



QUARTERLY STATEMENT

As of June 30, 2016
of the Condition and Affairs of the

Falls Lake General Insurance Company

NAIC Group Code.....3494, 3494
(Current Period) (Prior Period)

Organized under the Laws of Ohio
Incorporated/Organized..... September 5, 1989
Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 35211

State of Domicile or Port of Entry Ohio
Commenced Business..... February 1, 1990

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

6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609
(Street and Number) (City or Town, State, Country and Zip Code)

6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

6131 Falls of Neuse Rd., Suite 306..... Raleigh NC US 27609
(Street and Number) (City or Town, State, Country and Zip Code)

www.fallslakeins.com

Aileen K. Celentano
(Name)
accounting@fallslakeins.com
(E-Mail Address)

Employer's ID Number..... 31-1277903

Country of Domicile US

919-882-3500
(Area Code) (Telephone Number)

919-882-3500
(Area Code) (Telephone Number)

919-882-3536
(Area Code) (Telephone Number) (Extension)
888-698-7290
(Fax Number)

OFFICERS

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

OTHER

Joseph R. Raia	Controller
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DIRECTORS OR TRUSTEES

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

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

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

(Signature)	(Signature)	(Signature)
Steven J. Hartman	Thomas R. Fauerbach	Joseph Raia
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/CEO	Secretary/CFO	Controller
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing?
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes [X] No []

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	3,876,025		3,876,025	3,162,336
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$....206,561), cash equivalents (\$.....0) and short-term investments (\$....70,024).....	276,585		276,585	972,615
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,152,610	.0	4,152,610	4,134,951
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	12,167		12,167	14,708
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	200,649		200,649	167,068
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....	2,129,951		2,129,951	1,964,187
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	125,460	49,941	75,519	70,602
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	6,620,837	49,941	6,570,896	6,351,516
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	6,620,837	49,941	6,570,896	6,351,516

DETAILS OF WRITE-INS

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	1,077,072	981,902
2. Reinsurance payable on paid losses and loss adjustment expenses.....	205,358	145,027
3. Loss adjustment expenses.....	659,101	643,192
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	927	9,920
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	6,560	1,942
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	393,778	339,093
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(10,698)	(6,782)
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	2,332,098	2,114,294
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	2,332,098	2,114,294
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,500,000	1,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	1,000,000	1,000,000
35. Unassigned funds (surplus).....	1,738,798	1,737,222
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	4,238,798	4,237,222
38. Totals (Page 2, Line 28, Col. 3).....	6,570,896	6,351,516

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

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....0).....			
1.2 Assumed..... (written \$....533,903).....	479,218	396,405	850,001
1.3 Ceded..... (written \$.....0).....			
1.4 Net..... (written \$....533,903).....	479,218	396,405	850,001
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	(383)	(35,683)	
2.2 Assumed.....	223,237	160,376	288,204
2.3 Ceded.....	(383)	(35,683)	
2.4 Net.....	223,237	160,376	288,204
3. Loss adjustment expenses incurred.....	158,549	107,407	266,100
4. Other underwriting expenses incurred.....	115,805	132,198	242,696
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	497,591	399,981	797,000
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(18,373)	(3,576)	53,001
INVESTMENT INCOME			
9. Net investment income earned.....	17,037	17,255	34,990
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	(5)		(113)
11. Net investment gain (loss) (Lines 9 + 10).....	17,032	17,255	34,877
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(1,341)	13,679	87,878
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(1,341)	13,679	87,878
19. Federal and foreign income taxes incurred.....	2,000	6,484	18,787
20. Net income (Line 18 minus Line 19) (to Line 22).....	(3,341)	7,195	69,091
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	4,237,222	4,168,095	4,168,095
22. Net income (from Line 20).....	(3,341)	7,195	69,091
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	2,452	1,696	(11,976)
27. Change in nonadmitted assets.....	2,465	1,550	12,012
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,576	10,441	69,127
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	4,238,798	4,178,536	4,237,222

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

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	496,406	458,492	890,574
2. Net investment income.....	17,736	15,768	31,101
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	514,142	474,260	921,675
5. Benefit and loss related payments.....	233,500	216,519	355,669
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	267,438	190,801	460,631
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(2,618)	10,418	5,225
10. Total (Lines 5 through 9).....	498,320	417,738	821,525
11. Net cash from operations (Line 4 minus Line 10).....	15,822	56,522	100,150
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	902,000	500,000	815,000
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(5)		(113)
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	901,995	500,000	814,887
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	1,613,848		688,709
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,613,848	0	688,709
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(711,853)	500,000	126,178
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....			
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	0	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(696,031)	556,522	226,328
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	972,615	746,287	746,287
19.2 End of period (Line 18 plus Line 19.1).....	276,584	1,302,809	972,615
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001 .....	.....	.....	.....

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices

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

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for purposes of determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

	State of Domicile	Current Period	Prior Year
NET INCOME			
(1) Falls Lake General Insurance Company state basis (Page 4, Line 20, Columns 1 & 3)	OH	\$ (3,341)	\$ 69,091
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	\$ (3,341)	\$ 69,091
SURPLUS			
(5) Falls Lake General Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	OH	\$ 4,238,798	\$ 4,237,222
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	OH	\$ 4,238,798	\$ 4,237,222

C. Accounting Policy

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

D. Going Concern

The Company does not have substantial doubt about the entity’s ability to continue as a going concern.

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No significant change

NOTE 3 –BUSINESS COMBINATIONS AND GOODWILL

No significant change.

NOTE 4 – DISCONTINUED OPERATIONS

No significant change

NOTE 5 – INVESTMENTS

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

B. Debt Restructuring – Not applicable.

C. Reverse Mortgages – Not applicable.

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

E. Repurchase Agreements and/or Securities Lending Transactions -- The Company does not participate inrepurchase agreements or securites lending activities.

(3) Collateral Received

b. Not applicable.

F. Real Estate – Not applicable.

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

H. Restricted Assets – No significant change.

I. Working Capital Finance Investments – The Company does not have working capital finance investments.

(2) Not applicable

(3)Not applicable

J. Offsetting and Netting of Assets and Liabilities – Not applicable.

NOTES TO FINANCIAL STATEMENTS

K.

Structured Notes -- Not applicable

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No significant changes

NOTE 7 – INVESTMENT INCOME

No significant changes

NOTE 8 – DERIVATIVE INSTRUMENTS

No significant changes

NOTE 9 – INCOME TAXES

No significant changes

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

No significant changes

NOTE 11 – DEBT

No sgnificant change

B.

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

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No significant change.

A.

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

(4)

Not applicable

NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No significant changes

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

No significant changes

NOTE 15 – LEASES

No significant changes

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No significant changes

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A.

Transfer of Receivables Reported as Sales -- Not applicable.

B.

Transfer and Servicing of Financial Assets -- Not applicable.

(2)

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

(4)

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

C.

Wash Sales

(1)

Not applicable

(2)

Not applicable2016

NOTES TO FINANCIAL STATEMENTS

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

Not applicable

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Not applicable

NOTE 20 – FAIR VALUE MEASUREMENTS

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

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

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

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

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

To measure fair value, the Company obtains quoted market prices for its investment securities. If a quoted market price is not available, the Company uses prices of similar securities. Values for U.S. Treasury and publicly traded equity securities are generally based on Level 1 inputs which use the market approach valuation technique. The values for all other bonds (including state and municipal securities and obligations of U.S. government corporations and agencies) generally incorporate significant Level 2 inputs using the market approach and income approach valuation techniques. There have been no changes in the Company’s use of valuation techniques during 2016. There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during 2016.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds Reported at amortized cost	\$ 2,769,419	\$ 1,154,107		\$ 3,923,526
Short-term investments are carried at amortized cost	70,024			70,024
Total	\$ 2,839,443	\$ 1,154,107		\$ 3,993,550

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

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

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at current period
a. Assets										
Not applicable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

	Beginning Balance at current period	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at current period
b. Liabilities										
Not applicable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3)

(4)

(5)

B.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds Reported at amortized cost	\$ 3,923,526	\$ 3,876,025	\$ 2,727,748	\$ 1,148,277		\$
Short-term investments at amortized cost	70,024	70,024	70,024			

NOTES TO FINANCIAL STATEMENTS

D. Not Practicable to Estimate Fair Value

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

NOTE 21 – OTHER ITEMS

No significant changes

NOTE 22 – EVENTS SUBSEQUENT

No significant changes

NOTE 23 – REINSURANCE

No significant changes

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

No significant change

F. Risk Sharing Provisions of the Affordable Care Act

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

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

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

	6/30/2016	12/31/2015
Reserves, Net of Reinsurance Recoverables at		
Beginning of Year	\$ 1,625,094	\$ 1,491,441
Add: Provision of Claims Occurring During:		
Current Year	395,305	681,846
Prior Years	(13,519)	(127,542)
Incurred Losses/Expenses	381,786	554,304
Deduct: Payments for Claims Occurring During:		
Current Year	56,711	107,527
Prior Years	213,996	313,124
	270,707	420,651
Reserves, net of Reins Recoverables at End of Period	\$ 1,736,173	\$ 1,625,094

Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by approximately \$13,500 in 2016, resulting primarily from other liability and products liability - claims made lines of business. This change is the result of an ongoing analysis of recent development trends and additional information regarding individual claims.

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

A.-D.

The insurance entities within the James River Group are participants in an intercompany reinsurance pooling agreement (the pooling) which was effective January 1, 2013 and included business in-force and subsequent to that date. All lines of business are subject to the pooling which is net of all other reinsurance coverage carried by the participants. The pooling provides proportionate sharing of premiums earned, losses and loss adjustment expenses incurred and underwriting expenses incurred.

Subsequent to June 30, 2016 Falls Lake Fire and Casualty Company (FLFCC) received approval from the California Department of Insurance to be a party to the pooling agreement, effective January 1, 2016 on an in-force, new and renewal basis. The current participating companies are in the process of filing the revised agreement with their States of domicile (OH, NC and VA). Upon receipt of all required approvals, it is expected that FLFCC will be included in the pool and all participants' shares will be modified.

Current and pending participants and their percentages of the pool are as follows:

Company	NAIC #	Current Participation	Pending Participation
Falls Lake National Insurance Company (Lead Company)	31925	13%	20%
James River Insurance Company	12203	75%	57%
Stonewood Insurance Company	11828	6%	9%
James River Casualty Company	13685	5%	6%
Falls Lake General Insurance Company	35211	1%	2%
Falls Lake Fire and Casualty Company	15884	-	6%

NOTES TO FINANCIAL STATEMENTS

- E.

Not applicable
- F.

Not applicable
- G.

Not applicable at this time.
- NOTE 27 – STRUCTURED SETTLEMENTS

No significant changes
- NOTE 28 – HEALTH CARE RECEIVABLES

No significant changes
- NOTE 29 – PARTICIPATING POLICIES

No significant changes
- NOTE 30 – PREMIUM DEFICIENCY RESERVES

No significant changes
- NOTE 31 – HIGH DEDUCTIBLES

No significant changes
- NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

No significant changes
- NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES

No significant changes
- NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS

No significant changes
- NOTE 35 – MULTIPLE PERIL CROP INSURANCE

No significant changes
- NOTE 36 – FINANCIAL GUARANTY INSURANCE

No significant change
- B.

Schedule of Insured Financial Obligations at the End of the Period – Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes []

No [X]

1.2

If yes, has the report been filed with the domiciliary state?

Yes []

No []

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes []

No [X]

2.2

If yes, date of change:

3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1 and 1A.

Yes [X]

No []

3.2

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

Yes []

No [X]

3.3

If the response to 3.2 is yes, provide a brief description of those changes.

4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes []

No [X]

4.2

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

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

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes []

No [X]

N/A []

6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2014

6.2

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

12/31/2014

6.3

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

11/09/2015

6.4

By what department or departments?
Ohio Department of Insurance

6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes []

No []

N/A [X]

6.6

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

Yes []

No []

N/A [X]

7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes []

No [X]

7.2

If yes, give full information:
Not Applicable

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes []

No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
Not Applicable

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes []

No [X]

8.4

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

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

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X]

No []

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

9.11

If the response to 9.1 is No, please explain:
Not Applicable

9.2

Has the code of ethics for senior managers been amended?

Yes []

No [X]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
Not Applicable

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes []

No [X]

9.31

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

FINANCIAL

Q07

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☐ No ☒

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

\$0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒

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

Not applicable

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

\$0

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

\$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

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

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

\$0

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

\$0

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

\$0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒ No ☐

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

1 Name of Custodian(s)	2 Custodian Address

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes ☐ No ☒

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes ☒ No ☐

18.2 If no, list exceptions:

Not applicable

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

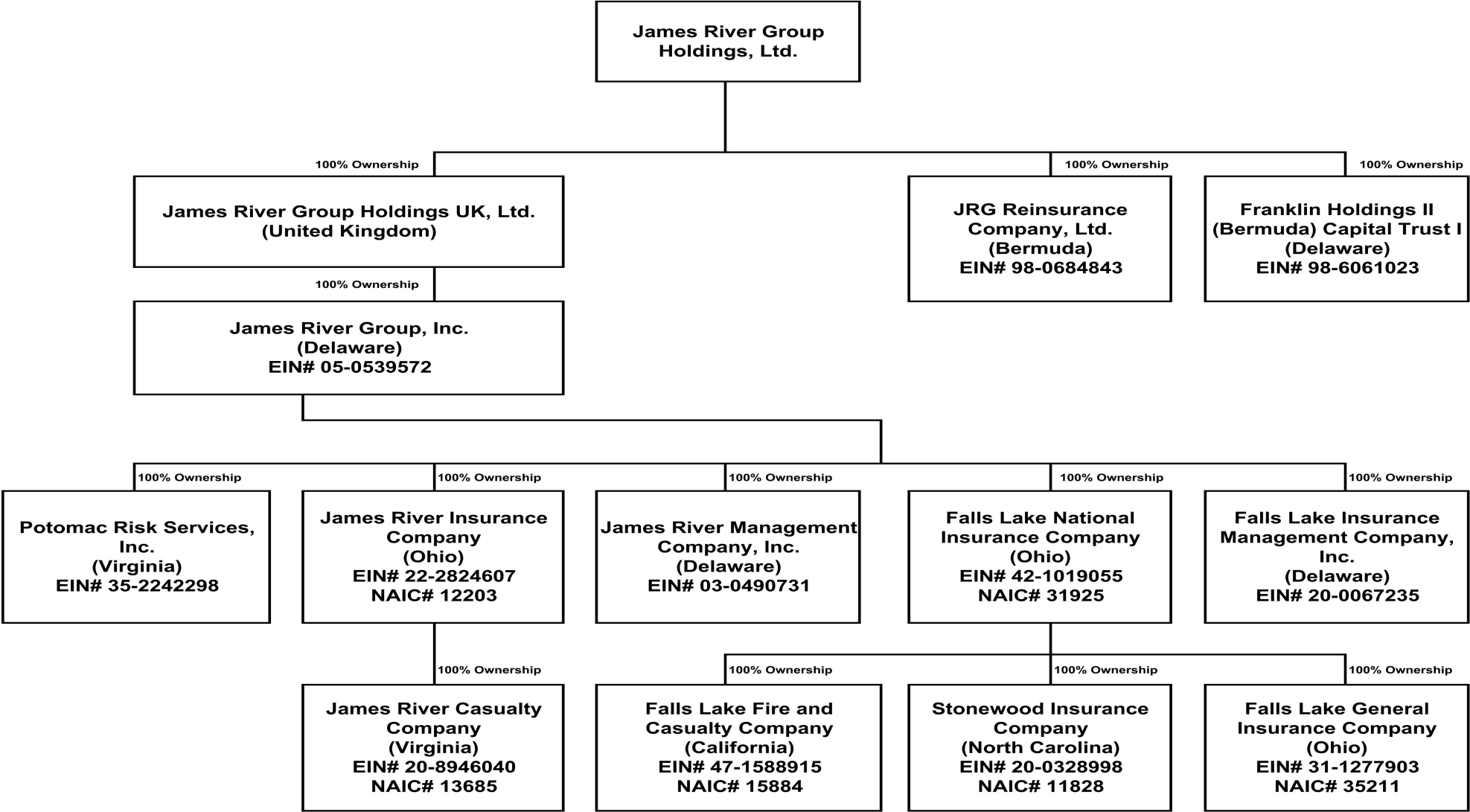
Current Year to Date - Allocated by States and Territories

States, Etc.		1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1.	Alabama.....	AL.....N..						
2.	Alaska.....	AK.....N..						
3.	Arizona.....	AZ.....N..						
4.	Arkansas.....	AR.....N..						
5.	California.....	CA.....N..						
6.	Colorado.....	CO.....N..						
7.	Connecticut.....	CT.....N..						
8.	Delaware.....	DE.....N..						
9.	District of Columbia.....	DC.....N..						
10.	Florida.....	FL.....N..						
11.	Georgia.....	GA.....L..			(383)	(1,683)		1,000
12.	Hawaii.....	HI.....N..						
13.	Idaho.....	ID.....N..						
14.	Illinois.....	IL.....N..						
15.	Indiana.....	IN.....N..						
16.	Iowa.....	IA.....N..						
17.	Kansas.....	KS.....N..						
18.	Kentucky.....	KY.....N..						
19.	Louisiana.....	LA.....N..						
20.	Maine.....	ME.....N..						
21.	Maryland.....	MD.....N..						
22.	Massachusetts.....	MA.....N..						
23.	Michigan.....	MI.....N..						
24.	Minnesota.....	MN.....N..						
25.	Mississippi.....	MS.....N..						
26.	Missouri.....	MO.....N..						
27.	Montana.....	MT.....N..						
28.	Nebraska.....	NE.....N..						
29.	Nevada.....	NV.....N..						
30.	New Hampshire.....	NH.....N..						
31.	New Jersey.....	NJ.....N..						
32.	New Mexico.....	NM.....N..						
33.	New York.....	NY.....L..						
34.	North Carolina.....	NC.....N..						
35.	North Dakota.....	ND.....N..						
36.	Ohio.....	OH.....L..						
37.	Oklahoma.....	OK.....L..						
38.	Oregon.....	OR.....N..						
39.	Pennsylvania.....	PA.....N..						
40.	Rhode Island.....	RI.....N..						
41.	South Carolina.....	SC.....N..						
42.	South Dakota.....	SD.....N..						
43.	Tennessee.....	TN.....N..						
44.	Texas.....	TX.....N..						
45.	Utah.....	UT.....N..						
46.	Vermont.....	VT.....N..						
47.	Virginia.....	VA.....N..						
48.	Washington.....	WA.....N..						
49.	West Virginia.....	WV.....N..						
50.	Wisconsin.....	WI.....N..						
51.	Wyoming.....	WY.....N..						
52.	American Samoa.....	AS.....N..						
53.	Guam.....	GU.....N..						
54.	Puerto Rico.....	PR.....N..						
55.	US Virgin Islands.....	VI.....N..						
56.	Northern Mariana Islands.....	MP.....N..						
57.	Canada.....	CAN.....N..						
58.	Aggregate Other Alien.....	OT.....XXX..	0	0	0	0	0	0
59.	Totals.....	(a).....4	0	0	(383)	(1,683)	0	1,000

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

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Public Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
Members														
0000...	.....	00000.....	98-0585280..	.....	0001620459	OQ.....	James River Group Holdings, Ltd.....	BMU.....	UIP.....	.....	.....	.....	.....	.....
0000...	.....	00000.....	05-0539572..	.....	.....	.....	James River Group, Inc.....	DE.....	UDP.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
0000...	.....	00000.....	98-0684843..	.....	.....	.....	JRG Reinsurance Company, Ltd.....	BMU.....	IA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
0000...	.....	00000.....	98-6061023..	.....	.....	.....	Franklin Holdings II (Bermuda) Capital Trust I	DE.....	NIA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
0000...	.....	00000.....	35-2242298..	.....	.....	.....	Potomac Risk Services Inc.....	VA.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	12203.....	22-2824607..	.....	.....	.....	James River Insurance Company.....	OH.....	IA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
0000...	.....	00000.....	03-0490731..	.....	.....	.....	James River Management Company.....	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	13685.....	20-8946040..	.....	.....	.....	James River Casualty Company.....	VA.....	IA.....	James River Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	31925.....	42-1019055..	.....	.....	.....	Falls Lake National Insurance Company.....	OH.....	RE.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
0000...	.....	00000.....	20-0067235..	.....	.....	.....	Falls Lake Insurance Management Company, Inc.	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	15884.....	47-1588915..	.....	.....	.....	Falls Lake Fire and Casualty Company.....	CA.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	11828.....	20-0328998..	.....	.....	.....	Stonewood Insurance Company.....	NC.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....
3494...	James River Insurance Group.....	35211.....	31-1277903..	.....	.....	.....	Falls Lake General Insurance Company.....	OH.....	DS.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	Prior Year to Date Direct Loss Percentage
1. Fire.....			.00	
2. Allied lines.....			.00	
3. Farmowners multiple peril.....			.00	
4. Homeowners multiple peril.....			.00	
5. Commercial multiple peril.....			.00	
6. Mortgage guaranty.....			.00	
8. Ocean marine.....			.00	
9. Inland marine.....			.00	
10. Financial guaranty.....			.00	
11.1. Medical professional liability - occurrence.....			.00	
11.2. Medical professional liability - claims-made.....			.00	
12. Earthquake.....			.00	
13. Group accident and health.....			.00	
14. Credit accident and health.....			.00	
15. Other accident and health.....			.00	
16. Workers' compensation.....			.00	
17.1. Other liability-occurrence.....			.00	
17.2. Other liability-claims made.....			.00	
17.3. Excess workers' compensation.....			.00	
18.1. Products liability-occurrence.....			.00	
18.2. Products liability-claims made.....			.00	
19.1. 19.2 Private passenger auto liability.....			.00	
19.3. 19.4 Commercial auto liability.....			.00	
21. Auto physical damage.....		(383)	.00	
22. Aircraft (all perils).....			.00	
23. Fidelity.....			.00	
24. Surety.....			.00	
26. Burglary and theft.....			.00	
27. Boiler and machinery.....			.00	
28. Credit.....			.00	
29. International.....			.00	
30. Warranty.....			.00	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	.0	0	.00	
35. Totals.....	.0	(383)	.00	

DETAILS OF WRITE-INS

3401.			.00	
3402.			.00	
3403.			.00	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	.0	0	.00	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	.0	0	.00	

PART 2 - DIRECT PREMIUMS WRITTEN

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

DETAILS OF WRITE-INS

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2013 + Prior.....	222	481	703	113	10	123	185	3	400	589	76	(68)	8
2. 2014.....	63	284	348	25	5	30	56	4	251	310	18	(25)	(7)
3. Subtotals 2014 + Prior.....	285	766	1,051	138	15	152	241	7	651	899	94	(93)	0
4. 2015.....	97	478	574	42	20	62	97	10	392	499	43	(57)	(14)
5. Subtotals 2015 + Prior.....	382	1,243	1,625	180	34	214	338	17	1,043	1,398	136	(150)	(14)
6. 2016.....	XXX	XXX	XXX	XXX	57	57	XXX	61	278	339	XXX	XXX	XXX
7. Totals.....	382	1,243	1,625	180	91	271	338	77	1,321	1,736	136	(150)	(14)
8. Prior Year- End's Surplus As Regards Policyholders	4,237										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....35.8 %	2. ....(12.1)%	3. ....(0.8)%
											Col. 13, Line 7 Line 8		
											4. ....(0.3)%		

Q14

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

The data for this supplement is not required to be filed.
2.

The data for this supplement is not required to be filed.
3.

The data for this supplement is not required to be filed.
4.

The data for this supplement is not required to be filed.

Bar Code:



Falls Lake General Insurance Company
Overflow Page for Write-Ins

NONE

Falls Lake General Insurance Company
SCHEDULE A - VERIFICATION
Real Estate

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

SCHEDULE B - VERIFICATION
Mortgage Loans

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	3,162,336	3,285,812
2. Cost of bonds and stocks acquired.....	1,613,848	688,709
3. Accrual of discount.....	2,239	3,844
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration for bonds and stocks disposed of.....	902,000	815,000
7. Deduct amortization of premium.....	397	1,029
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,876,026	3,162,336
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	3,876,026	3,162,336

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	3,940,078	416,865	411,941	1,046	3,940,078	3,946,048		3,924,196
2. NAIC 2 (a).....						0		
3. NAIC 3 (a).....						0		
4. NAIC 4 (a).....						0		
5. NAIC 5 (a).....						0		
6. NAIC 6 (a).....						0		
7. Total Bonds.....	3,940,078	416,865	411,941	1,046	3,940,078	3,946,048	0	3,924,196
PREFERRED STOCK								
8. NAIC 1.....						0		
9. NAIC 2.....						0		
10. NAIC 3.....						0		
11. NAIC 4.....						0		
12. NAIC 5.....						0		
13. NAIC 6.....						0		
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	3,940,078	416,865	411,941	1,046	3,940,078	3,946,048	0	3,924,196

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	70,024	XXX.....	70,024	.....	.....

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	761,860	599,095
2. Cost of short-term investments acquired.....	2,189,342	9,501,547
3. Accrual of discount.....	55	18
4. Unrealized valuation increase (decrease).....	.....	.....
5. Total gain (loss) on disposals.....	(5)	(113)
6. Deduct consideration received on disposals.....	2,881,228	9,338,219
7. Deduct amortization of premium.....	.....	.....468
8. Total foreign exchange change in book/adjusted carrying value.....	.....	.....
9. Deduct current year's other-than-temporary impairment recognized.....	.....	.....
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	70,024	761,860
11. Deduct total nonadmitted amounts.....	.....	.....
12. Statement value at end of current period (Line 10 minus Line 11).....	70,024	761,860

Sch. DB - Pt. A - Verification
NONE

Sch. DB - Pt. B - Verification
NONE

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

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

Sch. DB - Verification
NONE

Sch. E - Verification
NONE

Sch. A - Pt. 2
NONE

Sch. A - Pt. 3
NONE

Sch. B - Pt. 2
NONE

Sch. B - Pt. 3
NONE

Sch. BA - Pt. 2
NONE

Sch. BA - Pt. 3
NONE

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 Q7 8	UNITED STATES TREASURY NOTE.....		05/10/2016....	HSBC SECURITIES USA INC.....		120,933	120,000	49	1.....
05999999. Total Bonds - U.S Government.....						120,933	120,000	49	XXX
83999997. Total Bonds - Part 3.....						120,933	120,000	49	XXX
83999999. Total Bonds.....						120,933	120,000	49	XXX
99999999. Total Bonds, Preferred and Common Stocks.....						120,933	XXX	49	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
912828 QF 0	UNITED STATES TREASURY NOTE.....	.	04/30/2016.	VARIOUS.....		30,000	30,000	30,331	30,023	.....	.....(23)	.....	.....(23)	.....	.....30,000	.....	.....	.....0	300	04/30/2016....	1.....
0599999. Total Bonds - U.S Government.....						30,000	30,000	30,331	30,023	0	(23)	0	(23)	0	30,000	0	0	0	300	XXX	XXX
8399997. Total Bonds - Part 4.....						30,000	30,000	30,331	30,023	0	(23)	0	(23)	0	30,000	0	0	0	300	XXX	XXX
8399999. Total Bonds.....						30,000	30,000	30,331	30,023	0	(23)	0	(23)	0	30,000	0	0	0	300	XXX	XXX
9999999. Total Bonds, Preferred and Common Stocks.....						30,000	XXX	30,331	30,023	0	(23)	0	(23)	0	30,000	0	0	0	300	XXX	XXX

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

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
INTEREST RECEIVED DURING QTR ON DISPOSED HOLDINGS .....	.....	.....	.....	.....	.....	.....	.....	XXX
Key Bank..... Cleveland, OH.....	.....	.....	.....	.....	227,947	218,535	206,561	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	227,947	218,535	206,561	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	227,947	218,535	206,561	XXX
0599999. Total Cash.....	XXX	XXX	0	0	227,947	218,535	206,561	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

NONE