Line 8).....	(3.5)	0.0	34.7	5.5	10.1
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	43.9	56.5	41.5	36.2	50.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	61.7	46.2	38.8	41.3	41.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	98.9	113.6	95.1	332.3	157.6
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	1,086	(59)	(510)	104	(547)
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).....	2.7	(0.2)	(2.2)	0.5	(4.7)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	306	(679)	(722)	(748)	1,138
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).....	0.8	(2.9)	(3.5)	(6.4)	6.8

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

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						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	274	291	0		26	72	2	(63)	XXX
2. 2007.....	46,983	25,890	21,093	8,872	4,055	482	202	1,023	476	156	5,644	XXX
3. 2008.....	50,087	30,751	19,336	15,535	6,530	661	247	1,388	672	274	10,135	XXX
4. 2009.....	63,505	41,264	22,241	18,780	7,949	1,712	668	1,860	1,039	378	12,697	XXX
5. 2010.....	81,027	56,693	24,334	26,055	12,947	1,627	860	2,445	1,412	536	14,908	XXX
6. 2011.....	89,887	61,482	28,405	23,628	8,227	1,631	593	2,029	1,095	310	17,373	XXX
7. 2012.....	92,846	58,995	33,851	17,024	4,992	910	223	1,868	572	220	14,015	XXX
8. 2013.....	111,881	58,652	53,229	22,073	3,817	1,032	105	2,485	476	363	21,191	XXX
9. 2014.....	157,517	98,339	59,178	35,169	16,756	1,528	688	5,416	2,495	363	22,174	XXX
10. 2015.....	148,911	100,039	48,872	35,021	18,249	1,357	671	4,388	1,804	445	20,042	XXX
11. 2016.....	135,478	92,276	43,202	33,527	21,902	856	417	3,950	1,453	79	14,561	XXX
12. Totals.....	XXX	XXX	XXX	235,958	105,715	11,795	4,673	26,878	11,566	3,126	152,677	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.....											0	XXX	
2. 2007.....	0	0	1		50	25			3	1	28	XXX	
3. 2008.....	8	4	7	3			2	1	4	2	11	XXX	
4. 2009.....	100	50	23	11	72	39	5	3	10	2	106	XXX	
5. 2010.....	669	440	48	22	26	8	15	8	54	133	162	XXX	
6. 2011.....	143	46	65	35	26	8	15	8	29	12	169	XXX	
7. 2012.....	333	104	110	43	59	6	17	10	35	17	373	XXX	
8. 2013.....	309	36	417	80	238	4	63	15	126	11	1,007	XXX	
9. 2014.....	2,698	1,461	769	393	146	61	88	50	592	318	2,010	XXX	
10. 2015.....	3,057	1,507	2,683	1,343	175	84	213	112	850	425	3,506	XXX	
11. 2016.....	14,071	10,224	9,866	4,945	263	128	683	335	2,183	749	10,684	XXX	
12. Totals.....	21,386	13,873	13,989	6,875	1,030	376	1,098	540	3,886	1,670	18,056	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. 2007.....	10,431	4,759	5,672	22.2	18.4	26.9				1	27
3. 2008.....	17,605	7,459	10,146	35.1	24.3	52.5				8	3
4. 2009.....	22,563	9,760	12,802	35.5	23.7	57.6				62	44
5. 2010.....	30,910	15,839	15,070	38.1	27.9	61.9				255	(93)
6. 2011.....	27,565	10,024	17,541	30.7	16.3	61.8				126	42
7. 2012.....	20,355	5,967	14,389	21.9	10.1	42.5				296	77
8. 2013.....	26,743	4,545	22,198	23.9	7.7	41.7				611	396
9. 2014.....	46,406	22,223	24,184	29.5	22.6	40.9				1,613	397
10. 2015.....	47,744	24,196	23,548	32.1	24.2	48.2				2,890	617
11. 2016.....	65,399	40,154	25,245	48.3	43.5	58.4				8,767	1,917
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	14,628	3,428

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior.....	2,443	2,015	1,513	1,449	1,379	1,535	1,397	1,396	1,396	1,379	(17)	(17)
2. 2007.....	7,265	5,501	5,172	5,058	5,066	5,195	5,136	5,122	5,122	5,122	0	0
3. 2008.....	XXX	9,192	9,738	9,659	9,556	9,500	9,453	9,390	9,419	9,427	8	37
4. 2009.....	XXX	XXX	10,405	10,882	11,218	11,808	11,832	11,832	11,832	11,976	144	144
5. 2010.....	XXX	XXX	XXX	13,878	14,208	14,027	13,907	13,912	14,113	14,117	4	205
6. 2011.....	XXX	XXX	XXX	XXX	18,163	16,978	17,118	16,728	16,563	16,589	27	(139)
7. 2012.....	XXX	XXX	XXX	XXX	XXX	13,305	13,610	13,245	12,949	13,074	126	(171)
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	19,644	19,959	20,021	20,075	54	116
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,856	20,967	20,988	21	132
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,819	20,538	719	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,314	XXX	XXX
12. Totals.....											1,086	306

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior.....	000	899	1,308	1,355	1,387	1,401	1,397	1,396	1,396	1,379	XXX	XXX
2. 2007.....	3,253	4,964	4,941	4,963	4,988	5,023	5,095	5,097	5,097	5,097	XXX	XXX
3. 2008.....	XXX	5,705	8,412	8,824	8,966	9,364	9,382	9,386	9,417	9,419	XXX	XXX
4. 2009.....	XXX	XXX	5,804	9,253	10,567	11,393	11,634	11,744	12,144	11,876	XXX	XXX
5. 2010.....	XXX	XXX	XXX	8,293	12,366	13,267	13,462	13,706	13,746	13,875	XXX	XXX
6. 2011.....	XXX	XXX	XXX	XXX	10,601	14,935	15,835	16,140	16,268	16,439	XXX	XXX
7. 2012.....	XXX	XXX	XXX	XXX	XXX	7,864	11,277	11,982	12,191	12,719	XXX	XXX
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	11,445	16,277	17,741	19,182	XXX	XXX
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,693	18,465	19,253	XXX	XXX
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,344	17,458	XXX	XXX
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,064	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)											
	1	2	3	4	5	6	7	8	9	10		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior.....	921	264	13	(1)	(1)	133						
2. 2007.....	2,452	447	128	8		60						
3. 2008.....	XXX	1,183	356	111	17	102	24	4				5
4. 2009.....	XXX	XXX	2,055	472	215	210	24	18	(347)			15
5. 2010.....	XXX	XXX	XXX	2,954	667	409	178	67	32			31
6. 2011.....	XXX	XXX	XXX	XXX	3,917	833	541	182	71			35
7. 2012.....	XXX	XXX	XXX	XXX	XXX	2,873	1,296	509	164			73
8. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	4,308	1,750	788			385
9. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,603	1,355			415
10. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,422			1,441
11. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			5,268

First Community Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	N								
2. Alaska.....AK	N								
3. Arizona.....AZ	L								
4. Arkansas.....AR	N								
5. California.....CA	N								
6. Colorado.....CO	L								
7. Connecticut.....CT	L								
8. Delaware.....DE	N								
9. District of Columbia.....DC	N								
10. Florida.....FL	L	107,406,108	110,711,782		31,129,643	41,155,250	28,088,516	179,699	
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	221,363	234,026						
20. Maine.....ME	N								
21. Maryland.....MD	L								
22. Massachusetts.....MA	N								
23. Michigan.....MI	N								
24. Minnesota.....MN	N								
25. Mississippi.....MS	L								
26. Missouri.....MO	N								
27. Montana.....MT	N								
28. Nebraska.....NE	N								
29. Nevada.....NV	L								
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	6,057,838	6,209,524		2,931,153	3,355,134	1,830,362	8,732	
35. North Dakota.....ND	N								
36. Ohio.....OH	L								
37. Oklahoma.....OK	N								
38. Oregon.....OR	N								
39. Pennsylvania.....PA	N								
40. Rhode Island.....RI	N								
41. South Carolina.....SC	L	7,964,592	8,193,382		5,267,516	6,609,889	3,310,586	9,844	
42. South Dakota.....SD	N								
43. Tennessee.....TN	N								
44. Texas.....TX	L	9,178,381	10,099,095		6,744,645	6,329,672	1,589,190	8,886	
45. Utah.....UT	N								
46. Vermont.....VT	N								
47. Virginia.....VA	L								
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) 13	130,828,282	135,447,809	0	46,072,957	57,449,945	34,818,654	207,161	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.

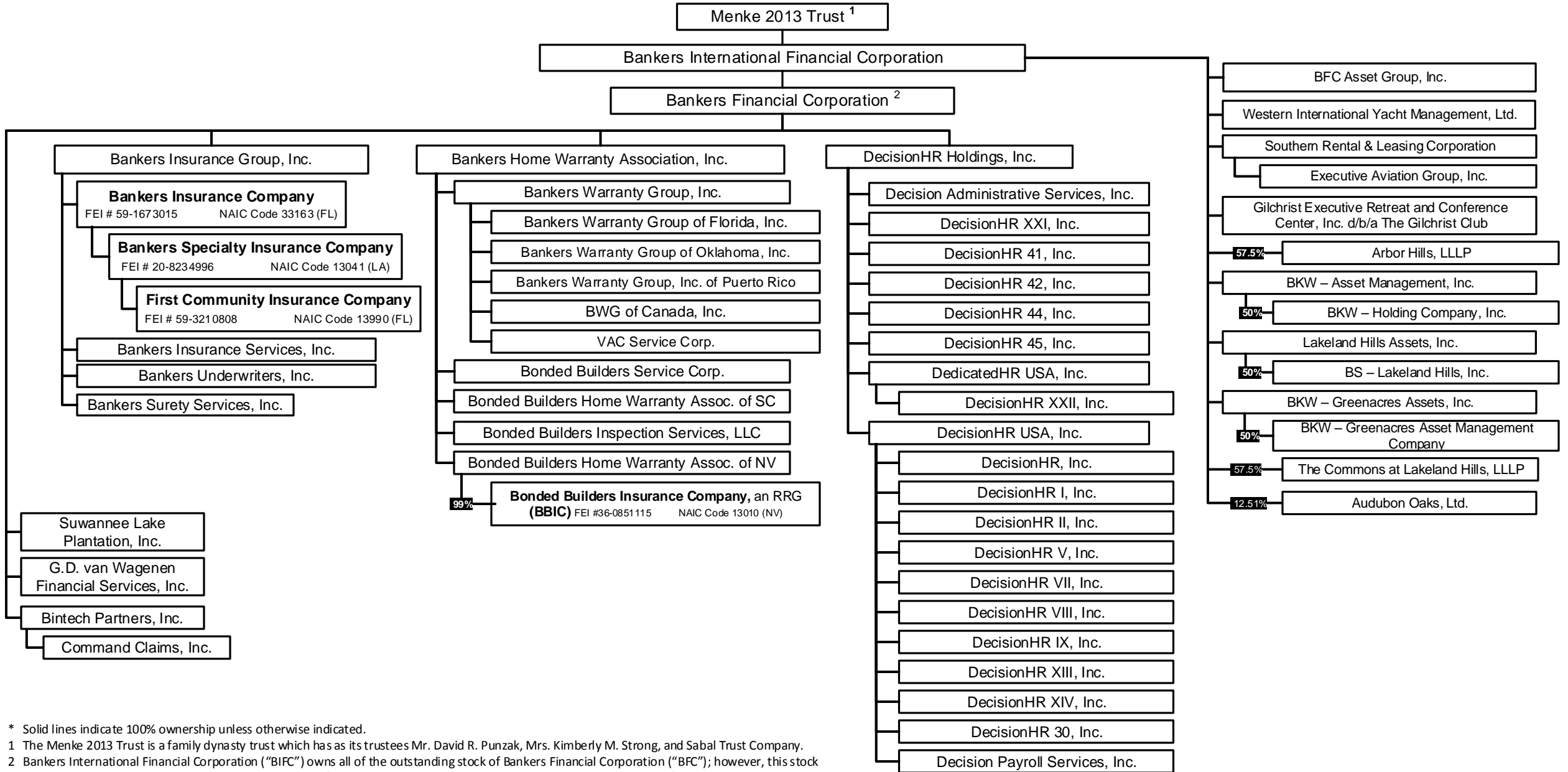
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART *



96

* 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"); however, this stock carries no voting rights and BIFC has no right to vote for the directors, or exercise control over the management, of BFC. BIFC has executed a Disclaimer of Control. The lineal descendants of Robert M. Menke have the right to appoint a majority (50% + 1) of the BFC directors, with the remaining directors being appointed by the management of BFC. As there are more than ten lineal descendants of Robert M. Menke, no individual or entity has voting control of 10% or more over BFC.

2016 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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