Amended PDF Notes 01A01, 01A04, 09A02B1, 09A02B2, 09C2A07, and 09C2A13. Amended electronic Notes 13(10) & 15A02(A1)-(A6)

PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

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ANNUAL STATEMENT

For the Year Ended December 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

OHA INSURANCE SOLUTIONS, INC

NAIC Group Code 01154 (Current Period), 01154 (Prior Period) NAIC Company Code 11841 Employer's ID Number 41-2111662

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States

Incorporated/Organized 10/17/2003 Commenced Business 01/01/2004

Statutory Home Office 155 E. Broad Street, Suite 302 (Street and Number), Columbus, OH, US 43215-3619 (City or Town, State, Country and Zip Code)

Main Administrative Office 155 E. Broad Street, Suite 302 (Street and Number) Columbus, OH, US 43215-3619 (City or Town, State, Country and Zip Code) 614-255-4840 (Area Code) (Telephone Number)

Mail Address 155 E. Broad Street, Suite 302 (Street and Number or P.O. Box), Columbus, OH, US 43215-3619 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 155 E. Broad Street, Suite 302 (Street and Number) Columbus, OH, US 43215-3619 (City or Town, State, Country and Zip Code) 614-255-4840 (Area Code) (Telephone Number)

Internet Web Site Address www.ohainsurance.com

Statutory Statement Contact Michael Richard Gabree (Name) 617-428-9888 (Area Code) (Telephone Number) (Extension)

mgabree@coverys.com (E-Mail Address) 617-526-0384 (Fax Number)

OFFICERS

Name	Title	Name	Title
Gregg Lee Hanson	President, CEO & Chair	Richard Gordon Hayes	Senior Vice President & Treasurer
Mary Lynn Ursul	Executive Vice President & Secretary	Joseph Gerard Murphy #	Chief Operating Officer

OTHER OFFICERS

Wayne Thomas Zack	Senior Vice President		

DIRECTORS OR TRUSTEES

Gregg Lee Hanson	Richard Gordon Hayes	Mary Lynn Ursul	Wayne Thomas Zack
Joseph Gerard Murphy #			

State of Massachusetts
ss
County of Suffolk

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.

Gregg Lee Hanson	Richard Gordon Hayes	Mary Lynn Ursul
President, CEO & Chair	Senior Vice President & Treasurer	Executive Vice President & Secretary

Subscribed and sworn to before me this ____ day of ____ , ____

a. Is this an original filing? Yes [ ] No [X]
b. If no:
1. State the amendment number 1
2. Date filed 06/17/2016
3. Number of pages attached

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of OHA Insurance Solutions, Inc. 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 determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) The *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

	State of Domicile	2015	2014
NET INCOME			
(1) Ohio state basis (Page 4, Line 20, Columns 1 & 3)	OH	$ 1,297,939	$ 3,202,367
(2) State Prescribed Practices that increase/(decrease) NAIC	OH	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP	OH	-	-
(4) NAIC SAP		$ 1,297,939	$ 3,202,367
SURPLUS			
(5) Ohio state basis (Page 3, Line 37, Columns 1 & 2)	OH	$ 28,264,408	$ 27,109,090
(6) State Prescribed Practices that increase/(decrease) NAIC	OH	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP	OH	-	-
(8) NAIC SAP		$ 28,264,408	$ 27,109,090

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

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the un-expired portion of premiums written. Such reserves are computed by pro-rata methods for direct and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

(1) Short-term investments are stated at amortized cost.

(2) Bonds not backed by loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized cost or fair value.

(3) Common stocks are stated at market except that investments in stocks of uncombined subsidiaries in which the Company has an interest of 20% or more are carried on the equity basis.

(4) The Company has no preferred stocks.

(5) The Company has no mortgage loans.

NOTES TO FINANCIAL STATEMENTS

(6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.

(7) The Company does not have any investments in subsidiaries, controlled or affiliated companies.

(8) The Company has no ownership in joint ventures, partnerships or limited liability company.

(9) The Company owns no derivatives.

(10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based upon assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company capitalizes purchases over $5,000.

(13) The Company has no pharmaceutical rebate receivables.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable

B. Statutory Merger

None

C. Impairment Loss

Not applicable

4. Discontinued Operations

There were no discontinued operations.

5. Investments

A. The Company does not hold any mortgage loans.

B. The Company does not hold any restructured debt.

C. The Company does not hold reverse mortgages.

D. Loan Backed Securities

(1) Fair values have been determined in accordance with SSAP No 27. Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from the external portfolio manager or internal estimates.

(2) No other-than-temporary-impairment was recognized during the year.

NOTES TO FINANCIAL STATEMENTS

(3) Loan-backed securities impaired during 2015 are as follows:

(4) All loan-backed and structured securities in unrealized loss positions as of year-end, stratified based on length of time continuously in these unrealized loss positions, are as follows:

a. The aggregate amount of unrealized losses:

1. Less than 12 months	$	14,442
2. 12 months or longer	$	54,825

b. The aggregate related fair value of securities with unrealized losses

1. Less than 12 months	$	3,200,129
2. 12 months or longer	$	1,376,706

(5) All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are based on each security's NAIC designation, a NRSRO credit rating, severity of unrealized loss and cash flow forecasting results. It is possible that the Company could recognize OTTI in the future on some of the securities, if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

E. The Company does not have any repurchase agreements or securities lending transactions.

F. The Company does not have any real estate investments.

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

H. The Company does not have any restricted assets.

I. The Company does not have working capital finance investments.

J. The Company does not use derivatives, repurchase agreements or reverse repurchase agreements and the Company does not borrow or lend investment securities. There are no offsetting or netting of assets and liabilities related to such activities.

K. The Company does not have any investment in the structured notes.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in joint ventures, partnerships and limited liability companies during the statement periods. There are no investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

There were no due and accrued investment income items excluded from surplus.

8. Derivative Instruments

The Company does not hold any derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. Components of the Company's net deferred income tax asset (DTA) or deferred tax liability (DTL) are as follows:

(1) The components of the net DTA or DTL at December 31 are as follows:

	12/31/2015		
	Ordinary	Capital	Total
(a) Gross DTA	$ 371,963	$ -	$ 371,963
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross DTA	371,963	-	371,963
(d) DTA Nonadmitted	76,494	-	76,494
(e) Subtotal Net Amitted DTA	295,469	-	295,469
(f) DTL	142,141	-	142,141
(g) Net Admitted DTA/(DTL)	$ 153,328	$ -	$ 153,328

	12/31/2014		
	Ordinary	Capital	Total
(a) Gross DTA	$ 495,434	$ -	$ 495,434
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross DTA	495,434	-	495,434
(d) DTA Nonadmitted	101,241	-	101,241
(e) Subtotal Net Amitted DTA	394,193	-	394,193
(f) DTL	122,543	-	122,543
(g) Net Admitted DTA/(DTL)	$ 271,650	$ -	$ 271,650

	Change		
	Ordinary	Capital	Total
(a) Gross DTA	$ (123,471)	$ -	$ (123,471)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross DTA	(123,471)	-	(123,471)
(d) DTA Nonadmitted	(24,747)	-	(24,747)
(e) Subtotal Net Amitted DTA	(98,724)	-	(98,724)
(f) DTL	19,598	-	19,598
(g) Net Admitted DTA/(DTL)	$ (118,322)	$ -	$ (118,322)

(2) Admission Calculation Components SSAP No. 101

	12/31/2015		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ 153,328	$ -	$ 153,328
(b) Adjusted Gross DTAs Expected To Be Realized (Excluding the Amount of DTA from 2(a) above) After Application of the Threshold Limitation (the Lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted Gross DTAs Expected to be Realized Following the Balance Sheet Date			$ -
2. Adjusted Gross DTAs Allowed per Limitation Threshold	xxx	xxx	4,216,662
(c) Adjusted Gross DTAs (Excluding the Amount of DTA from 2(a) and 2(b) above) Offset by Gross DTLs	$ 142,141		$ 142,141
(d) DTAs Admitted as the Result of Application of SSAP No. 101.	$ 295,469	$ -	$ 295,469

	12/31/2014		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ 224,339	$ -	$ 224,339
(b) Adjusted Gross DTAs Expected To Be Realized (Excluding the Amount of DTA from 2(a) above) After Application of the Threshold Limitation (the Lesser of 2(b)1 and 2(b)2 below)	47,310	-	47,310
1. Adjusted Gross DTAs Expected to be Realized Following the Balance Sheet Date	$ 47,310		$ 47,310
2. Adjusted Gross DTAs Allowed per Limitation Threshold	xxx	xxx	4,019,315
(c) Adjusted Gross DTAs (Excluding the Amount of DTA from 2(a) and 2(b) above) Offset by Gross DTLs	$ 122,543		$ 122,543
(d) DTAs Admitted as the Result of Application of SSAP No. 101.	$ 394,192	$ -	$ 394,192

NOTES TO FINANCIAL STATEMENTS

	Change		
	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ (71,011)	$ -	$ (71,011)
(b) Adjusted Gross DTAs Expected To Be Realized (Excluding the Amount of DTA from 2(a) above) After Application of the Threshold Limitation (the Lesser of 2(b)1 and 2(b)2 below)	(47,310)	-	(47,310)
1. Adjusted Gross DTAs Expected to be Realized Following the Balance Sheet Date	$ (47,310)	$ -	$ (47,310)
2. Adjusted Gross DTAs Allowed per Limitation Threshold	xxx	xxx	197,347
(c) Adjusted Gross DTAs (Excluding the Amount of DTA from 2(a) and 2(b) above) Offset by Gross DTLs	$ 19,598	$ -	$ 19,598
(d) DTAs Admitted as the Result of Application of SSAP No. 101.	$ (98,723)	$ -	$ (98,723)

(3) Threshold used in 2.b.

	2015	2014
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	2282.47%	1007.59%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	$ 28,264,408	$ 27,109,090

(4) Impact of tax-planning strategies

There are no tax-planning strategies and no impact on adjusted gross and net admitted DTAs.

B. There are no unrecognized deferred tax liabilities.

C. Current income taxes incurred consist of the following major components:

1. Current income tax

	2015	2014	Change
(a) Federal	$ 276,198	$ 1,284,624	$ (1,008,426)
(b) Foreign	-	-	-
(c) Subtotal	$ 276,198	$ 1,284,624	$ (1,008,426)
(d) Federal income tax on net capital gains	(14,920)	(4,115)	(10,805)
(e) Utilization of capital loss carry-forwards	(207,405)	-	(207,405)
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	$ 53,873	$ 1,280,509	$ (1,226,636)

NOTES TO FINANCIAL STATEMENTS

2. Deferred tax assets

		2015	2014	Change
(a)	Ordinary:			
	(1) Discounting of unpaid losses	$ 295,142	$ 332,476	$ (37,334)
	(2) Unearned premium reserve	13,241	93,323	(80,082)
	(3) Policyholder reserves	-	-	-
	(4) Investments	-	-	-
	(5) Deferred acquisition costs	-	-	-
	(6) Policyholder dividend accrual	-	-	-
	(7) Fixed assets	-	45,515	(45,515)
	(8) Compensation and benefits accrual	9,411	-	9,411
	(9) Pension accrual	-	-	-
	(10) Receivables - nonadmitted	50,557	-	50,557
	(11) Net operating loss carry-forward	-	-	-
	(12) Tax credit carry-forward	-	-	-
	(13) Other (including items <5% of total ordinary tax assets)	3,612	24,120	(20,508)
	Subtotal	$ 371,963	$ 495,434	$ (123,471)
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Nonadmitted	76,494	101,241	(24,747)
(d)	Admitted ordinary DTAs	$ 295,469	$ 394,193	$ (98,724)
(e)	Capital:			
	(1) Investments	-	-	-
	(2) Net capital loss carry-forward	-	-	-
	(3) Real estate	-	-	-
	(4) Other (including items <5% of total capital tax assets)	-	-	-
	Subtotal	$ -	$ -	$ -
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Nonadmitted	-	-	-
(h)	Admitted capital DTAs	$ -	$ -	$ -
(i)	Admitted DTAs	$ 295,469	$ 394,193	$ (98,724)

3. Deferred tax liabilities

		2015	2014	Change
(a)	Ordinary:			
	(1) Investments	$ 120,317	$ 122,543	$ (2,226)
	(2) Fixed assets	21,824	-	21,824
	(3) Deferred and uncollected premium	-	-	-
	(4) Policyholder reserves	-	-	-
	(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
	Subtotal	$ 142,141	$ 122,543	$ 19,598
(b)	Capital:			
	(1) Investments	-	-	-
	(2) Real estate	-	-	-
	(3) Other (including items <5% of total capital tax liabilities)	-	-	-
	Subtotal	$ -	$ -	$ -
(c)	DTLs	$ 142,141	$ 122,543	$ 19,598

NOTES TO FINANCIAL STATEMENTS

4. Net deferred tax assets/liabilities

2015	2014	Change
$ 153,328	$ 271,650	$ (118,322)

D. Reconciliation of federal income tax rate to actual effective rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to the pre-tax income. The significant items causing this difference are as follows:

	2015		
	Amount	**Tax Effect**	**Effective Tax Rate**
Income before taxes	$1,371,865	$ 480,153	35.0%
Tax exempt interest	(312,049)	(109,217)	-8.0%
Dividends received deduction	(16,531)	(5,786)	-0.4%
Nondeductible items	4,344	1,520	0.1%
Change in nonadmitted assets	(14,406)	(5,042)	-0.4%
Other, including prior year true-up	(399,646)	(139,876)	-10.2%
Total	$ 633,577	$ 221,752	16.2%
Federal income taxes incurred		$ 53,873	3.9%
Tax on capital gains (losses)		14,920	1.1%
Change in net deferred income taxes		152,959	11.1%
Total statutory income taxes		$ 221,752	16.2%

E. Loss and tax credit carryforwards, incurred taxes available for recoupment and deposits admitted under Section 6603 of the Internal Revenue Service Code.

(1) At December 31, 2015 the Company had no operating loss or tax credit carry-forwards to offset future taxable income or taxes.

(2) The following represents income tax expense for 2013-2015 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2014	$ 1,280,509	$ 4,115	$ 1,284,624
2015	$ 261,278	$ 14,920	$ 276,198

(3) The Company has no deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities:

Medical Professional Mutual Insurance Co.
ProSelect Insurance Company
ProMutual Group, Inc.
MHA Insurance Company
ProSelect National Insurance Company, Inc.
ProMutual Insurance Agency, Inc.
FinCor Holdings, Inc.
Coverys Insurance Services, Inc.
The Risk Management & Patient Safety Institute
Washington Casualty Company
Coverys Research and Development Corporation
Coverys Community Healthcare Foundation, Inc.
OHA Holdings, Inc.
ELM Exchange, Inc.
Preferred Professional Insurance Company
Physicians Consultants, Inc.

NOTES TO FINANCIAL STATEMENTS

Coverys Specialty Insurance Company

(2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors.

The Member Companies federal income tax liability shall be calculated using Basic Method 1 as set forth in Treasury Regulations paragraph 1.1552-1(a)(1). Each Member Company shall pay to Common Parent its income tax liability as calculated using this Basic Method 1. If a Member Company generates for the year any Tax Benefits which may not be fully utilized by the Member Company to reduce its separate tax liability for the current taxable year, Common Parent shall provide to any such Member Company a payment equal to the amount of such Tax Benefits which can be utilized by the Affiliated Group. Payments between and among Member Companies of the Affiliated Group under this Agreement shall be made within thirty days of the receipt of the final calculations.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

In 2014 FinCor Holdings, Inc. acquired OHA Holdings, Inc. and its subsidiaries, including OHA Insurance Solutions. FinCor Holdings, Inc. is 100% owned by Medical Professional Mutual Insurance Company, domiciled in the state of Massachusetts. Medical Professional Mutual Insurance Company, and its member companies collectively known as “Coverys,” is one of the leading providers of medical liability insurance in the Northeast region of the United States, insuring physicians, surgeons, and dentists as well as a large number of hospitals, health centers and clinics.

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

The Company has no non-insurance transactions greater than ½% of admitted assets.

C. Change in Terms of Intercompany Arrangements

The terms of intercompany management and service arrangement were changed effective January 1 of the current year to include Coverys Specialty Insurance Company.

D. Amounts Due to or from Related Parties

The Company reported $302,731 and $1,467,938 at December 31, 2015 and 2014, respectively due to Medical Professional Mutual Insurance Company related to the federal tax sharing agreement.

The Company reported $147,556 and $237,104 due to affiliates in the current and prior years, respectively related to the management services agreement. The amounts due to affiliates are as follows:

Affiliate	**2015**	**2014**
Medical Professional Mutual Insurance Company	$ -	$ 616
MHA Insurance Company	147,556	236,492
Totals	$ 147,556	$ 237,108

The Company also reported $883,705 and $0 due from its affiliates in the current and prior years, respectively related to the management services agreement.

E. Guarantees or Undertakings for Related Parties

The Company has no material guarantees or contingencies for related parties.

F. Management, Service Contracts, Cost Sharing Arrangements

Effective January 1, 2015 the Company participated in a management service agreement with its Coverys affiliates whereby certain management, administrative and operational services are shared. The fee is based on a formula calculated on a pro rata basis of the direct premium written, direct losses paid, change in direct case loss reserves and direct ALAE paid. As a result of the management services agreement the Company allocated $962,134 to other Coverys affiliates during 2015.

NOTES TO FINANCIAL STATEMENTS

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by OHA Holdings, Inc., however, the ultimate parent is Medical Professional Mutual Insurance Company.

H. Amount Deducted for Investment in Upstream Company

The Company has no investment in an upstream company.

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

The Company has no investment in affiliates whose carrying value is equal to or exceeds 10% of the admitted assets of the Company.

J. Write-downs for Impairment of Investments in Affiliates

The Company did not recognize any impairment write down for its investments in subsidiary, controlled or affiliated companies during the statement periods.

K. Foreign Insurance Subsidiary Valued Using CARVM

The Company does not directly invest in a foreign insurance subsidiary.

L. Downstream Holding Company Valued Using Look-Through Method

The Company does not have any investments in any downstream noninsurance holding company.

11. Debt

The Company does not have any items related to debt, including capital notes.

12. Retirement Debt Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company does not have a defined benefit plan.

B. Investment Policies

Not applicable

C. Fair Value

Not applicable

D. Rate of Return

Not applicable

E. Defined Contribution Plan

The Company's employees are covered by qualified defined contribution pension plan sponsored by the Company. A contribution was made in 2015 in the amount of $32,396 for 2014 that was based on each employee's length of service, age and average salary over the most recent five years to meet a target benefit. A contribution of approximately $32,776 will be made in 2016 for 2015.

The Company sponsors a 401K Employee Savings Plan. Substantially all employees are eligible to participate in the Company's Employee Savings Plan under which a portion of the employee contributions are matched by the Company. For the years ended December 31, 2015 and 2014, the Company's match was $22,819 and $61,746, respectively.

The Company provides a non-qualified deferred compensation plan for its directors and officers

NOTES TO FINANCIAL STATEMENTS

F. Multiemployer Plan

The Company does not participate in a multiemployer benefit plan.

G. Consolidated/Holding Company Plans

The Company does not participate in benefit plans sponsored by a holding company or its parent company.

H. Postemployment Benefits

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation. The liability for earned but untaken vacation pay has been accrued in accordance with SSAP No. 11 – Postemployment Benefits and Compensated Absences.

I. Impact of Medicare Modernization Act

The Medicare Modernization Act had no impact on the Company’s benefits to employees.

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

(1) The Company has 1,000 shares of $1,000 par value common stock authorized issued and outstanding.

(2) The Company has no preferred stock outstanding.

(3) Under the insurance regulations of the State of Ohio, the maximum amount of dividends which the Company may pay to shareholders in any 12-month period without prior regulatory approval is limited the greater of 10% of the most recent year-end statutory surplus or the net income for the same year-end excluding realized capital gains. Accordingly, the maximum amount of ordinary dividends that the Company may pay in the next year is $2,826,441.

(4) There were no dividends paid in 2015.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There are no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) There are no advances to surplus.

(8) There are no shares of stock held for special purposes.

(9) There are no changes in special surplus funds.

(10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and (losses) is $130,319.

(11) The Company issued the following surplus notes:

There are no surplus debentures or similar obligations issued by the Company.

(12) There has been no quasi-reorganization nor restatement due to prior quasi-reorganization.

(13) There have been no quasi-reorganizations in the prior 10 years.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no contingent commitments.

NOTES TO FINANCIAL STATEMENTS

B. Assessments

From time to time the Company is notified of insolvency of insurance companies. It is expected that these insolvencies will result in guaranty fund assessments against the Company at some future date. At this time the Company is unable to estimate the possible amounts, if any, of such assessments. Accordingly, the Company is unable to determine the impact, if any, such assessments may have on the Company's financial position or results of operations.

C. The Company has no gain contingencies.

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

The Company did not have any claims related extra contractual obligation or bad faith losses stemming from Lawsuits.

E. The Company does not have any product warranties.

F. The Company does not have any agreements involving joint and several liabilities.

G. All Other Contingencies

From time to time lawsuits against the Company may arise in the ordinary course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

15. Leases

A. Lessee Operating Lease

(1) The Company leases office space and certain office equipment under various cancelable operating lease agreements that expire through 2023. Rent expense for 2015 and 2014 was approximately $70,914 and $81,993, respectively.

(2) At January 1, 2016, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2016	$ 78,756
2.	2017	80,334
3.	2018	81,911
4.	2019	83,574
5.	2020	85,237
6.	Thereafter	266,074
7.	Total	$ 675,886

(3) The Company is not involved in any sales-leaseback transactions.

B. Lessor Leases

Not applicable

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company has no financial instruments with material off-balance sheet risk.

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

The Company does not have any transactions involved in the transfer and servicing of financial assets.

NOTES TO FINANCIAL STATEMENTS

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

The Company did not have any uninsured accident and health plans, ASO Plans, ASC Plans nor Medicare or similarly structured cost based reimbursement contracts.

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

As of December 31, 2015 direct premiums produced by managing general agents or third party administrators was not greater than 5% of policyholders' surplus.

20. Fair Value Measurement

A. Information about the Company's financial assets measured at fair value on a recurring basis is as follows:

(1) Fair value measurements at Reporting Date:

The Company has categorized its assets and liabilities that are measured at fair value into three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. It also includes derivative liabilities for written call options on common stock which are also exchange traded. The estimated fair value of the equity securities and derivatives within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

Description for each class of asset or liability	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Perpetual preferred stock				
Industrial and misc	$ -	$ -	$ -	$ -
Parent, subsidiaries and affiliates	-	-	-	-
Total perpetual preferred stocks	$ -	$ -	$ -	$ -
Bonds				
U. S. Government	$ -	$ -	$ -	$ -
Industrial and misc	-	-	-	-
Hybrid securities	-	-	-	-
Parent, subsidiaries and affiliates	-	-	-	-
Total bonds	$ -	$ -	$ -	$ -
Common stock				
Industrial and misc	$ 1,322,046	$ -	$ -	$ 1,322,046
Parent, subsidiaries and affiliates	-	-	-	-
Total common stocks	$ 1,322,046	$ -	$ -	$ 1,322,046
Derivative assets				
Interest rate contracts	$ -	$ -	$ -	$ -
Foreign exchange contracts	-	-	-	-
Credit contracts	-	-	-	-
Commodity futures contracts	-	-	-	-
Commodity forward contracts	-	-	-	-
Total derivatives	$ -	$ -	$ -	$ -
Separate account assets	$ -	$ -	$ -	$ -
Total assets at fair value	$ 1,322,046	$ -	$ -	$ 1,322,046
b. Liabilities at fair value				
Derivative liabilities	$ -	$ -	$ -	$ -
Total liabilities at fair value	$ -	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

(2) The Company did not have any level 3 securities in which the fair value was used for carrying value.

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(3) The Company recognizes transfers between fair value levels at the end of the reporting period.

(4) The Company had no asset or liability fair value measurements in Levels 2 or 3 during 2015 and 2014.

(5) The Company has no derivative assets or liabilities.

B. Disclosure of fair value information disclosed under SSAP No. 100 combined with fair value information disclosed under other accounting pronouncements is not required.

C. Aggregate fair value by type of financial instrument

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Preferred Stocks	$ -	$ -	$ -	$ -	$ -	$ -
Bonds	35,666,549	34,933,804	-	35,666,549	-	-
Common Stocks	1,322,046	1,322,046	1,322,046	-	-	-
Other Invested Assets	-	-	-	-	-	-
Short Term	614,310	614,310	614,310	-	-	-

D. The Company does not have any financial instruments for which the estimated fair value is not practicable.

21. Other Items

A. The Company does not have any unusual or infrequent items.

B. The Company does not have any troubled debt restructurings.

C. Other Disclosures

The Company does not have any unusual items that require disclosure.

D. The Company does not have any business interruption insurance recoveries.

E. The Company does not have any unused transferable state tax credits available for future use.

F. Subprime Mortgage Related Risk Exposure

The Company does not have any other investments with direct exposure.

G. The Company does not have any proceeds from issuance of insurance-linked securities.

22. Events Subsequent

Subsequent events have been considered through February 19, 2016 for the statutory statement issued on March 1, 2016.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

NOTES TO FINANCIAL STATEMENTS

The Company has the following unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with individual reinsurers authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

Reinsurer	FEIN	NAIC Number	Unsecured Aggregate Recoverable
Lloyd's Syndicate 4472	AA-1126006		$ 1,234,714
Odyssey American Reinsurance Corp.	47-0698507	23680	1,173,049

B. The Company does not have any reinsurance recoverables in dispute.

C. Reinsurance Assumed and Ceded and Protected Cells

(1) The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

(2) There is no additional or return commission in this annual statement predicated on loss experience or on any other form of profit sharing arrangements as a result of existing contractual arrangements.

(3) The Company does not use protected cells as an alternative to traditional reinsurance.

D. The Company has no uncollectable reinsurance.

E. The Company did not participate in a commutation of reinsurance in 2015 or 2014.

F. The Company has no retroactive reinsurance.

G. The Company has no reinsurance accounted for as a deposit.

H. The Company has no transfer of property and casualty run-off agreements.

I. The Company does not have any certified reinsurers who have had a rate downgraded or status subject to revocation.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company did not write any retrospectively rated contracts.

25. Change in Incurred Losses and Loss Adjustment Expenses

Net reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by approximately $700,000 as a result of re-estimation of unpaid losses and loss adjustment expenses. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company does not have any inter-company pooling arrangements.

27. Structured Settlements

The Company has not purchased annuities under which the Company is owner and/or payee.

28. Health Care Receivables

The Company does not have any record health care receivables.

29. Participating Policies

The Company did not issue any participating policies.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

The Company has not recorded any premium deficiency reserves. The Company does anticipate investment income when evaluating the need for any such reserve.

31. High Deductibles

Not applicable

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

The Company does not discount unpaid losses or unpaid loss adjustment expenses.

33. Asbestos/Environmental Reserves

The Company has identified no potential for the existence of a liability due to asbestos and/or environmental losses.

34. Subscriber Savings Accounts

Not applicable

35. Multiple Peril Crop Insurance

The Company does not write any multiple peril corp insurance.

36. Financial Guaranty Insurance

The Company does not write any financial guaranty insurance.