



QUARTERLY STATEMENT

As of June 30, 2015

of the Condition and Affairs of the

Falls Lake National Insurance Company

NAIC Group Code.....3494, 3494 (Current Period) (Prior Period)	NAIC Company Code..... 31925	Employer's ID Number..... 42-1019055
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... February 6, 1974	Commenced Business..... February 21, 1974	
Statutory Home Office	52 East Gay Street..... Columbus OH US 43215 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609 (Street and Number) (City or Town, State, Country and Zip Code)	919-882-3500 (Area Code) (Telephone Number)
Mail Address	6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609 (Street and Number) (City or Town, State, Country and Zip Code)	919-882-3500 (Area Code) (Telephone Number)
Internet Web Site Address	www.fallslakeins.com	
Statutory Statement Contact	Aileen K. Celentano (Name) accounting@stonewoodins.com (E-Mail Address)	919-882-3536 (Area Code) (Telephone Number) (Extension) 888-698-7290 (Fax Number)

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
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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.

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

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

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds.....	13,844,751		13,844,751	6,798,070
2. Stocks:				
2.1 Preferred stocks.....	1,945,981		1,945,981	
2.2 Common stocks.....	28,300,234		28,300,234	40,323,931
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....1,981,373), cash equivalents (\$.....0) and short-term investments (\$.....7,522,008).....	9,503,381		9,503,381	2,254,068
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	53,594,347	0	53,594,347	49,376,069
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	59,810		59,810	20,737
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	14,914,869		14,914,869	17,964,065
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	6,079,344		6,079,344	9,185,861
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	11,421,018		11,421,018	10,160,891
16.2 Funds held by or deposited with reinsured companies.....	187,156,322		187,156,322	176,294,270
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	180,069		180,069	303,982
18.2 Net deferred tax asset.....	2,067,793	1,209,534	858,259	857,976
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	204,840		204,840	167,407
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	275,678,412	1,209,534	274,468,878	264,331,258
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	275,678,412	1,209,534	274,468,878	264,331,258

DETAILS OF WRITE-INS

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

Falls Lake National Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....2,053,029).....	12,330,353	11,706,425
2. Reinsurance payable on paid losses and loss adjustment expenses.....	11,913,860	10,888,240
3. Loss adjustment expenses.....	8,063,451	7,682,312
4. Commissions payable, contingent commissions and other similar charges.....	1,744,701	2,781,557
5. Other expenses (excluding taxes, licenses and fees).....	265,433	290,065
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	892,450	874,476
7.1 Current federal and foreign income taxes (including \$......0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$......0 and interest thereon \$......0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....44,797,212 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.....	4,282,262	3,818,601
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	17,285,287	20,144,134
13. Funds held by company under reinsurance treaties.....	165,639,833	155,810,651
14. Amounts withheld or retained by company for account of others.....	12,811	21,813
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$......0 certified).....		667,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		21,553
20. Derivatives.....		
21. Payable for securities.....	1,302,277	
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$......0 and interest thereon \$......0.....		
25. Aggregate write-ins for liabilities.....	81,372	69,018
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	223,814,090	214,775,845
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	223,814,090	214,775,845
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,200,000	4,200,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	38,558,551	38,558,551
35. Unassigned funds (surplus).....	7,896,237	6,796,862
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$......0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$......0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	50,654,788	49,555,413
38. Totals (Page 2, Line 28, Col. 3).....	274,468,878	264,331,258

DETAILS OF WRITE-INS

2501. Deferred ceding commission.....		42,308
2502. Policyholder deposits.....	81,372	26,710
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	81,372	69,018
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....18,288,793).....	15,527,420	2,332,068	13,215,078
1.2 Assumed..... (written \$.....43,235,875).....	38,981,826	29,673,745	66,384,960
1.3 Ceded..... (written \$.....55,907,741).....	49,355,980	28,113,878	70,812,089
1.4 Net..... (written \$.....5,616,927).....	5,153,266	3,891,935	8,787,949
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....2,441,687):			
2.1 Direct.....	10,931,561	1,965,532	9,017,176
2.2 Assumed.....	15,700,113	8,836,870	16,424,935
2.3 Ceded.....	24,546,788	9,629,626	23,202,948
2.4 Net.....	2,084,886	1,172,776	2,239,163
3. Loss adjustment expenses incurred.....	1,396,287	1,274,832	2,718,727
4. Other underwriting expenses incurred.....	1,718,577	1,627,920	3,093,600
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	5,199,750	4,075,528	8,051,490
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(46,484)	(183,593)	736,459
INVESTMENT INCOME			
9. Net investment income earned.....	79,670	33,015	66,804
10. Net realized capital gains (losses) less capital gains tax of \$.....1,055.....	1,960		
11. Net investment gain (loss) (Lines 9 + 10).....	81,630	33,015	66,804
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....449).....	(449)	(16)	(27)
13. Finance and service charges not included in premiums.....	371	82	347
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	(78)	66	320
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	35,068	(150,512)	803,583
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	35,068	(150,512)	803,583
19. Federal and foreign income taxes incurred.....	26,324	4,345	172,672
20. Net income (Line 18 minus Line 19) (to Line 22).....	8,744	(154,857)	630,911
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	49,555,413	47,741,085	47,741,085
22. Net income (from Line 20).....	8,744	(154,857)	630,911
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	423,348	1,097,526	1,891,079
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	20,676	77,037	(98,617)
27. Change in nonadmitted assets.....	(20,393)	(27,575)	27,955
28. Change in provision for reinsurance.....	667,000	30,000	(637,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,099,375	1,022,131	1,814,328
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	50,654,788	48,763,216	49,555,413
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
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.			
1402.			
1403.			
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.			
3702.			
3703.			
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

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	8,913,793	3,175,873	3,978,960
2. Net investment income.....	42,382	33,774	66,085
3. Miscellaneous income.....	(78)	66	320
4. Total (Lines 1 through 3).....	8,956,097	3,209,713	4,045,365
5. Benefit and loss related payments.....	12,557,517	8,950,326	10,790,505
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	3,777,239	787,172	1,490,812
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$..... 1,055 tax on capital gains (losses).....	(96,534)	153,789	87,222
10. Total (Lines 5 through 9).....	16,238,222	9,891,287	12,368,539
11. Net cash from operations (Line 4 minus Line 10).....	(7,282,125)	(6,681,574)	(8,323,174)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			
12.2 Stocks.....	12,500,000	2,406	
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	3,015		
12.7 Miscellaneous proceeds.....	1,302,277		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	13,805,292	2,406	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	7,048,467		
13.2 Stocks.....	1,998,936	2,406	
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	9,047,403	2,406	0
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	4,757,889	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	9,773,548	8,105,638	9,993,635
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	9,773,548	8,105,638	9,993,635
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	7,249,312	1,424,064	1,670,461
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	2,254,068	583,607	583,607
19.2 End of period (Line 18 plus Line 19.1).....	9,503,380	2,007,671	2,254,068
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001			

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Falls Lake National 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
NET INCOME			
(1) Falls Lake National Insurance Company state basis (Page 4, Line 20, Columns 1 & 3)	OH	8,744	630,911
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	8,744	630,911
SURPLUS			
(5) Falls Lake National Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	OH	50,654,788	49,555,413
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	OH	50,654,788	49,555,413

C. Accounting Policy

- (4) Preferred stocks are stated at fair value.
- (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.

NOTES TO FINANCIAL STATEMENTS

- 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

- A., C. - H., K. and L. No significant change.
- B. Detail of Transactions Greater than 1/2% of Admitted Assets

On March 23, 2015, the Company received an extraordinary distribution of \$12,500,000 from its wholly owned subsidiary, Stonewood Insurance Company (NAIC #11828). The transaction was recorded by Stonewood Insurance as a reduction to gross paid in and contributed surplus; and by Falls Lake National as a reduction to the booked basis in its subsidiary.
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

See Note 10.B.

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

At June 30, 2015, the Company's surplus as regards policyholders was \$50,654,788.

Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below at June 30, 2015 is as follows:

a. Cumulative net unrealized gains/(losses), net of tax of \$-0-, \$5,017,804.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

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.

(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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/ Produced By
Rocky Mountain Insurance Services LLC, 5051 Journal Center Blvd NE, Albuquerque, NM 87109	84-1440132	YES	Property, CMP, General Liability, Commercial Auto	U,B,P,CA,C	6,036
Midwestern Insurance Alliance, LLC, P.O. Box 436909, Louisville, KY 40253-6909	45-4348276	YES	Workers' Compensation	U,B,P,CA,C	4,388
AE Underwriters Agency, Inc., 444 Madison Ave., Suite 501, New York, NY 10022	46-3127467	NO	Commercial Package	U,B,P,CA,C	2,413
Total	XXX	XXX	XXX	XXX	12.837

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.

NOTES TO FINANCIAL STATEMENTS

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 are reported at amortized cost				
Preferred Stock		1,945,981		1,945,981
Shiort-term investments are carried at amortized cost				
Total		1,945,981		1,945,981

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
Not applicable				
Total				

(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										
Total										

	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										
Total										

(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	13,852,294	13,844,751	4,997,834	8,854,460		
Preferred Stock	1,945,981	1,945,981		1,945,981		
Short Term Investments	7,524,434	7,522,008	7,524,434			

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Not applicable		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)

NOTES TO FINANCIAL STATEMENTS

- (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>6/30/2015</u>	<u>12/31/2014</u>
Reserves, Net of Reinsurance Recoverables at		
Beginning of Year	\$ 19,388,737	\$ 18,722,122
Add: Provision of Claims Occurring During:		
Current Year	4,060,340	7,357,734
Prior Years	(579,167)	(2,399,844)
Incurred Losses/Expenses	3,481,173	4,957,890
Deduct: Payments for Claims Occurring During:		
Current Year	583,469	930,562
Prior Years	1,892,637	3,360,713
	2,476,106	4,291,275
Reserves, net of Reins Recoverables at End of Period	\$ 20,393,804	\$ 19,388,737

Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by approximately \$579 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

NOTES TO FINANCIAL STATEMENTS

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 ☐]
- 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 ☒]
- 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 ☒] No ☐]
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐] No ☒]
- 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 ☒]
- 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	2	3
Name of Entity	NAIC Company Code	State of Domicile
Not applicable		

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 ☒] N/A ☐]

- 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 became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

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 ☒]
- 6.6

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

Yes ☐] No ☐] N/A ☒]
- 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 ☒]
- 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 ☒]
- 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 ☒]
- 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	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 ☒] 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 ☒]
- 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 [☒]
- 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 [☐]
- 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 [☒]
- 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 [☐]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	40,323,931	28,300,234
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)	\$ 40,323,931	\$ 28,300,234
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 [☒]
- 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 custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [☒] No [☐]

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1
Name of Custodian(s) | 2
Custodian Address |
|---------------------------|--------------------------------|
| 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
Name(s) | 2
Location(s) | 3
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 [☒]

17.4 If yes, give full and complete information relating thereto:
- | 1
Old Custodian | 2
New Custodian | 3
Date of Change | 4
Reason |
|--------------------|--------------------|---------------------|----------------|
| Not applicable | | | 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
Central Registration Depository | 2
Name(s) | 3
Address |
|--------------------------------------|---|---|
| Not applicable | Gen Re-New England Asset Management, Inc. | 74 Batterson Park Rd., 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 [☒] No [☐]

18.2 If no, list exceptions:

Not applicable
- Q07.1

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 [☒] 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 [☒]

If yes, attach an explanation.

Not applicable

- 3.1

Have any of the reporting entity's primary reinsurance contracts been canceled?

Yes [☐] No [☒]
- 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 [☒]

- 4.2

If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
Not applicable	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

- 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 [☒]
- 6.2

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

\$ 0
- 6.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]
- 6.4

If yes, please provide the amount of funds administered as of the reporting date.

\$ 0

Falls Lake National Insurance Company
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
All Other Insurers						
00000.....	AA-3194128.....	Allied World Assurance Co Ltd.....	BMU.....	Unauthorized....	.....	.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1.	Alabama.....	AL.....L.....	.....48,108	.....38,874	.....(125)	.....(64)	.....21,356	.....7,476
2.	Alaska.....	AK.....L.....						
3.	Arizona.....	AZ.....L.....	.....959,162		.....63,652		.....417,823	
4.	Arkansas.....	AR.....L.....	.....148,297	.....173,494	.....37,071	.....5,851	.....258,048	.....43,507
5.	California.....	CA.....N.....						
6.	Colorado.....	CO.....L.....	.....634,352		.....13,815		.....13,705	
7.	Connecticut.....	CT.....N.....						
8.	Delaware.....	DE.....L.....						
9.	District of Columbia.....	DC.....L.....						
10.	Florida.....	FL.....L.....		.....(26)	.....1,700	.....4,006	.....2,615	.....9,162
11.	Georgia.....	GA.....L.....	.....400,748	.....18,697	.....16,725	.....(2,203)	.....71,932	.....5,439
12.	Hawaii.....	HI.....L.....						
13.	Idaho.....	ID.....L.....						
14.	Illinois.....	IL.....L.....	.....1,240,767	.....404,411	.....120,837	.....2,948	.....401,078	.....57,600
15.	Indiana.....	IN.....L.....	.....1,343,992	.....379,064	.....145,142	.....51,398	.....732,011	.....156,462
16.	Iowa.....	IA.....L.....	.....64,073	.....92,054	.....10,886		.....59,019	.....3,941
17.	Kansas.....	KS.....L.....	.....302,025				.....9,042	
18.	Kentucky.....	KY.....L.....	.....422,819	.....216,180	.....137,032	.....13,705	.....547,928	.....46,687
19.	Louisiana.....	LA.....L.....					.....16,856	
20.	Maine.....	ME.....N.....						
21.	Maryland.....	MD.....L.....	.....259,019	.....97,691	.....41,312	.....2,691	.....111,188	.....1,747
22.	Massachusetts.....	MA.....L.....	.....82,479	.....14,392			.....18,973	.....3,391
23.	Michigan.....	MI.....L.....						
24.	Minnesota.....	MN.....L.....						
25.	Mississippi.....	MS.....L.....	.....374,451	.....119,583	.....32,821		.....129,912	.....9,970
26.	Missouri.....	MO.....L.....	.....227,149	.....31,554	.....6,005		.....31,673	.....5,806
27.	Montana.....	MT.....L.....						
28.	Nebraska.....	NE.....L.....	.....224,495	.....17,226	.....2,553		.....20,216	.....678
29.	Nevada.....	NV.....L.....	.....358,857		.....31,475		.....269,970	
30.	New Hampshire.....	NH.....L.....						
31.	New Jersey.....	NJ.....L.....	.....1,115,147	.....358,368	.....96,598		.....528,473	.....31,097
32.	New Mexico.....	NM.....L.....	.....1,823,602	.....1,984,965	.....971,419	.....6,870	.....1,850,367	.....141,325
33.	New York.....	NY.....L.....	.....2,214,372	.....530,076	.....198,283		.....1,004,525	.....59,708
34.	North Carolina.....	NC.....L.....	.....17,343	.....16,373			.....24,476	.....1,458
35.	North Dakota.....	ND.....L.....	.....187,934	.....253,835	.....86,138		.....40,461	.....4,228
36.	Ohio.....	OH.....L.....	.....(86)	.....370,000	.....6,591		.....1,024,540	.....7,405
37.	Oklahoma.....	OK.....L.....	.....13,026	.....1,033,991	.....43,693	.....9,689	.....247,519	.....134,262
38.	Oregon.....	OR.....L.....						
39.	Pennsylvania.....	PA.....L.....	.....482,573	.....133,404	.....30,682		.....126,462	.....6,057
40.	Rhode Island.....	RI.....L.....	.....247,030	.....119,653	.....24,567		.....131,296	.....10,648
41.	South Carolina.....	SC.....L.....	.....60,238	.....70,430	.....885	.....(675)	.....53,680	.....6,883
42.	South Dakota.....	SD.....L.....						
43.	Tennessee.....	TN.....L.....	.....178,251	.....106,325	.....30,005		.....423,219	.....3,697
44.	Texas.....	TX.....L.....	.....4,428,925	.....2,350,667	.....976,735	.....3,576	.....6,683,763	.....1,182,344
45.	Utah.....	UT.....L.....	.....340,607	.....237,359	.....38,857		.....48,599	.....7,452
46.	Vermont.....	VT.....L.....						
47.	Virginia.....	VA.....L.....	.....87,463	.....8,480			.....12,304	.....504
48.	Washington.....	WA.....L.....						
49.	West Virginia.....	WV.....L.....	.....1,575				.....15	
50.	Wisconsin.....	WI.....L.....						
51.	Wyoming.....	WY.....L.....						
52.	American Samoa.....	AS.....N.....						
53.	Guam.....	GU.....N.....						
54.	Puerto Rico.....	PR.....N.....						
55.	US Virgin Islands.....	VI.....N.....						
56.	Northern Mariana Islands.....	MP.....N.....						
57.	Canada.....	CAN.....N.....						
58.	Aggregate Other Alien.....	OT.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0
59.	Totals.....	(a).....48	.....18,288,793	.....9,177,120	.....3,165,354	.....97,792	.....15,333,044	.....1,948,934

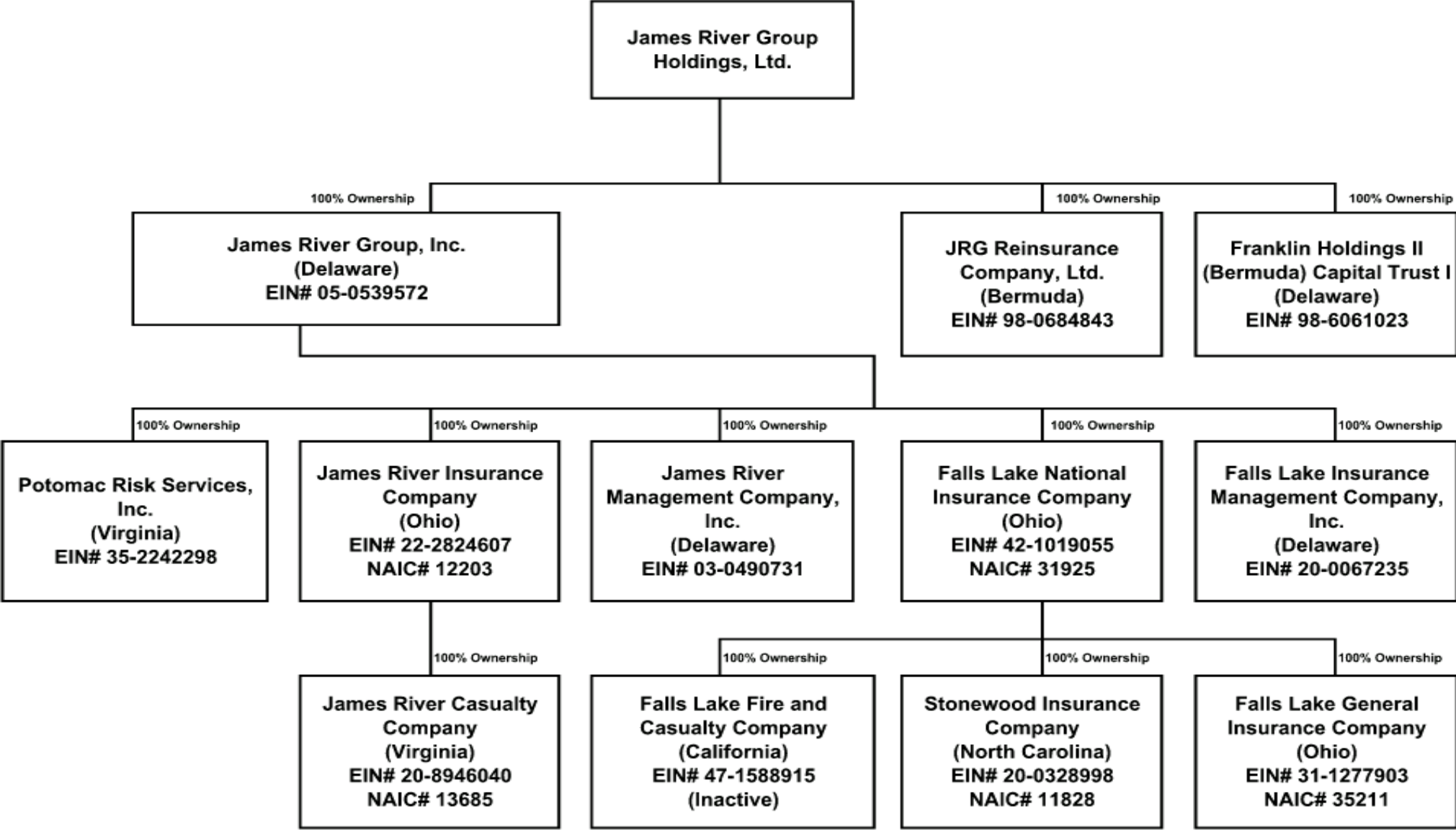
DETAILS OF WRITE-INS

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



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(ies)/Person(s)	*
Members														
		00000...	98-0585280..		0001620459	OQ.....	James River Group Holdings, Ltd.....	BMU.....	UIP.....					
		00000...	05-0539572..				James River Group, Inc.....	DE.....	UDP.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
		00000...	98-0684843..				JRG Reinsurance Company, Ltd.....	BMU.....	IA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
		00000...	98-6061023..				Franklin Holdings II (Bermuda) Capital Trust I.....	DE.....	NIA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
		00000...	35-2242298..				Potomac Risk Services Inc.....	VA.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	12203...	22-2824607..				James River Insurance Company.....	OH.....	IA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
		00000...	03-0490731..				James River Management Company.....	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	13685...	20-8946040..				James River Casualty Company.....	VA.....	IA.....	James River Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	31925...	42-1019055..				Falls Lake National Insurance Company.....	OH.....	RE.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
		00000...	20-0067235..				Falls Lake Insurance Management Company, Inc..	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	00000...	47-1588915..				Falls Lake Fire and Casualty Company.....	CA.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	11828...	20-0328998..				Stonewood Insurance Company.....	NC.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	
3494.....	James River Insurance Group.....	35211...	31-1277903..				Falls Lake General Insurance Company.....	OH.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	5,026	(481)	(9.6)	57.4
2. Allied lines.....	9,198	(1,205)	(13.1)	57.5
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....	3,163,177	1,072,132	33.9	53.1
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....	365,704	(56,848)	(15.5)	57.5
10. Financial guaranty.....			0.0	
11.1. Medical professional liability - occurrence.....			0.0	
11.2. Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....	3,613,281	2,114,108	58.5	48.5
17.1 Other liability-occurrence.....	1,408,026	1,003,409	71.3	51.3
17.2 Other liability-claims made.....	365	158	43.3	58.0
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....	151,315	(23,448)	(15.5)	
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....		9,189	0.0	(17,965.4)
19.3, 19.4 Commercial auto liability.....	5,783,012	5,327,830	92.1	188.6
21. Auto physical damage.....	1,001,434	1,468,320	146.6	47.5
22. Aircraft (all perils).....			0.0	
23. Fidelity.....	243	(35)	(14.4)	
24. Surety.....			0.0	
26. Burglary and theft.....	15	(2)	(13.3)	
27. Boiler and machinery.....	26,624	18,434	69.2	57.5
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			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	
35. Totals.....	15,527,420	10,931,561	70.4	84.3

DETAILS OF WRITE-INS

3401.....			0.0	
3402.....			0.0	
3403.....			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	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....	10,870	11,139	1,604
2. Allied lines.....	20,394	20,721	7,783
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	2,460,857	4,145,549	1,593,028
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	89,160	411,327	211,718
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	1,712,485	4,953,526	2,251,999
17.1 Other liability-occurrence.....	497,671	1,223,701	986,010
17.2 Other liability-claims made.....		1,029	307
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....	138,224	124,857	
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			(26)
19.3 19.4 Commercial auto liability.....	3,001,490	6,509,504	3,279,857
21. Auto physical damage.....	369,334	845,162	780,220
22. Aircraft (all perils).....			
23. Fidelity.....		(16)	
24. Surety.....			
26. Burglary and theft.....		(1)	
27. Boiler and machinery.....	21,295	42,295	64,620
28. Credit.....			
29. International.....			
30. Warranty.....			
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.....	8,321,780	18,288,793	9,177,120

DETAILS OF WRITE-INS

3401.....			
3402.....			
3403.....			
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

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.

	Response
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:



Falls Lake National Insurance Company
Overflow Page for Write-Ins

NONE

Falls Lake National Insurance Company
SCHEDULE A - VERIFICATION
Real Estate

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

SCHEDULE B - VERIFICATION
Mortgage Loans

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	47,122,001	45,231,374
2. Cost of bonds and stocks acquired.....	9,047,403	
3. Accrual of discount.....	4,640	9,032
4. Unrealized valuation increase (decrease).....	423,348	1,891,079
5. Total gain (loss) on disposals.....		
6. Deduct consideration for bonds and stocks disposed of.....	12,500,000	
7. Deduct amortization of premium.....	6,425	9,484
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	44,090,967	47,122,001
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	44,090,967	47,122,001

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
BONDS								
1. NAIC 1 (a).....	17,535,609	9,837,901	6,003,108	(3,642)	17,535,609	21,366,759		7,017,967
2. NAIC 2 (a).....								
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	17,535,609	9,837,901	6,003,108	(3,642)	17,535,609	21,366,759	0	7,017,967
PREFERRED STOCK								
8. NAIC 1.....								
9. NAIC 2.....	1,594,395			(37,514)	1,594,395	1,556,881		
10. NAIC 3.....	395,700			(6,600)	395,700	389,100		
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	1,990,095	0	0	(44,114)	1,990,095	1,945,981	0	0
15. Total Bonds and Preferred Stock.....	19,525,704	9,837,901	6,003,108	(47,756)	19,525,704	23,312,740	0	7,017,967

(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 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....7,522,008	.....XXX.....	.....7,523,190	.....	.....3,860

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....219,897	.....154,556
2. Cost of short-term investments acquired.....	.....13,697,497	.....1,915,808
3. Accrual of discount.....	.....38	.....2
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	.....3,015	.....
6. Deduct consideration received on disposals.....	.....6,396,402	.....1,850,291
7. Deduct amortization of premium.....	.....2,037	.....178
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other than temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....7,522,008	.....219,897
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	.....7,522,008	.....219,897

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

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1	2			3	4	5		6	7	8	9	10
Identification	Description			Foreign	Date Acquired	Name of Vendor		Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions												
232760	TV	4	CYPRESS-FAIRBANKS TX INDEP SCH.....		05/12/2015	MORGAN STANLEY & CO.....			177,980	150,000	938	1FE.....
2499999. Total Bonds - U.S. Political Subdivisions of States, Territories and Possessions.....									177,980	150,000	938	XXX
Bonds - U.S. Special Revenue and Special Assessment												
052414	PJ	2	AUSTIN TX ELEC UTILITY SYS REV.....		05/13/2015	GOLDMAN SACHS.....			175,716	150,000		1FE.....
3130A4	GJ	5	FEDERAL HOME LOAN BANK.....		05/26/2015	NOMURA SECURITIES INTL.....			2,005,122	2,000,000	2,000	1FE.....
3132L6	YH	8	FEDERAL HOME LN MTG CORP #V81612.....		06/30/2015	WELLS FARGO FINANCIAL.....			1,022,189	992,718	1,255	1FE.....
3138EP	UV	4	FEDERAL NATIONAL MTG ASSOC #AL6895.....		05/27/2015	SUNTRUST CAPITAL MARKETS.....			417,916	399,323	388	1FE.....
3138Y4	WA	3	FEDERAL NATIONAL MTG ASSOC #AX3340.....		05/27/2015	SUNTRUST CAPITAL MARKETS.....			417,080	397,693	387	1FE.....
3138YR	QX	9	FEDERAL NATIONAL MTG ASSOC #AZ0469.....		05/27/2015	SUNTRUST CAPITAL MARKETS.....			413,373	394,158	383	1FE.....
45203H	2A	9	ILLINOIS ST FIN AUTH REVENUE.....		05/13/2015	MERRILL LYNCH.....			242,376	200,000		1FE.....
663903	FH	0	N E OH REGL SWR DIST.....		05/12/2015	JANNEY MONTGOMERY SCOTT.....			282,025	250,000		1FE.....
3199999. Total Bonds - U.S. Special Revenue and Special Assessment.....									4,975,797	4,783,892	4,413	XXX
Bonds - Industrial and Miscellaneous												
20826F	AJ	5	CONOCOPHILLIPS COMPANY.....		05/15/2015	HSBC SECURITIES USA INC.....			201,544	200,000	24	1FE.....
291011	AY	0	EMERSON ELECTRIC CO.....		06/26/2015	JP MORGAN SECURITIES INC.....			276,260	250,000	2,573	1FE.....
713448	CS	5	PEPSICO INC.....		05/13/2015	GOLDMAN SACHS.....			396,532	400,000	370	1FE.....
747525	AD	5	QUALCOMM INC.....		05/28/2015	BANK OF AMERICA.....			350,410	350,000	263	1FE.....
755111	BT	7	RAYTHEON COMPANY.....		05/15/2015	US BANCORP.....			420,144	400,000	1,215	1FE.....
907818	EE	4	UNION PACIFIC CORP.....		06/16/2015	JP MORGAN SECURITIES INC.....			249,800	250,000		1FE.....
3899999. Total Bonds - Industrial and Miscellaneous.....									1,894,690	1,850,000	4,445	XXX
8399997. Total Bonds - Part 3.....									7,048,467	6,783,892	9,796	XXX
8399999. Total Bonds.....									7,048,467	6,783,892	9,796	XXX
9999999. Total Bonds, Preferred and Common Stocks.....									7,048,467	XXX	9,796	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:0.

QE04

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

Falls Lake National Insurance Company
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
KeyBank..... Cleveland, OH.....					.....1,024,030	.....2,419,863	.....1,977,829	XXX
0199998. Deposits in.....1 depositories that do not exceed the allowable limit								
in any one depository (see Instructions) - Open Depositories.....	XXX	XXX			.....2,363	.....2,363	.....3,544	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....1,026,393	.....2,422,226	.....1,981,373	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....1,026,393	.....2,422,226	.....1,981,373	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....1,026,393	.....2,422,226	.....1,981,373	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

NONE