



ANNUAL STATEMENT

For the Year Ended December 31, 2013

of the Condition and Affairs of the

COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code.....457, 457
(Current Period) (Prior Period)

NAIC Company Code..... 36927

Employer's ID Number..... 34-1266871

Organized under the Laws of Ohio

State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized..... December 20, 1978

Commenced Business..... April 16, 1979

Statutory Home Office

52 East Gay Street..... Columbus OH US 43215
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

8720 Stony Point Pkwy, Suite 400..... Richmond VA US..... 23235
(Street and Number) (City or Town, State, Country and Zip Code)

804-560-2000
(Area Code) (Telephone Number)

Mail Address

P.O. Box 469012..... San Antonio TX US 78246
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

8720 Stony Point Pkwy, Suite 400..... Richmond VA US 23235
(Street and Number) (City or Town, State, Country and Zip Code)

804-560-2866
(Area Code) (Telephone Number)

Internet Web Site Address

www.colonyins.com

Statutory Statement Contact

Jason Thomas Williams
(Name)

804-560-4588
(Area Code) (Telephone Number) (Extension)

colonyfinancialreporting@colonyins.com
(E-Mail Address)

804-560-4820
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Arthur Glenn Davis #	President	2. Melinda Joy Thompson	Treasurer
3. Craig Stephen Comeaux	Secretary	4.	
OTHER			
Michael Alan Fleischer #	Executive Vice President	Samuel Collins Anderson	Senior Vice President
Michael Robert Denton #	Senior Vice President	Laurie Elizabeth Banez	Vice President
Donna Marie Biondich #	Vice President	Lynn Kelly Geurin	Vice President
Gail Theresa Kimpfler	Vice President	Daniel Gerard Platt	Vice President
Mary Moczygemba Stulting	Vice President	Barbara Lou Sutherland	Vice President
Janice Webre Zwinggi #	Vice President		

DIRECTORS OR TRUSTEES

Samuel Collins Anderson	Craig Stephen Comeaux	Arthur Glenn Davis #	Kevin James Rehnberg #
Barbara Lou Sutherland			

State of..... Virginia
County of..... Chesterfield

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)	(Signature)	(Signature)
Arthur Glenn Davis	Melinda Joy Thompson	Craig Stephen Comeaux
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 21st day of February, 2014	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	37,241,083		37,241,083	45,662,199
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	17,867,506		17,867,506	14,580,510
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 (\$.....2,589,507, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....4,707,539, Schedule DA).....	7,297,046		7,297,046	7,919,780
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
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).....	62,405,635	0	62,405,635	68,162,489
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	285,761		285,761	252,484
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,528,910	195,082	1,333,828	2,042,144
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....86,533 earned but unbilled premiums).....	86,533		86,533	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,187,793		2,187,793	1,149,439
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	3,012,224		3,012,224	12,016
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	417,731	0	417,731	5,465
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	69,924,588	195,082	69,729,506	71,624,036
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	69,924,588	195,082	69,729,506	71,624,036

DETAILS OF WRITE-INS				
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Miscellaneous Assets.....	417,731		417,731	5,465
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	417,731	0	417,731	5,465

COLONY SPECIALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....		
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).....		
4. Commissions payable, contingent commissions and other similar charges.....	26,278	29,997
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	(94,810)	(66,956)
7.1 Current federal and foreign income taxes (including \$.....355,162 on realized capital gains (losses)).....	69,472	231,768
7.2 Net deferred tax liability.....	1,727,795	739,892
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 \$.....10,542,177 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).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,641,807	960,288
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	37,817,802	39,139,232
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	582,930	445,517
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	558,212	4,919,450
20. Derivatives.....		
21. Payable for securities.....		0
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	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	42,329,485	46,399,188
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	42,329,485	46,399,188
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,500,000	3,500,000
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.....	8,002,700	8,002,700
35. Unassigned funds (surplus).....	15,897,321	13,722,148
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).....	27,400,021	25,224,848
38. TOTALS (Page 2, Line 28, Col. 3).....	69,729,506	71,624,036

DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

COLONY SPECIALTY INSURANCE COMPANY
STATEMENT OF INCOME

UNDERWRITING INCOME			1	2
			Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....			
DEDUCTIONS				
2.	Losses incurred (Part 2, Line 35, Column 7).....	0		
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....			
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....			
5.	Aggregate write-ins for underwriting deductions.....	0	0	
6.	Total underwriting deductions (Lines 2 through 5).....	0	0	
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(0)	0	
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,562,832	1,379,753	
10.	Net realized capital gains (losses) less capital gains tax of \$.....79,685 (Exhibit of Capital Gains (Losses)).....	(148,427)	(394,999)	
11.	Net investment gain (loss) (Lines 9 + 10).....	1,414,405	984,754	
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....1,105).....	(1,105)	1,642	
13.	Finance and service charges not included in premiums.....			
14.	Aggregate write-ins for miscellaneous income.....	(247,169)	(203,926)	
15.	Total other income (Lines 12 through 14).....	(248,274)	(202,284)	
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,166,131	782,470	
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).....	1,166,131	782,470	
19.	Federal and foreign income taxes incurred.....	94,527	317,753	
20.	Net income (Line 18 minus Line 19) (to Line 22).....	1,071,603	464,717	
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	25,224,848	25,180,795	
22.	Net income (from Line 20).....	1,071,603	464,717	
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....793,114.....	1,472,925	391,832	
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....	(194,789)	318,057	
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(37,154)	(35,372)	
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(137,413)	(325,728)	
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.....			
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	(769,453)	
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	2,175,173	44,053	
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	27,400,021	25,224,848	
DETAILS OF WRITE-INS				
0501.	.....		
0502.	.....		
0503.	.....		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0	0	
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	
1401.	Intercompany interest expense.....	(247,169)	(203,926)	
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	0	0	
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(247,169)	(203,926)	
3701.	Impact of prior year adjustment.....		(769,453)	
3702.	.....		
3703.	.....		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	0	0	
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	(769,453)	

COLONY SPECIALTY INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	1,266,147	(329,228)
2. Net investment income.....	1,790,022	1,545,064
3. Miscellaneous income.....	(248,274)	(202,284)
4. Total (Lines 1 through 3).....	2,807,895	1,013,551
5. Benefit and loss related payments.....	1,038,354	806,255
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	31,573	154,549
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....(19,481) tax on capital gains (losses).....	336,508	4,017,940
10. Total (Lines 5 through 9).....	1,406,436	4,978,744
11. Net cash from operations (Line 4 minus Line 10).....	1,401,459	(3,965,193)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	24,291,996	44,343,724
12.2 Stocks.....	2,891,100	64,812
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	108	441
12.7 Miscellaneous proceeds.....		0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	27,183,204	44,408,976
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	16,383,527	56,233,819
13.2 Stocks.....	3,728,723	6,822,846
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	0	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	20,112,250	63,056,665
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	7,070,954	(18,647,689)
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.....		
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).....	(9,095,148)	8,545,852
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(9,095,148)	8,545,852
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(622,735)	(14,067,029)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,919,780	21,986,809
19.2 End of year (Line 18 plus Line 19.1).....	7,297,046	7,919,780

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

20.0001		
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Pt. 1-Premiums Earned
NONE

Pt. 1A-Recapitulation of All Premiums
NONE

COLONY SPECIALTY INSURANCE COMPANY
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.....	15,552			15,335	217	0
2.	Allied lines.....	266,446			262,224	4,222	0
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....	742,683			675,917	66,767	0
6.	Mortgage guaranty.....						0
8.	Ocean marine.....						0
9.	Inland marine.....	1,689,832			1,592,127	97,705	0
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....	3,200			3,198	2	0
11.2	Medical professional liability - claims-made.....	50,648			50,412	236	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.....	11,530,367			11,530,367		0
17.1	Other liability - occurrence.....	1,705,520			1,398,508	307,012	0
17.2	Other liability - claims-made.....	6,587,445			6,363,439	224,006	0
17.3	Excess workers' compensation.....						0
18.1	Products liability - occurrence.....	481,012			415,324	65,687	0
18.2	Products liability - claims-made.....	6,175			6,107	68	0
19.1, 19.2	Private passenger auto liability.....						0
19.3, 19.4	Commercial auto liability.....	466,158			464,342	1,816	(0)
21.	Auto physical damage.....	166,323			137,823	28,499	0
22.	Aircraft (all perils).....						0
23.	Fidelity.....						0
24.	Surety.....						0
26.	Burglary and theft.....						0
27.	Boiler and machinery.....						0
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	23,711,360	0	0	22,915,122	796,238	0

DETAILS OF WRITE-INS

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

(a) 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

		Losses Paid Less Salvage			5	6	7	8
		1	2	3				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire.....				0	0	0	0.0
2.	Allied lines.....	(10,656)		(10,656)	0	(0)	(0)	0.0
3.	Farmowners multiple peril.....				0		0	0.0
4.	Homeowners multiple peril.....				0		0	0.0
5.	Commercial multiple peril.....	1,039,115		1,039,115	(0)	0	0	0.0
6.	Mortgage guaranty.....				0		0	0.0
8.	Ocean marine.....				0		0	0.0
9.	Inland marine.....	340,612		340,612	0		1	0.0
10.	Financial guaranty.....				0		0	0.0
11.1	Medical professional liability - occurrence.....				0		0	0.0
11.2	Medical professional liability - claims-made.....				0	0	0	0.0
12.	Earthquake.....				0		0	0.0
13.	Group accident and health.....				0		0	0.0
14.	Credit accident and health (group and individual).....				0		0	0.0
15.	Other accident and health.....				0		0	0.0
16.	Workers' compensation.....	3,194,007		3,194,007	0	(0)	(0)	0.0
17.1	Other liability - occurrence.....	3,366,237	10,618	3,376,856	0		0	0.0
17.2	Other liability - claims-made.....	4,060,952		4,060,952	0	(0)	0	0.0
17.3	Excess workers' compensation.....				0		0	0.0
18.1	Products liability - occurrence.....	350,000		350,000	0	(0)	(0)	0.0
18.2	Products liability - claims-made.....	35,000		35,000	0	(0)	(0)	0.0
19.1, 19.2	Private passenger auto liability.....				0		0	0.0
19.3, 19.4	Commercial auto liability.....	460,323		460,323	0	0	0	0.0
21.	Auto physical damage.....	67,785		67,785	(0)	0	0	0.0
22.	Aircraft (all perils).....				0		0	0.0
23.	Fidelity.....				0		0	0.0
24.	Surety.....				0		0	0.0
26.	Burglary and theft.....				0		0	0.0
27.	Boiler and machinery.....				0		0	0.0
28.	Credit.....				0		0	0.0
29.	International.....				0		0	0.0
30.	Warranty.....				0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0		0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0.0
35.	TOTALS.....	12,903,376	10,618	12,913,994	(0)	0	0	0.0
DETAILS OF WRITE-INS								
3401.	.....				0		0	0.0
3402.	.....				0		0	0.0
3403.	.....				0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	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	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....				0	142		142	0	
2.	Allied lines.....	7,501		7,501	0	11,017		11,017	(0)	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....	427,874		427,874	0	768,319		768,319	0	
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....	198,222		198,222	0	337		337	0	
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0	204		204	0	
11.2	Medical professional liability - claims-made.....				0	39,620		39,620	0	
12.	Earthquake.....				0				0	
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....				0				(a) 0	
16.	Workers' compensation.....	3,474,573		3,474,573	(0)	9,468,325		9,468,325	(0)	
17.1	Other liability - occurrence.....	785,403	5,811	791,214	0	4,371,782		4,371,782	0	
17.2	Other liability - claims-made.....	8,279,416		8,279,416	(0)	10,427,215		10,427,215	(0)	
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....	23,009		23,009	(0)	1,346,102		1,346,102	(0)	
18.2	Products liability - claims-made.....	15,000		15,000	0	96,613		96,613	(0)	
19.1, 19.2	Private passenger auto liability.....				0				0	
19.3, 19.4	Commercial auto liability.....	82,600		82,600	0	247,556		247,556	0	
21.	Auto physical damage.....	28,171		28,171	0	3,036		3,036	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	182,319	182,319	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.....	13,321,769	5,811	13,327,580	0	26,780,267	182,319	26,962,586	0	0

DETAILS OF WRITE-INS

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

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

COLONY SPECIALTY INSURANCE COMPANY
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.....	4,572,142			4,572,142
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	4,572,142			4,572,142
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		2,852,898		2,852,898
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		2,852,898		2,852,898
2.4 Contingent - direct.....		27,570		27,570
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		27,570		27,570
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	0	0	0
3. Allowances to manager and agents.....				0
4. Advertising.....				0
5. Boards, bureaus and associations.....				0
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....				0
8.2 Payroll taxes.....				0
9. Employee relations and welfare.....				0
10. Insurance.....				0
11. Directors' fees.....				0
12. Travel and travel items.....				0
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....				0
17. Postage, telephone and telegraph, exchange and express.....				0
18. Legal and auditing.....			6,731	6,731
19. Totals (Lines 3 to 18).....	0	0	6,731	6,731
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....				0
20.2 Insurance department licenses and fees.....				0
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	0	0	0
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	0	11,875	11,875
25. Total expenses incurred.....	0	0	18,606	(a).....18,606
26. Less unpaid expenses - current year.....		(68,532)		(68,532)
27. Add unpaid expenses - prior year.....		(36,959)		(36,959)
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).....	0	31,573	18,606	50,179

DETAILS OF WRITE-INS

2401. Miscellaneous Expense - Corporate Charges.....			11,875	11,875
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	0	11,875	11,875

(a) Includes management fees of \$.....11,875 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....155,026	.....140,612
1.1	Bonds exempt from U.S. tax.....	(a).....158,154	.....237,532
1.2	Other bonds (unaffiliated).....	(a).....673,925	.....636,151
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....560,008	.....566,309
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).....1,048	.....834
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	.....1,548,161	.....1,581,438
11.	Investment expenses.....	(g).....18,606	
12.	Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	
13.	Interest expense.....	(h).....	
14.	Depreciation on real estate and other invested assets.....	(i).....0	
15.	Aggregate write-ins for deductions from investment income.....	.....0	
16.	Total deductions (Lines 11 through 15).....	.....18,606	
17.	Net investment income (Line 10 minus Line 16).....	.....1,562,832	

DETAILS OF WRITE-INS

0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.	.....	.....
1502.	.....	.....
1503.	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....	.....0	
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	
(a)	Includes \$.....40,716 accrual of discount less \$.....301,183 amortization of premium and less \$.....96,038 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 \$.....401 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	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....	.....53,398	.....53,398	.....	.....
1.1	Bonds exempt from U.S. tax.....	.....(74,456)	.....(276,655)	.....	.....
1.2	Other bonds (unaffiliated).....	.....(28,929)	.....(28,929)	.....	.....
1.3	Bonds of affiliates.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....	.....	.....0	.....	.....
2.11	Preferred stocks of affiliates.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....	.....333,416	.....183,336	.....2,266,039	.....
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.....	.....108	.....108	.....	.....
7.	Derivative instruments.....	.....	.....0	.....	.....
8.	Other invested assets.....	.....	.....0	.....	.....
9.	Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....	.....283,537	.....(68,742)	.....2,266,039	.....0

DETAILS OF WRITE-INS

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

COLONY SPECIALTY INSURANCE COMPANY
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.....	195,082	157,928	(37,154)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	195,082	157,928	(37,154)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	195,082	157,928	(37,154)

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Colony Specialty Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Department of Insurance in the State of Ohio.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The accompanying financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from NAIC SAP.

	State of Domicile	2013	2012
NET INCOME			
(1) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	OH	1,071,603	464,717
(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)	OH	1,071,603	464,717
SURPLUS			
(5) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	OH	27,400,021	25,224,848
(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)	OH	27,400,021	25,224,848

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from those estimates.

C. Accounting Policy

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

Net investment income earned consists primarily of interest and dividends less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed, or otherwise disposed. Realized capital losses include write-downs for impairments of securities considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- Short-term investments are stated at cost, except short-term bonds are stated at amortized cost using the interest method under NAIC valuation standards.
- Investments in bonds are stated at amortized cost using the interest method or lower of amortized cost or market under NAIC valuation standards.
- Common stocks are stated at fair value.
- The Company has no investments in preferred stocks.
- The Company has no investments in mortgage loans.
- Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. All loan-backed securities that are of high investment grade are valued using the retrospective adjustment method. All other loan-backed securities are valued using the prospective adjustment method.
- The Company has no investments in subsidiary, parents or affiliates.
- The Company does not own any interests in joint ventures, partnerships, or limited liability companies.
- The Company has not invested in derivatives.
- The Company does not consider investment income as a factor in premium deficiency calculations.
- 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 liability are routinely reviewed, and any adjustments are reflected in the period determined.
- The Company's capitalization policy has not changed from that followed in the prior year.
- The Company does not have any pharmaceutical rebate receivables.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

The Company filed amended 1) Assets, 2) Liabilities, Surplus and Other Funds and 3) Statement of Income pages for the 2012 Annual Statement, and the first and second quarter 2013 Quarterly Statements. These amendments were made in order to reclass Federal Income Taxes. During the course of the 2012 statutory audit, it was determined that a reclassification was needed between current and deferred taxes. The net effect of these adjustments is an increase in Surplus as regards policyholders of \$19,520 for the 2012 Annual Statement and first quarter 2013 Quarterly Statement. The net effect of these adjustments is an increase in Net Income of \$255,996 as compared to what was originally reported for the second quarter 2013 Quarterly Statement.

3. Business Combinations and Goodwill

The Company was not a participant in a business combination.

4. Discontinued Operations

The Company had no operations that were discontinued.

5. Investments

A. The Company has not invested in mortgage loans or mezzanine real estate loans.

B. The Company has not invested in restructured debt.

C. The Company has not invested in reverse mortgages.

D. Loan-Backed Securities

1. Prepayment assumptions for loan-backed securities are obtained by the Company's third-party accounting provider, from industry standard external data providers.
2. The Company did not have any loan-backed securities with a recognized other-than-temporary impairment loss in the twelve months ended December 31, 2013.
3. The Company did not hold any loan-backed securities for the twelve months ended December 31, 2013 with a recognized other-than-temporary impairment.
4. The Company did not have loan-backed securities in an unrealized loss position at December 31, 2013.
5. The Company evaluates its investments for impairment. In accordance with policy, the determination that a security has incurred an other-than-temporary decline in fair value and the associated amount of any loss recognition requires the judgment by the Company's management and a continual review of its investments. Investments in an unrealized loss position are reviewed on a quarterly basis to determine whether a decline in fair value below the amortized cost basis is other-than-temporary. In general, the process for identifying other-than-temporary declines in fair value involves the consideration of a number of factors, including but not limited to, whether the issuer has been downgraded to below investment-grade, the length of time in which there has been a significant decline in value, the liquidity, business prospects, and overall financial condition of the issuer, the nature and performance of the collateral or other credit support backing the security, the significance of the decline in value, and whether the Company has the intent to sell the debt security or may be required to sell the debt security before its anticipated recovery. If consideration of the factors above results in a conclusion that the decline in fair value is other-than-temporary, the cost basis of the security is written down to fair value and the write down is recorded as a realized loss. For loan-backed securities, the aforementioned factors were evaluated at the end of each quarter and it was determined that there were no other-than-temporary impairments at December 31, 2013.

E. The Company has had no repurchase agreements or security lending transactions.

F. The Company has not invested in real estate.

G. The Company does not have any investments in low-income housing tax credits.

NOTES TO FINANCIAL STATEMENTS

H. Other Disclosures and Unusual Items

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross 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 Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown									0.000	0.000
b. Collateral held under security lending arrangements									0.000	0.000
c. Subject to repurchase agreements									0.000	0.000
d. Subject to reverse repurchase agreements									0.000	0.000
e. Subject to dollar repurchase agreements									0.000	0.000
f. Subject to dollar reverse repurchase agreements									0.000	0.000
g. Placed under option contracts									0.000	0.000
h. Letter stock or securities restricted as to sale									0.000	0.000
i. On deposit with state	6,223,713				6,223,713	6,235,284	(11,571)	6,223,713	8.901	8.926
j. On deposit with other regulatory bodies									0.000	0.000
k. Pledged as collateral not captured in other categories									0.000	0.000
l. Other restricted assets									0.000	0.000
m. Total Restricted Assets	6,223,713				6,223,713	6,235,284	(11,571)	6,223,713	8.901	8.926

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

(2) The Company has no other pledged collateral.

(3) The Company has no other restricted assets.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

7. Investment Income

The Company has not excluded any investment income due and accrued from the financial statements.

8. Derivative Instruments

The Company has no derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2013			2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	68,279	124,242	192,521	55,275	20,498	75,773	13,004	103,744	116,748
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	68,279	124,242	192,521	55,275	20,498	75,773	13,004	103,744	116,748
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	68,279	124,242	192,521	55,275	20,498	75,773	13,004	103,744	116,748
f. Deferred tax liabilities	101,815	1,818,501	1,920,316	18,457	797,208	815,665	83,358	1,021,293	1,104,651
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	(33,536)	(1,694,259)	(1,727,795)	36,818	(776,710)	(739,892)	(70,354)	(917,549)	(987,903)

2. Admission Calculation Components

	2013			2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	68,279	124,242	192,521	55,275	20,498	75,773	13,004	103,744	116,748
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:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
Adjusted gross deferred tax assets allowed per limitation threshold			4,027,816			3,780,799			247,017
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									
d. Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a)+2(b)+2(c)	68,279	124,242	192,521	55,275	20,498	75,773	13,004	103,744	116,748

3. Other Admissibility Criteria

		2013	2012
a.	Ratio percentage used to determine recovery period and threshold limitation amount	1,234.000	1,292.000
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	26,852,106	25,514,204

4. Impact of Tax Planning Strategies

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

	12/31/13		12/31/12		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	68,279	124,242	55,275	20,498	13,004	103,744
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000	100.000	0.000	100.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	68,279	124,242	55,275	20,498	13,004	103,744
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000	100.000	0.000	100.000	0.000	0.000

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

As of December 31, 2013, there are no temporary differences for which deferred tax liabilities are not recognized.

NOTES TO FINANCIAL STATEMENTS

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2013	2012	(Col 1-2) Change
a. Federal	66,289	317,753	(251,464)
b. Foreign	28,238		28,238
c. Subtotal	94,527	317,753	(223,226)
d. Federal income tax on net capital gains	79,685	212,683	(132,998)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	174,212	530,436	(356,224)

2. Deferred Tax Assets

	1	2	3
	2013	2012	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses			
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	68,279	55,275	13,004
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)			
99. Subtotal	68,279	55,275	13,004
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	68,279	55,275	13,004
e. Capital:			
1. Investments	124,242	20,498	103,744
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	124,242	20,498	103,744
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	124,242	20,498	103,744
i. Admitted deferred tax assets (2d+2h)	192,521	75,773	116,748

3. Deferred Tax Liabilities

	1	2	3
	2013	2012	(Col 1-2) Change
a. Ordinary:			
1. Investments	101,815	13,863	87,952
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax assets)		4,594	(4,594)
99. Subtotal	101,815	18,457	83,358
b. Capital:			
1. Investments	1,818,501	797,208	1,021,293
2. Real estate			
3. Other (including items <5% of total capital tax assets)			
99. Subtotal	1,818,501	797,208	1,021,293
c. Deferred tax liabilities (3a99+3b99)	1,920,316	815,665	1,104,651

4.	Net Deferred Tax Assets (2i – 3c)	(1,727,795)	(739,892)	(987,903)
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NOTES TO FINANCIAL STATEMENTS

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

	2013	
	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	436,035	35.0%
Proration of tax exempt investment income	12,471	1.0%
Tax exempt income deduction	(83,136)	-6.67%
Dividends received deduction	(37,504)	-3.01%
Disallowed travel and entertainment		
Other permanent differences	28,238	2.27%
Temporary Differences:		
Total ordinary DTAs	(13,004)	-1.04%
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs		
Other:		
Statutory valuation allowance adjustment		
Accrual adjustment – prior year	25,902	2.08%
Other		
Totals	369,002	29.63%
Federal and foreign income taxes incurred	94,527	7.59%
Realized capital gains (losses) tax	79,685	6.40%
Change in net deferred income taxes	194,790	15.64%
Total statutory income taxes	369,002	29.63%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits
At December 31, 2013, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
The following is income tax expense for 2013 and 2012 that is available for recoupment in the event of future net losses:

Year	Amount
2013	145,974
2012	530,436

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:

- Argo Group US, Inc. (Parent)
- AGI Properties, Inc.
- Argonaut Claims Management, LLC.
- Argonaut Great Central Insurance Company
- Argonaut Insurance Company
- Argonaut Management Services, Inc.
- Argonaut Midwest Insurance Company
- Select Markets Insurance Company
- Argonaut-Southwest Insurance Company
- Argus Reinsurance Intermediaries, Inc.
- Coal Operators Indemnity Company
- Colony Agency Services, Inc.
- Colony Insurance Company
- Central Insurance Management, Inc.
- Colony Management Services, Inc.
- Colony Specialty Insurance Company
- Argonaut Limited Risk Insurance Company
- Colony National Insurance Company
- Rockwood Casualty Insurance Company
- Somerset Casualty Insurance Company
- Trident Insurance Services, LLC
- Grocers Insurance Agency, Inc.
- Insight Insurance Services, Inc.
- Alteris Inc.
- Alteris Insurance Services, Inc.
- Centerbury Claims Services, Inc.
- ARIS Title Insurance Corporation
- Sonoma Risk Management, LLC
- John Sutak Insurance Brokers, Inc.

2. The method of allocation between companies is subject to a written agreement. The allocation is based upon a separate calculation for each Company at the consolidated return tax rate. In the event the Company has tax liability on a separate company basis, its taxes will be paid by Argo Group US, Inc. In the event the Company has a refund of taxes on a separate company basis, the amount will be received from Argo Group US, Inc. Income tax settlements by the Company are made on the normal due date as prescribed by the Internal Revenue Service with a settlement with Argo Group US, Inc. made within thirty days after the date of filing the consolidated federal income tax return.

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.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a wholly owned subsidiary of Colony Insurance Company.

B. Transactions with Affiliates Greater than 1/2% of Admitted Assets

There were no transactions with affiliates greater than 1/2% of admitted assets.

C. Change in Terms of Intercompany Arrangements

There have been no changes in any arrangement between the Company and any affiliated party.

D. Amounts Due to/(from) Related Parties

Affiliate	2013	2012
	Due	Due
	to/(from)	to/(from)
Colony Management Services, Inc.	(69,706)	(63,646)
Colony National Insurance Company	(1,912)	(301,041)
Colony Insurance Company	3,000,814	(4,505,442)
Argo Re, Ltd.	(69,954)	(49,321)
Trident Insurance Services, LLC	11,410	11,410
Argonaut Insurance Company	(416,640)	605

NOTES TO FINANCIAL STATEMENTS

E. Guarantees or Undertakings for the Benefit of a Related Party

The Company has no guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party.

F. Intercompany Management, Service and Cost-sharing Agreements

Under a service agreement between the Company and Colony Insurance Company, Colony National Insurance Company, Argonaut Insurance Company, and Argonaut Midwest Insurance Company, Colony Insurance Company serves as the paying agent for claims payments. Claims paid by Colony Insurance Company on behalf of the Company are reimbursed in the month following.

Colony Management Services, Inc., and Argo Group U.S., Inc. each provide the Company with various services under management services contracts with the Company. Fees are allocated to the Company on a basis approximating the cost of providing the services.

G. Nature of the Control Relationship

The Company is a wholly-owned subsidiary of Colony Insurance Company. Additional details regarding the relationship between the Company and all related parties are included in Schedule Y of this Annual Statement.

H. Downstream Ownership of an Upstream Entity

The Company does not hold any investments in any affiliated entity.

I. Investments in Subsidiaries, Controlled, or Affiliate Entities

The Company does not hold any investments in any affiliated entity.

J. Impaired Investments in Subsidiary, Controlled, or Affiliated Entities

The Company does not hold any investments in any affiliated entity.

K. Investments in Foreign Insurance Subsidiaries

The Company does not hold any investments in any affiliated entity.

L. Downstream Holding Company Valued Using Look-Through Method

The Company does not hold any investments in any affiliated entity.

11. Debt

The Company does not have any debt.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company has no employees, and therefore, has no benefit plans. Human services are provided via contract as detailed in Note 10F of these Notes.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- 1. The Company has 1,400 shares of \$2,500 par common stock authorized, issued, and outstanding.
- 2. The Company has no preferred stock authorized, issued, or outstanding.
- 3. Without prior approval from the Ohio Department of Insurance, dividends to shareholders are limited by the laws of the State of Ohio to \$2,740,002 for 2014, an amount that is based on restrictions relating to net income and statutory surplus.
- 4. The Company did not pay dividends in 2012.
- 5. Within the limitations of 3 of this Note, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.
- 6. There were no restrictions placed on the Company's surplus.
- 7. The Company is a stock corporation, and therefore, has no advances to surplus.
- 8. The Company has no stock that is being held for any special purpose.
- 9. The Company has no special surplus funds.
- 10. The portion of unassigned funds (surplus) represented or reduced by cumulative pre-tax unrealized gains is \$2,987,888.
- 11. The Company has not issued any Surplus Notes.
- 12. The Company has not been impacted as a result of restatements due to prior quasi-reorganizations.
- 13. The Company has not been party to any quasi-reorganization during the past ten years.

14. Contingencies

A. Contingent Commitments

The Company did not have any contingent commitments at December 31, 2013.

B. Assessments

At December 31, 2013, based on information available from the states in which the Company is licensed to write business, there were no material unpaid assessments. The Company did not accrue a liability for guaranty fund or other assessments.

NOTES TO FINANCIAL STATEMENTS

C. Gain Contingencies

The Company does not currently have any gain contingencies.

D. Extra Contractual Obligation and Bad Faith Losses

During 2013, the Company made no payments for extra contractual obligation or bad faith claims stemming from lawsuits.

E. Product Warranties

The Company is not a guarantor for any product warranty.

F. All Other Contingencies

At December 31, 2013 and 2012, the Company had admitted assets of \$1,338,828 and \$2,042,144, respectively, in premiums receivable due from agents. The company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2013 are not expected to exceed the non-admitted amounts totaling \$195,082, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

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.

The Company recognized \$202,199 and \$150,080 in other-than-temporary impairment on its bonds and common stocks, respectively, during 2013.

15. Leases

The Company does not currently hold any leases.

16. Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any financial instruments of this nature.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

The Company has not had any transactions of this nature.

B. Transfer and Servicing of Financial Assets

The Company has not had any transactions of this nature.

C. Wash Sales

The Company had no wash sales as defined in paragraph 9, of SSAP No. 91R, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, involving transactions for securities with a NAIC designation of 3 or below, or unrated during 2013.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company does not have any plans of this nature.

19. Direct Premium Written by Managing General Agents or Third Party Administrators

The Company does not have any managing general agents or third party administrators as defined by Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*.

20. Fair Value Measurement

A. The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a three-level hierarchy shown below. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values using methodologies and models with unobservable inputs (Level 3). An asset's classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

- Level 1—Values are quoted prices (unadjusted) in active markets for identical assets that can be accessed at the reporting date. Actively traded, as defined by the Company, is a security that has traded in the past seven days.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3—Unobservable inputs reflecting the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

1. The following table provides information as of December 31, 2013 about the Company's financial assets measured at fair value:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Common Stocks unaffiliated	17,867,506			17,867,506
Total	17,867,506			17,867,506

NOTES TO FINANCIAL STATEMENTS

2.

The Company has no Level 3 items.
3.

The Company had no transfers between levels.
4.

Fair value prices are obtained from third party pricing services, where available. For securities where the Company is unable to obtain fair values from a pricing service, fair values are obtained from a broker or investment advisor. These prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.
5.

The Company had no investments in derivatives.
- B.

The Compnay has no other fair value disclosures.
- C.

The following table provides information as of December 31, 2013 about the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	37,856,539	37,241,083	10,940,227	26,916,312		
Common Stocks unaffiliated	17,867,506	17,867,506	17,867,506			
Short Term	4,707,539	4,707,539	4,707,539			
Total	60,431,584	59,816,128	33,515,272	26,916,312		

- D.

The Company has no financial instruments for which it was not practicalble to estimate fair values.

21. Other Items

- A.

Extraordinary Items

There are no extraordinary items contained within the accompanying financial statements.

- B.

Troubled Debt Restructuring

The Company has no debt.

- C.

Other Disclosures

There are no other disclosures required.

- D.

Business Interruptions Insurance Recoveries

The Company has not received any business interruption recoveries.

- E.

State Transferable and Non-transferable Tax Credits

The Company does not have any state tax credits, transferable or not.

- F.

Subprime-mortgage Related Risk Exposure

The Company has no sub-prime mortgage risk exposure.

- G.

Offsetting and Netting of Assets and Liabilities

The Company does not have any disclosures regarding offsetting and netting of liabilities required in this section.

- H.

Joint and Several Liabilities

The Company does not have any disclosures regarding joint and several liabilities required in this section.

22. Events Subsequent

There were no events occurring subsequent to the end of the current year through the date of this filing meriting disclosure.

23. Reinsurance

- A.

Unsecured Reinsurance Recoverables

At December 31, 2013, the Company had the following unsecured aggregate reinsurance recoverable for losses and loss adjustment expenses, paid and unpaid, including IBNR, and unearned premium that exceeded 3% of the Company's policyholders' surplus.

Federal ID Number	NAIC Company Code	Name of Reinsurer	Amount
25-1620138 13-4924125	35505 10227	Rockwood Casualty Munich Reinsurance America	18,948,641 1,255,028

NOTES TO FINANCIAL STATEMENTS

B. Reinsurance Recoverables in Dispute

The Company has no reinsurance recoverable in dispute with any one reinsurer exceeding 5% of policyholders' surplus or any reinsurance recoverable in dispute that in the aggregate exceeds 10% of policyholders' surplus.

C. Reinsurance Assumed and Ceded

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates			10,118,012	492,068	(10,118,012)	(492,068)
b.	All Other			424,165	66,344	(424,165)	(66,344)
c.	Total			10,542,177	558,412	(10,542,177)	(558,412)
d.	Direct Unearned Premium Reserves			10,542,177			

Amounts accrued at December 31, 2013 for contingent commission was \$27,570 on a direct basis which was ceded to an affiliate.

The Company has no protected cells.

D. Uncollectible Reinsurance

The Company did not write off any reinsurance recoverables during the year.

E. Commutation of Ceded Reinsurance

The Company did not commute any of its ceded reinsurance agreements during the year.

F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

The Company did not have any reinsurance accounted for as a deposit.

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

The Company did not have any reinsurance contracts of this nature.

I. Certified Reinsurance Downgraded or Status Subject to Revocation

The Company did not have any certified reinsurance downgraded or status subject to revocation.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any contracts of this nature.

25. Changes in Incurred Losses and Loss Adjustment Expenses

As a result of the 100% quota share agreement that the Company has in place, there has been no change in incurred loss and loss adjustment expenses.

26. Intercompany Pooling Arrangements

The Company is not a party to an intercompany pooling arrangement.

27. Structured Settlements

The Company has not purchased any structured settlements.

28. Health Care Receivables

The Company has no health care receivables.

29. Participating Policies

The Company does not issue participating contracts.

30. Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve on January 25, 2014. As a result of the analysis, which did not include anticipated investment income, the Company determined that a premium deficiency reserve was not warranted.

31. High Deductibles

The Company has not recorded any reserve credit for high deductibles.

NOTES TO FINANCIAL STATEMENTS

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company has not discounted any of its reserve liabilities.

33. Asbestos and Environmental Reserves

A. Asbestos Reserves

The Company has exposure to asbestos claims arising from the sale of general liability insurance written on an occurrence basis. The Company has identified the policies that had potential liability for asbestos claims. These policies had terms of up to five years (the latest of which expired in 1989). In addition, these policies covered relatively small manufacturers or distributors who sold limited use products; therefore, the asbestos related claim liabilities cannot be projected by traditional loss reserving techniques. Case reserves (and the cost of related litigation) have been established when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposure on both known and unasserted claims. The Company's asbestos related losses (including the cost of related litigation) for each of the five most recent calendar years are as follows:

(1) Direct

		2009	2010	2011	2012	2013
a.	Beginning reserves	936,602	1,172,905	1,213,824	1,542,742	1,459,481
b.	Incurred losses and loss adjustment expense	921,080	892,456	541,286	376,539	267,599
c.	Calendar year payments for losses and loss adjustment expenses	684,777	851,537	212,368	459,800	326,034
d.	Ending reserves	1,172,905	1,213,824	1,542,742	1,459,481	1,401,046

(2) Assumed Reinsurance

		2009	2010	2011	2012	2013
a.	Beginning reserves					
b.	Incurred losses and loss adjustment expense					
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves					

(3) Net of Ceded Reinsurance

		2009	2010	2011	2012	2013
a.	Beginning reserves	140,490				
b.	Incurred losses and loss adjustment expense					
c.	Calendar year payments for losses and loss adjustment expenses	140,490				
d.	Ending reserves					

B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE)

(1)	Direct basis	1,116,998
(2)	Assumed reinsurance basis	
(3)	Net of ceded reinsurance basis	

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR)

(1)	Direct basis	657,974
(2)	Assumed reinsurance basis	
(3)	Net of ceded reinsurance basis	

D. Environmental Reserves

The Company does not write policies that cover environmental exposures other than policies written to specifically cover those exposures.

34. Subscriber Savings Accounts

This is not applicable to the Company as it is not a reciprocal.

35. Multiple Peril Crop Insurance

The Company does not write multi-peril crop insurance.

36. Financial Guaranty Insurance

The Company does not write financial guaranty insurance.

COLONY SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011

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.

12/31/2011

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).

06/09/2013

3.4

By what department or departments?

Ohio

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [] No [] N/A [X]

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 [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the 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	2	3
Name of Entity	NAIC Co. Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [X] No []

7.2

If yes,

7.21

State the percentage of foreign control

.....100.000 %

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity
Bermuda	Insurance Holding Company

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If response to 8.3 is yes, please provide 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP, 1800 Frost Bank Tower, 100 West Houston Street, San Antonio, TX 78205

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

COLONY SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes [X]	No []	N/A []												
10.6	If the answer to 10.5 is no or n/a, please explain.															
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? Ronald J. Swanstrom, FCAS, MAAA, Senior Vice President & Chief Reserving Actuary, Argo Group U.S., Inc., 225 West Washington, 6th Floor, Chicago, IL 60606															
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes []	No [X]													
12.11	Name of real estate holding company															
12.12	Number of parcels involved															
12.13	Total book/adjusted carrying value															
12.2	If yes, provide explanation.															
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:															
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?															
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes []	No []													
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes []	No []													
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes []	No []	N/A []												
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes [X]	No []													
	a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;															
	b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;															
	c. Compliance with applicable governmental laws, rules and regulations;															
	d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and															
	e. Accountability for adherence to the code.															
14.11	If the response to 14.1 is no, please explain:															
14.2	Has the code of ethics for senior managers been amended?	Yes []	No [X]													
14.21	If the response to 14.2 is yes, provide information related to amendment(s).															
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes []	No [X]													
14.3	If the response to 14.3 is yes, provide the nature of any waiver(s).															
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?	Yes []	No [X]													
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">1</td> <td style="width: 20%; text-align: center;">2</td> <td style="width: 40%; text-align: center;">3</td> <td style="width: 20%; text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">American Bankers Association (ABA) Routing Number</td> <td style="text-align: center;">Issuing or Confirming Bank Name</td> <td style="text-align: center;">Circumstances That Can Trigger the Letter of Credit</td> <td style="text-align: center;">Amount</td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </table>	1	2	3	4	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount							
1	2	3	4													
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount													

PART 1 - COMMON INTERROGATORIES - 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 subordinate committee thereof?	Yes [X]	No []
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [X]	No []
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [X]	No []

PART 1 - COMMON INTERROGATORIES - 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		\$.....
	20.12 To stockholders not officers		\$.....
	20.13 Trustees, supreme or grand (Fraternal only)		\$.....
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		\$.....
	20.22 To stockholders not officers		\$.....
	20.23 Trustees, supreme or grand (Fraternal only)		\$.....
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 reported 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		

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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.

\$.....3,000,814

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes [☒] No [☐]

24.02

If no, give full and complete information relating thereto.

.....

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

.....

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [☐] No [☐] N/A [☒]

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

.....

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.

.....

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

.....

24.103

Total payable for securities lending reported on the liability page.

.....

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 currently 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

Pledged as collateral

\$.....0

25.26

Placed under option agreements

\$.....0

25.27

Letter stock or securities restricted as to sale

\$.....0

25.28

On deposit with state or other regulatory body

\$.....6,223,713

25.29

Other

\$.....0

25.3

For category (25.27) 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? If no, attach a description with this statement.

Yes [☐] No [☐] N/A [☒]

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 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
US Bank Institutional Trust & Custody	2204 Lakeshore Drive, Ste 302, Birmingham, AL 35209

28.02

For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☐] No [☒]

28.04

If yes, give full and complete information relating thereto:

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

28.05

Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107105	Blackrock Financial Management	40 E. 52nd St, New York, NY 10022
106584	Fayez Sarofim & Company	PO Box 297426, Houston, TX 77297

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 [☒]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999. TOTAL		0

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to 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.....	41,948,622	42,564,078	615,456
30.2 Preferred stocks.....			0
30.3 Totals.....	41,948,622	42,564,078	615,456

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

Interactive Data Corporation, Lehman Index, Merrill Lynch Index, Reuters, S&P Index, Standard & Poors

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 [X]

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 Securities Valuation Office been followed?

Yes [X] No []

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

\$.....0

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

34.1 Amount of payments for legal expenses, if any?

\$.....0

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

1	2
Name	Amount Paid

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

\$.....0

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

1	2
Name	Amount Paid

NONE

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒]

1.2

If yes, indicate premium earned on U.S. business only.

1.3

What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

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.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator.....	\$.....0	\$.....0
2.2 Premium Denominator.....	\$.....0	\$.....0
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....0	\$.....0
2.5 Reserve Denominator.....	\$.....0	\$.....0
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes [☐]

No [☒]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

3.22

Non-participating policies

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.

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?

Worker's Compensation policies issued by the Company are reinsured under a 100% quota share agreement with an affiliate, Rockwood Casualty Insurance Company, which has catastrophe reinsurance in place.

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:

The evaluation of the probable maximum loss was conducted using AIR-Worldwide catastrophe modeling software with the greatest concentration of risk coming from California Earthquake and US Hurricane.

6.3

What provision has this reporting entity made (such as a 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?

To protect the Company from excessive loss due to exposures comprising the PML, the Company purchases a property catastrophe reinsurance program.

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 [☒]

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 uninsured catastrophic loss:

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes [☒]

No [☐]

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

.....2

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes [☒]

No [☐]

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GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes [☐]

No [☒]

8.2

If yes, give full information:

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

Yes [☐]

No [☒]

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 control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract?

Yes [☐]

No [☒]

9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [☐]

No [☒]

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 [☐]

No [☒]

Yes [☐]

No [☒]

Yes [☐]

No [☒]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance 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 [☒]

No [☐]

N/A [☐]

11.1

Has this reporting entity guaranteed policies issued by any other reporting entity and now in force?

Yes [☐]

No [☒]

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:
12.1 Unpaid losses
12.1 Unpaid underwriting expenses (including loss adjustment expenses)

\$.....0

\$.....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 [☐]

No [☒]

N/A [☐]

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.4 From
12.4 To

.....%

.....%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [☐]

No [☒]

12.6

If yes, state the amount thereof at December 31 of current year:
12.6 Letters of credit
12.6 Collateral and other funds

.....

.....

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$.....0

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 [☒]

13.3

State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

.....3

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Under a multi-cedant allocation contract, the associated reinstatement premiums and retentions are allocated to the company based on its share of the total subject premium or covered losses

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 [X] No []

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home.....					
16.12 Products.....					
16.13 Automobile.....					
16.14 Other*.....					

* 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? Yes [] No [X]

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:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14 Case reserves portion of Interrogatory 17.11

17.15 Incurred but not reported portion of Interrogatory 17.11

17.16 Unearned premium portion of Interrogatory 17.11

17.17 Contingent commission portion of Interrogatory 17.11

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

17.19 Unfunded portion of Interrogatory 17.18

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21 Case reserves portion of Interrogatory 17.18

17.22 Incurred but not reported portion of Interrogatory 17.18

17.23 Unearned premium portion of Interrogatory 17.18

17.24 Contingent commission portion of Interrogatory 17.18

18.1 Do you act as a custodian for health savings account? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date.

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.

FIVE-YEAR HISTORICAL DATA

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

	1 2013	2 2012	3 2011	4 2010	5 2009
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).....	20,830,524	22,294,546	21,574,479	19,939,425	(5,939,914)
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,138,153	278,490	455,439	877,701	(2,877,369)
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	742,683	1,434,208	981,306	1,014,127	(3,328,772)
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					(59)
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	23,711,360	24,007,244	23,011,224	21,831,253	(12,146,114)
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).....			0		(24,761,910)
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					(4,670,162)
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	0				(4,994,165)
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					(59)
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	0	0	0	0	(34,426,296)
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(0)				
14. Net investment gain (loss) (Line 11).....	1,414,405	984,754	15,806,135	3,290,300	7,594,043
15. Total other income (Line 15).....	(248,274)	(202,284)	(226,909)	(188,812)	(3,136,194)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	94,527	317,753	546,725	549,355	(6,378,640)
18. Net income (Line 20).....	1,071,604	464,717	15,032,501	2,552,133	10,836,489
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	69,729,506	71,624,036	71,054,195	123,609,242	112,377,298
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	1,333,828	2,042,144	1,423,543	1,359,832	2,581,446
20.2 Deferred and not yet due (Line 15.2).....	86,533				
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	42,329,485	46,399,188	45,873,400	45,473,030	38,373,498
22. Losses (Page 3, Line 1).....					
23. Loss adjustment expenses (Page 3, Line 3).....					
24. Unearned premiums (Page 3, Line 9).....					
25. Capital paid up (Page 3, Lines 30 & 31).....	3,500,000	3,500,000	3,500,000	3,500,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	27,400,021	25,224,848	25,180,795	78,136,212	74,003,800
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	1,401,459	(3,965,193)	(216,009)	2,624,458	(126,102,925)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	27,400,021	25,205,328	25,180,795	78,136,212	74,003,800
29. Authorized control level risk-based capital.....	2,220,329	1,951,064	1,508,684	2,524,442	2,260,987
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).....	59.7	67.0	53.8	53.1	74.8
31. Stocks (Lines 2.1 & 2.2).....	28.6	21.4	11.5	12.8	12.7
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).....	11.7	11.6	34.7	34.1	12.5
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					XXX
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					XXX
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				

COLONY SPECIALTY INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2013	2012	2011	2010	2009
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	1,472,925	391,832	(10,012,424)	1,125,036	5,352,594
52. Dividends to stockholders (Line 35).....			(57,801,562)		
53. Change in surplus as regards policyholders for the year (Line 38).....	2,175,173	44,053	(52,955,417)	4,132,412	10,759,882
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).....	11,477,138	7,784,059	7,352,838	3,698,686	72,100,507
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	397,741	258,798	56,003	268,023	1,486,096
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,039,115	794,811	543,275	138,270	7,424,490
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					1,685
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					126,443
59. Total (Line 35).....	12,913,994	8,837,667	7,952,115	4,104,979	81,139,221
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).....	0				67,991,502
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	0				1,478,613
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	(0)				6,776,354
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					1,685
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					74,855
65. Total (Line 35).....	(0)	0	0	0	76,323,009
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).....					
68. Loss expenses incurred (Line 3).....					
69. Other underwriting expenses incurred (Line 4).....					
70. Net underwriting gain (loss) (Line 8).....					100.0
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).....					(9.1)
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....					
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).....					(46.5)
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).....					
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).....					
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....					(5,582)
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).....					(10.3)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of

SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No [X]

If no, please explain:

The Company has not been a party to a merger.

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....70	.....70	.....306	.....306	.....49	.....49	.....6	.....0	.....XXX.....
2. 2004.....	.....55,340	.....12,488	.....42,852	.....15,773	.....2,416	.....4,207	.....302	.....1,335	.....(187)	.....	.....18,783	.....XXX.....
3. 2005.....	.....56,607	.....12,907	.....43,700	.....20,951	.....4,698	.....5,044	.....977	.....1,693	.....(411)	.....387	.....22,422	.....XXX.....
4. 2006.....	.....79,344	.....14,250	.....65,094	.....38,231	.....7,784	.....8,606	.....1,541	.....1,782	.....(461)	.....847	.....39,755	.....XXX.....
5. 2007.....	.....81,598	.....14,799	.....66,799	.....35,305	.....4,065	.....7,451	.....445	.....1,445	.....(1,338)	.....46	.....41,029	.....XXX.....
6. 2008.....	.....52,869	.....14,218	.....38,651	.....22,601	.....3,509	.....6,676	.....1,353	.....1,020	.....(1,525)	.....81	.....26,961	.....XXX.....
7. 2009.....	.....17,062	.....17,062	.....0	.....6,836	.....6,836	.....1,628	.....1,628	.....197	.....197	.....54	.....0	.....XXX.....
8. 2010.....	.....22,933	.....22,933	.....0	.....9,679	.....9,679	.....4,797	.....4,797	.....457	.....457	.....114	.....0	.....XXX.....
9. 2011.....	.....22,578	.....22,578	.....0	.....5,246	.....5,246	.....2,311	.....2,311	.....348	.....348	.....152	.....0	.....XXX.....
10. 2012.....	.....23,623	.....23,623	.....0	.....5,044	.....5,044	.....1,664	.....1,664	.....220	.....220	.....36	.....0	.....XXX.....
11. 2013.....	.....23,374	.....23,374	.....0	.....2,144	.....2,144	.....197	.....197	.....99	.....99	.....42	.....0	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....161,882	.....51,493	.....42,887	.....15,522	.....8,645	.....(2,551)	.....1,766	.....148,950	.....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	22			
	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.....	.....824	.....824	.....1,122	.....1,122	.....79	.....79	.....167	.....167	.....647	.....647	.....	.....0	.....XXX.....
2. 2004.....	.....62	.....62	.....103	.....103			.....31	.....31	.....86	.....86		.....0	.....XXX.....
3. 2005.....	.....131	.....131	.....184	.....184			.....62	.....62	.....265	.....265		.....0	.....XXX.....
4. 2006.....			.....764	.....764			.....218	.....218	.....83	.....83		.....0	.....XXX.....
5. 2007.....	.....125	.....125	.....390	.....390	.....23	.....23	.....110	.....110	.....90	.....90		.....0	.....XXX.....
6. 2008.....	.....36	.....36	.....682	.....682	.....21	.....21	.....195	.....195	.....47	.....47		.....0	.....XXX.....
7. 2009.....	.....197	.....197	.....908	.....908	.....27	.....27	.....246	.....246	.....217	.....217		.....0	.....XXX.....
8. 2010.....	.....2,046	.....2,046	.....2,784	.....2,784	.....198	.....198	.....756	.....756	.....778	.....778		.....(0)	.....XXX.....
9. 2011.....	.....2,078	.....2,078	.....5,137	.....5,137	.....206	.....206	.....1,035	.....1,035	.....690	.....690		.....(0)	.....XXX.....
10. 2012.....	.....4,650	.....4,650	.....6,879	.....6,879	.....381	.....381	.....1,452	.....1,452	.....782	.....782		.....0	.....XXX.....
11. 2013.....	.....3,178	.....3,178	.....8,010	.....8,010	.....279	.....279	.....1,573	.....1,573	.....1,368	.....1,368		.....(0)	.....XXX.....
12. Totals...	.....13,328	.....13,328	.....26,963	.....26,963	.....1,214	.....1,214	.....5,845	.....5,845	.....5,053	.....5,053	.....0	.....(0)	.....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. 2004.	.....21,597	.....2,814	.....18,783	.....39.0	.....22.5	.....43.8	.....	.....	.....	.....0	.....0
3. 2005.	.....28,329	.....5,906	.....22,422	.....50.0	.....45.8	.....51.3	.....	.....	.....	.....0	.....0
4. 2006.	.....49,684	.....9,929	.....39,755	.....62.6	.....69.7	.....61.1	.....	.....	.....	.....0	.....0
5. 2007.	.....44,939	.....3,910	.....41,029	.....55.1	.....26.4	.....61.4	.....	.....	.....	.....0	.....0
6. 2008.	.....31,279	.....4,318	.....26,961	.....59.2	.....30.4	.....69.8	.....	.....	.....	.....0	.....0
7. 2009.	.....10,256	.....10,255	.....0	.....60.1	.....60.1	.....0.0	.....	.....	.....	.....0	.....0
8. 2010.	.....21,495	.....21,495	.....(0)	.....93.7	.....93.7	.....0.0	.....	.....	.....	.....0	.....(0)
9. 2011.	.....17,051	.....17,051	.....(0)	.....75.5	.....75.5	.....0.0	.....	.....	.....	.....0	.....(0)
10. 2012.	.....21,073	.....21,073	.....0	.....89.2	.....89.2	.....0.0	.....	.....	.....	.....0	.....0
11. 2013.	.....16,849	.....16,849	.....(0)	.....72.1	.....72.1	.....(73,055.6)	.....	.....	.....	.....0	.....(0)
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0	.....0	.....XXX.....	.....0	.....(0)

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	One Year	Two Year
1. Prior.....	.....27,161	.....28,179	.....27,972	.....27,836	.....27,124	.....27,124	.....27,124	.....27,124	.....27,124	.....27,124	.....0	.....0
2. 2004.....	.....25,773	.....23,250	.....20,193	.....17,835	.....17,261	.....17,261	.....17,261	.....17,261	.....17,261	.....17,261	.....0	.....0
3. 2005.....	.....XXX.....	.....26,806	.....24,420	.....22,053	.....20,319	.....20,319	.....20,319	.....20,319	.....20,319	.....20,319	.....0	.....0
4. 2006.....	.....XXX.....	.....XXX.....	.....38,635	.....37,801	.....37,511	.....37,511	.....37,511	.....37,511	.....37,511	.....37,511	.....0	.....0
5. 2007.....	.....XXX.....	.....XXX.....	.....XXX.....	.....40,518	.....38,246	.....38,246	.....38,246	.....38,246	.....38,246	.....38,246	.....0	.....0
6. 2008.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....24,416	.....24,416	.....24,416	.....24,416	.....24,416	.....24,416	.....0	.....0
7. 2009.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....						.....0	.....0
8. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....					.....0	.....0
9. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....				.....0	.....0
10. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....			.....0	.....XXX.....
11. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....		.....XXX.....	.....XXX.....
12. Totals.....											.....0	.....0

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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
1. Prior.....	.....000.....	.....7,105	.....12,842	.....16,438	.....18,706	.....27,121	.....27,121	.....27,124	.....27,124	.....27,125	.....XXX.....	.....XXX.....
2. 2004....	.....3,439	.....6,016	.....7,485	.....9,882	.....12,084	.....17,260	.....17,260	.....17,261	.....17,261	.....17,262	.....XXX.....	.....XXX.....
3. 2005.....	.....XXX.....	.....2,741	.....4,009	.....7,103	.....10,455	.....20,319	.....20,319	.....20,319	.....20,319	.....20,319	.....XXX.....	.....XXX.....
4. 2006.....	.....XXX.....	.....XXX.....	.....4,734	.....9,492	.....13,902	.....37,511	.....37,511	.....37,511	.....37,511	.....37,510	.....XXX.....	.....XXX.....
5. 2007....	.....XXX.....	.....XXX.....	.....XXX.....	.....4,319	.....9,059	.....38,248	.....38,248	.....38,246	.....38,246	.....38,245	.....XXX.....	.....XXX.....
6. 2008.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....3,415	.....24,418	.....24,418	.....24,416	.....24,416	.....24,416	.....XXX.....	.....XXX.....
7. 2009.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....						.....XXX.....	.....XXX.....
8. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....					.....XXX.....	.....XXX.....
9. 2011....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....				.....XXX.....	.....XXX.....
10. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....			.....XXX.....	.....XXX.....
11. 2013....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....		.....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
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Prior.....	.....17,332	.....13,303	.....10,306	.....8,263	.....6,534					
2. 2004.....	.....19,219	.....13,554	.....9,295	.....5,711	.....3,674					
3. 2005.....	.....XXX.....	.....19,932	.....16,011	.....11,073	.....6,276					
4. 2006.....	.....XXX.....	.....XXX.....	.....27,877	.....22,735	.....18,114					
5. 2007.....	.....XXX.....	.....XXX.....	.....XXX.....	.....30,541	.....22,917					
6. 2008.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....16,181					
7. 2009.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....					
8. 2010.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....				
9. 2011.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....			
10. 2012.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....		
11. 2013.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1.	Alabama.....AL	...L....	.....509,982	.....423,832	.....	.....166,650	.....1,841,925	.....2,993,724	.....	.....
2.	Alaska.....AK	...L....	.....	.....	.....	.....	.....	.....	.....	.....
3.	Arizona.....AZ	...L....	.....	.....	.....	.....	.....	.....	.....	.....
4.	Arkansas.....AR	...L....	.....60,062	.....73,444	.....	.....85,000	.....(102,707)	.....22,594	.....	.....
5.	California.....CA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
6.	Colorado.....CO	...L....	.....442,804	.....624,587	.....	.....414,452	.....(156,467)	.....610,042	.....	.....
7.	Connecticut.....CT	...L....	.....	.....	.....	.....	.....	.....	.....	.....
8.	Delaware.....DE	...L....	.....	.....	.....	.....	.....	.....	.....	.....
9.	District of Columbia.....DC	...L....	.....76,477	.....99,280	.....	.....310	.....5,838	.....18,330	.....	.....
10.	Florida.....FL	...L....	.....1,021,267	.....1,002,394	.....	.....510,608	.....497,512	.....2,297,260	.....	.....
11.	Georgia.....GA	...L....	.....378,110	.....335,435	.....	.....357,666	.....(134,445)	.....57,909	.....	.....
12.	Hawaii.....HI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
13.	Idaho.....ID	...L....	.....91,555	.....108,301	.....	.....19,441	.....(77,621)	.....	.....	.....
14.	Illinois.....IL	...L....	.....111,988	.....58,956	.....	.....41,986	.....58,013	.....16,027	.....	.....
15.	Indiana.....IN	...L....	.....258,510	.....313,585	.....	.....24,660	.....267,436	.....323,661	.....	.....
16.	Iowa.....IA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
17.	Kansas.....KS	...L....	.....44,339	.....4,667	.....	.....	.....	.....	.....	.....
18.	Kentucky.....KY	...L....	.....30,360	.....17,135	.....	.....	.....	.....	.....	.....
19.	Louisiana.....LA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
20.	Maine.....ME	...L....	.....	.....	.....	.....	.....	.....	.....	.....
21.	Maryland.....MD	...L....	.....1,457,039	.....1,425,775	.....	.....636,918	.....261,914	.....2,226,956	.....	.....
22.	Massachusetts.....MA	...L....	.....	.....	.....	.....	.....	.....	.....	.....
23.	Michigan.....MI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
24.	Minnesota.....MN	...L....	.....30,426	.....6,835	.....	.....10,000	.....35,043	.....25,043	.....	.....
25.	Mississippi.....MS	...L....	.....82,314	.....83,819	.....	.....36,057	.....(46,903)	.....192,050	.....	.....
26.	Missouri.....MO	...L....	.....	.....	.....	.....	.....	.....	.....	.....
27.	Montana.....MT	...L....	.....124,284	.....141,200	.....	.....45,980	.....271,921	.....225,941	.....	.....
28.	Nebraska.....NE	...L....	.....10,000	.....1,151	.....	.....	.....	.....	.....	.....
29.	Nevada.....NV	...L....	.....516,195	.....868,611	.....	.....1,041,822	.....690,496	.....1,089,579	.....	.....
30.	New Hampshire.....NH	...L....	.....	.....	.....	.....	.....	.....	.....	.....
31.	New Jersey.....NJ	...L....	.....	.....	.....	.....	.....	.....	.....	.....
32.	New Mexico.....NM	...L....	.....28,118	.....7,164	.....	.....	.....	.....	.....	.....
33.	New York.....NY	...L....	.....	.....	.....	.....	.....	.....	.....	.....
34.	North Carolina.....NC	...L....	.....525,445	.....380,179	.....	.....122,168	.....(1,013,604)	.....180,555	.....	.....
35.	North Dakota.....ND	...L....	.....	.....	.....	.....	.....	.....	.....	.....
36.	Ohio.....OH	...L....	.....665,699	.....820,014	.....	.....857,634	.....1,695,448	.....2,094,512	.....	.....
37.	Oklahoma.....OK	...L....	.....31,223	.....7,271	.....	.....	.....	.....	.....	.....
38.	Oregon.....OR	...L....	.....479,017	.....506,953	.....	.....322,496	.....(240,330)	.....370,544	.....	.....
39.	Pennsylvania.....PA	...L....	.....11,559,471	.....10,954,006	.....	.....3,772,340	.....7,920,875	.....16,245,401	.....	.....
40.	Rhode Island.....RI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
41.	South Carolina.....SC	...L....	.....22,529	.....48,356	.....	.....60,106	.....52,038	.....78,236	.....	.....
42.	South Dakota.....SD	...L....	.....80,639	.....65,651	.....	.....(6,300)	.....276,127	.....282,427	.....	.....
43.	Tennessee.....TN	...L....	.....335,216	.....260,916	.....	.....(10,050)	.....1,169,715	.....2,519,261	.....	.....
44.	Texas.....TX	...L....	.....242,943	.....124,465	.....	.....7,511	.....7,511	.....	.....	.....
45.	Utah.....UT	...L....	.....22,854	.....91,824	.....	.....32,500	.....122,396	.....915,380	.....	.....
46.	Vermont.....VT	...L....	.....	.....	.....	.....	.....	.....	.....	.....
47.	Virginia.....VA	...E....	.....4,371,434	.....4,472,228	.....	.....4,121,029	.....1,786,175	.....7,248,590	.....	.....
48.	Washington.....WA	...L....	.....50,625	.....28,011	.....	.....90,291	.....90,291	.....	.....	.....
49.	West Virginia.....WV	...L....	.....50,435	.....17,972	.....	.....142,102	.....210,115	.....68,013	.....	.....
50.	Wisconsin.....WI	...L....	.....	.....	.....	.....	.....	.....	.....	.....
51.	Wyoming.....WY	...L....	.....	.....	.....	.....	.....	.....	.....	.....
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)...50	.....23,711,360	.....23,374,017	.....0	.....12,903,376	.....15,488,713	.....40,102,036	.....0	.....0

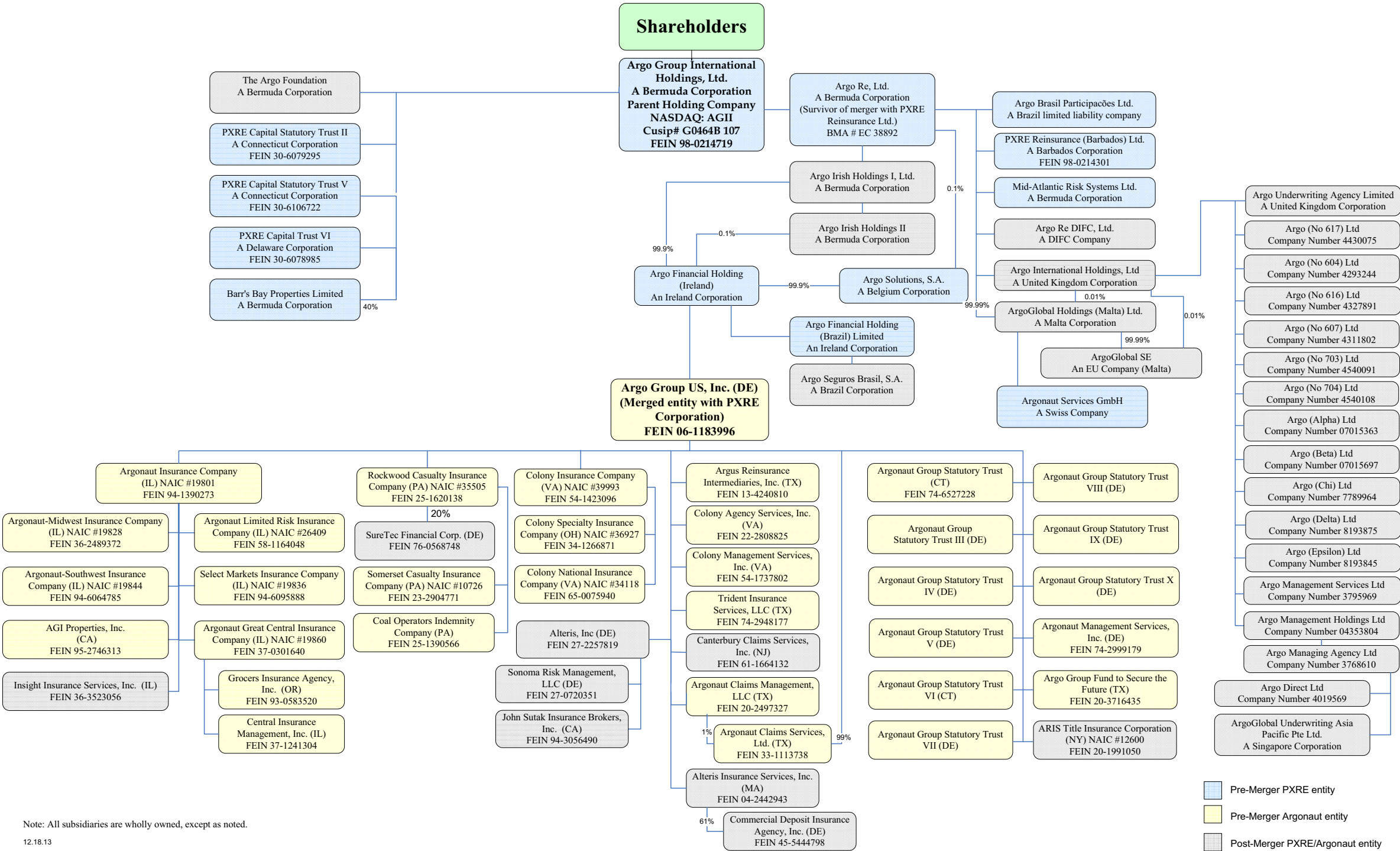
DETAILS OF WRITE-INS

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

(a) Insert the number of "L" responses except for Canada and Other Alien.
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.
Explanation of Basis of Allocation of Premiums by States, etc.
Premiums are allocated to states based on location of risk.

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

PART 1 – ORGANIZATIONAL CHART



2013 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 2L-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
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