



# QUARTERLY STATEMENT

As of March 31, 2015  
of the Condition and Affairs of the

## Falls Lake General Insurance Company

|   |  |  |
|---|--|--|
| NAIC Group Code.....3494, 3494<br>(Current Period) (Prior Period)                 | NAIC Company Code..... 35211   | Employer's ID Number..... 31-1277903   |
| Organized under the Laws of Ohio<br>Incorporated/Organized..... September 5, 1989 | State of Domicile or Port of Entry Ohio<br>Commenced Business..... February 1, 1990  | Country of Domicile US   |
| Statutory Home Office   | 52 East Gay Street..... Columbus ..... OH ..... US ..... 43215<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>                             |  |
| Main Administrative Office  | 6131 Falls of Neuse Rd., Suite 306..... Raleigh ..... NC ..... US ..... 27609<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>              | 919-882-3500<br><i>(Area Code) (Telephone Number)</i>  |
| Mail Address  | 6131 Falls of Neuse Rd., Suite 306..... Raleigh ..... NC ..... US ..... 27609<br><i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i> |  |
| Primary Location of Books and Records   | 6131 Falls of Neuse Rd., Suite 306..... Raleigh ..... NC ..... US ..... 27609<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>              | 919-882-3500<br><i>(Area Code) (Telephone Number)</i>  |
| Internet Web Site Address   | www.fallslakeins.com   |  |
| Statutory Statement Contact   | Aileen K. Celentano<br><i>(Name)</i><br>accounting@stonewoodins.com<br><i>(E-Mail Address)</i>   | 919-882-3536<br><i>(Area Code) (Telephone Number) (Extension)</i><br>888-698-7290<br><i>(Fax Number)</i> |

### OFFICERS

| Name                 | Title         | Name                   | Title         |
|----------------------|---------------|------------------------|---------------|
| 1. Steven J. Hartman | President/CEO | 2. Thomas R. Fauerbach | Secretary/CFO |
| 3. Michael E. Crow   | Treasurer     | 4. Gregg T. Davis      | Chairman      |

### OTHER

|                |            |
|----------------|------------|
| Joseph R. Raia | Controller |
|----------------|------------|

### DIRECTORS OR TRUSTEES

|                |                   |                 |                     |
|----------------|-------------------|-----------------|---------------------|
| Gregg T. Davis | Steven J. Hartman | Michael E. Crow | Thomas R. Fauerbach |
| Joseph R. Raia |                   |                 |                     |

State of..... North Carolina  
County of..... Wake

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.

|  |  |  |
|--|--|--|
| _____<br>(Signature)<br>Steven J. Hartman<br>1. (Printed Name)<br>President/CEO<br>(Title) | _____<br>(Signature)<br>Thomas R. Fauerbach<br>2. (Printed Name)<br>Secretary/CFO<br>(Title) | _____<br>(Signature)<br>Michael E. Crow<br>3. (Printed Name)<br>Treasurer<br>(Title) |
|--|--|--|

Subscribed and sworn to before me  
This 14th day of May, 2015

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

**ASSETS**

|   | Current Statement Date |                            |  | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|----------------------------|--|---|
|   | 1<br>Assets            | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds.....   | 3,286,319              | 0                          | 3,286,319                                    | 3,285,812   |
| 2. Stocks:  |                        |                            |  |   |
| 2.1 Preferred stocks.....   | 0                      | 0                          | 0  | 0   |
| 2.2 Common stocks.....  | 0                      | 0                          | 0  | 0   |
| 3. Mortgage loans on real estate:   |                        |                            |  |   |
| 3.1 First liens.....  | 0                      | 0                          | 0  | 0   |
| 3.2 Other than first liens.....   | 0                      | 0                          | 0  | 0   |
| 4. Real estate:   |                        |                            |  |   |
| 4.1 Properties occupied by the company (less \$.....0<br>encumbrances).....   | 0                      | 0                          | 0  | 0   |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances).....   | 0                      | 0                          | 0  | 0   |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....  | 0                      | 0                          | 0  | 0   |
| 5. Cash (\$.....197,675), cash equivalents (\$.....0)<br>and short-term investments (\$.....615,464).....   | 813,139                | 0                          | 813,139                                      | 746,287   |
| 6. Contract loans (including \$.....0 premium notes).....   | 0                      | 0                          | 0  | 0   |
| 7. Derivatives.....   | 0                      | 0                          | 0  | 0   |
| 8. Other invested assets.....   | 0                      | 0                          | 0  | 0   |
| 9. Receivables for securities.....  | 0                      | 0                          | 0  | 0   |
| 10. Securities lending reinvested collateral assets.....  | 0                      | 0                          | 0  | 0   |
| 11. Aggregate write-ins for invested assets.....  | 0                      | 0                          | 0  | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....  | 4,099,458              | 0                          | 4,099,458                                    | 4,032,099   |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....   | 0                      | 0                          | 0  | 0   |
| 14. Investment income due and accrued.....  | 7,527                  | 0                          | 7,527  | 14,573  |
| 15. Premiums and considerations:  |                        |                            |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 140,901                | 0                          | 140,901                                      | 151,687   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due (including \$.....0 earned but unbilled premiums)..... | 0                      | 0                          | 0  | 0   |
| 15.3 Accrued retrospective premiums.....  | 0                      | 0                          | 0  | 0   |
| 16. Reinsurance:  |                        |                            |  |   |
| 16.1 Amounts recoverable from reinsurers.....   | 0                      | 0                          | 0  | 0   |
| 16.2 Funds held by or deposited with reinsured companies.....   | 1,847,648              | 0                          | 1,847,648                                    | 1,785,180   |
| 16.3 Other amounts receivable under reinsurance contracts.....  | 0                      | 0                          | 0  | 0   |
| 17. Amounts receivable relating to uninsured plans.....   | 0                      | 0                          | 0  | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | 7,681                  | 0                          | 7,681  | 11,620  |
| 18.2 Net deferred tax asset.....  | 137,008                | 64,651                     | 72,357                                       | 70,566  |
| 19. Guaranty funds receivable or on deposit.....  | 0                      | 0                          | 0  | 0   |
| 20. Electronic data processing equipment and software.....  | 0                      | 0                          | 0  | 0   |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....  | 0                      | 0                          | 0  | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | 0                      | 0                          | 0  | 0   |
| 23. Receivables from parent, subsidiaries and affiliates.....   | 0                      | 0                          | 0  | 0   |
| 24. Health care (\$.....0) and other amounts receivable.....  | 0                      | 0                          | 0  | 0   |
| 25. Aggregate write-ins for other than invested assets.....   | 0                      | 0                          | 0  | 0   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25).....                             | 6,240,223              | 64,651                     | 6,175,572                                    | 6,065,725   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | 0                      | 0                          | 0  | 0   |
| 28. Total (Lines 26 and 27).....  | 6,240,223              | 64,651                     | 6,175,572                                    | 6,065,725   |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |
|--|---|---|---|---|
| 1101.....  | 0 | 0 | 0 | 0 |
| 1102.....  | 0 | 0 | 0 | 0 |
| 1103.....  | 0 | 0 | 0 | 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.....  | 0 | 0 | 0 | 0 |
| 2502.....  | 0 | 0 | 0 | 0 |
| 2503.....  | 0 | 0 | 0 | 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).....       | 0 | 0 | 0 | 0 |

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---|--------------------------------|--------------------------------|
| 1. Losses (current accident year \$...88,465).....  | 931,179                        | 900,494                        |
| 2. Reinsurance payable on paid losses and loss adjustment expenses.....   | 144,048                        | 114,893                        |
| 3. Loss adjustment expenses.....  | 608,306                        | 590,947                        |
| 4. Commissions payable, contingent commissions and other similar charges.....   | 0                              | 0                              |
| 5. Other expenses (excluding taxes, licenses and fees).....   | 16,155                         | 9,939                          |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....   | 12,500                         | 5,000                          |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....   | 0                              | 0                              |
| 7.2 Net deferred tax liability.....   | 0                              | 0                              |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....   | 0                              | 0                              |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 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..... | 308,164                        | 293,738                        |
| 10. Advance premium.....  | 0                              | 0                              |
| 11. Dividends declared and unpaid:  |                                |                                |
| 11.1 Stockholders.....  | 0                              | 0                              |
| 11.2 Policyholders.....   | 0                              | 0                              |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....   | (16,253)                       | (17,381)                       |
| 13. Funds held by company under reinsurance treaties.....   | 0                              | 0                              |
| 14. Amounts withheld or retained by company for account of others.....  | 0                              | 0                              |
| 15. Remittances and items not allocated.....  | 0                              | 0                              |
| 16. Provision for reinsurance (including \$.....0 certified).....   | 0                              | 0                              |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....  | 0                              | 0                              |
| 18. Drafts outstanding.....   | 0                              | 0                              |
| 19. Payable to parent, subsidiaries and affiliates.....   | 50                             | 0                              |
| 20. Derivatives.....  | 0                              | 0                              |
| 21. Payable for securities.....   | 0                              | 0                              |
| 22. Payable for securities lending.....   | 0                              | 0                              |
| 23. Liability for amounts held under uninsured plans.....   | 0                              | 0                              |
| 24. Capital notes \$.....0 and interest thereon \$.....0.....   | 0                              | 0                              |
| 25. Aggregate write-ins for liabilities.....  | 0                              | 0                              |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....  | 2,004,149                      | 1,897,630                      |
| 27. Protected cell liabilities.....   | 0                              | 0                              |
| 28. Total liabilities (Lines 26 and 27).....  | 2,004,149                      | 1,897,630                      |
| 29. Aggregate write-ins for special surplus funds.....  | 0                              | 0                              |
| 30. Common capital stock.....   | 1,500,000                      | 1,500,000                      |
| 31. Preferred capital stock.....  | 0                              | 0                              |
| 32. Aggregate write-ins for other than special surplus funds.....   | 0                              | 0                              |
| 33. Surplus notes.....  | 0                              | 0                              |
| 34. Gross paid in and contributed surplus.....  | 1,000,000                      | 1,000,000                      |
| 35. Unassigned funds (surplus).....   | 1,671,423                      | 1,668,095                      |
| 36. Less treasury stock, at cost:   |                                |                                |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....   | 0                              | 0                              |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....  | 0                              | 0                              |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36).....   | 4,171,423                      | 4,168,095                      |
| 38. Totals (Page 2, Line 28, Col. 3).....   | 6,175,572                      | 6,065,725                      |

**DETAILS OF WRITE-INS**

|  |   |   |
|--|---|---|
| 2501. ....   | 0 | 0 |
| 2502. ....   | 0 | 0 |
| 2503. ....   | 0 | 0 |
| 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. ....   | 0 | 0 |
| 2902. ....   | 0 | 0 |
| 2903. ....   | 0 | 0 |
| 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. ....   | 0 | 0 |
| 3202. ....   | 0 | 0 |
| 3203. ....   | 0 | 0 |
| 3298. Summary of remaining write-ins for Line 32 from overflow page..... | 0 | 0 |
| 3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....       | 0 | 0 |

**STATEMENT OF INCOME**

|  | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| <b>UNDERWRITING INCOME</b>   |                              |                            |                                      |
| 1. Premiums earned:  |                              |                            |                                      |
| 1.1 Direct..... (written \$.....0).....  | 0                            | 0                          | 0                                    |
| 1.2 Assumed..... (written \$.....221,578).....   | 207,153                      | 144,374                    | 675,996                              |
| 1.3 Ceded..... (written \$.....0).....   | 0                            | 0                          | 0                                    |
| 1.4 Net..... (written \$.....221,578).....   | 207,153                      | 144,374                    | 675,996                              |
| DEDUCTIONS:  |                              |                            |                                      |
| 2. Losses incurred (current accident year \$.....99,149):  |                              |                            |                                      |
| 2.1 Direct.....  | 32                           | (310)                      | 13,920                               |
| 2.2 Assumed.....   | 80,815                       | 38,042                     | 172,243                              |
| 2.3 Ceded.....   | 32                           | (310)                      | 13,920                               |
| 2.4 Net.....   | 80,815                       | 38,042                     | 172,243                              |
| 3. Loss adjustment expenses incurred.....  | 63,233                       | 49,407                     | 209,133                              |
| 4. Other underwriting expenses incurred.....   | 66,252                       | 64,961                     | 237,969                              |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                            | 0                          | 0                                    |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 210,300                      | 152,410                    | 619,345                              |
| 7. Net income of protected cells.....  | 0                            | 0                          | 0                                    |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....  | (3,147)                      | (8,036)                    | 56,651                               |
| <b>INVESTMENT INCOME</b>   |                              |                            |                                      |
| 9. Net investment income earned.....   | 8,623                        | 8,707                      | 35,193                               |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0.....  | 0                            | 0                          | 0                                    |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 8,623                        | 8,707                      | 35,193                               |
| <b>OTHER INCOME</b>  |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(amount recovered \$.....0 amount charged off \$.....0).....                            | 0                            | 0                          | 0                                    |
| 13. Finance and service charges not included in premiums.....  | 0                            | 0                          | 0                                    |
| 14. Aggregate write-ins for miscellaneous income.....  | 0                            | 0                          | 0                                    |
| 15. Total other income (Lines 12 through 14).....  | 0                            | 0                          | 0                                    |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and<br>foreign income taxes (Lines 8 + 11 + 15).....    | 5,476                        | 671                        | 91,844                               |
| 17. Dividends to policyholders.....  | 0                            | 0                          | 0                                    |
| 18. Net income after dividends to policyholders, after capital gains tax and before all other federal and<br>foreign income taxes (Line 16 minus Line 17)..... | 5,476                        | 671                        | 91,844                               |
| 19. Federal and foreign income taxes incurred.....   | 3,939                        | (524)                      | 16,780                               |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....   | 1,537                        | 1,195                      | 75,064                               |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                              |                            |                                      |
| 21. Surplus as regards policyholders, December 31 prior year.....  | 4,168,095                    | 4,074,074                  | 4,074,074                            |
| 22. Net income (from Line 20).....   | 1,537                        | 1,195                      | 75,064                               |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                            | 0                          | 0                                    |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....   | 0                            | 0                          | 0                                    |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                            | 0                          | 0                                    |
| 26. Change in net deferred income tax.....   | 2,024                        | (759)                      | (14,227)                             |
| 27. Change in nonadmitted assets.....  | (233)                        | 16,675                     | 33,184                               |
| 28. Change in provision for reinsurance.....   | 0                            | 0                          | 0                                    |
| 29. Change in surplus notes.....   | 0                            | 0                          | 0                                    |
| 30. Surplus (contributed to) withdrawn from protected cells.....   | 0                            | 0                          | 0                                    |
| 31. Cumulative effect of changes in accounting principles.....   | 0                            | 0                          | 0                                    |
| 32. Capital changes:   |                              |                            |                                      |
| 32.1 Paid in.....  | 0                            | 0                          | 0                                    |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                            | 0                          | 0                                    |
| 32.3 Transferred to surplus.....   | 0                            | 0                          | 0                                    |
| 33. Surplus adjustments:   |                              |                            |                                      |
| 33.1 Paid in.....  | 0                            | 0                          | 0                                    |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                            | 0                          | 0                                    |
| 33.3 Transferred from capital.....   | 0                            | 0                          | 0                                    |
| 34. Net remittances from or (to) Home Office.....  | 0                            | 0                          | 0                                    |
| 35. Dividends to stockholders.....   | 0                            | 0                          | 0                                    |
| 36. Change in treasury stock.....  | 0                            | 0                          | 0                                    |
| 37. Aggregate write-ins for gains and losses in surplus.....   | 0                            | 0                          | 0                                    |
| 38. Change in surplus as regards policyholders (Lines 22 through 37).....  | 3,328                        | 17,111                     | 94,021                               |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....   | 4,171,423                    | 4,091,185                  | 4,168,095                            |

**DETAILS OF WRITE-INS**

|  |   |   |   |
|--|---|---|---|
| 0501. ....   | 0 | 0 | 0 |
| 0502. ....   | 0 | 0 | 0 |
| 0503. ....   | 0 | 0 | 0 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....  | 0 | 0 | 0 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....        | 0 | 0 | 0 |
| 1401. ....   | 0 | 0 | 0 |
| 1402. ....   | 0 | 0 | 0 |
| 1403. ....   | 0 | 0 | 0 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page..... | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....       | 0 | 0 | 0 |
| 3701. ....   | 0 | 0 | 0 |
| 3702. ....   | 0 | 0 | 0 |
| 3703. ....   | 0 | 0 | 0 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page..... | 0 | 0 | 0 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....       | 0 | 0 | 0 |

## Falls Lake General Insurance Company CASH FLOW

|   | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| <b>CASH FROM OPERATIONS</b>   |                              |                            |                                      |
| 1. Premiums collected net of reinsurance.....   | 233,493                      | 172,681                    | 666,742                              |
| 2. Net investment income.....   | 15,162                       | 15,260                     | 33,182                               |
| 3. Miscellaneous income.....  | 0                            | 0                          | 0                                    |
| 4. Total (Lines 1 through 3).....   | 248,655                      | 187,941                    | 699,924                              |
| 5. Benefit and loss related payments.....   | 83,443                       | 27,253                     | 192,127                              |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                         | 0                            | 0                          | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....   | 98,410                       | 96,895                     | 403,744                              |
| 8. Dividends paid to policyholders.....   | 0                            | 0                          | 0                                    |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....             | 0                            | 0                          | 11,263                               |
| 10. Total (Lines 5 through 9).....  | 181,853                      | 124,148                    | 607,134                              |
| 11. Net cash from operations (Line 4 minus Line 10).....  | 66,802                       | 63,793                     | 92,790                               |
| <b>CASH FROM INVESTMENTS</b>  |                              |                            |                                      |
| 12. Proceeds from investments sold, matured or repaid:  |                              |                            |                                      |
| 12.1 Bonds.....   | 0                            | 0                          | 0                                    |
| 12.2 Stocks.....  | 0                            | 0                          | 0                                    |
| 12.3 Mortgage loans.....  | 0                            | 0                          | 0                                    |
| 12.4 Real estate.....   | 0                            | 0                          | 0                                    |
| 12.5 Other invested assets.....   | 0                            | 0                          | 0                                    |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                                | 0                            | 0                          | 0                                    |
| 12.7 Miscellaneous proceeds.....  | 0                            | 0                          | 0                                    |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....  | 0                            | 0                          | 0                                    |
| 13. Cost of investments acquired (long-term only):  |                              |                            |                                      |
| 13.1 Bonds.....   | 0                            | 0                          | 0                                    |
| 13.2 Stocks.....  | 0                            | 0                          | 0                                    |
| 13.3 Mortgage loans.....  | 0                            | 0                          | 0                                    |
| 13.4 Real estate.....   | 0                            | 0                          | 0                                    |
| 13.5 Other invested assets.....   | 0                            | 0                          | 0                                    |
| 13.6 Miscellaneous applications.....  | 0                            | 0                          | 0                                    |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....   | 0                            | 0                          | 0                                    |
| 14. Net increase or (decrease) in contract loans and premium notes.....   | 0                            | 0                          | 0                                    |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....  | 0                            | 0                          | 0                                    |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>  |                              |                            |                                      |
| 16. Cash provided (applied):  |                              |                            |                                      |
| 16.1 Surplus notes, capital notes.....  | 0                            | 0                          | 0                                    |
| 16.2 Capital and paid in surplus, less treasury stock.....  | 0                            | 0                          | 0                                    |
| 16.3 Borrowed funds.....  | 0                            | 0                          | 0                                    |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                                    | 0                            | 0                          | 0                                    |
| 16.5 Dividends to stockholders.....   | 0                            | 0                          | 0                                    |
| 16.6 Other cash provided (applied).....   | 50                           | 0                          | 0                                    |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)..... | 50                           | 0                          | 0                                    |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>  |                              |                            |                                      |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....        | 66,852                       | 63,793                     | 92,790                               |
| 19. Cash, cash equivalents and short-term investments:  |                              |                            |                                      |
| 19.1 Beginning of year.....   | 746,287                      | 653,497                    | 653,497                              |
| 19.2 End of period (Line 18 plus Line 19.1).....  | 813,139                      | 717,290                    | 746,287                              |
| Note: Supplemental disclosures of cash flow information for non-cash transactions:                                  |                              |                            |                                      |
| 20.0001 .....   | 0                            | 0                          | 0                                    |

**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies**

## A. Accounting Practices

The financial statements of Falls Lake General Insurance Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

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 purposes of 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 Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

|   | State of Domicile | 2015      | 2014      |
|---|-------------------|-----------|-----------|
| <b>NET INCOME</b>   |                   |           |           |
| (1) Falls Lake General Insurance Company state basis (Page 4, Line 20, Columns 1 & 3) | OH                | 1,537     | 75,064    |
| (2) State Prescribed Practices that increase/decrease NAIC SAP                        |                   | 0         | 0         |
| (3) State Permitted Practices that increase/decrease NAIC SAP                         |                   | 0         | 0         |
| (4) NAIC SAP (1 – 2 – 3 = 4)  | OH                | 1,537     | 75,064    |
| <b>SURPLUS</b>  |                   |           |           |
| (5) Falls Lake General Insurance Company state basis (Page 3, line 37, Columns 1 & 2) | OH                | 4,171,423 | 4,168,095 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP                        |                   | 0         | 0         |
| (7) State Permitted Practices that increase/decrease NAIC SAP                         |                   | 0         | 0         |
| (8) NAIC SAP (5 – 6 – 7 = 8)  | OH                | 4,171,423 | 4,168,095 |

## C. Accounting Policy

(6) The Company does not invest in loan-backed securities.

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable.

B. Debt Restructuring – Not applicable.

C. Reverse Mortgages – Not applicable.

D. Loan-Backed Securities – The Company does not invest in loan-backed securities.

E. Repurchase Agreements and/or Securities Lending Transactions – The Company does not participate in repurchase agreements or securities lending activities.

(3) Collateral Received

b. Not applicable.

F. Real Estate – Not applicable.

G. Investments in Low-Income Housing Tax Credits – Not applicable.

H. Restricted Assets – No significant change.

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## NOTES TO FINANCIAL STATEMENTS

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- I. Working Capital Finance Investments – The Company does not have working capital finance investments.
  - (2) Not applicable
  - (3) Not applicable
- J. Offsetting and Netting of Assets and Liabilities – Not applicable.
- K. Structured Notes -- Not applicable

### **Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

### **Note 7 - Investment Income**

No significant change.

### **Note 8 - Derivative Instruments**

No significant change.

### **Note 9 - Income Taxes**

No significant change.

### **Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

No significant change.

### **Note 11 - Debt**

No significant change

- B. FHLB (Federal Home Loan Bank) Agreements -- The Company does not have any FHLB (Federal Home Loan Bank) Agreements.

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

No significant change.

- A. Defined Benefit Plan -- The Company does not have a defined benefit plan.

- (4) Not applicable

### **Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant change.

### **Note 14 - Contingencies**

No significant change.

### **Note 15 - Leases**

No significant change.

### **Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

No significant change.

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

- A. Transfer of Receivables Reported as Sales -- Not applicable.

- B. Transfer and Servicing of Financial Assets -- Not applicable.

- (2)

- a. Not applicable.
    - b. Not applicable.
    - c. Not applicable.

## NOTES TO FINANCIAL STATEMENTS

(4)

- a. Not applicable
- b. Not applicable.

C. Wash Sales

(1) Not applicable

(2) Not applicable

**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant change.

**Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant change.

**Note 20 - Fair Value**

A. Fair value measurements for fixed income and equity securities are based on values either published by the NAIC's Security Valuation Office (SVO) or from an independent pricing service vendor. Under certain circumstances, if neither an SVO price nor vendor price is available, a price may be obtained from a broker. Short term securities and cash equivalents are valued at amortized cost.

When published prices from the SVO are not available, the Company's investment manager relies predominantly on independent pricing service vendors that have been evaluated and approved by the investment manager's internal pricing policy committee. Generally, pricing service vendors use a pricing methodology involving the market approach, including pricing models, which use prices and relevant market information regarding a particular security or securities with similar characteristics to establish a valuation.

For statutory accounting, certain investments are carried at fair value, while others may periodically be carried at fair value based on certain factors such as the NAIC's lower of cost or market rule or an impairment. Assets recorded at fair value are categorized based on an evaluation of the various inputs used to measure the fair value. Supporting documentation received from pricing vendors detailing the inputs, models and processes used in the vendor's evaluation process is used to determine the appropriate fair value hierarchy. Documentation from each pricing vendor is reviewed and monitored periodically to ensure they are consistent with the investment manager's pricing policy procedures. Market information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

The Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value: (1) Level 1: quoted price (unadjusted) in active markets for identical assets, (2) Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument, and (3) Level 3: inputs to the valuation methodology are unobservable for the asset or liability.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

To measure fair value, the Company obtains quoted market prices for its investment securities. If a quoted market price is not available, the Company uses prices of similar securities. Values for U.S. Treasury and publicly traded equity securities are generally based on Level 1 inputs which use the market approach valuation technique. The values for all other bonds (including state and municipal securities and obligations of U.S. government corporations and agencies) generally incorporate significant Level 2 inputs using the market approach and income approach valuation techniques. There have been no changes in the Company's use of valuation techniques during 2015. There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during 2015.

## (1) Fair Value Measurements at Reporting Date

| Assets at Fair Value                                 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| Bonds Reported at amortized cost                     | 0       | 0       | 0       | 0     |
| Short-term investments are carried at amortized cost | 0       | 0       | 0       | 0     |
| Total  | 0       | 0       | 0       | 0     |

| Liabilities at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|---------|---------|---------|-------|
| Not applicable            | 0       | 0       | 0       | 0     |
| Total                     | 0       | 0       | 0       | 0     |

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

|                | Beginning Balance at Period | Transfers Into Level 3 | Transfers Out of Level 3 | Total Gains and (Losses) Included in Net Income | Total Gains and (Losses) Included in Surplus | Purchases | Issuances | Sales | Settlements | Ending Balance at Period |
|----------------|-----------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|--------------------------|
| a. Assets      |                             |                        |                          |   |  |           |           |       |             |                          |
| Not applicable | 0                           | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                        |
| Total          | 0                           | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                        |

## NOTES TO FINANCIAL STATEMENTS

|                | Beginning Balance at Period | Transfers Into Level 3 | Transfers Out of Level 3 | Total Gains and (Losses) Included in Net Income | Total Gains and (Losses) Included in Surplus | Purchases | Issuances | Sales | Settlements | Ending Balance at Period |
|----------------|-----------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|--------------------------|
| b. Liabilities |                             |                        |                          |   |  |           |           |       |             |                          |
| Not applicable | 0                           | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                        |
| Total          | 0                           | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                        |

(3) The Company has a policy to recognize transfers between levels at the beginning of the reporting period.

(4) See narrative above for Level 2 valuation techniques. The Company does not have any Level 3 assets.

(5) The Company does not own derivative assets or liabilities.

B. Other Fair Value Disclosures -- Not applicable.

C.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|-----------|-----------|-----------|----------------------------------|
| Bonds                        | 3,306,724            | 3,286,319       | 2,407,762 | 898,962   | 0         | 0                                |
| Short-term investments       | 615,464              | 615,464         | 615,464   | 0         | 0         | 0                                |

D. Not Practicable to Estimate Fair Value

| Type of Class or Financial Instrument | Carrying Value | Effective Interest Rate | Maturity Date | Explanation |
|---------------------------------------|----------------|-------------------------|---------------|-------------|
| Not applicable                        | 0              | 0.000                   |               |             |

### Note 21 - Other Items

No significant change.

### Note 22 - Events Subsequent

No significant change.

### Note 23 - Reinsurance

No significant change.

### Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

E. Risk Sharing Provisions of the Affordable Care Act (ACA)

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.

### Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

The following table provides an analysis of the change in loss and loss adjustment expense reserves net of reinsurance recoverables for the indicated periods:

|   | <u>3/31/2015</u>           | <u>12/31/2014</u>          |
|---|----------------------------|----------------------------|
| Reserves, Net of Reinsurance Recoverables at                |                            |                            |
| <b>Beginning of Year</b>                                    | \$ 1,491,441               | \$ 1,440,163               |
| Add: Provision of Claims Occurring During:                  |                            |                            |
| Current Year  | 167,709                    | 565,979                    |
| Prior Years   | (23,660)                   | (184,603)                  |
| Incurred Losses/Expenses                                    | <u>144,049</u>             | <u>381,376</u>             |
| Deduct: Payments for Claims Occurring During:               |                            |                            |
| Current Year  | 19,560                     | 71,599                     |
| Prior Years   | 76,445                     | 258,499                    |
|   | <u>96,005</u>              | <u>330,098</u>             |
| <b>Reserves, net of Reins Recoverables at End of Period</b> | <b><u>\$ 1,539,485</u></b> | <b><u>\$ 1,491,441</u></b> |

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## NOTES TO FINANCIAL STATEMENTS

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Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by approximately \$24 thousand in 2015, resulting primarily from other liability and products liability - claims made lines of business. This change is the result of an ongoing analysis of recent development trends and additional information regarding individual claims.

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

**Note 31 - High Deductibles**

No significant change.

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

No significant change.

**Note 33 - Asbestos/Environmental Reserves**

No significant change.

**Note 34 - Subscriber Savings Accounts**

No significant change.

**Note 35 - Multiple Peril Crop Insurance**

No significant change.

**Note 36 - Financial Guaranty Insurance**

No significant change.

B. Schedule of Insured Financial Obligations at the End of the Period -- Not applicable

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 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 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? If yes, complete Schedule Y, Parts 1 and 1A. Yes [ X ] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
Not applicable

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
| Not applicable      | 0                      |                        |

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [ X ] N/A [ ]  
No changes

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 6.2 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
- 6.3 State as of what date the latest financial examination report because 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). 03/04/2013

- 6.4 By what department or departments?  
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with the Department? Yes [ ] No [ ] N/A [ X ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]

- 7.1 Has this 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 ]
- 7.2 If yes, give full information:  
Not applicable

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
Not applicable
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]

- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| Not applicable      |                             |          |          |           |          |

- 9.1 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.

- 9.11 If the response to 9.1 is No, please explain:  
Not applicable
- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
Not applicable

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

Not applicable

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

**INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

Not applicable

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0

13. Amount of real estate and mortgages held in short-term investments: \$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

|   | 1<br>Prior Year-End<br>Book/Adjusted Carrying Value | 2<br>Current Quarter<br>Book/Adjusted Carrying Value |
|---|---|--|
| 14.21 Bonds   | \$ 0  | \$ 0   |
| 14.22 Preferred Stock   | 0   | 0  |
| 14.23 Common Stock  | 0   | 0  |
| 14.24 Short-Term Investments  | 0   | 0  |
| 14.25 Mortgage Loans on Real Estate   | 0   | 0  |
| 14.26 All Other   | 0   | 0  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 0  | \$ 0   |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above                       | \$ 0  | \$ 0   |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]

If no, attach a description with this statement.

Not applicable

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

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

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

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

17. 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 4 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 [X] No [ ]

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

| 1<br>Name of Custodian(s) | 2<br>Custodian Address          |
|---------------------------|---------------------------------|
| SunTrust Bank             | P.O. Box 465, Atlanta, GA 30302 |

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

| 1<br>Name(s)   | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|----------------|------------------|------------------------------|
| Not applicable |                  |                              |

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| Not applicable     |                    |                     |             |

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

| 1<br>Central Registration Depository | 2<br>Name(s)                              | 3<br>Address                                 |
|--------------------------------------|---|--|
| Not applicable                       | Gen Re-New England Asset Management, Inc. | 76 Batterson Park Road, Farmington, CT 06032 |

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

Not applicable

## GENERAL INTERROGATORIES (continued)

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]

If yes, attach an explanation.

Not applicable

- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

- 3.2 If yes, give full and complete information thereto:

Not applicable

- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

- 4.2 If yes, complete the following schedule:

| 1<br>Line of Business | 2<br>Maximum Interest | 3<br>Disc. Rate | Total Discount     |                 |           |            | Discount Taken During Period |                 |            |             |
|-----------------------|-----------------------|-----------------|--------------------|-----------------|-----------|------------|------------------------------|-----------------|------------|-------------|
|                       |                       |                 | 4<br>Unpaid Losses | 5<br>Unpaid LAE | 6<br>IBNR | 7<br>Total | 8<br>Unpaid Losses           | 9<br>Unpaid LAE | 10<br>IBNR | 11<br>Total |
| Not applicable        | 0.000                 | 0.000           | 00                 | 00              | 00        | 00         | 00                           | 00              | 00         | 00          |
| <b>Total</b>          | <b>XXX</b>            | <b>XXX</b>      | <b>00</b>          | <b>00</b>       | <b>00</b> | <b>00</b>  | <b>00</b>                    | <b>00</b>       | <b>00</b>  | <b>00</b>   |

- 5.1 Operating Percentages:

- 5.1 A&H loss percent 0.000%
- 
- 5.2 A&H cost containment percent 0.000%
- 
- 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 

- 6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 00
- 

- 6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

- 6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 00
-

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

| 1<br>NAIC<br>Company<br>Code | 2<br>ID<br>Number | 3<br>Name of Reinsurer | 4<br>Domiciliary<br>Jurisdiction | 5<br>Type of<br>Reinsurer | 6<br>Certified<br>Reinsurer Rating<br>(1 through 6) | 7<br>Effective Date<br>of Certified<br>Reinsurer Rating |
|------------------------------|-------------------|------------------------|----------------------------------|---------------------------|---|---|
|------------------------------|-------------------|------------------------|----------------------------------|---------------------------|---|---|

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status | Direct Premiums Written   |                         | Direct Losses Paid (Deducting Salvage) |                         | Direct Losses Unpaid      |                         |
|-------------------------------------|--------------------|---------------------------|-------------------------|--|-------------------------|---------------------------|-------------------------|
|                                     |                    | 2<br>Current Year to Date | 3<br>Prior Year to Date | 4<br>Current Year to Date              | 5<br>Prior Year to Date | 6<br>Current Year to Date | 7<br>Prior Year to Date |
| 1. Alabama.....AL                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 2. Alaska.....AK                    | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 3. Arizona.....AZ                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 4. Arkansas.....AR                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 5. California.....CA                | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 6. Colorado.....CO                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 7. Connecticut.....CT               | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 8. Delaware.....DE                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 9. District of Columbia.....DC      | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 10. Florida.....FL                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 11. Georgia.....GA                  | L                  | 0                         | 0                       | 32                                     | (310)                   | 35,000                    | 44,800                  |
| 12. Hawaii.....HI                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 13. Idaho.....ID                    | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 14. Illinois.....IL                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 15. Indiana.....IN                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 16. Iowa.....IA                     | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 17. Kansas.....KS                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 18. Kentucky.....KY                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 19. Louisiana.....LA                | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 20. Maine.....ME                    | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 21. Maryland.....MD                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 22. Massachusetts.....MA            | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 23. Michigan.....MI                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 24. Minnesota.....MN                | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 25. Mississippi.....MS              | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 26. Missouri.....MO                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 27. Montana.....MT                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 28. Nebraska.....NE                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 29. Nevada.....NV                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 30. New Hampshire.....NH            | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 31. New Jersey.....NJ               | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 32. New Mexico.....NM               | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 33. New York.....NY                 | L                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 34. North Carolina.....NC           | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 35. North Dakota.....ND             | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 36. Ohio.....OH                     | L                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 37. Oklahoma.....OK                 | L                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 38. Oregon.....OR                   | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 39. Pennsylvania.....PA             | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 40. Rhode Island.....RI             | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 41. South Carolina.....SC           | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 42. South Dakota.....SD             | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 43. Tennessee.....TN                | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 44. Texas.....TX                    | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 45. Utah.....UT                     | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 46. Vermont.....VT                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 47. Virginia.....VA                 | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 48. Washington.....WA               | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 49. West Virginia.....WV            | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 50. Wisconsin.....WI                | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 51. Wyoming.....WY                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 52. American Samoa.....AS           | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 53. Guam.....GU                     | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 54. Puerto Rico.....PR              | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 55. US Virgin Islands.....VI        | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 56. Northern Mariana Islands.....MP | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 57. Canada.....CAN                  | N                  | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 58. Aggregate Other Alien.....OT    | XXX                | 0                         | 0                       | 0                                      | 0                       | 0                         | 0                       |
| 59. Totals.....                     | (a).....4          | 0                         | 0                       | 32                                     | (310)                   | 35,000                    | 44,800                  |

**DETAILS OF WRITE-INS**

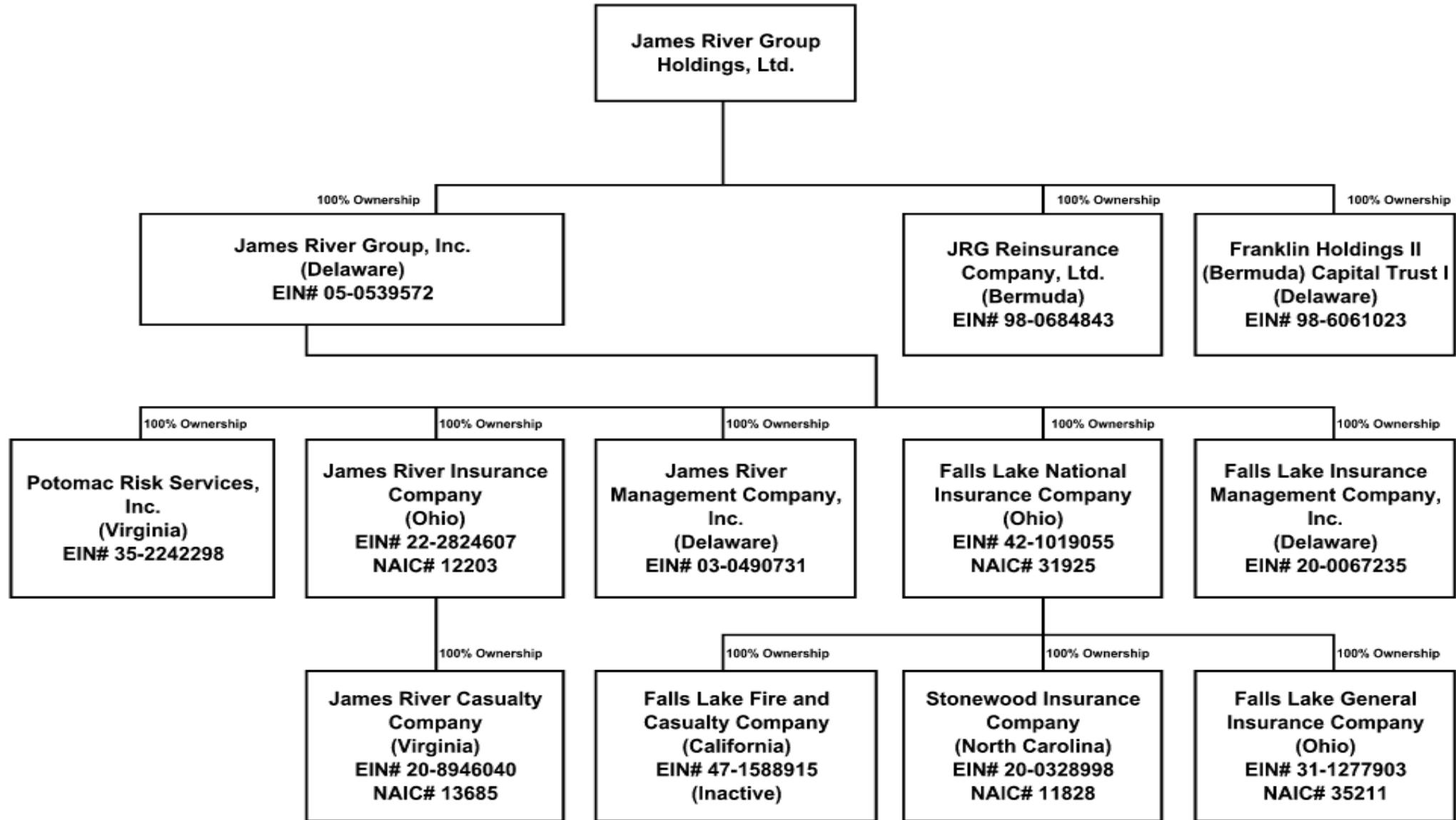
|   |     |   |   |   |   |   |   |
|---|-----|---|---|---|---|---|---|
| 58001.....  | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58002.....  | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58003.....  | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58998. Summary of remaining write-ins<br>for Line 58 from overflow page.... | XXX | 0 | 0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

(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.

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

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

PART 1 – ORGANIZATIONAL CHART



Q11

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

| 1              | 2                                | 3                 | 4            | 5            | 6          | 7  | 8   | 9                    | 10                               | 11   | 12   | 13   | 14  | 15     |
|----------------|----------------------------------|-------------------|--------------|--------------|------------|--|---|----------------------|----------------------------------|--|--|--|---|--------|
| Group Code     | Group Name                       | NAIC Company Code | ID Number    | Federal RSSD | CIK        | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries or Affiliates         | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(es)/Person(s) | *      |
| <b>Members</b> |                                  |                   |              |              |            |  |   |                      |                                  |  |  |  |   |        |
| 0.....         |                                  | 00000..           | 98-0585280.. | 0.....       | 0001620459 | OQ.....  | James River Group Holdings, Ltd.....                | BMU.....             | UIP.....                         |  |  | .....0.000                                 |   | 0..... |
| 0.....         |                                  | 00000..           | 05-0539572.. | 0.....       |            |  | James River Group, Inc.....                         | DE.....              | UIP.....                         | James River Group Holdings, Ltd.....           | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 0.....         |                                  | 00000..           | 98-0684843.. | 0.....       |            |  | JRG Reinsurance Company, Ltd.....                   | BMU.....             | IA.....                          | James River Group Holdings, Ltd.....           | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 0.....         |                                  | 00000..           | 98-6061023.. | 0.....       |            |  | Franklin Holdings II (Bermuda) Capital Trust I..... | DE.....              | NIA.....                         | James River Group Holdings, Ltd.....           | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 0.....         |                                  | 00000..           | 35-2242298.. | 0.....       |            |  | Potomac Risk Services Inc.....                      | VA.....              | NIA.....                         | James River Group, Inc.....                    | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 12203..           | 22-2824607.. | 0.....       |            |  | James River Insurance Company.....                  | OH.....              | IA.....                          | James River Group, Inc.....                    | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 0.....         |                                  | 00000..           | 03-0490731.. | 0.....       |            |  | James River Management Company.....                 | DE.....              | NIA.....                         | James River Group, Inc.....                    | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 13685..           | 20-8946040.. | 0.....       |            |  | James River Casualty Company.....                   | VA.....              | IA.....                          | James River Insurance Company.....             | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 31925..           | 42-1019055.. | 0.....       |            |  | Falls Lake National Insurance Company.....          | OH.....              | UDP.....                         | James River Group, Inc.....                    | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 0.....         |                                  | 00000..           | 20-0067235.. | 0.....       |            |  | Falls Lake Insurance Management Company, Inc.....   | DE.....              | NIA.....                         | James River Group, Inc.....                    | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 00000..           | 47-1588915.. | 0.....       |            |  | Falls Lake Fire and Casualty Company.....           | CA.....              | IA.....                          | Falls Lake National Insurance Company.....     | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 11828..           | 20-0328998.. | 0.....       |            |  | Stonewood Insurance Company.....                    | NC.....              | IA.....                          | Falls Lake National Insurance Company.....     | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |
| 3494.....      | James River Insurance Group..... | 35211..           | 31-1277903.. | 0.....       |            |  | Falls Lake General Insurance Company.....           | OH.....              | RE.....                          | Falls Lake National Insurance Company.....     | Ownership.....   | ...100.000                                 | James River Group Holdings, Ltd.....      | 0..... |

**PART 1 - LOSS EXPERIENCE**

| Lines of Business   | Current Year to Date           |                                |                                | 4<br>Prior Year to Date<br>Direct Loss<br>Percentage |
|---|--------------------------------|--------------------------------|--------------------------------|--|
|   | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct<br>Loss Percentage |  |
| 1. Fire.....  | 0                              | 0                              | 0.0                            | 0.0  |
| 2. Allied lines.....  | 0                              | 0                              | 0.0                            | 0.0  |
| 3. Farmowners multiple peril.....                                     | 0                              | 0                              | 0.0                            | 0.0  |
| 4. Homeowners multiple peril.....                                     | 0                              | 0                              | 0.0                            | 0.0  |
| 5. Commercial multiple peril.....                                     | 0                              | 0                              | 0.0                            | 0.0  |
| 6. Mortgage guaranty.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 8. Ocean marine.....  | 0                              | 0                              | 0.0                            | 0.0  |
| 9. Inland marine.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 10. Financial guaranty.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 11.1. Medical professional liability - occurrence.....                | 0                              | 0                              | 0.0                            | 0.0  |
| 11.2. Medical professional liability - claims-made.....               | 0                              | 0                              | 0.0                            | 0.0  |
| 12. Earthquake.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 13. Group accident and health.....                                    | 0                              | 0                              | 0.0                            | 0.0  |
| 14. Credit accident and health.....                                   | 0                              | 0                              | 0.0                            | 0.0  |
| 15. Other accident and health.....                                    | 0                              | 0                              | 0.0                            | 0.0  |
| 16. Workers' compensation.....  | 0                              | 0                              | 0.0                            | 0.0  |
| 17.1. Other liability-occurrence.....                                 | 0                              | 0                              | 0.0                            | 0.0  |
| 17.2. Other liability-claims made.....                                | 0                              | 0                              | 0.0                            | 0.0  |
| 17.3. Excess workers' compensation.....                               | 0                              | 0                              | 0.0                            | 0.0  |
| 18.1. Products liability-occurrence.....                              | 0                              | 0                              | 0.0                            | 0.0  |
| 18.2. Products liability-claims made.....                             | 0                              | 0                              | 0.0                            | 0.0  |
| 19.1. 19.2. Private passenger auto liability.....                     | 0                              | (80)                           | 0.0                            | 0.0  |
| 19.3. 19.4. Commercial auto liability.....                            | 0                              | 0                              | 0.0                            | 0.0  |
| 21. Auto physical damage.....   | 0                              | 112                            | 0.0                            | 0.0  |
| 22. Aircraft (all perils).....  | 0                              | 0                              | 0.0                            | 0.0  |
| 23. Fidelity.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 24. Surety.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 26. Burglary and theft.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 27. Boiler and machinery.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 28. Credit.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 29. International.....  | 0                              | 0                              | 0.0                            | 0.0  |
| 30. Warranty.....   | 0                              | 0                              | 0.0                            | 0.0  |
| 31. Reinsurance-nonproportional assumed property.....                 | XXX                            | XXX                            | XXX                            | XXX  |
| 32. Reinsurance-nonproportional assumed liability.....                | XXX                            | XXX                            | XXX                            | XXX  |
| 33. Reinsurance-nonproportional assumed financial lines.....          | XXX                            | XXX                            | XXX                            | XXX  |
| 34. Aggregate write-ins for other lines of business.....              | 0                              | 0                              | 0.0                            | 0.0  |
| 35. Totals.....   | 0                              | 32                             | 0.0                            | 0.0  |
| <b>DETAILS OF WRITE-INS</b>   |                                |                                |                                |  |
| 3401. ....  | 0                              | 0                              | 0.0                            | 0.0  |
| 3402. ....  | 0                              | 0                              | 0.0                            | 0.0  |
| 3403. ....  | 0                              | 0                              | 0.0                            | 0.0  |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page..... | 0                              | 0                              | 0.0                            | XXX  |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....          | 0                              | 0                              | 0.0                            | 0.0  |

**PART 2 - DIRECT PREMIUMS WRITTEN**

| Lines of Business   | 1                  | 2                       | 3                          |
|---|--------------------|-------------------------|----------------------------|
|   | Current<br>Quarter | Current<br>Year to Date | Prior Year<br>Year to Date |
| 1. Fire.....  | 0                  | 0                       | 0                          |
| 2. Allied lines.....  | 0                  | 0                       | 0                          |
| 3. Farmowners multiple peril.....                                     | 0                  | 0                       | 0                          |
| 4. Homeowners multiple peril.....                                     | 0                  | 0                       | 0                          |
| 5. Commercial multiple peril.....                                     | 0                  | 0                       | 0                          |
| 6. Mortgage guaranty.....   | 0                  | 0                       | 0                          |
| 8. Ocean marine.....  | 0                  | 0                       | 0                          |
| 9. Inland marine.....   | 0                  | 0                       | 0                          |
| 10. Financial guaranty.....   | 0                  | 0                       | 0                          |
| 11.1. Medical professional liability - occurrence.....                | 0                  | 0                       | 0                          |
| 11.2. Medical professional liability - claims made.....               | 0                  | 0                       | 0                          |
| 12. Earthquake.....   | 0                  | 0                       | 0                          |
| 13. Group accident and health.....                                    | 0                  | 0                       | 0                          |
| 14. Credit accident and health.....                                   | 0                  | 0                       | 0                          |
| 15. Other accident and health.....                                    | 0                  | 0                       | 0                          |
| 16. Workers' compensation.....  | 0                  | 0                       | 0                          |
| 17.1. Other liability-occurrence.....                                 | 0                  | 0                       | 0                          |
| 17.2. Other liability-claims made.....                                | 0                  | 0                       | 0                          |
| 17.3. Excess workers' compensation.....                               | 0                  | 0                       | 0                          |
| 18.1. Products liability-occurrence.....                              | 0                  | 0                       | 0                          |
| 18.2. Products liability-claims made.....                             | 0                  | 0                       | 0                          |
| 19.1. 19.2. Private passenger auto liability.....                     | 0                  | 0                       | 0                          |
| 19.3. 19.4. Commercial auto liability.....                            | 0                  | 0                       | 0                          |
| 21. Auto physical damage.....   | 0                  | 0                       | 0                          |
| 22. Aircraft (all perils).....  | 0                  | 0                       | 0                          |
| 23. Fidelity.....   | 0                  | 0                       | 0                          |
| 24. Surety.....   | 0                  | 0                       | 0                          |
| 26. Burglary and theft.....   | 0                  | 0                       | 0                          |
| 27. Boiler and machinery.....   | 0                  | 0                       | 0                          |
| 28. Credit.....   | 0                  | 0                       | 0                          |
| 29. International.....  | 0                  | 0                       | 0                          |
| 30. Warranty.....   | 0                  | 0                       | 0                          |
| 31. Reinsurance-nonproportional assumed property.....                 | XXX                | XXX                     | XXX                        |
| 32. Reinsurance-nonproportional assumed liability.....                | XXX                | XXX                     | XXX                        |
| 33. Reinsurance-nonproportional assumed financial lines.....          | XXX                | XXX                     | XXX                        |
| 34. Aggregate write-ins for other lines of business.....              | 0                  | 0                       | 0                          |
| 35. Totals.....   | 0                  | 0                       | 0                          |
| <b>DETAILS OF WRITE-INS</b>   |                    |                         |                            |
| 3401. ....  | 0                  | 0                       | 0                          |
| 3402. ....  | 0                  | 0                       | 0                          |
| 3403. ....  | 0                  | 0                       | 0                          |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page..... | 0                  | 0                       | 0                          |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....          | 0                  | 0                       | 0                          |

NONE

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

|  | 1   | 2   | 3  | 4  | 5  | 6  | 7   | 8  | 9                                    | 10   | 11  | 12  | 13   |
|--|---|---|--|--|--|--|---|--|--------------------------------------|--|---|---|--|
| Years in Which Losses Occurred                       | Prior Year-End Known Case Loss and LAE Reserves | Prior Year-End IBNR Loss and LAE Reserves | Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 2015 Loss and LAE Payments on Claims Reported as of Prior Year-End | 2015 Loss and LAE Payments on Claims Unreported as of Prior Year-End | Total 2015 Loss and LAE Payments (Cols. 4 + 5) | Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End | Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End | Q.S. Date IBNR Loss and LAE Reserves | Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9) | Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1) | Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12) |
| 1. 2012 + Prior.....                                 | 193   | 495                                       | 688  | 29   | 3  | 32   | 194   | 1  | 451                                  | 647  | 31  | (40)  | (9)  |
| 2. 2013.....   | 53  | 255                                       | 309  | 12   | 2  | 13   | 51  | 2  | 234                                  | 288  | 10  | (18)  | (8)  |
| 3. Subtotals 2013 + Prior.....                       | 246   | 751                                       | 997  | 41   | 5  | 46   | 246   | 3  | 686                                  | 935  | 41  | (57)  | (17)   |
| 4. 2014.....   | 72  | 421                                       | 494  | 21   | 10   | 31   | 64  | 6  | 387                                  | 457  | 13  | (19)  | (6)  |
| 5. Subtotals 2014 + Prior.....                       | 318   | 1,172                                     | 1,491  | 62   | 15   | 76   | 310   | 9  | 1,072                                | 1,391  | 53  | (76)  | (23)   |
| 6. 2015.....   | XXX   | XXX                                       | XXX  | XXX  | 20   | 20   | XXX   | 18   | 130                                  | 148  | XXX   | XXX   | XXX  |
| 7. Totals.....                                       | 318   | 1,172                                     | 1,491  | 62   | 34   | 96   | 310   | 27   | 1,202                                | 1,539  | 53  | (76)  | (23)   |
| 8. Prior Year-End's Surplus As Regards Policyholders | 4,168   |   |  |  |  |  |   |  |                                      |  | Col. 11, Line 7 As % of Col. 1, Line 7  | Col. 12, Line 7 As % of Col. 2, Line 7  | Col. 13, Line 7 As % of Col. 3, Line 7   |
|  |   |   |  |  |  |  |   |  |                                      |  | 1. ....16.8 %   | 2. ....(6.5)%   | 3. ....(1.5)%  |
|  |   |   |  |  |  |  |   |  |                                      |  |   |   | Col. 13, Line 7 Line 8   |
|  |   |   |  |  |  |  |   |  |                                      |  |   |   | 4. ....(0.5)%  |

Q14

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

|   | <b>Response</b> |
|---|-----------------|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?          | NO              |
| 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?          | NO              |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO              |
| 4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?     | NO              |

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**



**Overflow Page for Write-Ins**

**NONE**

**Falls Lake General Insurance Company**  
**SCHEDULE A - VERIFICATION**  
 Real Estate

|   | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                       | 0                 | 0                                    |
| 2. Cost of acquired:  |                   |                                      |
| 2.1 Actual cost at time of acquisition.....   | 0                 | 0                                    |
| 2.2 Additional investment made after acquisition.....                                 | 0                 | 0                                    |
| 3. Current year change in encumbrances.....   | 0                 | 0                                    |
| 4. Total gain (loss) on disposals.....  | 0                 | 0                                    |
| 5. Deduct amounts received on disposals.....  | 0                 | 0                                    |
| 6. Total foreign exchange change in book/adjusted carrying value.....                 | 0                 | 0                                    |
| 7. Deduct current year's other than temporary impairment recognized.....              | 0                 | 0                                    |
| 8. Deduct current year's depreciation.....  | 0                 | 0                                    |
| 9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)..... | 0                 | 0                                    |
| 10. Deduct total nonadmitted amounts.....   | 0                 | 0                                    |
| 11. Statement value at end of current period (Line 9 minus Line 10).....              | 0                 | 0                                    |

**SCHEDULE B - VERIFICATION**  
 Mortgage Loans

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....                             | 0                 | 0                                    |
| 2. Cost of acquired:   |                   |                                      |
| 2.1 Actual cost at time of acquisition.....  | 0                 | 0                                    |
| 2.2 Additional investment made after acquisition.....  | 0                 | 0                                    |
| 3. Capitalized deferred interest and other.....  | 0                 | 0                                    |
| 4. Accrual of discount.....  | 0                 | 0                                    |
| 5. Unrealized valuation increase (decrease).....   | 0                 | 0                                    |
| 6. Total gain (loss) on disposals.....   | 0                 | 0                                    |
| 7. Deduct amounts received on disposals.....   | 0                 | 0                                    |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees.....                                  | 0                 | 0                                    |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....                       | 0                 | 0                                    |
| 10. Deduct current year's other than temporary impairment recognized.....  | 0                 | 0                                    |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... | 0                 | 0                                    |
| 12. Total valuation allowance.....   | 0                 | 0                                    |
| 13. Subtotal (Line 11 plus Line 12).....   | 0                 | 0                                    |
| 14. Deduct total nonadmitted amounts.....  | 0                 | 0                                    |
| 15. Statement value at end of current period (Line 13 minus Line 14).....  | 0                 | 0                                    |

**SCHEDULE BA - VERIFICATION**  
 Other Long-Term Invested Assets

|   | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                             | 0                 | 0                                    |
| 2. Cost of acquired:  |                   |                                      |
| 2.1 Actual cost at time of acquisition.....   | 0                 | 0                                    |
| 2.2 Additional investment made after acquisition.....                                       | 0                 | 0                                    |
| 3. Capitalized deferred interest and other.....   | 0                 | 0                                    |
| 4. Accrual of discount.....   | 0                 | 0                                    |
| 5. Unrealized valuation increase (decrease).....  | 0                 | 0                                    |
| 6. Total gain (loss) on disposals.....  | 0                 | 0                                    |
| 7. Deduct amounts received on disposals.....  | 0                 | 0                                    |
| 8. Deduct amortization of premium and depreciation.....                                     | 0                 | 0                                    |
| 9. Total foreign exchange change in book/adjusted carrying value.....                       | 0                 | 0                                    |
| 10. Deduct current year's other than temporary impairment recognized.....                   | 0                 | 0                                    |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... | 0                 | 0                                    |
| 12. Deduct total nonadmitted amounts.....   | 0                 | 0                                    |
| 13. Statement value at end of current period (Line 11 minus Line 12).....                   | 0                 | 0                                    |

**SCHEDULE D - VERIFICATION**  
 Bonds and Stocks

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....      | 3,285,812         | 3,283,808                            |
| 2. Cost of bonds and stocks acquired.....  | 0                 | 0                                    |
| 3. Accrual of discount.....  | 903               | 3,598                                |
| 4. Unrealized valuation increase (decrease).....   | 0                 | 0                                    |
| 5. Total gain (loss) on disposals.....   | 0                 | 0                                    |
| 6. Deduct consideration for bonds and stocks disposed of.....                            | 0                 | 0                                    |
| 7. Deduct amortization of premium.....   | 396               | 1,594                                |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0                 | 0                                    |
| 9. Deduct current year's other than temporary impairment recognized.....                 | 0                 | 0                                    |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5-6-7+8-9)..... | 3,286,319         | 3,285,812                            |
| 11. Deduct total nonadmitted amounts.....  | 0                 | 0                                    |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 3,286,319         | 3,285,812                            |

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

|  | 1   | 2                                   | 3                                   | 4   | 5   | 6  | 7   | 8   |
|--|---|-------------------------------------|-------------------------------------|---|---|--|---|---|
| NAIC Designation                         | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| <b>BONDS</b>                             |   |                                     |                                     |   |   |  |   |   |
| 1. NAIC 1 (a).....                       | 3,884,907   | 1,830,519                           | 1,814,150                           | .507  | 3,901,783   | .0   | .0  | 3,884,907   |
| 2. NAIC 2 (a).....                       | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 3. NAIC 3 (a).....                       | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 4. NAIC 4 (a).....                       | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 5. NAIC 5 (a).....                       | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 6. NAIC 6 (a).....                       | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 7. Total Bonds.....                      | 3,884,907   | 1,830,519                           | 1,814,150                           | .507  | 3,901,783   | .0   | .0  | 3,884,907   |
| <b>PREFERRED STOCK</b>                   |   |                                     |                                     |   |   |  |   |   |
| 8. NAIC 1.....                           | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 9. NAIC 2.....                           | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 10. NAIC 3.....                          | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 11. NAIC 4.....                          | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 12. NAIC 5.....                          | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 13. NAIC 6.....                          | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 14. Total Preferred Stock.....           | .0  | .0                                  | .0                                  | .0  | .0  | .0   | .0  | .0  |
| 15. Total Bonds and Preferred Stock..... | 3,884,907   | 1,830,519                           | 1,814,150                           | .507  | 3,901,783   | .0   | .0  | 3,884,907   |

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:  
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE DA - PART 1

### Short-Term Investments

|              | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual<br>Cost | 4<br>Interest Collected<br>Year To Date | 5<br>Paid for Accrued Interest<br>Year To Date |
|--------------|--------------------------------------|----------------|---------------------|---|--|
| 9199999..... | 615,464                              | XXX.....       | 615,464             | 0                                       | 0  |

## SCHEDULE DA - VERIFICATION

### Short-Term Investments

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 599,095           | 561,313                              |
| 2. Cost of short-term investments acquired.....  | 1,830,519         | 7,050,164                            |
| 3. Accrual of discount.....  | 0                 | 0                                    |
| 4. Unrealized valuation increase (decrease).....   | 0                 | 0                                    |
| 5. Total gain (loss) on disposals.....   | 0                 | 0                                    |
| 6. Deduct consideration received on disposals.....                                       | 1,814,150         | 7,012,382                            |
| 7. Deduct amortization of premium.....   | 0                 | 0                                    |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0                 | 0                                    |
| 9. Deduct current year's other than temporary impairment recognized.....                 | 0                 | 0                                    |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 615,464           | 599,095                              |
| 11. Deduct total nonadmitted amounts.....  | 0                 | 0                                    |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 615,464           | 599,095                              |

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**Sch. E-Verification  
NONE**

**Sch. A-Pt 2  
NONE**

**Sch. A-Pt 3  
NONE**

**Sch. B-Pt 2  
NONE**

**Sch. B-Pt 3  
NONE**

**Sch. BA-Pt 2  
NONE**

**Sch. BA-Pt 3  
NONE**

**Sch. D-Pt 3  
NONE**

**Sch. D-Pt 4  
NONE**

**Sch. DB-Pt A-Sn 1  
NONE**

**Sch. DB-Pt B-Sn 1  
NONE**

**Sch. DB-Pt D-Sn 1  
NONE**

**Sch. DB-Pt D-Sn 2  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

| 1<br>Depository                       | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Current Quarter | 5<br>Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter |                   |                  | 9<br>* |
|---------------------------------------|-----------|-----------------------|---|---|--|-------------------|------------------|--------|
|                                       |           |                       |   |   | 6<br>First Month   | 7<br>Second Month | 8<br>Third Month |        |
| <b>Open Depositories</b>              |           |                       |   |   |  |                   |                  |        |
| KeyBank..... Cleveland, OH.....       |           | .....0.000            | .....0  | .....0  | .....147,058   | .....198,052      | .....197,675     | XXX    |
| 0199999. Total Open Depositories..... | XXX       | XXX                   | .....0  | .....0  | .....147,058   | .....198,052      | .....197,675     | XXX    |
| 0399999. Total Cash on Deposit.....   | XXX       | XXX                   | .....0  | .....0  | .....147,058   | .....198,052      | .....197,675     | XXX    |
| 0599999. Total Cash.....              | XXX       | XXX                   | .....0  | .....0  | .....147,058   | .....198,052      | .....197,675     | XXX    |

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|

**NONE**

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