



ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code.....457, 457

(Current Period) (Prior Period)

Organized under the Laws of Ohio

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

Statutory Home Office

NAIC Company Code..... 36927

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

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

Main Administrative Office

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

804-560-2000

(Area Code) (Telephone Number)

Mail Address

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

Primary Location of Books and Records

8720 Stony Point Pkwy, Suite 400..... Richmond VA US 23235

804-560-2000

(Area Code) (Telephone Number)

Internet Web Site Address

www.colonyspecialty.com

Statutory Statement Contact

Janice Elaine Board

210-321-8411

(Name)
jzwinggi@argogroupus.com
(E-Mail Address)

(Area Code) (Telephone Number) (Extension)

804-560-4820

(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Arthur Glenn Davis	President	2. Janice Elaine Board	Treasurer
3. Craig Stephen Comeaux	Secretary	4.	

Mario Mercer Edwards	Senior Vice President	Mark Gerard Wade #	Senior Vice President
Kevin James Rehnberg	Senior Vice President	Laurie Elizabeth Banez	Vice President
Donna Marie Biondich	Vice President	Lynn Kelly Geurin	Vice President
Daniel Gerard Platt	Vice President	Mary Moczygembra Stulting	Vice President
Barbara Lou Sutherland	Vice President		

OTHER

Craig Stephen Comeaux

DIRECTORS OR TRUSTEES

Arthur Glenn Davis

Barbara Lou Sutherland

State of.....
County of.....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Arthur Glenn Davis	Janice Elaine Board	Craig Stephen Comeaux
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer	Secretary
(Title)	(Title)	(Title)

(Signature)	(Signature)	(Signature)
Janice Elaine Board	Arthur Glenn Davis	Craig Stephen Comeaux
2. (Printed Name)	1. (Printed Name)	3. (Printed Name)
Treasurer	President	Secretary
(Title)	(Title)	(Title)

(Signature)	(Signature)	(Signature)
Craig Stephen Comeaux	Arthur Glenn Davis	Janice Elaine Board
3. (Printed Name)	1. (Printed Name)	2. (Printed Name)
Secretary	President	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 19 day of February 2016

a. Is this an original filing?

Yes [X] No []

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

my commission expires

COLONY SPECIALTY INSURANCE COMPANY
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	40,462,316		40,462,316	36,618,842
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	10,387,640		10,387,640	18,265,151
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....1,418,017, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....5,649,367, Schedule DA).....	7,067,384		7,067,384	3,410,221
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	57,917,340	0	57,917,340	58,294,214
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	225,270		225,270	256,976
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,598,294	299,046	2,299,248	2,292,292
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....86,533 earned but unbilled premiums).....	86,533		86,533	86,533
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,437,797		1,437,797	2,667,402
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	2,161,977		2,161,977	1,726,818
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 to 25).....	64,427,211	299,046	64,128,165	65,324,235
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	64,427,211	299,046	64,128,165	65,324,235

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

COLONY SPECIALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....		
4. Commissions payable, contingent commissions and other similar charges.....	29,625	
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	693,080	506,922
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	707,467	196,043
7.2 Net deferred tax liability.....	855,467	1,435,530
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....19,111,805 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		7,400,000
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,190,704	1,251,727
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	39,462,757	33,523,629
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....	12,413	
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	927,137	901,876
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	66,105	119,589
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	43,944,756	45,335,316
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	43,944,756	45,335,316
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,500,000	3,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	8,002,700	8,002,700
35. Unassigned funds (surplus).....	8,680,710	8,486,219
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	20,183,410	19,988,919
38. TOTALS (Page 2, Line 28, Col. 3).....	64,128,165	65,324,235

DETAILS OF WRITE-INS

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

COLONY SPECIALTY INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....		
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	.0	(0)
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	.0	.0
5. Aggregate write-ins for underwriting deductions.....	.0	.0
6. Total underwriting deductions (Lines 2 through 5).....	.0	(0)
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(0)	0
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,191,649	1,159,063
10. Net realized capital gains (losses) less capital gains tax of \$....483,734 (Exhibit of Capital Gains (Losses)).....	305,616	80,100
11. Net investment gain (loss) (Lines 9 + 10).....	1,497,265	1,239,163
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....1,389 amount charged off \$.....0).....	1,389	.787
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(220,956)	(300,302)
15. Total other income (Lines 12 through 14).....	(219,567)	(299,515)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,277,698	939,648
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	1,277,698	939,648
19. Federal and foreign income taxes incurred.....	(39,578)	182,068
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,317,276	757,580
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	19,988,919	27,257,222
22. Net income (from Line 20).....	1,317,276	757,580
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(636,700).....	(1,182,442)	(34,657)
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(56,637)	(26,763)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	141,554	(245,518)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(25,261)	(318,946)
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.....		(7,400,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	.0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	194,490	(7,268,304)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	20,183,409	19,988,919

DETAILS OF WRITE-INS		
0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	0
1401. Intercompany interest expense.....	(220,956)	(300,302)
1402.....		
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(220,956)	(300,302)
3701.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	.0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	.0	0

COLONY SPECIALTY INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	73,575	(1,594,062)
2. Net investment income.....	1,471,155	1,469,129
3. Miscellaneous income.....	(219,567)	(299,515)
4. Total (Lines 1 through 3).....	1,325,163	(424,448)
5. Benefit and loss related payments.....	(1,229,605)	479,608
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(215,783)	(575,454)
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(67,268)	183,843
10. Total (Lines 5 through 9).....	(1,512,656)	87,997
11. Net cash from operations (Line 4 minus Line 10).....	2,837,819	(512,445)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	13,754,288	6,492,202
12.2 Stocks.....	7,232,736	138,432
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.....	.....	.....
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	20,987,024	6,630,634
13. Cost of investments acquired (long-term only):	.....	.....
13.1 Bonds.....	17,719,030	6,134,620
13.2 Stocks.....	511,546	586,948
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).....	18,230,576	6,721,568
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	2,756,448	(90,934)
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.....	7,400,000	.....
16.6 Other cash provided (applied).....	5,462,896	(3,283,445)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(1,937,104)	(3,283,445)
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).....	3,657,163	(3,886,824)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	3,410,221	7,297,046
19.2 End of year (Line 18 plus Line 19.1).....	7,067,384	3,410,221

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

20.0001 Dividend to Parent, accrued as of December 31, 2014, paid through securities in 2015.....	(7,400,000)
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Ex. of Premiums Earned
NONE

Underwriting and Investment Ex. - Pt. 1A - Recapitulation of All Premiums
NONE

COLONY SPECIALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	15,515			14,925	.590	.0
2. Allied lines.....	669,956			595,659	74,298	.0
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....	1,817,832			1,780,246	37,586	.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....	19,217,323			19,058,270	159,053	.0
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....	1,876			1,769	.107	.0
11.2 Medical professional liability - claims-made.....	78,129			77,587	.542	.0
12. Earthquake.....	2,058			2,044	.14	.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....	10,934,950			10,934,950	-	.0
17.1 Other liability - occurrence.....	4,143,902			3,483,624	.660,278	.0
17.2 Other liability - claims-made.....	5,904,046			4,223,895	.1,680,151	.0
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....	.679,480			.603,613	.75,866	.0
18.2 Products liability - claims-made.....	.25,000			.24,975	.25	.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....	.172,527			.170,903	.1,624	.0
21. Auto physical damage.....	.100,079			.99,333	.747	.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX.					.0
32. Reinsurance - nonproportional assumed liability.....	XXX.					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX.					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	43,762,673	.0	.0	41,071,793	.2,690,880	(0)

DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0			0	0.0
2. Allied lines.....	535,135		535,135	0			0	0.0
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....				0			0	0.0
5. Commercial multiple peril.....	158,224		158,224	0			0	0.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....	8,708,555		8,708,555	0			0	0.0
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....				0			0	0.0
11.2 Medical professional liability - claims-made.....				0			0	0.0
12. Earthquake.....				0			0	0.0
13. Group accident and health.....				0			0	0.0
14. Credit accident and health (group and individual).....				0			0	0.0
15. Other accident and health.....				0			0	0.0
16. Workers' compensation.....	4,601,363		4,601,363	0			0	0.0
17.1 Other liability - occurrence.....	907,030	13,218	920,248	0			0	0.0
17.2 Other liability - claims-made.....	2,857,667		2,857,667	0			0	0.0
17.3 Excess workers' compensation.....				0			0	0.0
18.1 Products liability - occurrence.....	58,392		58,392	0			0	0.0
18.2 Products liability - claims-made.....	3,000		3,000	0			0	0.0
19.1, 19.2 Private passenger auto liability.....				0			0	0.0
19.3, 19.4 Commercial auto liability.....	144,969		144,969	0			0	0.0
21. Auto physical damage.....	145,440		145,440	0			0	0.0
22. Aircraft (all perils).....				0			0	0.0
23. Fidelity.....				0			0	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....				0			0	0.0
28. Credit.....				0			0	0.0
29. International.....				0			0	0.0
30. Warranty.....				0			0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0			0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0			0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0			0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	18,119,775	13,218	18,132,994	0	0	0	0	0.0

DETAILS OF WRITE-INS

3401.					0			0	0.0
3402.					0			0	0.0
3403.					0			0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0	(251)			(251)	0
2. Allied lines.....	68,823		68,823	0	.53,489			.53,489	0
3. Farmowners multiple peril.....				0					0
4. Homeowners multiple peril.....				0					0
5. Commercial multiple peril.....	207,500		207,500	0	402,803			402,803	0
6. Mortgage guaranty.....				0					0
8. Ocean marine.....				0					0
9. Inland marine.....	5,181,020		5,181,020	0	11,227			11,227	0
10. Financial guaranty.....				0					0
11.1 Medical professional liability - occurrence.....				0	8,564			8,564	0
11.2 Medical professional liability - claims-made.....				0	88,071			88,071	0
12. Earthquake.....				0	14			14	0
13. Group accident and health.....				0				(a).....	0
14. Credit accident and health (group and individual).....				0					0
15. Other accident and health.....				0				(a).....	0
16. Workers' compensation.....	4,444,377		4,444,377	0	6,364,094			6,364,094	0
17.1 Other liability - occurrence.....	766,307		766,307	0	3,666,681		164,835	3,831,516	0
17.2 Other liability - claims-made.....	3,239,144		3,239,144	0	7,770,181			7,770,181	0
17.3 Excess workers' compensation.....				0					0
18.1 Products liability - occurrence.....	24,594		24,594	0	989,739			989,739	0
18.2 Products liability - claims-made.....				0	.66,878			.66,878	0
19.1, 19.2 Private passenger auto liability.....				0					0
19.3, 19.4 Commercial auto liability.....	30,501		30,501	0	199,079			199,079	0
21. Auto physical damage.....	21,000		21,000	0	12,995			12,995	0
22. Aircraft (all perils).....				0					0
23. Fidelity.....				0					0
24. Surety.....				0					0
26. Burglary and theft.....				0	(52)			(52)	0
27. Boiler and machinery.....				0					0
28. Credit.....				0					0
29. International.....				0					0
30. Warranty.....				0					0
31. Reinsurance - nonproportional assumed property.....	XXX.			0	XXX.				0
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	XXX.				0
33. Reinsurance - nonproportional assumed financial lines.....	XXX.			0	XXX.				0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	13,983,266	0	13,983,266	0	19,633,512		164,835	19,798,347	0

DETAILS OF WRITE-INS

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

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

COLONY SPECIALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	1,967,467			1,967,467
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	1,967,467			1,967,467
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		6,520,317		6,520,317
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		6,520,317		6,520,317
2.4 Contingent - direct.....		29,625		29,625
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		29,625		29,625
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	0	0	0
3. Allowances to manager and agents.....				0
4. Advertising.....				0
5. Boards, bureaus and associations.....				0
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....				0
8.2 Payroll taxes.....				0
9. Employee relations and welfare.....				0
10. Insurance.....				0
11. Directors' fees.....				0
12. Travel and travel items.....				0
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....				0
17. Postage, telephone and telegraph, exchange and express.....				0
18. Legal and auditing.....				0
19. Totals (Lines 3 to 18).....	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....				0
20.2 Insurance department licenses and fees.....				0
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	0	0	0
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	0	65,447	65,447
25. Total expenses incurred.....	0	0	65,447	(a).....65,447
26. Less unpaid expenses - current year.....		722,705		722,705
27. Add unpaid expenses - prior year.....		506,922		506,922
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	0	(215,783)	65,447	(150,336)

DETAILS OF WRITE-INS

2401. Miscellaneous Expense.....			65,447	65,447
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	(215,783)	65,447	65,447

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

COLONY SPECIALTY INSURANCE COMPANY
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....115,408	.....106,305
1.1 Bonds exempt from U.S. tax.....	(a).....133,909	.....133,909
1.2 Other bonds (unaffiliated).....	(a).....581,984	.....575,053
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....455,690	.....440,016
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,813	.....1,813
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....1,288,804	.....1,257,096
11. Investment expenses.....	.....	(g).....65,447
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....65,447
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,191,649

DETAILS OF WRITE-INS

0901.....	.....	.....
0902.....	.....	.....
0903.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.....	.....	.....
1502.....	.....	.....
1503.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....0	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....0	.....0

(a) Includes \$....53,245 accrual of discount less \$....301,045 amortization of premium and less \$....27,813 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	34,914	.....	34,914	.....31,144	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....0	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	60,472	.....	60,472	.....	.....
1.3 Bonds of affiliates.....	.....	.....0	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....0	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....0	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	990,335	.....(296,374)	693,961	.....(1,850,285)	.....
2.21 Common stocks of affiliates.....	.....	.....0	.....0	.....	.....
3. Mortgage loans.....	.....	.....0	.....0	.....	.....
4. Real estate.....	.....	.....0	.....0	.....	.....
5. Contract loans.....	.....	.....0	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....0	.....0	.....	.....
7. Derivative instruments.....	.....	.....0	.....0	.....	.....
8. Other invested assets.....	.....	.....0	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	1,085,721	.....(296,374)	789,347	.....(1,819,141)	.....0

DETAILS OF WRITE-INS

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

COLONY SPECIALTY INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	299,046	440,600	141,554
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	299,046	440,600	141,554
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	299,046	440,600	141,554

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS**1. Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

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

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

The accompanying financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from NAIC SAP.

	State of Domicile	2015	2014
NET INCOME			
(1) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	OH	\$ 1,317,276	\$ 757,580
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	\$ 1,317,276	\$ 757,580
SURPLUS			
(5) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	OH	\$ 20,183,410	\$ 19,988,919
(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	\$ 20,183,410	\$ 19,988,919

B. Use of Estimates in the Preparation of Financial Statements

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

C. Accounting Policies

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

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

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost, except short-term bonds are stated at amortized cost using the interest method under NAIC valuation standards.
- (2) Investments in bonds are stated at amortized cost using the interest method or lower of amortized cost or market under NAIC valuation standards.
- (3) Common stocks are stated at fair value.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. All loan-backed securities that are of high investment grade are valued using the retrospective adjustment method. All other loan-backed securities are valued using the prospective adjustment method.
- (7) The Company has no investments in subsidiaries, parents or affiliates.
- (8) The Company does not own any interests in joint ventures, partnerships or limited liability companies.
- (9) The Company has not invested in derivatives.
- (10) The Company has no premium deficiency reserves.

NOTES TO FINANCIAL STATEMENTS

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

(12) The Company's capitalization policy has not changed from that followed in the prior year.

(13) Not applicable as the Company does not write major medical insurance with prescription drug coverage.

D. Going Concern

Not Applicable

2. Accounting Changes and Corrections of Errors

The accompanying financial statements do not contain any adjustments for changes in accounting methods or corrections of errors in the current period.

3. Business Combinations and Goodwill

The Company was not a participant in a business combination.

4. Discontinued Operations

The Company had no operations that were discontinued.

5. Investments

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

B. The Company has not invested in restructured debt.

C. The Company has not invested in reverse mortgages.

D. Loan-Backed Securities

1. Prepayment assumptions for loan-backed securities are obtained by the Company's third-party accounting provider, from industry standard external data providers.

2. The Company did not have any loan-backed securities with a recognized other-than-temporary impairment loss in the twelve months ended December 31, 2015.

3. Not applicable.

4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 32,197
		2. 12 Months or Longer	\$
b.	The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 3,812,331
		2. 12 Months or Longer	\$

5. The Company evaluates its investments for impairment. In accordance with policy, the determination that a security has incurred an other-than-temporary decline in fair value and the associated amount of any loss recognition requires the judgment by the Company's management and a continual review of its investments. Investments in an unrealized loss position are reviewed on a quarterly basis to determine whether a decline in fair value below the amortized cost basis is other-than-temporary. In general, the process for identifying other-than-temporary declines in fair value involves the consideration of a number of factors, including but not limited to, whether the issuer has been downgraded to below investment-grade, the length of time in which there has been a significant decline in value, the liquidity, business prospects, and overall financial condition of the issuer, the nature and performance of the collateral or other credit support backing the security, the significance of the decline in value, and whether the Company has the intent to sell the debt security or may be required to sell the debt security before its anticipated recovery. If consideration of the factors above results in a conclusion that the decline in fair value is other-than-temporary, the cost basis of the security is written down to fair value and the write down is recorded as a realized loss. For loan-backed securities, the aforementioned factors were evaluated at the end of each quarter and it was determined that there were no other-than-temporary impairments at December 31, 2015.

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

F. The Company has not invested in real estate.

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

NOTES TO FINANCIAL STATEMENTS**H. Other Disclosures and Unusual Items****(1) Restricted Assets (Including Pledged)**

Restricted Asset Category	Gross Restricted						8	Percentage		
	Current Period					6	7	9	10	
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Current Period Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock										
i. FHLB capital stock										
j. On deposit with state	6,301,914				6,301,914	6,202,714	99,200	6,301,914	9.872	9.919
k. On deposit with other regulatory bodies										
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total Restricted Assets	\$6,301,914	\$	\$	\$	\$6,301,914	\$6,202,714	\$99,200	\$6,301,914	9.872	9.919

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

(2) The Company has no other pledged collateral.

(3) The Company has no other restricted assets.

I. The Company has no working capital finance investments.

J. The Company has no offsetting or netting of assets and liabilities.

K. Structured notes:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Referenced Security (YES/NO)
02377B AC 0	\$ 200,000	\$ 198,000	\$ 200,000	NO
21079U AA 3	426,007	406,193	414,999	NO
912828 H4 5	2,493,156	2,446,156	2,515,674	NO
912828 WU 0	392,807	371,417	395,207	NO
912828 XL 9	2,731,416	2,720,448	2,731,014	NO
XXX	\$ 6,243,387	\$ 6,142,214	\$ 6,256,895	XXX

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

The Company has not excluded any investment income due and accrued from the financial statements and has no amounts nonadmitted.

8. Derivative Instruments

The Company has no derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS**9. Income Taxes****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 130,325	\$ 157,835	\$ 288,160	\$ 154,210	\$ 57,390	\$ 211,600	\$ (23,885)	\$ 100,445	\$ 76,560
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	130,325	157,835	288,160	154,210	57,390	211,600	(23,885)	100,445	76,560
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	130,325	157,835	288,160	154,210	57,390	211,600	(23,885)	100,445	76,560
f. Deferred tax liabilities	221,040	922,587	1,143,627	143,910	1,503,219	1,647,129	77,130	(580,632)	(503,502)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ (90,715)	\$ (764,752)	\$ (855,467)	\$ 10,300	\$ (1,445,829)	\$ (1,435,529)	\$ (101,015)	\$ 681,077	\$ 580,062

2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 130,325	\$ 157,835	\$ 288,160	\$ 150,565	\$	\$ 150,565	\$ (20,240)	\$ 157,835	\$ 137,595
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:				3,644	57,390	61,034	(3,644)	(57,390)	(61,034)
Adjusted gross deferred tax assets expected to be realized following the balance sheet date				3,644	57,390	61,034	(3,644)	(57,390)	(61,034)
Adjusted gross deferred tax assets allowed per limitation threshold			3,027,512			2,998,338			29,174
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 130,325	\$ 157,835	\$ 288,160	\$ 154,209	\$ 57,390	\$ 211,599	\$ (23,884)	\$ 100,445	\$ 76,561

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria

		2015	2014
a.	Ratio percentage used to determine recovery period and threshold limitation amount	1,274.000%	931.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 20,183,410	\$ 19,988,919

4. Impact of Tax Planning Strategies

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

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 130,325	\$ 157,835	\$ 154,210	\$ 57,390	\$ (23,885)	\$ 100,445
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000 %	100.000%	0.000%	100.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 130,325	\$ 157,835	\$ 154,210	\$ 57,390	\$ (23,885)	\$ 100,445
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	100.000%	0.000%	100.000%	0.000%	0.000%

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

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	\$ (48,565)	\$ 152,697	\$ (201,262)
b. Foreign	8,987	29,372	(20,385)
c. Subtotal	\$ (39,578)	\$ 182,069	\$ (221,647)
d. Federal income tax on net capital gains	483,734	(61,035)	544,769
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	\$ 444,156	\$ 121,034	\$ 323,122

NOTES TO FINANCIAL STATEMENTS**Note 9 - Income Tax (continued)**

2. Deferred Tax Assets

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$	\$	\$
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	104,666	154,210	(49,544)
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)			
14. Reverse tax free exchange G/L	25,659		25,659
15. Intangible assets			
16. Tax / book difference in depreciation			
17. Elimination of interest income on discounted note			
18. Tax / book difference in partnership interest			
19. Deferred intercompany loss			
20. AMT			
21. Deferred intercompany loss			
99. Subtotal	\$ 130,325	\$ 154,210	\$ (23,885)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 130,325	\$ 154,210	\$ (23,885)
e. Capital:			
1. Investments	\$	\$ 3,286	\$ (3,286)
2. Net capital loss carry-forward			
3. Real estate			
4. Other than temporary impairment	157,835	54,104	103,731
5. Deferred IC Loss			
6. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$ 157,835	\$ 57,390	\$ 100,445
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	157,835	57,390	100,445
i. Admitted deferred tax assets (2d+2h)	\$ 288,160	\$ 211,600	\$ 76,560

NOTES TO FINANCIAL STATEMENTS**Note 9 - Income Tax (continued)**

3. Deferred Tax Liabilities

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)			
6. Additional acquisition costs - installment premiums			
7. Discount of accrued salvage and subrogation			
8. Accrued dividends	19,297	13,292	6,005
9. Deferred intercompany loss			
10. Bond discount adjustments - net	34,940	28,950	5,990
11. Tax / book difference on partnership interest	166,803	101,668	65,135
12. Tax / book difference on installment sale			
13. Guaranty funds receivables			
99. Subtotal	\$ 221,040	\$ 143,910	\$ 77,130
b. Capital:			
1. Investments	\$ 390,399	\$ 1,030,385	\$ (639,986)
2. Real estate			
3. Book tax difference in Peoria sale			
4. Deferred IC Gain	532,188	472,834	59,354
5. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	922,587	1,503,219	(580,632)
c. Deferred tax liabilities (3a99+3b99)	\$ 1,143,627	\$ 1,647,129	\$ (503,502)
4. Net Deferred Tax Assets (2i – 3c)	\$ (855,467)	\$ (1,435,529)	\$ 580,062

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

The significant items causing a difference between the statutory federal income tax rate and the company's effective income tax rate are as follows:

	2015	
	Amount	Effective Tax Rate (%)
Provision computed at statutory rate	616,502	35.0%
Change in nonadmitted assets	49,544	2.8%
Tax exempt income deduction	(46,868)	(2.6%)
Dividends received deduction	(70,152)	(4.0%)
Accrued dividend from 100% owned affiliate	0	0.0%
Change in valuation on NOL	0	0.0%
Proration of tax exempt investment income	17,553	1.0%
Other than temporary impairments	0	0.0%
Disallowable travel and entertainment	0	0.0%
Non-deductible penalties	1,219	0.1%
Non-deductible gifts	0	0.0%
Non-deductible sousal expense	0	0.0%
Taxes recoverered - 2010 RAR	0	0.0%
Accrual adjustment - prior year	0	0.0%
Other	(67,269)	(3.8%)
Provision to return adjustments	264	0.0%
Totals	500,793	28.5%
Federal and foreign income taxes incurred	(39,578)	(2.2%)
Realized capital gains (losses) tax	483,734	27.5%
Change in net deferred income taxes	56,637	3.2%
Total statutory income taxes	500,793	28.5%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

NOTES TO FINANCIAL STATEMENTS**Note 9 - Income Tax (continued)**

2. The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount Ordinary	Amount Capital
2015	26,509	384,699
2014	121,596	119,891
2013	N/A	267,176

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

F. Consolidated Federal Income Tax Return

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

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of Relationships**

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

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

Not Applicable

C. Change in Terms of Intercompany Arrangements

Not Applicable

D. Amounts Due to or from Related Parties

Affiliated Party	2015 Due (to)/from	2014 Due (to) from
Argonaut Management Services, Inc.	(9,649)	(8,776)
Argonaut Management Services, Inc. BDP	-	(9,205)
Colony Management Services, Inc.	3,677	(32,361)
Colony Insurance Company	2,150,419	1,099,232
Argonaut Insurance Company	(380)	627,586
Argo Re Ltd.	(56,077)	(69,230)
Peleus Insurance Company	7,882	(18)

NOTES TO FINANCIAL STATEMENTS**E. Guarantees or Undertakings for Related Parties**

The Company has no undisclosed guarantees or undertakings for the benefit of any affiliate.

F. Intercompany Management, Service and Cost-sharing Agreements

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

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

G. Nature of the Control Relationship

The Company is a wholly-owned subsidiary of Colony Insurance Company (Parent). The Parent is a property and casualty insurance company domiciled in the Commonwealth of Virginia. Additional details regarding the relationship between the Company and all related parties are included in Schedule Y of this Annual Statement.

H. Downstream Ownership of an Upstream Entity

The Company does not own shares of an upstream intermediate or ultimate parent, either directly or indirectly.

I. Investments in Subsidiaries, Controlled, or Affiliate Entities

The Company has no investment in a subsidiary, controlled, or affiliated entity that exceeds 10% of its admitted assets, either individually or in aggregate.

J. Writedowns for Impairment of Investments in Affiliates

The Company did not recognize any impairment write down for its Investment in Subsidiary, Controlled or Affiliated Entities.

K. Investments in Foreign Insurance Subsidiaries

The Company does not have any investments in foreign insurance subsidiaries.

L. Downstream Holding Company Valued Using Look-Through Method

The Company does not hold any investment in affiliated entities of this nature.

11. Debt

The Company has no outstanding debt.

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Post-Retirement Benefit Plans

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

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**(1) Outstanding Shares**

The Company has 1,400 shares of \$2,500 par common stock authorized, issued, and outstanding.

(2) Dividend Rate of Preferred Stock

Not Applicable

(3) Dividend Restrictions

The maximum amount of dividends that can be paid by state of Ohio insurance companies to shareholders without prior approval of the Ohio Department of Insurance is subject to restrictions relating to statutory surplus. Statutory surplus at December 31, 2015 was \$20,183,410. The maximum dividend payment that the Company may make without prior approval in 2016 is \$2,018,341.

(4) Dates and Amounts of Dividends Paid

The Company did not pay out dividends in 2015.

(5) Amount of Ordinary Dividends That May Be Paid

Other than the limitations described above in paragraph 3, there are no other limitations on the amount of ordinary dividends that may be paid other than the general restrictions under the insurance regulations of Illinois that no dividend (ordinary or extraordinary) may be declared or paid from any source other than unassigned funds without approval of the Commissioner of Insurance of Ohio.

(6) Restrictions on Unassigned Funds

There are no restrictions on the unassigned funds of the Company other than those described above in paragraph 3 and 5 and these unassigned funds are held for the benefit of the owner and policyholders.

NOTES TO FINANCIAL STATEMENTS

(7) Mutual Surplus Advances
Not Applicable

(8) Company Stock Held for Special Purposes
Not Applicable

(9) Changes in Special Surplus Funds
Not Applicable

(10) Changes in Unassigned Funds
The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$1,093,673 less applicable deferred taxes of \$382,785 for net balance of \$710,887.

(11) Surplus Notes
Not Applicable

(12-13) Impact and Dates of Quasi Reorganizations
Not Applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of affiliates.

B. Assessments

At December 31, 2015, based on information available from the states in which the Company is licensed to write business, there were no material unpaid assessments. The Company did not accrue a liability for guaranty fund or other assessments.

C. Gain Contingencies

The Company has no gain contingencies.

D. Extra Contractual Obligation and Bad Faith Losses

The Company has no claims related to extra contractual obligations or bad faith losses to report.

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

Not Applicable

G. Other Contingencies

At December 31, 2015 and 2014, the Company had admitted assets of \$2,385,781 and \$2,378,825, respectively, in premiums receivable due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2015 are not expected to exceed the non-admitted amounts totaling \$299,046, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

Various lawsuits against the Company have arisen in the course of the Company's business. Management of the Company believes that the resolution of these matters will not materially affect the Company's financial condition or results of operation.

The Company recognized \$296,374 in other-than-temporary impairments on its common stocks during 2015.

15. Leases

A. Lessee Leasing Arrangements

The Company has not entered into any leasing arrangements.

B. Lessor Leasing Arrangements

(1) The Company does not hold property for lease.

(2) The Company does not invest in leveraged leases.

16. Information About Financial Instruments With Off-Balance Sheet Risk

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

NOTES TO FINANCIAL STATEMENTS**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfers and Servicing of Financial Assets

Not Applicable

C. Wash Sales

The Company had no wash sales as defined in SSAP No. 103, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, involving transactions for securities with a NAIC designation of 3 or below, or unrated during 2015.

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

The Company does not write Accident and Health coverage.

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

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

20. Fair Value Measurement

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

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

1. The following table provides information as of December 31, 2015 about the Company's financial assets measured at fair value:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Common stocks	\$ 10,387,638	\$	\$	\$ 10,387,638

2. The Company has no Level 3 items.
3. The Company had no transfers between levels.
4. Fair value prices are obtained from third party pricing services, where available. For securities where the Company is unable to obtain fair values from a pricing service, fair values are obtained from a broker or investment advisor. These prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.
5. The Company had no investments in derivatives.

B. The Company has no other fair value disclosures.

C. The following table provides information as of December 31, 2015 about the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets (Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	40,692,070	40,462,316	15,857,721	24,834,349	
Common stocks	10,387,638	10,387,638	10,387,638		
Short term	5,649,367	5,649,367	5,649,367		
Cash	1,418,017	1,418,017	1,418,017		
TOTAL	58,147,092	57,917,338	33,312,743	24,834,349	

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

21. Other Items

A. Extraordinary Items

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

B. Troubled Debt Restructuring for Debtors

The Company has no debt.

NOTES TO FINANCIAL STATEMENTS**C. Other Disclosures**

There are no disclosures required.

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption recoveries.

E. State Transferable and Non-transferable Tax Credits

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

F. Subprime Mortgage Related Risk Exposure

The Company has no sub-prime mortgage risk exposure.

G. Insurance Linked Securities

Not Applicable

22. Events Subsequent

The Company has nothing to report.

23. Reinsurance**A. Unsecured Reinsurance Recoverables**

At December 31, 2015, the Company had the following unsecured aggregate reinsurance recoverables for losses and loss adjustment expenses, paid and unpaid including IBNR, unearned premiums, and ceded payable with the following individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholders surplus (i.e., greater than \$605,502).

Federal ID #	NAIC Company Code	Name of Reinsurer	Amount
25-1620138	35505	ROCKWOOD CAS INS CO	16,586,034
06-0237820	20699	ACE PROP & CAS INS CO	1,079,017
35-2293075	11551	ENDURANCE REINSURANCE CORP OF AMERICA	973,812
13-4924125	10227	MUNICH REINSURANCE AMERICA	958,645
13-1675535	25364	SWISS REIN AMERICA CORP	617,389

B. Reinsurance Recoverables in Dispute

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

C. Reinsurance Assumed and Ceded

(1) The following table summarizes ceded and assumed unearned premiums, excluding retrospective premiums and the related commission equity at December 31, 2015:

	<u>Assumed</u>		<u>Ceded</u>		<u>Assumed less Ceded</u>	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ -	\$ -	\$ 17,774,245	\$ 2,660,264	(\$ 17,774,245)	(\$ 2,660,264)
All Other	_____	_____	1,337,561	200,192	(\$ 1,337,561)	(\$ 200,192)
Total	\$ _____	\$ _____	\$ 19,111,806	\$ 2,860,456	(\$ 19,111,806)	(\$ 2,860,456)

Direct Unearned Premium Reserve: \$ 19,111,806

(2) Amounts accrued at December 31, 2015 for contingent commission was \$29,625 on a direct basis of which was ceded to an affiliate.

(3) The Company has no protected cells.

D. Uncollectable Reinsurance

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

E. Commutation of Ceded Reinsurance

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

F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance contracts.

G. Reinsurance Accounted for as a Deposit

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

H. Run-off Agreements

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

NOTES TO FINANCIAL STATEMENTS

I. Certified Reinsurer Downgraded or Status Subject to Revocation

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

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not have any contracts of this nature.

25. Changes in Incurred Losses and Loss Adjustment Expenses

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

26. Intercompany Pooling Arrangements

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

27. Structured Settlements

The Company has not purchased any structured settlements.

28. Health Care Receivables

The Company has no health care receivables.

29. Participating Policies

The Company does not issue participating contracts.

30. Premium Deficiency Reserve

The Company did not have any calculated premium deficiency reserves at December 31, 2015. The Company anticipates investment income as a factor in the premium deficiency calculation.

31. High Deductibles

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

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

The Company has not discounted any of its reserve liabilities.

NOTES TO FINANCIAL STATEMENTS**33. Asbestos and Environmental Reserves****A. Asbestos Reserves**

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

CALENDAR YEAR:

Asbestos - Direct	2011	2012	2013	2014	2015
Beginning loss and LAE reserves	1,213,822	1,542,742	1,459,481	1,401,047	2,056,123
Incurred losses and LAE	541,288	376,539	267,599	1,093,877	425,331
Paid losses and LAE	212,368	459,800	326,034	438,801	667,607
Ending loss and LAE reserves	1,542,742	1,459,481	1,401,047	2,056,123	1,813,847

Asbestos - Assumed Reinsurance

Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

Asbestos - Net of Ceded Reinsurance

Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

Environmental - Direct

Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

Environmental - Assumed Reinsurance

Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

Environmental - Net of Ceded Reinsurance

Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

The Company had reserves for Bulk and IBNR losses at December 31, 2015 as follows:

	<u>Asbestos</u>	<u>Environmental</u>
Direct Basis	1,036,355	
Assumed Reinsurance Basis		
Net of Ceded Reinsurance Basis		

The Company had reserves for loss adjustment expenses at December 31, 2015 as follows:

	<u>Asbestos</u>	<u>Environmental</u>
Direct Basis	777,493	
Assumed Reinsurance Basis		
Net of Ceded Reinsurance Basis		

B. Environmental Reserves

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

34. Subscriber Savings Accounts

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

35. Multiple Peril Crop Insurance

The Company does not write multi-peril crop insurance.

36. Financial Guarantee Insurance

The Company does not write financial guaranty insurance.

COLONY SPECIALTY INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1, 1A and 2. Yes [X] No []

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []

1.3 State regulating? Ohio

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2011

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2011

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 06/09/2013

3.4 By what department or departments? Ohio

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

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

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

5.2 If yes, provide 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 NAIC Company Code	3 State of Domicile
Name of Entity		

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [X] No []

7.2 If yes,

7.21 State the percentage of foreign control _____ 100.000%

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

1 Nationality	2 Type of Entity
Bermuda	Corporation

8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Ernst & Young LLP 100 W. Houston St., Suite 1800, San Antonio, TX 78205

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain:

COLONY SPECIALTY INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? <u>Ronald Swanstrom, MAAA, FCAS Senior Vice President and Chief Reserving Actuary, Argo Group US 225 West Washington, 24th Floor, Chicago, IL 60606</u>			
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? 12.11 Name of real estate holding company 12.12 Number of parcels involved 12.13 Total book/adjusted carrying value _____ _____ _____ \$ _____ 0			
12.2	If yes, provide explanation			
13.	FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:			
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?			
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []			
13.3	Have there been any changes made to any of the trust indentures during the year? Yes [] No []			
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []			
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []			
	(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code.			
14.11	If the response to 14.1 is no, please explain:			
14.2	Has the code of ethics for senior managers been amended? Yes [] No [X]			
14.21	If the response to 14.2 is yes, provide information related to amendment(s).			
14.3	Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]			
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).			
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]			
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.			
	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []		
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinator committees thereof? Yes [X] No []		
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []		

FINANCIAL

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]		
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers 20.12 To stockholders not officers 20.13 Trustees, supreme or grand (Fraternal only) _____ _____ _____ \$ _____ 0		
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers 20.22 To stockholders not officers 20.23 Trustees, supreme or grand (Fraternal only) _____ _____ _____ \$ _____ 0		
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]		
21.2	If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others 21.22 Borrowed from others 21.23 Leased from others 21.24 Other _____ _____ _____ _____ \$ _____ 0		
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments? Yes [] No [X]		
22.2	If answer is yes: 22.21 Amount paid as losses or risk adjustment 22.22 Amount paid as expenses 22.23 Other amounts paid _____ _____ _____ \$ _____ 0		
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []		
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount: _____ \$ 2,150,419		

INVESTMENT

COLONY SPECIALTY INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []

24.02 If no, give full and complete information, relating thereto:

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

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [] No [] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ _____ 0

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

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

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

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

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

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

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

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

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

25.21 Subject to repurchase agreements \$ _____ 0

25.22 Subject to reverse repurchase agreements \$ _____ 0

25.23 Subject to dollar repurchase agreements \$ _____ 0

25.24 Subject to reverse dollar repurchase agreements \$ _____ 0

25.25 Placed under option agreements \$ _____ 0

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

25.27 FHLB Capital Stock \$ _____ 0

25.28 On deposit with states \$ _____ 6,301,914

25.29 On deposit with other regulatory bodies \$ _____ 0

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

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

25.32 Other \$ _____ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$ _____

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

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]

If no, attach a description with this statement.

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

27.2 If yes, state the amount thereof at December of the current year: \$ _____ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust & Custody	2204 Lakeshore Drive, Ste 302, Birmingham, AL 35209

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

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

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

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

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

28.05 Identify all investment advisors, 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
107105	Blackrock Financial Management	46 E. 52nd St, New York, NY 10022
106584	Fayez Sarofim & Company	PO Box 297426, Houston, TX 77297

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

COLONY SPECIALTY INSURANCE COMPANY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holdings	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	46,111,683	46,341,437	229,754
30.2	Preferred Stocks	0	0	0
30.3	Totals	46,111,683	46,341,437	229,754

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

Interactive Data Corporation, Lehman Index, Merrill Lynch Index, Reuters, S&P Index, Standard & Poors, EJV Weighted Average, Credit Suisse, Dow Jones, Morgan Stanley Index

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$

34.1 Amount of payments for legal expenses, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 0	\$ 0
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 0	\$ 0
2.6	Reserve Ratio (2.4/2.5)		
3.1	Does the reporting entity issue both participating and non-participating policies?	Yes []	No [X]
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$ 0	0
3.22	Non-participating policies	\$ 0	0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No []
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	0
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	N/A []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes []	No []
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?	Yes []	No []
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>Worker's Compensation policies issued by the Company are reinsured under a 100% quota share agreement with an affiliate, Rockwood Casualty Insurance Company, which has catastrophe reinsurance in place.</u>		
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The evaluation of the probable maximum loss was conducted using AIR-Worldwide catastrophe modeling software with the greatest concentration of risk coming from California Earthquake and US Hurricane.</u>		
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>To protect the Company from excessive loss due to exposures comprising the PML, the Company purchases a property catastrophe reinsurance program.</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?		
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:	Yes [X]	No []

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [X] No []
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	1
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [X] No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:	
	(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;	
	(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;	
	(c) Aggregate stop loss reinsurance coverage;	
	(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;	
	(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or	
	(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:	
	(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or	
	(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:	Yes [] No [X]
	(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;	
	(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and	
	(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:	
	(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or	
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [] No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:	
	(a) The entity does not utilize reinsurance; or	Yes [] No [X]
	(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [] No [X]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [] No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [] No [X]
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:	
12.11	Unpaid losses	\$ _____ 0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ _____ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ _____ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [] No [X] N/A []
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:	
12.41	From	% _____
12.42	To	% _____
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [] No [X]
12.6	If yes, state the amount thereof at December 31 of current year:	
12.61	Letters of Credit	\$ _____ 0
12.62	Collateral and other funds	\$ _____ 0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ _____ 0

COLONY SPECIALTY INSURANCE COMPANY**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]

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

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
The Company cedes 100% of its premiums and losses net of cessions to external reinsurance to its parent company, Colony Insurance Company.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [X] No []

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

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

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

15.2 If yes, give full information

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

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$ 0 \$	0 \$	0 \$	0 \$	0
16.12 Products	\$ 0 \$	0 \$	0 \$	0 \$	0
16.13 Automobile	\$ 0 \$	0 \$	0 \$	0 \$	0
16.14 Other*	\$ 0 \$	0 \$	0 \$	0 \$	0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.12 Unfunded portion of Interrogatory 17.11	\$ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14 Case reserves portion of Interrogatory 17.11	\$ 0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16 Unearned premium portion of Interrogatory 17.11	\$ 0
17.17 Contingent commission portion of Interrogatory 17.11	\$ 0

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.19 Unfunded portion of Interrogatory 17.18	\$ 0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ 0
17.21 Case reserves portion of Interrogatory 17.18	\$ 0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ 0
17.23 Unearned premium portion of Interrogatory 17.18	\$ 0
17.24 Contingent commission portion of Interrogatory 17.18	\$ 0

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

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

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

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

COLONY SPECIALTY INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	21,939,910	20,638,252	20,830,524	22,294,546	21,574,479
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	20,004,932	9,585,968	2,138,153	278,490	455,439
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,817,832	447,407	742,683	1,434,208	981,306
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
6. Total (Line 35).....	43,762,673	30,671,627	23,711,360	24,007,244	23,011,224
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	.....	.....	.....	.....	.....
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	.....	.....	.....	.....	.....
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	.....	.....	.....	.....	.....
12. Total (Line 35).....	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(0)	0	(0)	0	0
14. Net investment gain (loss) (Line 11).....	1,497,265	1,239,163	1,160,621	984,754	15,806,135
15. Total other income (Line 15).....	(219,567)	(299,515)	(248,274)	(202,284)	(226,909)
16. Dividends to policyholders (Line 17).....	.....	.....	.....	.....	.....
17. Federal and foreign income taxes incurred (Line 19).....	(39,578)	182,068	283,908	317,753	546,725
18. Net income (Line 20).....	1,317,276	757,580	628,438	464,717	15,032,501
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	64,128,165	65,324,235	69,475,722	71,624,036	71,054,195
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	2,299,248	2,292,292	1,333,828	2,042,144	1,423,543
20.2 Deferred and not yet due (Line 15.2).....	86,533	86,533	86,533	.....	.....
20.3 Accrued retrospective premiums (Line 15.3).....	.....	.....	.....	.....	.....
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	43,944,756	45,335,316	42,218,500	46,399,188	45,873,400
22. Losses (Page 3, Line 1).....	.....	.....	.....	.....	.....
23. Loss adjustment expenses (Page 3, Line 3).....	.....	.....	.....	.....	.....
24. Unearned premiums (Page 3, Line 9).....	.....	.....	.....	.....	.....
25. Capital paid up (Page 3, Lines 30 & 31).....	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	20,183,410	19,988,919	27,257,222	25,224,848	25,180,795
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	2,837,819	(512,445)	1,401,459	(3,965,193)	(216,009)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	20,183,410	19,988,919	27,400,021	25,205,328	25,180,795
29. Authorized control level risk-based capital.....	1,583,806	2,146,682	2,220,329	1,951,064	1,508,684
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	69.9	62.8	59.7	67.0	53.8
31. Stocks (Lines 2.1 & 2.2).....	17.9	31.3	28.6	21.4	11.5
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....	.....	.....	.....	.....	.....
33. Real estate (Lines 4.1, 4.2 & 4.3).....	.....	.....	.....	.....	.....
34. Cash, cash equivalents and short-term investments (Line 5).....	12.2	5.9	11.7	11.6	34.7
35. Contract loans (Line 6).....	.....	.....	.....	.....	.....
36. Derivatives (Line 7).....	.....	.....	.....	.....	.....
37. Other invested assets (Line 8).....	.....	.....	.....	.....	.....
38. Receivable for securities (Line 9).....	.....	.....	.....	.....	.....
39. Securities lending reinvested collateral assets (Line 10).....	.....	.....	.....	.....	.....
40. Aggregate write-ins for invested assets (Line 11).....	.....	.....	.....	.....	.....
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....	.....	.....	.....	.....	.....
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....	.....	.....	.....	.....	.....
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	.....	.....	.....	.....	.....
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....	.....	.....	.....	.....	.....
46. Affiliated mortgage loans on real estate.....	.....	.....	.....	.....	.....
47. All other affiliated.....	.....	.....	.....	.....	.....
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....	.....	.....	.....	.....	.....
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0	.....	.....	.....	.....

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(1,182,442)	(34,657)	1,472,925	391,832	(10,012,424)
52. Dividends to stockholders (Line 35).....		(7,400,000)			(57,801,562)
53. Change in surplus as regards policyholders for the year (Line 38).....	194,490	(7,268,304)	2,032,374	44,053	(52,955,417)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	8,585,640	15,062,514	11,477,138	7,784,059	7,352,838
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	9,389,130	5,480,695	397,741	258,798	56,003
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	158,224	714,801	1,039,115	794,811	543,275
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	18,132,994	21,258,009	12,913,994	8,837,667	7,952,115
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	0		0		
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....			0		
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....			(0)		
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	0	0	(0)	0	0
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....					
68. Loss expenses incurred (Line 3).....					
69. Other underwriting expenses incurred (Line 4).....					
70. Net underwriting gain (loss) (Line 8).....					
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....					
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....					
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....					
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....			1		
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....			0.0		
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	1	1			
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	0.0	0.0			

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

Yes No

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....370	.....370	.....504	.....504	.....80	.....80		.....0	....XXX.....
2. 2006.....	....79,344	.....14,250	....65,094	.....38,231	.....7,784	.....8,610	.....1,546	.....1,801	.....(442)	.....847	....39,755	....XXX.....
3. 2007.....	....81,598	.....14,799	....66,799	.....35,338	.....4,098	.....7,485	.....479	.....1,451	.....(1,332)	.....46	....41,029	....XXX.....
4. 2008.....	....52,869	.....14,218	....38,651	.....22,640	.....3,547	.....6,658	.....1,335	.....1,023	.....(1,522)	.....81	....26,961	....XXX.....
5. 2009.....	....17,062	.....17,062	.....0	.....6,938	.....6,938	.....1,636	.....1,636	.....230	.....230	.....54	.....0	....XXX.....
6. 2010.....	....22,933	.....22,933	.....0	.....12,768	.....12,768	.....6,278	.....6,278	.....546	.....546	.....124	.....0	....XXX.....
7. 2011.....	....22,578	.....22,578	.....0	.....6,976	.....6,976	.....2,744	.....2,744	.....436	.....436	.....202	.....0	....XXX.....
8. 2012.....	....23,623	.....23,623	.....0	.....14,231	.....14,231	.....2,951	.....2,951	.....376	.....376	.....47	.....0	....XXX.....
9. 2013.....	....23,374	.....23,374	.....0	.....5,820	.....5,820	.....776	.....776	.....278	.....278	.....101	.....0	....XXX.....
10. 2014.....	....27,039	.....27,039	.....0	.....11,274	.....11,274	.....899	.....899	.....371	.....371	.....506	.....0	....XXX.....
11. 2015.....	....38,826	.....38,826	.....0	.....9,808	.....9,808	.....302	.....302	.....579	.....579	.....97	.....0	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....164,395	....83,616	....38,843	....19,449	....7,171	....(400)	....2,106	....107,745	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....994	....994	....870	....870	.....415	.....415	.....166	.....166	.....908	.....908		.....0	....XXX.....
2. 2006.....			....549	....549			.....151	.....151	.....73	.....73		.....0	....XXX.....
3. 2007.....			....154	....154			.....44	.....44	.....0	.....0		.....0	....XXX.....
4. 2008.....	....9	....9	....364	....364			.....105	.....105	.....1	.....1		.....0	....XXX.....
5. 2009.....			....440	....440			.....91	.....91	.....77	.....77		.....0	....XXX.....
6. 2010.....	....1,124	....1,124	....773	....773	.....56	.....56	.....205	.....205	.....296	.....296		.....0	....XXX.....
7. 2011.....	....138	....138	....799	....799	.....39	.....39	.....216	.....216	.....166	.....166		.....0	....XXX.....
8. 2012.....	....800	....800	....2,393	....2,393	.....106	.....106	.....627	.....627	.....269	.....269		.....0	....XXX.....
9. 2013.....	....1,081	....1,081	....1,827	....1,827	.....59	.....59	.....476	.....476	.....312	.....312		.....0	....XXX.....
10. 2014.....	....1,790	....1,790	....3,292	....3,292	.....124	.....124	.....784	.....784	.....379	.....379		.....0	....XXX.....
11. 2015.....	....8,047	....8,047	....8,338	....8,338	.....302	.....302	.....1,762	.....1,762	.....2,242	.....2,242		.....0	....XXX.....
12. Totals.....	....13,983	....13,983	....19,798	....19,798	....1,100	....1,100	.....4,626	.....4,626	....4,723	....4,723	.....0	.....0	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....			....XXX.....	.....0	.....0
2. 2006.....	....49,416	....9,661	....39,755	.....62.3	.....67.8	....61.1				.....0	.....0
3. 2007.....	....44,472	....3,443	....41,029	.....54.5	.....23.3	....61.4				.....0	.....0
4. 2008.....	....30,800	....3,838	....26,961	.....58.3	.....27.0	....69.8				.....0	.....0
5. 2009.....	....9,411	....9,411	.....0	.....55.2	.....55.2	.....0.0				.....0	.....0
6. 2010.....	....22,047	....22,047	.....0	.....96.1	.....96.1	.....0.0				.....0	.....0
7. 2011.....	....11,514	....11,514	.....0	.....51.0	.....51.0	.....0.0				.....0	.....0
8. 2012.....	....21,753	....21,753	.....0	.....92.1	.....92.1	.....0.0				.....0	.....0
9. 2013.....	....10,629	....10,629	.....0	.....45.5	.....45.5	.....0.0				.....0	.....0
10. 2014.....	....18,913	....18,913	.....0	.....69.9	.....69.9	.....0.0				.....0	.....0
11. 2015.....	....31,380	....31,380	.....0	.....80.8	.....80.8	.....0.0				.....0	.....0
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....0	.....0	....XXX.....	.....0	.....0

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

COLONY SPECIALTY INSURANCE COMPANY**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior....	48,249	43,387	40,368	40,368	40,368	40,368	40,368	40,368	40,369	40,369	0	1
2. 2006....	38,635	37,801	37,511	37,511	37,511	37,511	37,511	37,511	37,511	37,511	0	0
3. 2007....	XXX....	40,518	38,246	38,246	38,246	38,246	38,246	38,246	38,246	38,246	0	0
4. 2008....	XXX....	XXX....	24,416	24,416	24,416	24,416	24,416	24,416	24,416	24,416	0	0
5. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	0
6. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	0
7. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	0
8. 2012....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	0
9. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	0
10. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	0	XXX....
11. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
										12. Totals....	0	1

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior....	000....	9,087	16,908	40,364	40,364	40,368	40,368	40,368	40,369	40,369	XXX....	XXX....
2. 2006....	4,734	9,492	13,902	37,511	37,511	37,511	37,511	37,510	37,511	37,511	XXX....	XXX....
3. 2007....	XXX....	4,319	9,059	38,248	38,248	38,246	38,246	38,245	38,246	38,246	XXX....	XXX....
4. 2008....	XXX....	XXX....	3,415	24,418	24,418	24,416	24,416	24,416	24,416	24,416	XXX....	XXX....
5. 2009....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
6. 2010....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
7. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
8. 2012....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
9. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
10. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....
11. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior....	35,612	25,046	16,484	.....	.....	.....	.....	.....	.....	.....
2. 2006....	27,877	22,735	18,114	.....	.....	.....	.....	.....	.....	.....
3. 2007....	XXX....	30,541	22,917	.....	.....	.....	.....	.....	.....	.....
4. 2008....	XXX....	XXX....	16,181	.....	.....	.....	.....	.....	.....	.....
5. 2009....	XXX....	XXX....	XXX....	.....	.....	.....	.....	.....	.....	.....
6. 2010....	XXX....	XXX....	XXX....	XXX....	.....	.....	.....	.....	.....	.....
7. 2011....	XXX....	XXX....	XXX....	XXX....	XXX....	.....	.....	.....	.....	.....
8. 2012....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	.....	.....	.....	.....
9. 2013....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	.....	.....	.....
10. 2014....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	.....
11. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL L.....	482,076	484,813		442,585	187,574	506,398		
2. Alaska.....	AK L.....								
3. Arizona.....	AZ L.....	283,188	165,906			27,386	30,464		
4. Arkansas.....	AR L.....	88,748	170,607		78,756	100,444	68,358		
5. California.....	CA L.....	8,734,796	6,216,458		3,373,276	6,344,107	3,042,361		
6. Colorado.....	CO L.....	490,626	397,292		217,875	97,256	477,192		
7. Connecticut.....	CT L.....	19,284	20,529			891	1,587		
8. Delaware.....	DE L.....								
9. District of Columbia.....	DC L.....	73,038	70,819		934	16,294	48,825		
10. Florida.....	FL L.....	1,320,083	1,261,209		121,081	496,342	2,380,327		
11. Georgia.....	GA L.....	646,805	591,107		349,797	472,368	192,251		
12. Hawaii.....	HI L.....	6,339	987			254	254		
13. Idaho.....	ID L.....	449,819	312,453			67,020	69,200		
14. Illinois.....	IL L.....	1,286,872	965,539		459,115	1,044,288	596,106		
15. Indiana.....	IN L.....	309,944	313,244		298,908	93,186	433,917		
16. Iowa.....	IA L.....								
17. Kansas.....	KS L.....	67,469	57,560		27,782	47,200	26,962		
18. Kentucky.....	KY L.....	36,547	22,320		23,509	39,391	16,241		
19. Louisiana.....	LA L.....	142,802	151,437		44,233	48,137	4,359		
20. Maine.....	ME L.....	4,825	14,744			801	1,135		
21. Maryland.....	MD L.....	643,461	892,145		399,993	196,793	1,757,918		
22. Massachusetts.....	MA L.....	101,554	104,832			5,163	9,547		
23. Michigan.....	MI L.....	469,938	319,109		168,923	219,468	59,010		
24. Minnesota.....	MN L.....	52,840	50,803		10,000	17,569	7,611		
25. Mississippi.....	MS L.....	144,446	109,845		9,881	65,284	230,703		
26. Missouri.....	MO L.....	157,566	91,056		10,000	29,938	24,518		
27. Montana.....	MT L.....	213,808	240,541		12,899	32,651	270,118		
28. Nebraska.....	NE L.....	120	2,273			(240)	10		
29. Nevada.....	NV L.....	131,673	114,115		135,075	13,258	344,982		
30. New Hampshire.....	NH L.....	40,950	26,210			(217)	547		
31. New Jersey.....	NJ L.....	1,237,395	967,590		479,566	367,985	55,918		
32. New Mexico.....	NM L.....	355,555	255,138		219,388	303,399	85,851		
33. New York.....	NY L.....	1,050,697	1,163,738		214,304	250,155	51,848		
34. North Carolina.....	NC L.....	519,290	599,130		160,561	232,910	282,750		
35. North Dakota.....	ND L.....	107,526	111,533			1,921	3,312		
36. Ohio.....	OH L.....	664,368	575,775		159,478	30,576	995,529		
37. Oklahoma.....	OK L.....	216,827	228,670		4,071	3,412	1,705		
38. Oregon.....	OR L.....	533,529	504,104		792,149	442,087	50,237		
39. Pennsylvania.....	PA L.....	11,000,498	11,064,025		4,847,475	4,290,090	12,188,643		
40. Rhode Island.....	RI L.....								
41. South Carolina.....	SC L.....	210,764	175,681		251,072	291,390	128,778		
42. South Dakota.....	SD L.....	51,762	80,637			19,665	295,415		
43. Tennessee.....	TN L.....	328,413	374,064		457,157	176,591	945,345		
44. Texas.....	TX L.....	5,581,636	4,440,852		2,286,989	3,449,796	1,324,855		
45. Utah.....	UT L.....	219,419	246,556		608,700	2,950	282,459		
46. Vermont.....	VT L.....	16,042	10,759			3,209	3,209		
47. Virginia.....	VA E.....	4,622,636	4,407,567		1,322,795	348,543	6,239,111		
48. Washington.....	WA L.....	400,327	191,159		22,713	35,839	52,985		
49. West Virginia.....	WV L.....	114,048	140,532		51,068	49,170	2,341		
50. Wisconsin.....	WI L.....	85,376	88,182			20,640	25,420		
51. Wyoming.....	WY L.....	46,948	32,114		57,667	(10,245)	170		
52. American Samoa.....	AS N.....								
53. Guam.....	GU N.....								
54. Puerto Rico.....	PR N.....								
55. US Virgin Islands.....	VI N.....								
56. Northern Mariana Islands.....	MP N.....								
57. Canada.....	CAN N.....								
58. Aggregate Other Alien.....	OT XXX.....	0	0	0	0	0	0	0	0
59. Totals.....	(a) 50	43,762,673	38,825,760	0	18,119,775	19,972,690	33,616,780	0	0

DETAILS OF WRITE-INS

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

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

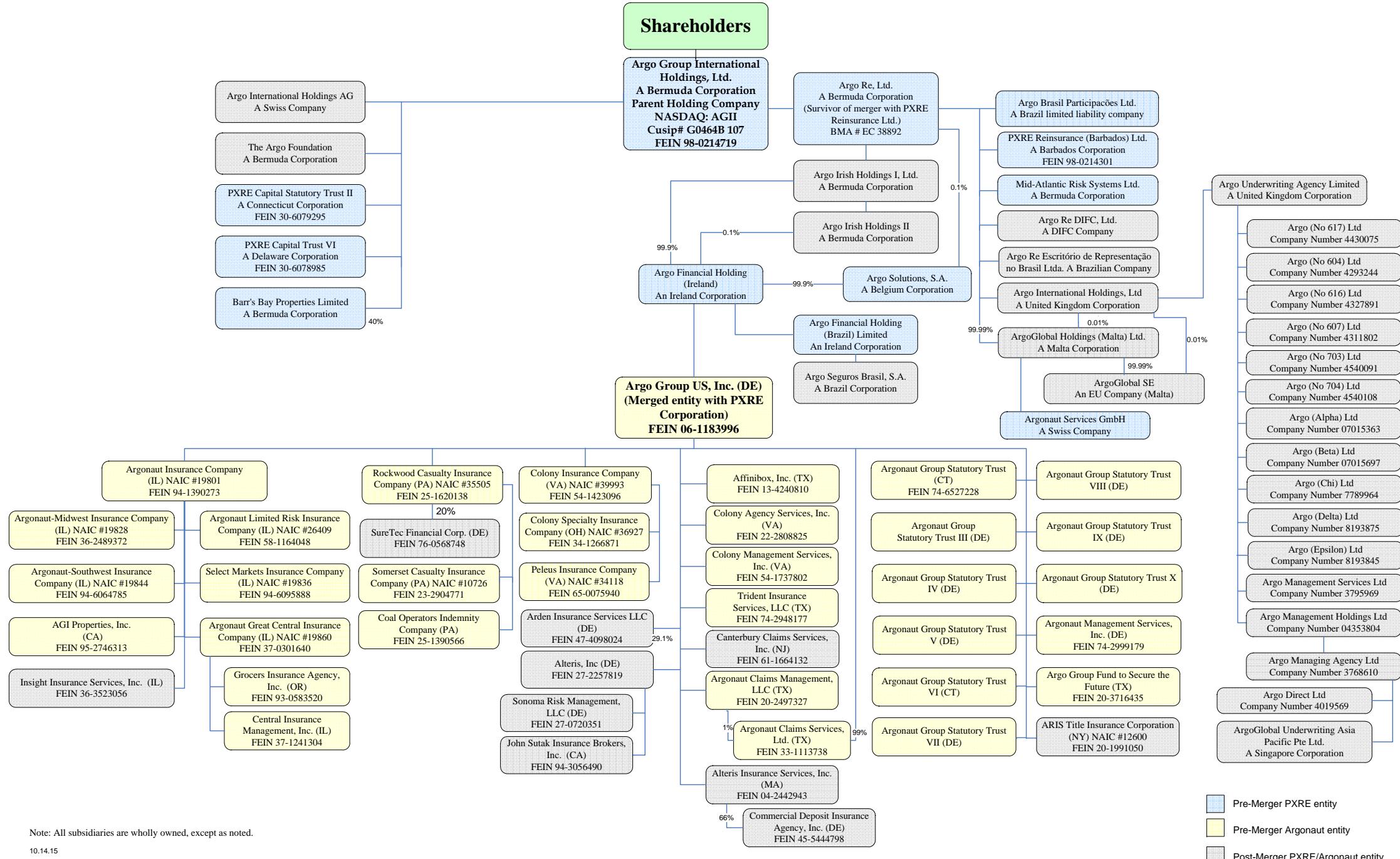
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are allocated by state based on allocation of risk

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

PART 1 – ORGANIZATIONAL CHART



Note: All subsidiaries are wholly owned, except as noted.

10.14.15

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10.000 10.000 10.000 10.000

Part M: BXDE(A) - 1 of 11

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