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PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

ANNUAL STATEMENT

For the Year Ended December 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

BCS Insurance Company

NAIC Group Code 00023 (Current Period), 00023 (Prior Period) NAIC Company Code 38245 Employer's ID Number 36-6033921

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

Country of Domicile United States

Incorporated/Organized 12/05/1950 Commenced Business 11/30/1952

Statutory Home Office 6740 North High Street (Street and Number), Worthington, OH, US 43085 (City or Town, State, Country and Zip Code)

Main Administrative Office 2 Mid America Plaza, Suite 200 (Street and Number) Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code) 630-472-7700 (Area Code) (Telephone Number)

Mail Address 2 Mid America Plaza, Suite 200 (Street and Number or P.O. Box), Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2 Mid America Plaza, Suite 200 (Street and Number) Oakbrook Terrace, IL, US 60181 (City or Town, State, Country and Zip Code) 630-472-7700 (Area Code) (Telephone Number)

Internet Web Site Address www.bcsins.com

Statutory Statement Contact Elias Georgopoulos (Name) 630-472-7749 (Area Code) (Telephone Number) (Extension)

Lgeorgo@bcsf.com (E-Mail Address) 630-472-7837 (Fax Number)

OFFICERS

Name	Title	Name	Title
Howard Francis Beacham III	President & Chief Executive Officer	Terry Michael Hackett	General Counsel & Secretary
Susan Ann Pickar	Chief Financial Officer & Treasurer	Steven Scott Martin	Chairman of the Board

OTHER OFFICERS

Peter Lorin Costello	Chief Marketing Officer	David John Jacobs	Chief Actuary
Susan Chylla Lindquist	Chief Talent Officer		

DIRECTORS OR TRUSTEES

Howard Francis Beacham III	Peter Lorin Costello	Terry Michael Hackett	David John Jacobs
Susan Ann Pickar	Steven Scott Martin		

State of Illinois
County of DuPage ss

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.

HF Beacham III
Howard Francis Beacham III
President & Chief Executive Officer

[signature]
Terry Michael Hackett
General Counsel & Secretary

Susan A Pickar
Susan Ann Pickar
Chief Financial Officer & Treasurer

Subscribed and sworn to before me this 10th 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

[signature]
Jennifer Mark, Notary Public
03/24/2018

"OFFICIAL SEAL"
JENNIFER MARK
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 03/24/2018

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	182,824,548		182,824,548	176,830,980
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	23,355,644		23,355,644	22,057,784
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
4.3 Properties held for sale (less $ .... encumbrances)			0	0
5. Cash ($ 10,716,247 , Schedule E-Part 1), cash equivalents ($ 0 , Schedule E-Part 2) and short-term investments ($ 6,462,202 , Schedule DA)	17,178,449		17,178,449	14,373,110
6. Contract loans (including $ .... premium notes)			0	0
7. Derivatives (Schedule DB)	0		0	0
8. Other invested assets (Schedule BA)	12,146,695		12,146,695	12,719,367
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	235,505,336	0	235,505,336	225,981,241
13. Title plants less $ .... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,811,451		1,811,451	1,728,740
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	24,691,890	2,589,800	22,102,090	34,377,757
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,364,268		6,364,268	8,242,484
16.2 Funds held by or deposited with reinsured companies	0		0	400,000
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	2,532,172	549,538	1,982,634	2,493,520
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	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	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care ($ ....) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	4,441,380	0	4,441,380	6,384,090
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	275,346,497	3,139,338	272,207,159	279,607,832
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	275,346,497	3,139,338	272,207,159	279,607,832
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Unapplied Claim Payments	3,426,377		3,426,377	5,362,893
2502. Intercompany Reinsurance Asset	1,000,000		1,000,000	1,000,000
2503. Continuity Credit Receivable	3,388		3,388	10,663
2598. Summary of remaining write-ins for Line 25 from overflow page	11,615	0	11,615	10,534
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,441,380	0	4,441,380	6,384,090

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	40,414,946	41,467,658
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	9,422,427	10,860,565
4. Commissions payable, contingent commissions and other similar charges	188,909	0
5. Other expenses (excluding taxes, licenses and fees)	675,111	769,023
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	5,081,377	5,325,366
7.1 Current federal and foreign income taxes (including $ .... on realized capital gains (losses))	4,926,086	2,317,338
7.2 Net deferred tax liability		0
8. Borrowed money $ .... and interest thereon $		0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 17,683,361 and including warranty reserves of $ .... and accrued accident and health experience rating refunds including $ .... for medical loss ratio rebate per the Public Health Service Act)	9,808,511	20,453,608
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	23,583,082	27,587,489
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	1,086,178	226,750
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated	6,751,018	5,795,581
16. Provision for reinsurance (including $ .... certified) (Schedule F, Part 8)	277,000	170,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	6,624,902	5,345,721
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes $ .... and interest thereon $		0
25. Aggregate write-ins for liabilities	2,051,289	2,099,049
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	110,890,836	122,418,148
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	110,890,836	122,418,148
29. Aggregate write-ins for special surplus funds	1,088,264	1,533,647
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	36,484,581	36,484,581
35. Unassigned funds (surplus)	120,743,478	116,171,456
36. Less treasury stock, at cost:		
36.1 .... shares common (value included in Line 30 $ ....)		0
36.2 .... shares preferred (value included in Line 31 $ ....)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	161,316,323	157,189,684
38. Totals (Page 2, Line 28, Col. 3)	272,207,159	279,607,832
DETAILS OF WRITE-INS		
2501. Allowance for Doubtful Accounts	1,541,000	1,528,000
2502. Retroactive Reinsurance Reserve Assumed	312,934	366,773
2503. Escheat Liabilities	197,355	204,276
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,051,289	2,099,049
2901. Special Surplus for ACA Taxes	1,088,264	1,533,647
2902.		0
2903.		0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	1,088,264	1,533,647
3201.		0
3202.		0
3203.		0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	105,943,215	132,850,424
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	57,680,130	81,439,020
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	6,460,070	10,198,172
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	29,473,854	36,170,795
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	93,614,054	127,807,987
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	12,329,161	5,042,437
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	6,297,057	6,140,908
10. Net realized capital gains (losses) less capital gains tax of $ 48,562 (Exhibit of Capital Gains (Losses))	451,750	453,679
11. Net investment gain (loss) (Lines 9 + 10)	6,748,807	6,594,587
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $ .... amount charged off $ ....)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	40,722	187,095
15. Total other income (Lines 12 through 14)	40,722	187,095
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	19,118,690	11,824,119
17. Dividends to policyholders		0
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)	19,118,690	11,824,119
19. Federal and foreign income taxes incurred	5,795,066	3,828,656
20. Net income (Line 18 minus Line 19) (to Line 22)	13,323,624	7,995,463
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	157,189,684	152,868,143
22. Net income (from Line 20)	13,323,624	7,995,463
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ (446,918)	(867,547)	8,757
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(909,260)	(1,183,340)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(313,177)	2,683,661
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(107,000)	817,000
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders	(7,000,000)	(6,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
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)	4,126,640	4,321,541
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	161,316,323	157,189,684
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401. Allowance for Doubtful Accounts	(13,000)	208,000
1402. Miscellaneous Income	65,883	20,910
1403. Retroactive Reinsurance Assumed	(12,161)	14,055
1498. Summary of remaining write-ins for Line 14 from overflow page	0	(55,870)
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	40,722	187,095
3701.		0
3702.		0
3703.		0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	103,304,746	133,491,817
2. Net investment income	7,525,459	7,438,491
3. Miscellaneous income	440,722	187,095
4. Total (Lines 1 through 3)	111,270,927	141,117,403
5. Benefit and loss related payments	56,854,626	74,455,232
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	37,532,770	42,063,274
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	3,234,881	3,294,897
10. Total (Lines 5 through 9)	97,622,277	119,813,403
11. Net cash from operations (Line 4 minus Line 10)	13,648,649	21,304,000
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	26,183,522	35,040,517
12.2 Stocks	269,302	273,350
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	26,452,824	35,313,867
13. Cost of investments acquired (long-term only):		
13.1 Bonds	33,239,142	39,078,195
13.2 Stocks	2,045,999	6,373,275
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	6,700,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	35,285,141	52,151,470
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(8,832,317)	(16,837,603)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	7,000,000	6,000,000
16.6 Other cash provided (applied)	4,989,007	2,679,798
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(2,010,993)	(3,320,202)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,805,339	1,146,195
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	14,373,110	13,226,915
19.2 End of year (Line 18 plus Line 19.1)	17,178,449	14,373,110

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	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	187,500	0	0	187,500
12.	Earthquake	0	0	0	0
13.	Group accident and health	83,473,960	15,032,951	6,232,299	92,274,612
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability-occurrence	4,902,949	0	0	4,902,949
17.2	Other liability-claims-made	6,733,709	5,420,657	3,576,212	8,578,154
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability-occurrence	0	0	0	0
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	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	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	95,298,118	20,453,608	9,808,511	105,943,215
DETAILS OF WRITE-INS					
3401.		0	0	0	0
3402.		0	0	0	0
3403.		0	0	0	0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability-occurrence					0
11.2	Medical professional liability-claims-made					0
12.	Earthquake					0
13.	Group accident and health	2,851,614			3,380,685	6,232,299
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability-occurrence					0
17.2	Other liability-claims-made	3,576,212				3,576,212
17.3	Excess workers' compensation					0
18.1	Products liability-occurrence					0
18.2	Products liability-claims-made					0
19.1,19.2	Private passenger auto liability					0
19.3,19.4	Commercial auto liability					0
21.	Auto physical damage					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					0
32.	Reinsurance-nonproportional assumed liability					0
33.	Reinsurance-nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	6,427,826	0	0	3,380,685	9,808,511
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					9,808,511
DETAILS OF WRITE-INS						
3401.						0
3402.						0
3403.						0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case. Pro-rata basis

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril	3,871,420				3,871,420	0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	70,540,705				70,540,705	0
10.	Financial guaranty						0
11.1	Medical professional liability-occurrence						0
11.2	Medical professional liability-claims-made	101,618				(85,882)	187,500
12.	Earthquake						0
13.	Group accident and health	191,945,893	198,275	11,212,302	26,655,983	93,226,527	83,473,960
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability-occurrence	10,246,445			4,902,953	440,543	4,902,949
17.2	Other liability-claims-made	28,793,341			3,954,937	18,104,695	6,733,709
17.3	Excess workers' compensation						0
18.1	Products liability-occurrence						0
18.2	Products liability-claims-made						0
19.1,19.2	Private passenger auto liability						0
19.3,19.4	Commercial auto liability						0
21.	Auto physical damage						0
22.	Aircraft (all perils)						0
23.	Fidelity	67,369			17,009	50,360	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	305,566,791	198,275	11,212,302	35,530,882	186,148,368	95,298,118
DETAILS OF WRITE-INS							
3401.							0
3402.							0
3403.							0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 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 $ ....

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5	6	7	8
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0	0	0	0	0.0
2.	Allied lines				0	0	0	0	0.0
3.	Farmowners multiple peril				0	0	0	0	0.0
4.	Homeowners multiple peril				0	0	0	0	0.0
5.	Commercial multiple peril				0	0	0	0	0.0
6.	Mortgage guaranty				0	0	0	0	0.0
8.	Ocean marine				0	0	0	0	0.0
9.	Inland marine	22,063,044		22,060,450	2,594	0	19,795	(17,201)	0.0
10.	Financial guaranty				0	0	0	0	0.0
11.1	Medical professional liability-occurrence				0	0	0	0	0.0
11.2	Medical professional liability-claims-made				0	26,963	26,963	0	0.0
12.	Earthquake				0	0	0	0	0.0
13.	Group accident and health	120,200,565	5,219,181	72,283,729	53,136,017	28,207,312	29,291,555	52,051,774	56.4
14.	Credit accident and health (group and individual)				0	0	0	0	0.0
15.	Other accident and health				0	0	0	0	0.0
16.	Workers' compensation				0	0	0	0	0.0
17.1	Other liability-occurrence	5,348,285		2,770,401	2,577,884	1,666,801	0	4,244,685	86.6
17.2	Other liability-claims-made	19,988,646		16,956,996	3,031,650	10,513,870	12,129,345	1,416,175	16.5
17.3	Excess workers' compensation				0	0	0	0	0.0
18.1	Products liability-occurrence				0	0	0	0	0.0
18.2	Products liability-claims-made				0	0	0	0	0.0
19.1,19.2	Private passenger auto liability				0	0	0	0	0.0
19.3,19.4	Commercial auto liability				0	0	0	0	0.0
21.	Auto physical damage				0	0	0	0	0.0
22.	Aircraft (all perils)				0	0	0	0	0.0
23.	Fidelity	(15,303)			(15,303)	0	0	(15,303)	0.0
24.	Surety				0	0	0	0	0.0
26.	Burglary and theft				0	0	0	0	0.0
27.	Boiler and machinery				0	0	0	0	0.0
28.	Credit				0	0	0	0	0.0
29.	International				0	0	0	0	0.0
30.	Warranty				0	0	0	0	0.0
31.	Reinsurance-nonproportional assumed property	XXX			0	0	0	0	0.0
32.	Reinsurance-nonproportional assumed liability	XXX			0	0	0	0	0.0
33.	Reinsurance-nonproportional assumed financial lines	XXX			0	0	0	0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	167,585,237	5,219,181	114,071,576	58,732,842	40,414,946	41,467,658	57,680,130	54.4
DETAILS OF WRITE-INS									
3401.					0	0	0	0	0.0
3402.					0	0	0	0	0.0
3403.					0	0	0	0	0.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 +5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril				0	418,000		418,000	0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine				0	8,983,354		8,983,354	0	
10.	Financial guaranty				0				0	
11.1	Medical professional liability-occurrence				0				0	
11.2	Medical professional liability-claims-made		26,963		26,963	175,000		175,000	26,963	
12.	Earthquake				0				0	
13.	Group accident and health	5,270	10,388	7,750	7,908	44,222,604	8,930,382	24,953,582	(a) 28,207,312	2,058,765
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability-occurrence				0	3,392,379		1,725,578	1,666,801	41,387
17.2	Other liability-claims-made	70,746,111		63,297,609	7,448,502	32,029,177		28,963,809	10,513,870	7,322,275
17.3	Excess workers' compensation				0				0	
18.1	Products liability-occurrence				0				0	
18.2	Products liability-claims-made				0				0	
19.1,19.2	Private passenger auto liability				0				0	
19.3,19.4	Commercial auto liability				0				0	
21.	Auto physical damage				0				0	
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0	82,628		82,628	0	
24.	Surety				0				0	
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance-nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance-nonproportional assumed liability	XXX			0	XXX			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	70,751,381	37,351	63,305,359	7,483,373	89,303,142	8,930,382	65,301,951	40,414,946	9,422,427
DETAILS OF WRITE-INS										
3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

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	8,583,278			8,583,278
1.2 Reinsurance assumed	100,000			100,000
1.3 Reinsurance ceded	3,887,628			3,887,628
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	4,795,651	0	0	4,795,651
2. Commission and brokerage:				
2.1 Direct, excluding contingent		73,578,490		73,578,490
2.2 Reinsurance assumed, excluding contingent		203,686		203,686
2.3 Reinsurance ceded, excluding contingent		71,880,546		71,880,546
2.4 Contingent-direct		0		0
2.5 Contingent-reinsurance assumed		0		0
2.6 Contingent-reinsurance ceded		157,079		157,079
2.7 Policy and membership fees		0		0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	1,744,550	0	1,744,550
3. Allowances to manager and agents	0	0	0	0
4. Advertising	17,264	159,242	5,075	181,581
5. Boards, bureaus and associations	1,365	41,363	334	43,062
6. Surveys and underwriting reports	0	0	0	0
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	813,184	6,418,814	226,149	7,458,148
8.2 Payroll taxes	44,020	358,820	11,922	414,762
9. Employee relations and welfare	457,107	3,595,846	133,338	4,186,292
10. Insurance	3,854	31,408	1,213	36,474
11. Directors' fees	13	113	3	130
12. Travel and travel items	61,090	522,784	15,313	599,186
13. Rent and rent items	100,782	842,781	27,415	970,979
14. Equipment	5,274	44,477	1,511	51,262
15. Cost or depreciation of EDP equipment and software	51,382	425,970	13,271	490,623
16. Printing and stationery	18,805	220,718	5,240	244,762
17. Postage, telephone and telegraph, exchange and express	7,011	58,118	1,859	66,988
18. Legal and auditing	80,952	1,007,848	387,282	1,476,081
19. Totals (Lines 3 to 18)	1,662,103	13,728,301	829,925	16,220,329
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $	0	5,983,997	0	5,983,997
20.2 Insurance department licenses and fees	0	1,002,986	0	1,002,986
20.3 Gross guaranty association assessments	0	164,340	0	164,340
20.4 All other (excluding federal and foreign income and real estate)	(23)	4,194,548	(9)	4,194,515
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	(23)	11,345,871	(9)	11,345,839
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	2,340	2,655,132	569	2,658,041
25. Total expenses incurred	6,460,070	29,473,854	830,486	(a) 36,764,410
26. Less unpaid expenses-current year	9,422,427	5,891,290	54,106	15,367,823
27. Add unpaid expenses-prior year	10,860,565	6,051,998	42,390	16,954,953
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,898,208	29,634,562	818,770	38,351,540
DETAILS OF WRITE-INS				
2401. Donations	2,340	19,767	569	22,676
2402. Group Service Administration	0	2,635,365	0	2,635,365
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	2,340	2,655,132	569	2,658,041

(a) Includes management fees of $ 14,903,690 to affiliates and $ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 407,711	418,874
1.1	Bonds exempt from U.S. tax	(a) 1,369,247	1,349,915
1.2	Other bonds (unaffiliated)	(a) 4,421,121	4,509,509
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	307,454	307,454
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 1,977	2,997
7.	Derivative instruments	(f)	
8.	Other invested assets	537,322	538,794
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	7,044,832	7,127,543
11.	Investment expenses		(g) 830,486
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)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		830,486
17.	Net investment income (Line 10 minus Line 16)		6,297,057
	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 through 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $ 207,843 accrual of discount less $ 1,507,239 amortization of premium and less $ 93,828 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ 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 $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ 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	1,062		1,062		
1.1	Bonds exempt from U.S. tax	15,830		15,830		
1.2	Other bonds (unaffiliated)	214,118		214,118	6,345	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	269,302	0	269,302	(488,298)	0
2.21	Common stocks of affiliates	0	0	0	(259,841)	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	(572,672)	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	500,312	0	500,312	(1,314,466)	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 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

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	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	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	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	2,589,800	2,325,168	(264,632)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	549,538	500,993	(48,545)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	0	0	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 to 25)	3,139,338	2,826,161	(313,177)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	3,139,338	2,826,161	(313,177)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.		0	0
2502.		0	0
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices and Going Concern

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures prescribed or permitted by the Ohio Insurance Department. The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Ohio Insurance Department.

		State of Domicile	2015	2014
	Net Income			
(1)	BCS Insurance Company State Basis (page 4 line 20, columns 1 & 2)	Ohio	$ 13,323,624	$ 7,995,463
(2)	State Prescribed practices that increase/(decrease) NAIC SAP:			
	e.g., Depreciation of fixed assets		-	-
(3)	State Permitted practices that increase/(decrease) NAIC SAP:			
	e.g., Depreciation, home office property		-	-
(4)	NAIC SAP (1-2-3=4)		$ 13,323,624	$ 7,995,463
	Surplus			
(5)	BCS Insurance Company State Basis (page 3 line 37, columns 1 & 2)	Ohio	$ 161,316,323	$ 157,189,684
(6)	State Prescribed practices that increase/(decrease) NAIC SAP:			
	e.g., Depreciation of fixed assets		-	-
(7)	State Permitted practices that increase/(decrease) NAIC SAP:			
	e.g., Depreciation, home office property		-	-
(8)	NAIC SAP (5-6-7=8)		$ 161,316,323	$ 157,189,684

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium is established to cover the unexpired portion of premiums written. Such reserves are computed by the pro rata method. Expenses incurred in connection with acquiring new insurance business (acquisition costs) are charged to operations as incurred. Net investment income consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at cost, which approximates market.

2. Long-term bonds are generally stated at their amortized value using the scientific interest method. Non-investment grade securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value, with any unrealized losses recorded as a reduction to surplus. If a security is deemed to be other than temporarily impaired, it is written down to its fair value through a charge to earnings.

3. Common Stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.

4. Preferred Stocks - Not applicable

5. Mortgage Loans - Not applicable

6. Prepayment assumptions for loan-backed securities are obtained from broker dealer survey values or Bloomberg System. These assumptions are consistent with current interest rates and the economic environment. The retrospective scientific method is used to value all loan backed and structured securities.

7. Subsidiaries, Controlled and Affiliated Companies are on an equity basis.

8. Joint ventures, Partnerships and Limited Liability Companies are stated at fair value.

9. Derivatives - Not applicable

10. Anticipated investment income is a factor for premium deficiency reserves.

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 reasonable, 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 liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. Capitalization Policy - Not applicable

13. Pharmaceutical Rebate Receivables – Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Going Concern

Not Applicable

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method

None

B. Statutory Merger

None

C. Impairment Loss

None

4. Discontinued Operations

Not Applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

1. Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. Prepayments for loan-backed and structured securities were obtained from the broker dealer survey or Bloomberg Systems. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value most loan-backed and structured securities. For structured securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment due to unanticipated prepayment events, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis.

2. The Company has the following recognized other-than-temporary impairments on loan-backed securities:

   None

3. Securities, by CUSIP, with a recognized other-than-temporary impairment, currently held by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities:

   None

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 $204,985

      2. 12 Months or Longer $142,185

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

      1. Less than 12 months $16,507,726

      2. 12 Months or Longer $4,456,291

NOTES TO FINANCIAL STATEMENTS

5. The Company periodically reviews its bonds on a case by case basis to determine whether any decline in fair value below amortized cost is other than temporary. Factors considered when determining whether a decline is other than temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in fair value, and whether or not the Company has the intent and ability to hold the security. When the Company intends to sell an impaired security or has the intent and ability to sell an impaired security before recovery of its amortized cost basis, an other than temporary impairment is recognized in the statutory statements of operations as the difference between the amortized cost basis of the security and fair value. For structured securities, a credit loss also exists when an estimate of the present value of cash flows expected to be collected on the security is less than its amortized cost basis. For other bonds, a credit loss exists when the fair value of the security is less than the amortized cost basis and based on analysis, the decrease in value is thought to be other than temporary. Credit losses are recognized in the statutory statements of operations.

   Generally, securities with fair values that are less than 80% of cost, other securities the Company determines are underperforming, or potential problem securities are subject to regular impairment review. To facilitate the review, securities with significant declines in value, or where objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration, which has led to a significant decline in value of the security; rating downgrades, a significant covenant related to the security has been breached; and an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

   When performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other than temporarily impaired. Assessment factors include judgments about an obligor’s current and projected financial position, an issuer’s current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations, the macro economic outlook, and the micro economic outlook for specific industries and issuers. Assessing the duration of asset backed securities can also involve assumptions regarding underlying collateral, such as prepayment rates, default and recovery rates, and third party servicing capabilities.

   Among the factors considered is whether the decline in fair value results from a change in the quality of the security itself, or from a downward movement in the market as a whole, the likelihood of recovering the carrying value based on the current and short term prospects of the issuer and the Company’s ability and intent to sell the security before such a recovery may occur. Unrealized losses that are considered to be primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry related events, and where the Company also believes there exists a reasonable expectation for recovery and, furthermore, has the intent and ability to hold the investment until maturity or the market recovery, are usually determined to be temporary. To the extent factors contributing to recognized other than temporary impairment losses affected other investments, such investments were reviewed for other than temporary impairment and losses were recorded when appropriate.

   In addition to the review procedures described above, investments in structured securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls with regards to full recovery of amortized cost. Even in the case of severely depressed market values on structured securities, the Company places significant importance on the results of its cash flow testing and its intent to sell these securities prior to full recovery of amortized cost until their fair values recover when reaching other than temporary impairment conclusions. If amortized cost of the security is less than the present value of estimated cash flows, an other than temporary impairment is recognized in the statutory statements of operations.

   If the Company does not expect to recover the amortized cost of nonstructured securities, an impairment loss is recognized as the difference between amortized cost and fair value under SSAP No. 26, Bonds, Excluding Loan Backed and Structured Securities. If the Company intends to sell an impaired loan backed or structured security or has the intent and ability to sell such a security before a period of time sufficient for recovery of the amortized cost basis, an other than temporary impairment has occurred and an impairment loss is recognized as the difference between amortized cost and fair value of the loan backed or structured security. If the Company does not expect to recover the amortized cost basis of loan backed or structured securities even if the entity has no intent to sell and the entity has the intent and ability to hold, an impairment loss is recognized as the difference between the amortized cost basis and the present value of cash flows expected to be collected. Impairment losses are recognized in the statutory statements of operations.

   There are inherent uncertainties in assessing the fair values assigned to the Company’s investments and in determining whether a decline in fair value is other than temporary. The Company’s review of fair value involves several criteria including economic conditions, credit loss experience, other issuer specific developments, and future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads, and a change in the cash flow assumptions can contribute to fair value volatility and uncertainty with regards to other than temporary impairment. If actual experience differs negatively from the assumptions and other considerations, realized losses may be recognized in the statutory statements of operations in future periods.

   As of December 31, 2015, the Company does not intend to sell securities with unrealized losses not considered other than temporary prior to full recovery of amortized cost. However, if the specific facts and circumstances surrounding a security or the outlook for its industry sector change, the Company may sell the security and realize a loss in the period in which the decision to sell was made.

E. Repurchase Agreements and/or Securities Lending Transactions

   None

F. Real Estate

   None

NOTES TO FINANCIAL STATEMENTS

G. Investments in Low-Income Housing Tax Credits (LIHTC)

Not Applicable

H. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-
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	581,800	-	-	-	581,800	581,800	-	581,800	0.2%	0.2%
j. On deposit with states	5,037,634	-	-	-	5,037,634	4,973,686	63,948	5,037,634	1.8%	1.9%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	8,600,392	-	-	-	8,600,392	9,496,370	(895,978)	8,600,392	3.1%	3.2%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-
o. Total restricted assets	$ 14,219,826	$ -	$ -	$ -	$ 14,219,826	$ 15,051,856	$ (832,030)	$ 14,219,826	5.1%	5.3%

(a) Subset of column 1
(b) Subset of column 2

2. Detail of Other Assets Pledged as Collateral Not Captured in Other Categories

None

3. Detail of Other Restricted Assets

None

I. Working Capital Finance Investments

1. Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC designation:

None

2. Aggregate Maturity Distribution the Underlying Working Capital Finance Programs:

None

3. Events of Default of Working Capital Finance Investments During the Reporting Period

None

J. Offsetting and Netting of Assets and Liabilities

None

K. Structured Notes

None

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

   A. Detail for Those Greater than 10% of Admitted Assets

      Not Applicable

   B. Write-downs for Impairments

      Not Applicable

7. Investment Income

   A. Due and accrued income was excluded from surplus on the following bases:

      The Company non-admits investment income due and accrued if amounts are over 90 days past due.

   B. Amounts Non-admitted

      The total amount excluded was $0.

8. Derivative Instruments

   Not Applicable

9. Income Taxes

   A. The components of the net deferred tax asset/(liability) are as follows:

      1. The change between years by tax character (ordinary and capital) for the year 2015 and 2014:

	12/31/2015		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	$ 2,305,311	$ 645,735	$ 2,951,046
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	2,305,311	645,735	2,951,046
(d) Deferred Tax Assets Nonadmitted	470,706	78,832	549,538
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	1,834,605	566,903	2,401,508
(f) Deferred Tax Liabilities	76,421	342,453	418,874
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	$ 1,758,184	$ 224,450	$ 1,982,634

	12/31/2014		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	$ 3,029,346	$ 598,413	$ 3,627,759
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	3,029,346	598,413	3,627,759
(d) Deferred Tax Assets Nonadmitted	497,687	3,306	500,993
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	2,531,659	595,107	3,126,766
(f) Deferred Tax Liabilities	38,582	594,664	633,246
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	$ 2,493,077	$ 443	$ 2,493,520

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	$ (724,035)	$ 47,322	$ (676,713)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a-1b)	(724,035)	47,322	(676,713)
(d) Deferred Tax Assets Nonadmitted	(26,981)	75,526	48,545
(e) Subtotal Net Admitted Deferred Tax Asset (1c-1d)	(697,054)	(28,204)	(725,258)
(f) Deferred Tax Liabilities	37,839	(252,211)	(214,372)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	$ (734,893)	$ 224,007	$ (510,886)

NOTES TO FINANCIAL STATEMENTS

2. The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101:

Admission Calculation Components SSAP No. 101	12/31/2015 (1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 1,734,997	$ -	$ 1,734,997
(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)	23,187	224,450	247,637
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	23,187	224,450	247,637
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	23,900,053
(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	76,421	342,453	418,874
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 1,834,605	$ 566,903	$ 2,401,508

	12/31/2014 (4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	$ 2,431,663	$ -	$ 2,431,663
(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)	61,414	443	61,857
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	61,414	443	61,857
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	23,204,425
(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	38,582	594,664	633,246
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ 2,531,659	$ 595,107	$ 3,126,766

	Change (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	$ (696,666)	$ -	$ (696,666)
(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)	(38,227)	224,007	185,780
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	(38,227)	224,007	185,780
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	695,628
(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	37,839	(252,211)	(214,372)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	$ (697,054)	$ (28,204)	$ (725,258)

3. The ratio used to determine applicable period used in 9A(2)b1 for determining the amount of adjusted gross DTAs:

	2015	2014
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	1331%	1222%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	$ 159,333,689	$ 154,696,164

NOTES TO FINANCIAL STATEMENTS

4. Disclose the impact of tax-planning strategies:

	12/31/2015 (1) Ordinary Percent	12/31/2015 (2) Capital Percent
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.		
1. Adjusted Gross DTAs Amount from Note 9A1(c)	2,305,311	645,735
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	1,834,605	566,903
4. Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%

	12/31/2014 (4) Ordinary Percent	12/31/2014 (5) Capital Percent
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.		
1. Adjusted Gross DTAs Amount from Note 9A1(c)	3,029,346	598,413
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	2,531,659	595,107
4. Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%

	Change (7) (Col 1-4) Ordinary Percent	Change (8) (Col 2-5) Capital Percent
(a) Determination Of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage.		
1. Adjusted Gross DTAs Amount from Note 9A1(c)	(724,035)	47,322
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	(697,054)	(28,204)
4. Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes___ No_X_

B. Unrecognized Deferred Tax Liabilities

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2015	(2) 12/31/2014	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 5,795,066	$ 3,828,656	$ 1,966,410
(b) Foreign	-	-	-
(c) Subtotal	5,795,066	3,828,656	1,966,410
(d) Federal income tax on net capital gains	48,562	203,635	(155,073)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	$ 5,843,628	$ 4,032,291	$ 1,811,337
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 463,747	$ 558,310	$ (94,563)
(2) Unearned premium reserve	437,092	1,160,959	(723,867)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquistion costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	1,404,472	1,310,077	94,395
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	2,305,311	3,029,346	(724,035)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	470,706	497,687	(26,981)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,834,605	2,531,659	(697,054)
(e) Capital:			
(1) Investments	645,735	598,413	47,322
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	645,735	598,413	47,322
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	78,832	3,306	75,526
(h) Admitted capital deferred tax assets (2e99 -2f -2g)	566,903	595,107	(28,204)
(i) Admitted deferred tax assets (2d + 2h)	2,401,508	3,126,766	(725,258)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	76,421	38,582	37,839
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	76,421	38,582	37,839
(b) Capital			
(1) Investments	342,453	594,664	(252,211)
(2) Real estate	-	-	-
(3) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	342,453	594,664	(252,211)
(c) Deferred tax liabilities (3a99 + 3b99)	418,874	633,246	(214,372)
4. Net deferred tax assets/liabilities (2i - 3c)	$ 1,982,634	$ 2,493,520	$ (510,886)

NOTES TO FINANCIAL STATEMENTS

D. Among the more significant book to tax adjustments were the following:

	December 31, 2015	Effective Tax Rate
Provision computed at statutory rate	$ 6,708,538	35%
Nondeductible expense for meals, entertainment, lobbying, travel and penalties	7,324	0%
Nondeductible health insurance tax	513,001	2%
Tax exempt interest	(401,600)	-2%
Change in nonadmitted balances	(89,975)	0%
Rate Differential	(27,557)	0%
Other Adjustments	31,519	0%
Provision to actual adjustment	11,638	0%
Total income tax reported	$ 6,752,888	35%
Federal and foreign income taxes incurred	$ 5,795,066	30%
Realized capital gains (losses) tax	48,562	0%
Change in net deferred income taxes	909,260	5%
Total income tax	$ 6,752,888	35%

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

1. As of December 31, 2015 and December 31, 2014, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.

2. The income tax expense of $5,862,765 from 2015 and $3,960,107 from 2014 is available for recoupment in the event of future net losses.

3. The reporting entity has a total of $0 protective deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation (BCSF).

2. The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually. Allocation is based upon separate return calculations, with credit for net losses being obtained when utilized.

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. B. & C. Nature of Relationships

The Company is owned 100% by BCS Financial Corporation (BCSF). The Company has a management service agreement with BCSF. It shares common management, staff and facilities provided by BCSF with its other affiliates. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement.

The Company paid cash dividends to BCSF of $7,000,000 and $6,000,000 in 2015 and 2014, respectively.

D. Amounts Due to or from Related Parties

At December 31, 2015, the Company reported $6,624,902 due to affiliates. This is comprised of $4,130,639 and $2,494,263 payable to BCSF and BCS Insurance Agency Inc., respectively.

E. Guarantees or Contingencies for Related Parties

None

F. Management or Service Contracts and Cost Sharing Arrangements

The Company has a management service agreement with BCSF whereby BCSF provides all insurance management, administrative and advisory services as well as investment management and general office administrative services. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement. There has been no change in the management service agreement in 2015.

G. Nature of Control Relationship

All outstanding common shares are owned by BCSF, an insurance holding company domiciled in the state of Delaware.

NOTES TO FINANCIAL STATEMENTS

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Investments in SCA Entities Disclosures

Not Applicable

J. Investments in Impaired SCA Entities Disclosures

Not Applicable

K. Foreign Insurance Subsidiary

Not Applicable

L. Downstream Noninsurance Company

Not Applicable

11. Debt

A. Debt & Holding Company Obligations

Not Applicable

B. Federal Home Loan Bank (FHLB) Agreements

1. The Company is a member of Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for general operations. The Company has determined the actual/estimated maximum borrowing capacity as $8,786,321. The Company calculated this amount in accordance with its investment in FHLB capital stock and pledged collateral.

2. FHLB Capital Stock

a. Aggregate Totals

		1 Total 2+3	2 General Account	3 Separate Account
1.	Current Year			
(a)	Membership Stock - Class A	-	-	-
(b)	Membership Stock - Class B	335,528	335,528	-
(c)	Activity Stock	-	-	-
(d)	Excess Stock	246,272	246,272	-
(e)	Aggregate Total (a+b+c)	581,800	581,800	-
(f)	Actual or estimated Borrowing Capacity as Determined by the Insurer	8,786,321	XXX	XXX
2.	Prior Year-end Year			
(a)	Membership Stock - Class A	-	-	-
(b)	Membership Stock - Class B	401,837	401,837	-
(c)	Activity Stock	-	-	-
(d)	Excess Stock	179,963	179,963	-
(e)	Aggregate Total (a+b+c)	581,800	581,800	-
(f)	Actual or estimated Borrowing Capacity as Determined by the Insurer	9,937,897	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible for Redemption

	1	2	Eligible for Redeption			
Membership Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less than 6 Months	4 6 Months to Less than 1 Year	5 1 to Less than 3 Years	6 3 to 5 Years
1. Class A	-	-	-	-	-	-
2. Class B	335,528	335,528	-	-	-	-

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

NOTES TO FINANCIAL STATEMENTS

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	8,893,864	8,600,392	-
2. Current Year General Account Total Collateral Pledged	8,893,864	8,600,392	-
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	10,005,045	9,496,369	-

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	9,991,092	9,404,271	-
2. Current Year General Account Maximum Collateral Pledged	9,991,092	9,404,271	-
3. Current Year Separate Accounts Maximum Collateral Pledged	-	-	-
4. Prior year-end Total General and Separate Accounts Maximum Collateral Pledged	10,883,624	10,356,603	-

4. Borrowing from FHLB

a. Amounts as of the Reporting Date

1. Current Year

None

2. Prior Year-end

None

b. Maximum Amount during Reporting Period (Current Year)

None

c. FHLB – Prepayments Obligations

None

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

A. Defined Benefit Plan

None

B. Investment Policies & Strategies

None

C. Fair Value of Each Class of Plan Assets

None

NOTES TO FINANCIAL STATEMENTS

D. Basis Used to Determine the Overall Expected Long-Term Rate-of-Return-on-Assets

None

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

BCSF sponsors a defined benefit pension plan, a postretirement healthcare benefit plan and a 401(k) Plan covering substantially all of its employees as well as a deferred compensation plan for select employees. The expenses of these plans are charged in accordance with the management service agreement. In 2015, the Company incurred expenses of $3,689,636 relating to these plans. The Company has no legal obligation for benefits under these plans.

H. Postemployment Benefits and Compensated Absences

None

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

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

1. Outstanding Shares

The Company has 300,000 shares of $10 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued, or outstanding.

2. Dividend Rate of Preferred Stock

Not Applicable

3. , 4, & 5. Dividend Restrictions

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of prior year end surplus or the prior year's net income. The amount of dividends that could be paid in 2015 without prior approval was $15,718,968. The Company paid dividends totaling $7,000,000 to its stockholders during 2015.

6. Surplus Restriction

None

7. Mutual Surplus Advances

None

8. Company Stock Held for Special Purposes

None

9. Changes in Special Surplus Funds

None

10. Changes in Unassigned Funds

The portion of unassigned funds represented or increased by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
1. Unrealized gain on Affiliated stock	$ 396,625
2. Unrealized loss on Bonds and Other	(307,684)
Total	$ 88,941

11. Surplus Notes

None

NOTES TO FINANCIAL STATEMENTS

12. & 13. Quasi Reorganizations

None

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

None

B. Assessments

1. The Company is subject to guaranty fund assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvency. The Company has accrued a liability for guaranty fund assessments of $206,927 at December 31, 2015. The amount represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

2. Guaranty Fund & Other Assessments with Liabilities Recognized Under SSAP No. 35R:

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	$	-
b.	Decrease current year:		
	Policy surcharges collected	$	-
	Policy surcharges charged off	$	-
	Premium tax offset applied	$	-
c.	Increases current year:		
	Policy surcharges collected	$	-
	Policy surcharges charged off	$	-
	Premium tax offset applied	$	-
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	$	-

C. Gain Contingencies

None

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

The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related to ECO and bad faith losses paid during the reporting period	$ -

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [x]   (g) Per Claimant [ ]

E. Product Warranties

None

F. Joint and Several Liabilities

None

G. All Other Contingencies

None

15. Leases

None

NOTES TO FINANCIAL STATEMENTS

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

    None

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

    A. Transfer of Receivables Reported as Sales

       Not Applicable

    B. Transfer and Servicing of Financial Assets

       Not Applicable

    C. Wash Sales

       1. The Company has not sold and reacquired any security within a 30 day period of its original sale.

       2. The details by NAIC designation 3 or below of securities sold during the year ended December 31, 2015 are reacquired within 30 days of the sale date are:

          None

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

    A. Administrative Services Only (ASO) Plans

       Not Applicable

    B. Administrative Services Contract (ASC) Plans

       Not Applicable

    C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

       Not Applicable

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

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premium Written/Produced By
AGA Service Company 2805 North Parham Road Richmond, VA 23294	54-1545622	N	Group Travel	C, CA, P, U, B	75,950,433
MGA Financial Services, Inc. 9024 Town Center Parkway Lakewood Ranch, FL 34202	65-0917796	N	Other Liability	P, U, B	8,462,260
Planned Administrators, Inc. 8906 Two Notch Road, Suite 200 Columbia, SC 29223	57-0718839	N	Accident & Health Dental, AD & D Disability	C, CA, P	80,414,558
Worldwide Insurance Services, Inc. dba HTH Worldwide 1 Radnor Corporate Center, Suite 100 Radnor, PA 19087	54-1867679	N	Group Accident & Health	C, CA, P, U, B	42,578,477
All Other TPA Premium					13,731,833

20. Fair Value Measurements

    A. Input used for assets measured and reported at Fair Value

       1. Items measured and reported at Fair Value by Levels 1, 2, and 3

          Statutory accounting principles define the fair value of a financial instrument as the amount at which that asset could be bought or sold in a current transaction between willing parties that is other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties. Certain financial instruments and all nonfinancial instruments are excluded from statutory disclosure requirements. Therefore, the aggregate fair value amounts presented below do not represent the underlying fair value of the Company.

          Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporation of current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment, which becomes

NOTES TO FINANCIAL STATEMENTS

significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology model or input used.

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy as defined by SSAP No. 100, Fair Value Measurements. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Management's valuations are unadjusted quoted prices for identical, unrestricted assets and liabilities in active markets accessible at the measurement date. Since valuations are based on quoted prices that are readily available in an active market, valuation of these assets does not involve any meaningful degree of judgment. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 financial assets and liabilities generally include common stocks and U.S. government debt securities, where management's valuations are based on quoted market prices.

Level 2 – Management's valuations are based on quoted prices where such markets are not deemed to be sufficiently "active." In such circumstances, additional valuations metrics will be used, which involve direct or indirect observable market inputs. Level 2 financial assets and liabilities generally include debt securities other than debt issued by the U.S. government. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Management's valuations are based on inputs that are unobservable (supported by little or no market activity) and significant to the fair value measurement. Valuations under Level 3 generally involve a significant degree of judgment on the part of management.

Assets Measured at Fair Value

Certain financial assets are measured at fair value, such as certain bonds valued at the lower of cost or fair value, or investments that are impaired during the reporting period and recorded at fair value on the balance sheet at December 31, 2015. The following table summarizes assets measured at fair value:

Description of each class of assets	(Level 1)	(Level 2)	(Level 3)	(Total)
Assets at fair value				
U.S. Treasury	$ -	$ -	$ -	$ -
Government agencies	-	-	-	-
States and political subdivisions	-	-	-	-
Corporate securities	-	596,625	-	596,625
Structured securities				
U.S. government agency	-	-	-	-
States and political subdivisions	-	-	-	-
Residential - prime	-	219,217	-	219,217
Residential - Alt - A	-	-	-	-
Residential - subprime	-	569,247	-	569,247
Commercial	-		-	-
Asset-backed	-	-	-	-
Corporate securities	-	435,000	-	435,000
Total structured securities	-	1,223,464	-	1,223,464
Total bonds	-	1,820,089	-	1,820,089
Common stock				
Vanguard	7,416,739	-	-	7,416,739
Artisan	5,093,945	-	-	5,093,945
Plan Ultrashort Duration	8,034,713	-	-	8,034,713
Federal Home Loan Bank	-	581,800	-	581,800
Plans' Liability Insurance Company	-	-	2,228,447	2,228,447
Total common stock	20,545,397	581,800	2,228,447	23,355,644
Other invested assets				
Babson	-	-	5,887,770	5,887,770
Eaton Vance	-	-	6,258,925	6,258,925
Total other invested assets	-	-	12,146,695	12,146,695
Total bonds, stocks, and other invested assets	$ 20,545,397	$ 2,401,889	$ 14,375,142	$ 37,322,428

NOTES TO FINANCIAL STATEMENTS

Bonds measured at fair value are those bonds that were determined to be other-than-temporarily impaired at December 31, 2015 and bonds valued at the lower of cost or fair value at December 31, 2015. NAIC 3 – 6 rated bonds are valued at the lower of cost or market. The Company does not have any investment commitments at December 31, 2015.

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

Description	Beginning Balance at 1/1/2015	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settle-ments	Ending Balance at 12/31/2015
U.S. Treasury	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Government agencies	-	-	-	-	-	-	-	-	-	-
States and political subdivisions	-	-	-	-	-	-	-	-	-	-
Corporate securities	-	-	-	-	-	-	-	-	-	-
Structured securities										
U.S. government agency	-	-	-	-	-	-	-	-	-	-
States and political subdivisions	-	-	-	-	-	-	-	-	-	-
Residential - prime	-	-	-	-	-	-	-	-	-	-
Residential - Alt - A	-	-	-	-	-	-	-	-	-	-
Residential - subprime	-	-	-	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-	-	-	-
Asset-backed	-	-	-	-	-	-	-	-	-	-
Corporate securities	-	-	-	-	-	-	-	-	-	-
Total structured	-	-	-	-	-	-	-	-	-	-
Total bonds	-	-	-	-	-	-	-	-	-	-
Common stock										
Vanguard	-	-	-	-	-	-	-	-	-	-
Artisan	-	-	-	-	-	-	-	-	-	-
Federal Home Loan Bank	-	-	-	-	-	-	-	-	-	-
Plans' Liability Insurance Company	2,488,288	-	-	-	(259,841)	-	-	-	-	2,228,447
Total common stock	2,488,288	-	-	-	(259,841)	-	-	-	-	2,228,447
Other invested assets										
Babson	6,153,345	-	-	-	(265,575)	-	-	-	-	5,887,770
Eaton Vance	6,566,022	-	-	-	(307,097)	-	-	-	-	6,258,925
Total other invested assets	12,719,367	-	-	-	(572,672)	-	-	-	-	12,146,695
Total assets	$ 15,207,655	$ -	$ -	$ -	$ (832,513)	$ -	$ -	$ -	$ -	$ 14,375,142

3. Policy on Transfers into and out of Level 3

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

4. Inputs and techniques used for level 2 and level 3 Fair Values

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

Investments categorized as Level 3 had key unobservable inputs. Also, the investments are less liquid, and there is limited trading activity. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Fair Value for all financial instruments by levels 1, 2, and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
U.S. Treasury	$ 13,079,897	$ 12,456,926	$ -	$ 12,456,926	$ -	$ -
Government agencies	325,770	301,607	-	301,607	-	-
States and political subdivisions	78,928,654	75,473,841	-	75,473,841	-	-
Corporate securities	45,070,317	44,828,301	-	44,828,301	-	-
Structured securities						
U.S. government agency	17,750,066	17,031,435	-	17,031,435	-	-
States and political subdivisions	772,418	753,932	-	753,932	-	-
Residential - prime	5,037,269	5,011,345	-	5,011,345	-	-
Residential - Alt - A	211,793	198,073	-	198,073	-	-
Residential - subprime	1,700,577	1,481,236	-	1,481,236	-	-
Commercial	16,611,305	16,484,748	-	16,484,748	-	-
Asset-backed	6,920,601	6,869,591	-	6,869,591	-	-
Corporate securities	2,079,352	1,933,513	-	1,933,513	-	-
Total structured securities	51,083,381	49,763,873	-	49,763,873	-	-
Total bonds	188,488,019	182,824,548	-	182,824,548	-	-
Common stock						
Vanguard	7,416,739	7,416,739	7,416,739	-	-	-
Artisan	5,093,945	5,093,945	5,093,945	-	-	-
Plan Ultrashort Duration	8,034,713	8,034,713	8,034,713	-	-	-
Federal Home Loan Bank	581,800	581,800	-	581,800	-	-
Plans' Liability Insurance Company	2,228,447	2,228,447	-	-	2,228,447	-
Total common stock	23,355,644	23,355,644	20,545,397	581,800	2,228,447	-
Other invested assets						
Babson	5,887,770	5,887,770	-	-	5,887,770	-
Eaton Vance	6,258,925	6,258,925	-	-	6,258,925	-
Total other invested assets	12,146,695	12,146,695	-	-	12,146,695	-
Cash and short-term investments	17,178,449	17,178,449	16,592,449	586,000	-	-
Total assets	$ 241,168,807	$ 235,505,336	$ 37,137,846	$ 183,992,348	$ 14,375,142	$ -

D. Financial instruments for which not practicable to Estimate Fair Value

Not applicable

21. Other Items

A. Extraordinary Items

None

B. Troubled Debt Restructuring for Debtors

None

C. Other Disclosures

None

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferable Tax Credits

None

F. Subprime-Mortgage-Related Risk Exposure

1. The Company has identified securities with the following characteristics as having subprime mortgage risk:

   a. First lien mortgages where borrowers have a FICO scores less than 650

   b. First lien mortgages with loan-to-value ratios greater than 95%

   c. Second lien mortgages where borrowers have FICO scores less than 675

   d. Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

2. Direct Exposure through investments in subprime mortgage loans

   None

NOTES TO FINANCIAL STATEMENTS

3. The following summarizes the Company's investments in securities with underlying subprime exposure at December 31, 2015:

Investment Type	Actual Cost	Book Adjusted Carrying Value (excluding interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	$ 1,602,170	$ 1,481,236	$ 1,700,577	$ 672,564
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	$ 1,602,170	$ 1,481,236	$ 1,700,577	$ 672,564

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage

   None

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 10, 2016 for the statutory statement issued on March 1, 2016.

The Company does not have any subsequent events to report.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 10, 2016 for the statutory statement issued on March 1, 2016.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for calendar year beginning on or after January 1, of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be $1,088,264. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	YES	
B.	ACA fee assessment payable for the upcoming year	$ 1,088,264	$ 1,533,647
C.	ACA fee assessment paid	$ 1,465,718	$ 1,557,749
D.	Premium written subject to ACA 9010 assessment	$ 88,274,700	$ 90,480,626
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	$ 161,316,323	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	$ 160,228,059	
G.	Authorized Control Level (Five-Year Historical Line 29)	$ 11,967,770	
H.	Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)?	NO	

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Unsecured Reinsurance Recoverable

The Company has outlined below unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized, unauthorized or certified that exceed 3% of policyholders' surplus.

FEIN	NAIC #	Reinsurer	Recoverable
36-2149353	80985	4 Ever Life Insurance Co.	17,544,000
AA-1120337	00000	Aspen Insurance	6,400,000
AA-1128987	00000	Lloyd's Syndicate Number 2987	5,780,000
AA-1126006	00000	Lloyd's Syndicate Number 4472	5,141,000
36-3503382	26794	Plans' Liability Insurance Co.	37,338,000

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ -	$ -	$ 657,111	$ 82,970	$ (657,111)	$ (82,970)
b. All Other	3,436,109	-	17,026,250	4,601,558	(13,590,141)	(4,601,558)
c. Total	$ 3,436,109	$ -	$ 17,683,361	$ 4,684,528	$ (14,247,252)	$ (4,684,528)
d. Direct Unearned Premium Reserve			$ 17,683,361			

Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

2. The additional or return commission, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements is accrued as follows:

None

3. Types of risk attributed to each of the Company's protected cells

None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reins urance

1. Reported Company

	As: December 31, 2015	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	$ (316,695)	$ -
2. Adjustments - Prior Year(s)	(50,078)	-
3. Adjustments - Current Year	53,839	-
4. Current Total	(312,934)	-
b. Consideration (Paid) or Received:		
1. Initial Consideration	316,695	-
2. Adjustments - Prior Year(s)	10,219	-
3. Adjustments - Current Year	-	-
4. Current Total	326,914	-
c. Paid Losses (Reimbursed) or Recovered:		
1. Prior Year(s)	(785,500)	-
2. Current Year	(66,000)	-
3. Current Total	(851,500)	-
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	-	-
2. Adjustments - Prior Year(s)	(174,359)	-
3. Adjustments - Current Year	(12,161)	-
4. Current Year Restricted Surplus	(186,520)	-
5. Cumulative Total Transferred to Unassigned Funds	$ (837,520)	$ -

e. All cedents and reinsurers involved in all transactions included in summary totals above:

Company	Assumed Amount	Ceded Amount
Allianz Life Insurance Company of North America	$ (312,934)	$ -
Total	$ (312,934)	$ -

f. Total Paid Loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more that 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unathorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurers:

1. Authorized Reinsurers:

Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Overdue
Continental Casualty Company	$ 339,000	$ 339,000
Total	$ 339,000	$ 339,000

2. Unauthorized Reinsurers:

Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Overdue	Collateral Held
Lumbermens Mutual Casualty Company	$ 145,000	$ 145,000	$ -
Total	$ 145,000	$ 145,000	$ -

3. Certified Reinsurers:

None

G. Reinsurance Accounted for as a Deposit

Not Applicable

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

Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Methods Used to Estimate

None

B. Method used to Record

Not Applicable

C. Amount and Percent of Net Retrospective Premiums

None

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

None

E. Calculation of Non-Admitted Retrospective Premiums

None

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

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

NO

2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

None

3. Roll forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated savings on loss and loss adjustment expenses attributable to insured events of prior years is $11,785,000 for the twelve months ending December 31, 2015, as shown in the chart below. This is -22.52% of unpaid losses and loss adjustment expenses of $52,329,000 as of December 31, 2014. The decrease occurred predominantly in the Accident and Health and Other Liability – Claims Made lines of business as a result of favorable claim experience in accident years 2014 and prior.

	2015 Calendar Year Losses and LAE Incurred	2015 Loss Year Losses and LAE Incurred Sch. P - Part 1 - In ('000)	Total Shortage (Redundancy)	Loss and DCC Shortage (Redundancy) Sch. P - Part 2	Impact of AO on Total Shortage (Redundancy)
Medical Malpractice	$ -	$ -	$ -	$ -	$ -
Group Accident and Health	54,308	65,117	(10,809)	(9,705)	(1,104)
Other Liability - Occurrence	4,285	4,284	1	-	1
Other Liability - Claims Made	5,579	7,083	(1,504)	(2,049)	545
Auto Physical Damage	-	-	-	-	-
Fidelity	(15)	-	(15)	(15)	-
Inland Marine / Other	(16)	-	(16)	(16)	-
Total	$ 64,141	$ 76,484	$ (12,343)	$ (11,785)	$ (558)

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

A. Reserves Released due to Purchase of Annuities

In 2003, the Company purchased annuities that have a remaining balance of $232,050 through New York Life Insurance Company under which the claimant is the payee.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
$ 232,050	$ -

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not Applicable

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

None

B. Risk Sharing Receivables

None

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined a reserve was not necessary. This evaluation was completed on January 22, 2016. The Company does anticipate investment income when evaluating the need for a premium deficiency reserve.

		(1)	
1.	Liability carried for premium deficiency reserves	$ -	
2.	Date of the most recent evaluation of this liability	1/22/2016	
3.	Was anticipated investment income utilized in the calculation?	Yes____	No__X__

31. High Deductibles

Not Applicable

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

A. Tabular Basis

Not Applicable

B. Non-Tabular Basis

Not Applicable

C. Changes in Discount Assumptions

Not Applicable

33. Asbestos/ Environmental Reserves

Not Applicable

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop Insurance

None

36. Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

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. 12/31/2013

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. 12/31/2013

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). 10/31/2014

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 [X] No [ ] N/A [ ]

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 [X] No [ ]

4.12 renewals? Yes [X] No [ ]

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

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

4.22 renewals? Yes [ ] No [X]

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

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

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

6.2 If yes, give full information

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

7.2 If yes,

7.21 State the percentage of foreign control 0.0

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

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

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

1 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?
KPMG LLP, 200 E. Randolph Drive, 56th Floor, Chicago, IL 60601

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

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 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

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?
Charles C. Emma, EVP Advisors Inc., 115 Campbell Street, Suite 100C, Geneva, IL 60134

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved 0

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).

GENERAL INTERROGATORIES

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 subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

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 $ 0
- 20.12 To stockholders not officers $ 0
- 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 $ 0
- 20.22 To stockholders not officers $ 0
- 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 $ 0
- 21.22 Borrowed from others $ 0
- 21.23 Leased from others $ 0
- 21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [X] No [ ]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 0
- 22.22 Amount paid as expenses $ 583,920
- 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 [ ] No [X]

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

INVESTMENT

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

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

The Comany has securities on deposit with Federal Home Loan Bank to secure line of credit

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 [ ] NA [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 [ ] NA [X]

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

GENERAL INTERROGATORIES

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

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Placed under option agreements	$
25.26	Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	$ 2,228,447
25.27	FHLB Capital Stock	$ 581,800
25.28	On deposit with states	$ 5,037,634
25.29	On deposit with other regulatory bodies	$
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 8,600,392
25.32	Other	$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
FHLB Capital Stock	FHLB Capital Stock requirement	581,800
Must sell to Blue Cross Blue Shield or affiliated Company	Plans' Liability Insurance Company common stock	2,228,447

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

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank & Trust Company Boston	1 Lincoln Street, Boston, MA 02111

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

GENERAL INTERROGATORIES

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

1 Central Registration Depository Number(s)	2 Name	3 Address
109875	Asset Allocation & Management Company, LLC	30 North LaSalle, Suite 3500, Chicago, IL 60602
106595	Wellington Management Company, LLP	280 Congress Street, Boston, MA 02210

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]

29.2 If yes, complete the following schedule:

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

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 Holding	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	189,286,749	194,950,220	5,663,471
30.2 Preferred Stocks	0		0
30.3 Totals	189,286,749	194,950,220	5,663,471

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

See Attachment

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 [X] No [ ]

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 [X] No [ ]

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 12,762

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
HP Enterprise Service LLP	$ 4,438
P&C Insurance Association of America	$ 8,323

34.1 Amount of payments for legal expenses, if any? $ 64,923

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
Steptoe & Johnson, LLP	$ 33,709

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
	$
	$
	$

GENINTPT1 - Attachment

30.4 The Company's custodial bank provides the Company with the fair market value of securities. A description of its methods follows: Interactive Data Services, JP Morgan Pricing Direct, Barclays Capital are all sources for U.S. Treasuries, Corporates, Governments, and Collateralized Mortgage Obligations; Interactive Data Services and Bloomberg are the primary sources for Municipals; manual pricing is provided by Bloomberg.

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [X] No [ ]

1.2 If yes, indicate premium earned on U. S. business only. $ 426

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding

N/A

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 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 $ 426

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	$ 45,138,367	$ 45,842,201
2.2	Premium Denominator	$ 105,943,215	$ 132,850,424
2.3	Premium Ratio (2.1/2.2)	0.426	0.345
2.4	Reserve Numerator	$ 33,117,691	$ 42,718,838
2.5	Reserve Denominator	$ 56,265,199	$ 69,401,146
2.6	Reserve Ratio (2.4/2.5)	0.589	0.616

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

3.22 Non-participating policies $ 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? 0.0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 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 [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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:
No workers' compensation contracts were written

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:
N/A

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
N/A

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

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
The Company is provided protection through excess of loss reinsurance and primarly writes Accident & Health policies.

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

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 noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [X] No [ ]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [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 [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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 asset 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 [ ] N/A [X]
12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
12.41 From 0.0 %
12.42 To 0.0 %
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): $ 875,000
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. 5

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]
14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

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 [ ] 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:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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)	39,141,404	36,651,030	39,425,980	35,385,376	29,771,445
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	70,540,705	21,900,224	14,104,968	11,533,610	19,170,273
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,871,420	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	203,423,839	307,391,717	295,330,805	261,863,697	220,273,479
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	316,977,368	365,942,971	348,861,753	308,782,683	269,215,197
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)	11,824,158	15,493,756	20,712,724	17,510,770	10,906,129
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	8,342	105,104	54,340	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	83,473,960	114,053,491	111,043,291	94,054,266	102,495,320
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	95,298,118	129,555,589	131,861,119	111,619,376	113,401,449
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	12,329,161	5,042,437	1,900,407	3,526,576	3,760,701
14. Net investment gain (loss) (Line 11)	6,748,807	6,594,587	6,799,442	7,564,767	8,139,199
15. Total other income (Line 15)	40,722	187,095	445,762	685,868	(786,763)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	5,795,066	3,828,656	2,789,975	3,583,887	3,774,121
18. Net income (Line 20)	13,323,624	7,995,463	6,355,636	8,193,324	7,339,016
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	272,207,159	279,607,832	267,891,365	254,500,945	230,556,413
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	22,102,090	34,377,757	36,910,997	33,371,850	25,653,772
20.2 Deferred and not yet due (Line 15.2)	0	0	0	0	581,697
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	110,890,836	122,418,148	115,023,222	102,622,199	83,940,000
22. Losses (Page 3, Line 1)	40,414,946	41,467,658	34,579,367	27,709,015	27,766,871
23. Loss adjustment expenses (Page 3, Line 3)	9,422,427	10,860,565	8,864,481	6,667,270	4,890,751
24. Unearned premiums (Page 3, Line 9)	9,808,511	20,453,608	23,748,443	18,018,045	15,363,027
25. Capital paid up (Page 3, Lines 30 & 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	161,316,323	157,189,684	152,868,143	151,878,746	146,616,413
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	13,648,649	21,304,000	9,719,704	22,441,987	14,195,816
Risk-Based Capital Analysis					
28. Total adjusted capital	161,316,323	157,189,684	152,868,143	151,878,746	146,616,413
29. Authorized control level risk-based capital	11,967,770	12,655,198	10,653,400	8,452,151	6,568,281
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)	77.6	78.3	83.2	89.4	94.8
31. Stocks (Lines 2.1 & 2.2)	9.9	9.8	7.4	1.9	2.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	7.3	6.4	6.3	8.7	3.1
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	5.2	5.6	3.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
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)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	2,228,447	2,488,288	2,648,198	3,403,912	3,566,265
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	129,251	128,930	128,930
46. Affiliated mortgage loans on real estate		0	0	0	0
47. All other affiliated		0	0	0	0
48. Total of above Lines 42 to 47	2,228,447	2,488,288	2,777,449	3,532,842	3,695,195
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
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)	1.4	1.6	1.8	2.3	2.5

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)	(867,547)	8,757	130,580	808,341	(177,905)
52. Dividends to stockholders (Line 35)	(7,000,000)	(6,000,000)	(5,000,000)	(4,000,000)	(3,500,000)
53. Change in surplus as regards policyholders for the year (Line 38)	4,126,640	4,321,541	989,397	5,262,333	4,571,110
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)	25,336,931	9,034,387	27,507,041	7,651,429	10,943,001
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	22,063,044	3,391,422	6,019,736	5,611,011	6,293,085
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	125,404,443	180,888,040	175,890,701	139,527,427	134,193,766
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	172,804,418	193,313,849	209,417,478	152,789,867	151,429,852
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)	5,609,534	5,760,689	4,203,932	2,938,447	290,953
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,594	42,578	50,749	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	53,120,714	68,747,462	67,285,461	57,824,022	63,033,378
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	58,732,842	74,550,729	71,540,142	60,762,469	63,324,331
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)	54.4	61.3	62.2	55.7	58.0
68. Loss expenses incurred (Line 3)	6.1	7.7	8.0	7.7	4.6
69. Other underwriting expenses incurred (Line 4)	27.8	27.2	28.3	33.3	34.0
70. Net underwriting gain (loss) (Line 8)	11.6	3.8	1.5	3.2	3.4
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)	30.9	27.8	26.8	31.9	33.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	60.5	69.0	70.2	63.4	62.6
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)	59.1	82.4	86.3	73.5	77.3
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)	(11,785)	(1,029)	2,296	(3,179)	(7,170)
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)	(7.5)	(0.7)	1.5	(2.2)	(5.0)
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)	(3,890)	4,510	(2,951)	(6,532)	(5,900)
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)	(2.5)	3.0	(2.0)	(4.6)	(4.2)

NOTE: 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
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	4,114	4,060	74	64	114	0	15	178	XXX
2. 2006	271,936	191,467	80,470	154,369	102,640	3,878	2,677	2,226	905	0	54,251	XXX
3. 2007	297,379	195,546	101,833	158,159	97,432	3,432	2,023	2,568	1,111	0	63,593	XXX
4. 2008	260,235	148,263	111,972	158,264	89,295	3,957	1,813	3,296	1,278	0	73,130	XXX
5. 2009	236,739	128,599	108,140	140,874	70,214	2,723	842	2,433	926	0	74,048	XXX
6. 2010	238,765	133,255	105,509	151,689	86,276	3,598	1,419	2,297	952	0	68,937	XXX
7. 2011	263,133	153,017	110,116	143,930	78,674	4,692	833	2,991	730	0	71,377	XXX
8. 2012	295,879	186,915	108,964	178,170	114,107	9,330	2,872	5,232	1,594	0	74,159	XXX
9. 2013	344,207	218,075	126,132	183,441	110,777	4,331	574	4,360	1,543	0	79,238	XXX
10. 2014	370,533	237,682	132,851	177,937	112,416	4,752	406	3,818	1,123	0	72,562	XXX
11. 2015	325,508	219,565	105,943	113,156	72,975	586	192	2,462	815	0	42,222	XXX
12. Totals	XXX	XXX	XXX	1,564,104	938,867	41,354	13,715	31,797	10,978	15	673,696	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrog-ation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstand-ing Direct and Assumed
	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.	2,268	1,965	50	0	454	408	0	0	0	0	0	399	XXX
2.	135	135	0	0	11	11	0	0	0	0	0	0	XXX
3.	724	724	1,500	1,500	79	79	0	0	0	0	0	0	XXX
4.	1,967	1,967	1,665	1,665	114	114	0	0	0	0	0	0	XXX
5.	339	338	1,529	1,529	0	0	0	0	0	0	0	1	XXX
6.	524	524	2,355	2,355	0	0	553	553	0	0	0	0	XXX
7.	834	824	2,978	2,978	10	0	850	850	192	188	0	24	XXX
8.	48,484	47,543	5,186	5,186	1,695	1,289	320	320	320	284	0	1,383	XXX
9.	3,319	2,420	4,604	4,000	749	16	713	587	240	204	0	2,398	XXX
10.	8,050	3,759	14,222	9,544	2,056	374	1,625	1,043	413	276	0	11,370	XXX
11.	4,146	3,106	64,144	36,547	876	130	2,312	642	3,577	368	0	34,262	XXX
12.	70,790	63,305	98,233	65,304	6,044	2,421	6,373	3,995	4,742	1,320	0	49,837	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	353	46
2.	160,619	106,368	54,251	59.1	55.6	67.4	0	0		0	0
3.	166,462	102,869	63,593	56.0	52.6	62.4	0	0		0	0
4.	169,263	96,133	73,130	65.0	64.8	65.3	0	0		0	0
5.	147,898	73,850	74,049	62.5	57.4	68.5	0	0		1	0
6.	161,016	92,079	68,937	67.4	69.1	65.3	0	0		0	0
7.	156,478	85,077	71,401	59.5	55.6	64.8	0	0		10	14
8.	248,737	173,195	75,542	84.1	92.7	69.3	0	0		941	442
9.	201,757	120,121	81,636	58.6	55.1	64.7	0	0		1,503	895
10.	212,873	128,941	83,932	57.5	54.2	63.2	0	0		8,969	2,401
11.	191,259	114,775	76,484	58.8	52.3	72.2	0	0		28,637	5,625
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	40,414	9,423

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ($000 OMITTED) 1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	10,026	11,957	11,273	10,002	9,794	9,677	10,694	10,617	11,103	11,160	57	543
2. 2006	54,381	55,302	53,679	52,958	52,976	52,916	52,918	52,931	52,930	52,930	0	(1)
3. 2007	XXX	60,992	64,206	62,648	62,196	62,175	62,141	62,136	62,140	62,137	(3)	1
4. 2008	XXX	XXX	67,844	71,868	72,018	71,135	71,126	71,114	71,113	71,112	(1)	(2)
5. 2009	XXX	XXX	XXX	77,489	74,684	73,161	72,556	72,544	72,544	72,542	(2)	(2)
6. 2010	XXX	XXX	XXX	XXX	71,462	66,895	67,164	67,423	67,644	67,593	(51)	170
7. 2011	XXX	XXX	XXX	XXX	XXX	73,840	70,023	70,085	69,347	69,136	(211)	(949)
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	68,889	70,957	73,200	71,868	(1,332)	911
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83,344	80,101	78,783	(1,318)	(4,561)
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,024	81,100	(8,924)	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,628	XXX	XXX
										12. Totals	(11,785)	(3,890)

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) 1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	3,881	4,856	8,405	9,228	9,358	10,420	10,424	10,697	10,761	XXX	XXX
2. 2006	28,199	51,689	52,831	52,873	52,968	52,916	52,918	52,931	52,930	52,930	XXX	XXX
3. 2007	XXX	34,599	59,824	62,161	62,188	62,168	62,141	62,136	62,140	62,137	XXX	XXX
4. 2008	XXX	XXX	39,021	69,263	70,998	71,042	71,113	71,114	71,113	71,112	XXX	XXX
5. 2009	XXX	XXX	XXX	47,409	71,849	72,349	72,411	72,527	72,540	72,541	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	47,555	65,122	66,463	67,371	67,412	67,593	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	46,734	66,465	68,530	68,985	69,116	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	42,054	65,151	69,496	70,521	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,179	74,597	76,421	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,036	69,867	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,575	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	8,271	6,117	5,426	438	283	217	179	106	50	50
2. 2006	24,412	2,835	170	13	4	0	0	0	0	0
3. 2007	XXX	25,338	2,922	93	6	6	0	0	0	0
4. 2008	XXX	XXX	26,840	1,380	98	37	10	0	0	0
5. 2009	XXX	XXX	XXX	28,792	1,406	236	11	11	0	0
6. 2010	XXX	XXX	XXX	XXX	22,995	795	105	10	12	0
7. 2011	XXX	XXX	XXX	XXX	XXX	24,615	1,676	525	26	0
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	23,187	1,434	260	0
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,225	2,807	730
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	30,763	5,260
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,267

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
States, etc.	Active Status	2 Direct Premiums Written	3 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama AL	L	23,038,091	23,034,117	0	13,963,207	12,603,657	14,529,190	0	
2. Alaska AK	L	92,147	88,852	0	31,919	(15,027)	11,148	0	
3. Arizona AZ	L	2,947,081	2,937,044	0	1,061,815	654,780	648,514	0	
4. Arkansas AR	L	2,466,505	2,502,295	0	751,629	819,768	1,536,355	0	
5. California CA	L	19,887,412	21,517,017	0	8,020,848	6,508,998	20,580,013	0	
6. Colorado CO	L	5,030,593	5,044,991	0	1,676,301	1,933,715	1,544,156	0	
7. Connecticut CT	L	7,309,350	7,327,374	0	2,537,429	2,433,753	902,617	0	
8. Delaware DE	L	801,338	1,137,660	0	503,814	394,914	129,910	0	
9. Dist. Columbia DC	L	2,853,988	2,853,711	0	2,169,235	1,569,734	296,150	0	
10. Florida FL	L	6,165,812	6,534,626	0	2,819,210	2,484,394	1,018,155	0	
11. Georgia GA	L	7,314,909	7,294,907	0	4,853,715	4,600,730	1,790,371	0	
12. Hawaii HI	L	110,153	103,078	0	33,414	35,218	14,519	0	
13. Idaho ID	L	895,944	977,174	0	401,870	491,592	319,254	0	
14. Illinois IL	L	11,099,216	9,948,591	0	15,918,732	7,703,419	32,870,776	0	
15. Indiana IN	L	9,167,170	9,145,367	0	3,262,642	3,112,282	1,533,836	0	
16. Iowa IA	L	2,916,385	2,723,557	0	1,421,741	1,936,411	1,023,545	0	
17. Kansas KS	L	1,998,222	1,870,493	0	818,620	894,564	410,463	0	
18. Kentucky KY	L	1,666,962	1,636,310	0	581,406	550,443	174,495	0	
19. Louisiana LA	L	9,953,193	9,911,388	0	5,104,417	5,825,014	4,610,537	0	
20. Maine ME	L	517,725	496,637	0	221,768	224,860	59,859	0	
21. Maryland MD	L	2,218,452	1,759,443	0	4,456,520	317,634	377,412	0	
22. Massachusetts MA	L	2,722,850	2,185,508	0	921,193	1,067,740	832,500	0	
23. Michigan MI	L	5,388,547	6,292,447	0	2,271,025	695,639	9,392,273	0	
24. Minnesota MN	L	4,186,305	3,945,834	0	1,547,253	1,857,601	2,385,531	0	
25. Mississippi MS	L	2,812,271	2,683,722	0	931,328	1,772,963	1,486,000	0	
26. Missouri MO	L	4,363,236	4,207,636	0	1,076,336	1,533,682	4,249,733	0	
27. Montana MT	L	303,854	298,216	0	230,047	221,141	38,720	0	
28. Nebraska NE	L	1,694,046	1,618,078	0	614,435	563,318	5,240,976	0	
29. Nevada NV	L	1,162,938	1,156,784	0	526,265	478,112	179,406	0	
30. New Hampshire NH	L	1,968,077	1,935,156	0	795,480	809,502	249,174	0	
31. New Jersey NJ	L	5,618,189	5,602,963	0	1,952,907	1,258,807	2,030,662	0	
32. New Mexico NM	L	1,126,289	859,815	0	154,953	250,044	149,365	0	
33. New York NY	L	60,966,065	67,525,617	0	37,293,014	36,946,042	10,957,871	0	
34. No.Carolina NC	L	10,510,713	10,634,250	0	3,940,798	3,856,253	3,236,592	0	
35. No.Dakota ND	L	174,339	172,487	0	13,270	160,151	1,004,764	0	
36. Ohio OH	L	5,935,974	5,946,061	0	3,604,853	3,457,712	873,077	0	
37. Oklahoma OK	L	3,669,411	3,556,896	0	1,361,687	1,525,929	1,078,622	0	
38. Oregon OR	L	1,425,567	1,384,739	0	441,266	496,574	1,401,232	0	
39. Pennsylvania PA	L	10,708,686	11,335,151	0	4,562,455	4,301,939	4,608,879	0	
40. Rhode Island RI	L	4,618,289	4,911,469	0	2,715,532	2,605,388	1,962,027	0	
41. So. Carolina SC	L	6,110,284	6,141,657	0	4,245,173	4,098,750	2,144,324	0	
42. So. Dakota SD	L	495,737	494,723	0	136,294	169,030	131,038	0	
43. Tennessee TN	L	5,167,964	5,151,198	0	1,928,777	2,114,738	2,609,321	0	
44. Texas TX	L	22,121,791	23,195,778	0	12,716,161	14,724,712	6,879,564	0	
45. Utah UT	L	2,009,547	2,015,439	0	785,061	831,294	327,623	0	
46. Vermont VT	L	1,713,163	1,716,966	0	823,658	711,857	4,870,022	0	
47. Virginia VA	L	4,370,774	4,490,695	0	2,133,555	1,720,997	742,967	0	
48. Washington WA	L	7,698,042	7,759,257	0	2,421,280	2,031,029	3,315,565	0	
49. West Virginia WV	L	329,018	328,804	0	212,026	137,537	79,175	0	
50. Wisconsin WI	L	1,717,306	1,687,714	0	672,675	(317,964)	163,816	0	
51. Wyoming WY	L	5,344,780	5,316,396	0	5,807,977	6,159,543	2,639,759	0	
52. American Samoa AS	N	0	0	0	0	0	0	0	
53. Guam GU	N	0	0	0	0	0	0	0	
54. Puerto Rico PR	L	682,093	682,021	0	138,249	175,662	412,669	0	
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	
57. Canada CAN	N	0	0	0	0	0	0	0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 52	305,566,792	314,078,108	0	167,585,237	151,496,575	160,054,523	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

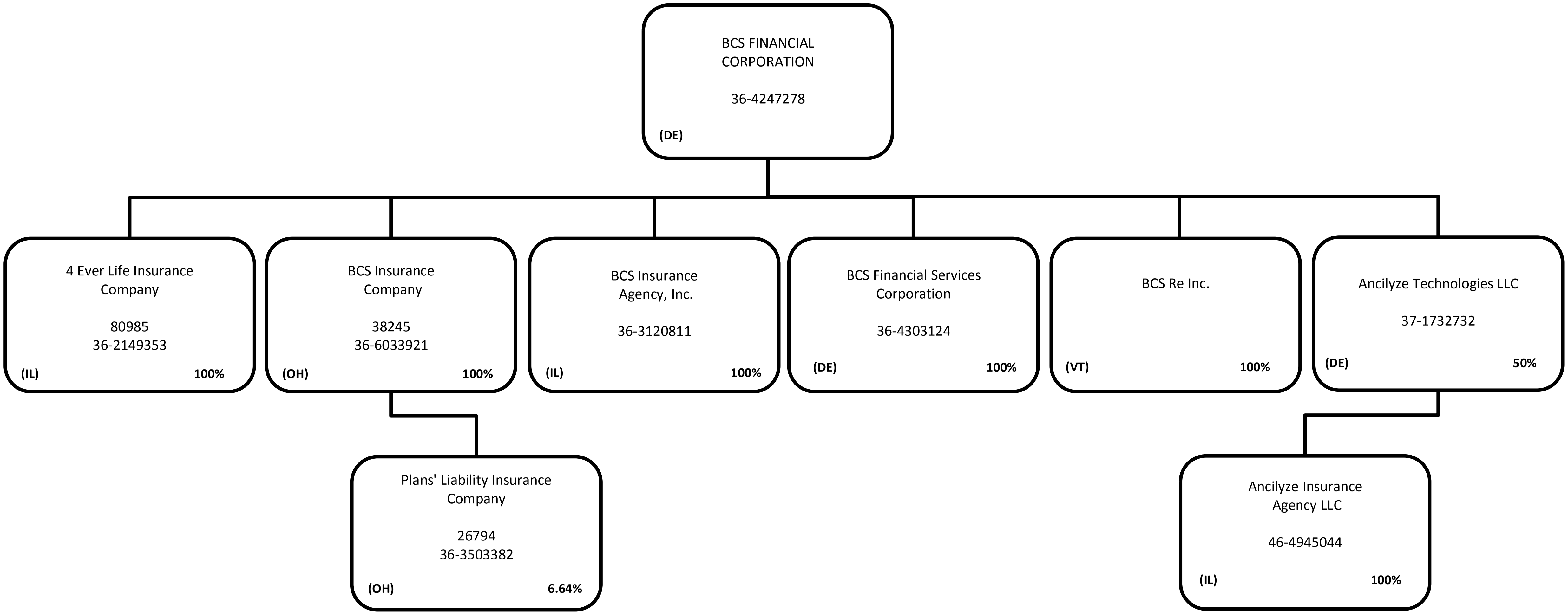
Please see footnote below

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

For group accident and health business BCS Insurance Company allocates premium by either the group situs state or by the insured member state depending upon the specific type of accident and health business. The group is the entity, usually an employer, that the policy is issued to and the insured member is the participant, usually an employee, to whom a certificate is issued to. For travel accident business the premium is allocated by state based upon the insured state of residence. The insured is the individual that purchases the travel accident coverage through a particular entity. For professional liability business the premium is allocated by the group situs state. The group is a corporate entity that purchases the policy.

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

PART 1 – ORGANIZATIONAL CHART



ALPHABETICAL INDEX

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