



QUARTERLY STATEMENT

As of September 30, 2017
of the Condition and Affairs of the

Falls Lake National Insurance Company

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

OFFICERS

Name	Title	Name	Title
1. Steven J. Hartman	President/CEO	2. Thomas R. Fauerbach	Secretary
3. Michael E. Crow	Treasurer	4. Sarah C. Doran #	Chairman

OTHER

Joseph R. Raia	Statutory Compliance/Program Audit Officer
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DIRECTORS OR TRUSTEES

Sarah C. Doran #	Steven J. Hartman	Michael E. Crow	Thomas R. Fauerbach
Joseph R. Raia			

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

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

(Signature)	(Signature)	(Signature)
Steven J. Hartman	Thomas R. Fauerbach	Michael E. Crow
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/CEO	Secretary	Treasurer
(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 [] _____ _____ _____
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ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	10,923,697		10,923,697	12,378,123
2. Stocks:				
2.1 Preferred stocks.....	1,820,856		1,820,856	1,930,223
2.2 Common stocks.....	46,990,124		46,990,124	44,029,423
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 (\$....5,723,835), cash equivalents (\$.....0) and short-term investments (\$....619,959).....	6,343,794		6,343,794	9,026,026
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.....	10,000	10,000	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	66,088,471	10,000	66,078,471	67,363,795
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	81,412		81,412	83,455
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	19,441,563	326,469	19,115,094	28,905,611
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	4,898,306		4,898,306	8,535,663
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	19,086,448		19,086,448	30,010,764
16.2 Funds held by or deposited with reinsured companies.....	206,404,457		206,404,457	233,681,283
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.....	1,491,915	784,912	707,003	709,327
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	42,963
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).....	317,492,572	1,121,381	316,371,191	369,332,861
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	317,492,572	1,121,381	316,371,191	369,332,861

DETAILS OF WRITE-INS				
1101. Other investment receivable.....	10,000	10,000	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).....	10,000	10,000	0	0
2501. Claim Funds on Deposit.....			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 \$.....2,185,028).....	7,533,616	8,201,957
2. Reinsurance payable on paid losses and loss adjustment expenses.....	15,749,603	28,176,307
3. Loss adjustment expenses.....	4,714,739	5,789,913
4. Commissions payable, contingent commissions and other similar charges.....	1,350,787	1,895,305
5. Other expenses (excluding taxes, licenses and fees).....	530,916	773,217
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,940,203	2,232,822
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	68,157	68,032
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 \$....61,045,429 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).....	2,653,135	2,775,205
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	23,461,102	36,914,282
13. Funds held by company under reinsurance treaties.....	198,452,354	223,238,012
14. Amounts withheld or retained by company for account of others.....	85,566	75,000
15. Remittances and items not allocated.....	100,894	1,524,658
16. Provision for reinsurance (including \$.....0 certified).....	612,527	612,527
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	39,484	91,719
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.....	115,319	257,975
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	257,408,402	312,626,931
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	257,408,402	312,626,931
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,200,000	4,200,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	43,558,551	43,558,551
35. Unassigned funds (surplus).....	11,204,238	8,947,379
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).....	58,962,789	56,705,930
38. Totals (Page 2, Line 28, Col. 3).....	316,371,191	369,332,861

DETAILS OF WRITE-INS		
2501. Policyholder deposits.....	86,052	233,609
2502. Excise Tax Payable.....	29,267	24,366
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).....	115,319	257,975
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 \$.....49,005,169).....	56,554,298	47,345,083	66,578,453
1.2 Assumed..... (written \$.....62,500,028).....	64,177,114	74,335,452	103,644,788
1.3 Ceded..... (written \$.....107,012,290).....	116,116,434	116,318,158	162,759,449
1.4 Net..... (written \$.....4,492,907).....	4,614,978	5,362,377	7,463,792
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....2,293,902):			
2.1 Direct.....	41,185,366	33,207,273	45,884,065
2.2 Assumed.....	24,891,978	31,237,100	40,428,528
2.3 Ceded.....	64,233,195	62,148,730	83,312,194
2.4 Net.....	1,844,149	2,295,643	3,000,399
3. Loss adjustment expenses incurred.....	1,263,168	2,000,307	3,354,073
4. Other underwriting expenses incurred.....	1,506,310	1,160,721	1,326,914
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	4,613,627	5,456,671	7,681,386
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	1,351	(94,294)	(217,594)
INVESTMENT INCOME			
9. Net investment income earned.....	252,261	255,704	339,735
10. Net realized capital gains (losses) less capital gains tax of \$.....(4,210).....	(7,819)	3,745	1,252
11. Net investment gain (loss) (Lines 9 + 10).....	244,442	259,449	340,987
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....9 amount charged off \$.....0).....	9	6	84
13. Finance and service charges not included in premiums.....	5,367	4,835	8,082
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	5,376	4,841	8,166
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	251,169	169,996	131,559
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).....	251,169	169,996	131,559
19. Federal and foreign income taxes incurred.....	(43,207)	(453,362)	(527,975)
20. Net income (Line 18 minus Line 19) (to Line 22).....	294,376	623,358	659,534
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	56,705,930	57,179,538	57,179,538
22. Net income (from Line 20).....	294,376	623,358	659,534
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....33,290.....	2,022,522	1,355,170	(156,176)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(59,596)	(384,870)	(470,595)
27. Change in nonadmitted assets.....	(443)	(2,404)	106,156
28. Change in provision for reinsurance.....	0		(612,527)
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).....	2,256,859	1,591,254	(473,608)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	58,962,789	58,770,792	56,705,930

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

Falls Lake National Insurance Company
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.....	4,376,597	3,445,287	4,098,421
2. Net investment income.....	290,345	266,203	356,853
3. Miscellaneous income.....	5,376	4,841	8,166
4. Total (Lines 1 through 3).....	4,672,318	3,716,331	4,463,440
5. Benefit and loss related payments.....	(23,261,948)	38,997,282	51,183,076
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	4,924,090	5,743,109	6,110,261
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(47,542)	(39,145)	(587,531)
10. Total (Lines 5 through 9).....	(18,385,400)	44,701,246	56,705,806
11. Net cash from operations (Line 4 minus Line 10).....	23,057,718	(40,984,915)	(52,242,366)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,680,608	2,599,950	3,401,146
12.2 Stocks.....	200,000		
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.....	(19)	(340)	(567)
12.7 Miscellaneous proceeds.....		825	825
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,880,589	2,600,435	3,401,404
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	269,758	3,369,549	5,156,233
13.2 Stocks.....	1,000,000		
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	10,000		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,279,758	3,369,549	5,156,233
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).....	600,831	(769,114)	(1,754,829)
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).....	(26,340,784)	40,625,681	53,556,353
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(26,340,784)	40,625,681	53,556,353
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).....	(2,682,235)	(1,128,348)	(440,842)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	9,026,029	9,466,871	9,466,871
19.2 End of period (Line 18 plus Line 19.1).....	6,343,794	8,338,523	9,026,029

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

	SSAP #	F/S Page	F/S Line #	Current Period	2016
NET INCOME					
(1) Falls Lake National Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 294,376	\$ 659,534
(2) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(3) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 294,376	\$ 659,534
SURPLUS					
(5) Falls Lake National Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 58,962,789	\$ 56,705,930
(6) State Prescribed Practice that is an increase/(decrease) from NAIC SAP					
(7) State Permitted Practice that is an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 58,962,789	\$ 56,705,930

C. Accounting Policy

(6) Investment grade loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.

D. Going Concern

None

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments

D. Loan-Backed Securities

- (1) Prepayment assumptions for mortgage-backed securities, collateralized mortgage obligations and other structured securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).
- (2) For the quarter ended September 30, 2017, the Company did not recognize any other-than-temporary impairments for loan-backed and structured securities as a result of the Company’s intent to sell or inability (or lack of intent) to retain the security for a period of time sufficient to recover the amortized cost basis.
- (3) Recognized OTTI securities

At September 30, 2017 the Company held no securities with a recognized other-than-temporary impairment.

- (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	\$
	2. 12 Months or Longer	9,709
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$
	2. 12 Months or Longer	1,266,601

NOTES TO FINANCIAL STATEMENTS

(5) The Company’s management regularly reviews the value of investments. If the value of an investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination, the following are considered:

- (a) How long and by how much the fair value has been below its cost;
- (b) The financial condition and near-term prospects of the issuer of the security, including any specific events that may affect its operations;
- (c) Management’s intent to hold the security long enough for it to recover its value;
- (d) Any downgrades of the security by a rating agency; and
- (e) Any nonpayment of scheduled interest payments.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, the impairment is recognized as a realized capital loss in the Statement of Income in the period the determination is made.

- E. Repurchase Agreements and/or Securities Lending Transactions - None
- I. Working Capital Finance Investments - None
- J. Offsetting and Netting of Assets and Liabilities - None
- K. Structured Notes -- Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

Not applicable

Note 9 – Income Taxes

No significant changes

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- B. 1. On March 31, 2017, the Company contributed additional Paid in Surplus of \$1,000,000 to its wholly-owned subsidiary, Falls Lake General Insurance Company, an Ohio Corporation.

Note 11 – Debt

- 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

- 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

On March 31, 2017, the Company contributed additional Paid in Surplus of \$1,000,000 to its wholly-owned subsidiary, Falls Lake General Insurance Company, an Ohio Corporation.

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

Not applicable

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

Not applicable

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
- C. Wash Sales - None

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

No significant changes

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 2017. There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during 2017.

(1) Fair Value Measurements at Reporting Date

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Bonds are reported at amortized cost	\$	\$	\$	\$
Preferred Stock	\$	\$ 1,835,256	\$	\$ 1,835,256
Short-term investments are carried at amortized cost	\$	\$	\$	\$
Total	\$	\$ 1,835,256	\$	\$ 1,835,256
Liabilities at Fair Value				
Not applicable	\$	\$	\$	\$
Total	\$	\$	\$	\$

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None
- (3) The Company has a policy to recognize transfers between levels at the beginning of the reporting period.
- (4) See narrative above for Level 2 valuation techniques. The Company does not have any Level 3 assets
- (5) The Company does not own derivative assets or liabilities.

B. Otther Fair Value Disclosures -- Not applicable

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 11,058,990	\$ 10,923,697	\$ 4,061,516	\$ 6,997,474	\$	\$
Preferred Stock	\$ 1,835,256	\$ 1,820,856	\$	\$ 1,835,256	\$	\$
Short Term Investments	\$ 619,973	\$ 619,959	\$ 221,101	\$ 398,872	\$	\$

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

NOTES TO FINANCIAL STATEMENTS

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant changes

F. Risk Sharing Provisions of the Affordable Care Act - 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:

	09/30/2017	12/31/2016
Reserves, Net of Reinsurance Recoverables at		
Beginning of Year	\$ 13,991,871	\$ 21,126,224
Add: Provision of Claims Occurring During:		
Current Year	3,660,162	6,762,491
Prior Years	(552,846)	(408,019)
Incurred Losses/Expenses	3,107,316	6,354,472
Deduct: Payments for Claims Occurring During:		
Current Year	234,307	1,211,957
Prior Years	4,616,526	12,276,868
	4,850,833	13,488,825
Reserves, net of Reins Recoverables at End of Period	\$ 12,248,354	\$ 13,991,871

Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by approximately \$553,000 in 2017, resulting primarily from other liability lines of business. This change is the result of an ongoing analysis of recent development trends and additional information regarding individual claims. These results are attributable to the business retained from the intercompany reinsurance pooling agreement.

Note 26 – Intercompany Pooling Arrangements

Effective January 1, 2017, the intercompany reinsurance pooling agreement was revised to exclude the James River Insurance Company's commercial auto line of business. The current participating companies have received approval of the revised agreement with their States of domicile (NC, OH, VA, and CA). This agreement supercedes the previous pooling agreement effective January 1, 2016. There were no other changes made to the pooling agreement, all participation percentages remain as reported as of December 31, 2016.

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating policies

Not applicable

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – High Deductibles

Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 33 – Asbestos/Environmental Reserves

No significant changes

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

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 ☐
- 1.2

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

Yes ☒ No ☐
- 2.1

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

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

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

Yes ☒ No ☐
- 3.2

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

Yes ☐ No ☒
- 3.3

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

- 4.1

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

Yes ☐ No ☒
- 4.2

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

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
Not applicable		

5.

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

Yes ☐ No ☒ N/A ☐
- 6.1

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

12/31/2014
- 6.2

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

12/31/2014
- 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 ☒
- 6.6

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

Yes ☐ No ☐ N/A ☒
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

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

Yes ☐ No ☒
- 8.2

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

- 8.3

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

Yes ☐ No ☒
- 8.4

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

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
Not applicable					

- 9.1

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

Yes ☒ No ☐

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

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

Yes ☐ No ☒
- 9.31

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

FINANCIAL

- 10.1

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

Yes ☐ No ☒

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [X]

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

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 [X] No []

14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$0	\$0
0	0
44,029,423	46,990,124
0	0
0	0
0	0
\$44,029,423	\$46,990,124
\$0	\$0

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

Yes [] No [X]

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 [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank	P.O. Box 465, Atlanta, GA 30302

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Not applicable		

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

Yes [] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Not applicable			

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation
New England Asset Management, Inc.	U

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [X] No []

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105900	New England Asset Management, Inc.	KUR85E5PS4GQFZTFC130	SEC	NO

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

Yes [X] No []

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.

If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?

If yes, attach an explanation.

Effective 1/1/2017 the James River Insurance Company's commercial auto line of business was excluded from the pool. All respective insurance departments approved the pooling amendment in quarter 2 of 2017.

Yes [X] No [] N/A []
2.

Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?

If yes, attach an explanation.

Yes [] No [X]

- 3.1

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

Yes [] No [X]
- 3.2

If yes, give full and complete information thereto:

- 4.1

Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero?

Yes [] No [X]
- 4.2

If yes, complete the following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

- 5.1

Operating Percentages:
- 5.1

A&H loss percent

0.000%
- 5.2

A&H cost containment percent

0.000%
- 5.3

A&H expense percent excluding cost containment expenses

0.000%
- 6.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]
- 6.2

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

\$ 0
- 6.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]
- 6.4

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

\$ 0

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
U.S. Insurers						
26921.....	22-2005057.....	Everest Reinsurance Company.....	DE.....	Authorized.....	.....	.....
All Other Insurers						
00000.....	AA-1120163.....	Lloyd's Syndicate Number 5678.....	GBR.....	Authorized.....	.....	.....
00000.....	AA-1120071.....	Lloyd's Syndicate Number 2007.....	GBR.....	Authorized.....	.....	.....
00000.....	AA-1120116.....	Lloyd's Syndicate Number 3902.....	GBR.....	Authorized.....	.....	.....
00000.....	AA-1126382.....	Lloyd's Syndicate Number 382.....	GBR.....	Authorized.....	.....	.....
00000.....	AA-1129000.....	Lloyd's Syndicate Number 3000.....	GBR.....	Authorized.....	.....	.....
00000.....	AA-1840000.....	Mapfre Re Compania de Reaseguros SA.....	ESP.....	Authorized.....	.....	.....
00000.....	AA-3190060.....	Hannover Re (Bermuda) Ltd.....	BMU.....	Unauthorized....	.....	.....
00000.....	AA-3190686.....	Partner Reins Co Ltd.....	BMU.....	Authorized.....	.....	.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

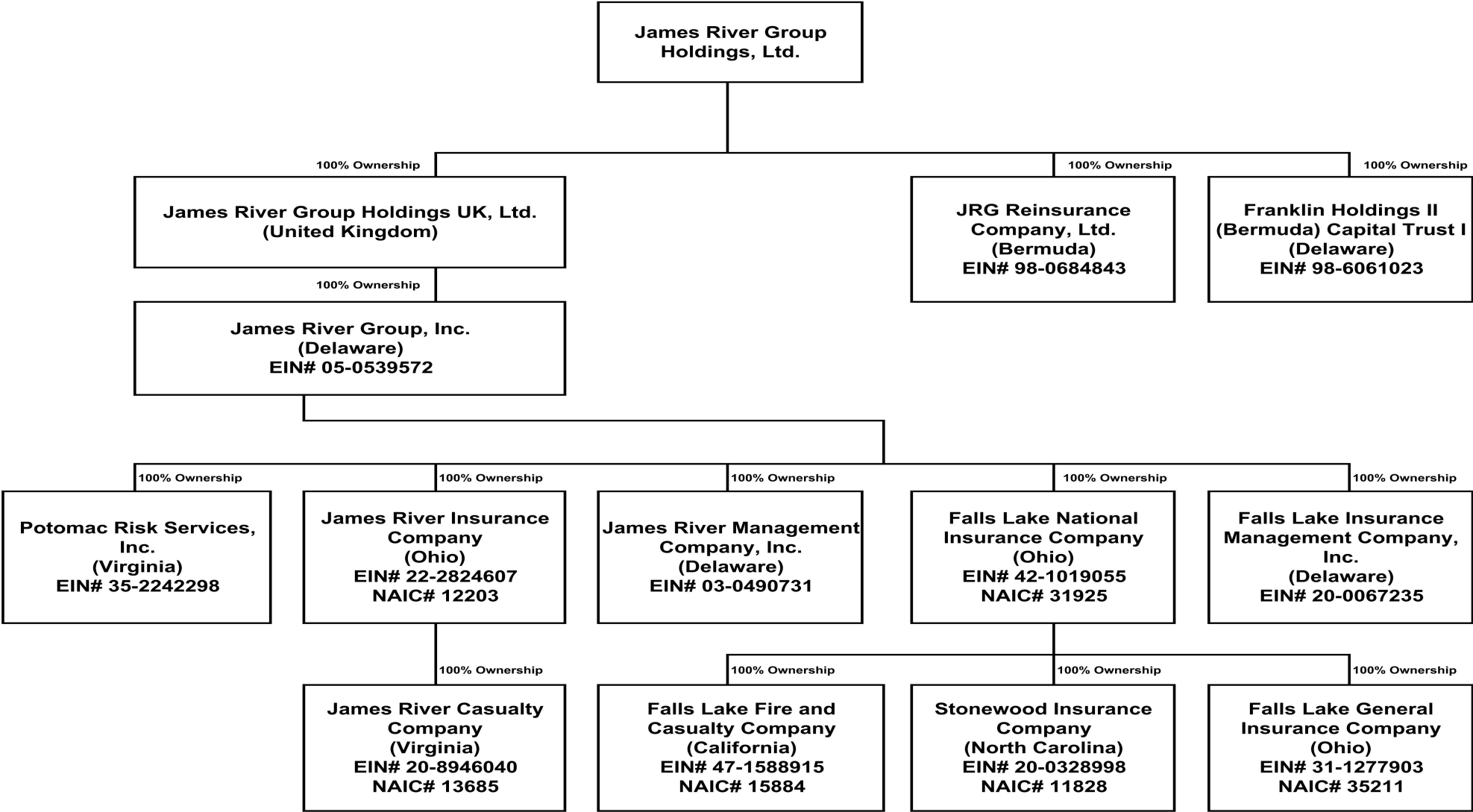
		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.		Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1.	Alabama.....	AL.....L...	257,792	115,132	18,076	38,984	(142,705)	70,195
2.	Alaska.....	AK.....L...						
3.	Arizona.....	AZ.....L...	1,087,320	434,297	297,393	271,143	1,409,589	1,143,184
4.	Arkansas.....	AR.....L...	85,251	222,614	3,521	156,894	328,543	513,319
5.	California.....	CA.....N...						
6.	Colorado.....	CO.....L...	690,346	2,617,933	364,150	1,157,918	611,975	744,962
7.	Connecticut.....	CT.....L...						
8.	Delaware.....	DE.....L...	93,687				26,825	
9.	District of Columbia.....	DC.....L...	23,880	115,596	5,808		30,214	29,486
10.	Florida.....	FL.....L...	2,876,295	1,795,821	1,514,384	673,670	5,973,606	2,339,281
11.	Georgia.....	GA.....L...	1,357,582	767,943	1,202,694	86,847	233,623	302,402
12.	Hawaii.....	HI.....L...						
13.	Idaho.....	ID.....L...	407,615	308,829	435,286	23,216	920,344	97,368
14.	Illinois.....	IL.....L...	710,154	1,568,190	300,511	229,067	1,061,340	1,702,855
15.	Indiana.....	IN.....L...	210,915	155,915	407,528	414,800	1,515,866	1,356,740
16.	Iowa.....	IA.....L...	15,747		28,918	62,967	117,001	115,306
17.	Kansas.....	KS.....L...	6,510	(13,679)	851	2,929	45,996	42,946
18.	Kentucky.....	KY.....L...	218,246	421,738	294,730	101,312	1,309,055	877,634
19.	Louisiana.....	LA.....L...	601,829	1,460,103	229,769	16,110	825,600	483,360
20.	Maine.....	ME.....N...						
21.	Maryland.....	MD.....L...	371,357	828,606	128,784	62,961	458,365	861,717
22.	Massachusetts.....	MA.....L...	810,617	510,090	29,050	27,907	273,382	196,733
23.	Michigan.....	MI.....L...	1,397,567		21,275		218,893	
24.	Minnesota.....	MN.....L...	(9,530)	105,151	100		26,170	22,038
25.	Mississippi.....	MS.....L...	191,173	154,848	131,644	110,358	46,119	161,695
26.	Missouri.....	MO.....L...	(13,619)	63,457	46,298	44,164	49,624	118,536
27.	Montana.....	MT.....L...	(440)	26,248	5,000	1,516	892	22,659
28.	Nebraska.....	NE.....L...	(9,091)	11,717	63,914	86,658	142,974	182,415
29.	Nevada.....	NV.....L...	839,473	1,154,887	368,736	379,358	2,353,905	1,088,192
30.	New Hampshire.....	NH.....L...	59,505		47,671		95,368	
31.	New Jersey.....	NJ.....L...	6,580,902	5,500,266	2,367,112	391,077	5,820,221	2,197,280
32.	New Mexico.....	NM.....L...	4,321,037	9,441,480	3,924,503	1,918,404	8,083,251	6,554,884
33.	New York.....	NY.....L...	13,498,487	10,346,131	2,140,658	548,026	18,765,418	7,242,410
34.	North Carolina.....	NC.....L...	515,366	241,649	349,528	37,843	300,019	115,565
35.	North Dakota.....	ND.....L...	52,621	267,896	255,984	8,843	90,937	135,991
36.	Ohio.....	OH.....L...	436,636	92,473	157,213	3,343	390,880	1,517,493
37.	Oklahoma.....	OK.....L...	1,098	(6,065)	20,753	55,878	54,997	303,353
38.	Oregon.....	OR.....L...	(78,731)	765,138	70,009	9,783	324,071	122,258
39.	Pennsylvania.....	PA.....L...	1,584,602	1,900,034	734,379	262,923	2,333,979	1,126,325
40.	Rhode Island.....	RI.....L...	961,869	656,100	29,763	360,928	330,040	364,833
41.	South Carolina.....	SC.....L...	271,491	308,259	78,716	10,452	211,165	148,338
42.	South Dakota.....	SD.....L...	14,154				4,653	
43.	Tennessee.....	TN.....L...	365,691	120,275	295,240	364,558	1,025,170	418,873
44.	Texas.....	TX.....L...	7,005,515	10,254,534	9,161,913	2,397,172	13,594,385	14,231,585
45.	Utah.....	UT.....L...	407,674	492,951	64,796	53,402	229,501	239,109
46.	Vermont.....	VT.....L...	40,350				1,838	
47.	Virginia.....	VA.....L...	516,051	498,570	52,388	160,320	509,051	174,691
48.	Washington.....	WA.....L...	(41,080)	33,346	36,834		94,764	5,132
49.	West Virginia.....	WV.....L...	79,452	(1,575)			4,154	(1,199)
50.	Wisconsin.....	WI.....L...	191,803				7,359	
51.	Wyoming.....	WY.....L...						
52.	American Samoa.....	AS.....N...						
53.	Guam.....	GU.....N...						
54.	Puerto Rico.....	PR.....N...						
55.	US Virgin Islands.....	VI.....N...						
56.	Northern Mariana Islands.....	MP.....N...						
57.	Canada.....	CAN.....N...						
58.	Aggregate Other Alien.....	OT.....XXX.	0	0	0	0	0	0
59.	Totals.....	(a)...49	49,005,169	53,736,898	25,685,880	10,531,731	70,108,417	47,369,944

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 (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer
(DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) - None of the above - Not allowed to write business in the state.
(a) Insert the number of D and 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	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
Members															
Q12			98-0585280..		...1620459	OQ.....	James River Group Holdings, Ltd.....	BMU.....	UIP.....					...N.....	
							James River Group Holdings UK, Ltd.....	GBR.....	UIP.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
			05-0539572..				James River Group, Inc.....	DE.....	UDP.....	James River Group Holdings UK, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
			98-0684843..				JRG Reinsurance Company, Ltd.....	BMU.....	IA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
			98-6061023..				Franklin Holdings II (Bermuda) Capital Trust I...	DE.....	NIA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
			35-2242298..				Potomac Risk Services Inc.....	VA.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
	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.....	...N.....	
				03-0490731..			James River Management Company, Inc.....	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
	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.....	...N.....	
	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.....	...N.....	
				20-0067235..			Falls Lake Insurance Management Company, Inc.	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	...N.....	
	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.....	...N.....	
	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.....	...N.....	
	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.....	...N.....	

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	23,125	(11,591)	(50.123)	145.399
2. Allied lines.....	38,770	(4,633)	(11.950)	26.365
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....	11,232,878	6,458,204	57.494	107.245
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....	1,540,660	(107,776)	(6.995)	24.105
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....	3,666,320	5,093,532	138.928	59.563
17.1 Other liability-occurrence.....	9,875,515	6,037,374	61.135	36.246
17.2 Other liability-claims made.....	1,794,349	1,131,901	63.081	54.799
17.3 Excess workers' compensation.....			0.000	
18.1 Products liability-occurrence.....	318,283	(38,589)	(12.124)	22.900
18.2 Products liability-claims made.....			0.000	
19.1, 19.2 Private passenger auto liability.....		(2,319)	0.000	
19.3, 19.4 Commercial auto liability.....	22,878,798	19,109,870	83.527	66.141
21. Auto physical damage.....	5,073,542	3,510,061	69.184	105.327
22. Aircraft (all perils).....			0.000	
23. Fidelity.....		(95)	0.000	25.359
24. Surety.....			0.000	
26. Burglary and theft.....	13,549	1,922	14.186	15.480
27. Boiler and machinery.....	98,509	7,504	7.618	60.493
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.000	
35. Totals.....	56,554,298	41,185,365	72.824	70.139
DETAILS OF WRITE-INS				
3401.			0.000	
3402.			0.000	
3403.			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire.....	110	21,690	22.841
2. Allied lines.....	2,373	29,662	42.952
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....	1,888,239	10,164,635	11,254,953
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....	342,987	1,373,823	1,329,755
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	1,585,561	3,779,983	2,993,006
17.1 Other liability-occurrence.....	2,891,306	8,320,884	7,100,711
17.2 Other liability-claims made.....	527,295	2,168,304	683,155
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....	58,053	272,875	324,303
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....	4,839,049	17,668,599	26,189,386
21. Auto physical damage.....	1,601,047	5,088,087	3,718,150
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....	500	5,168	14,755
27. Boiler and machinery.....	25,453	111,459	62,931
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.....	13,761,973	49,005,169	53,736,898
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

NONE

Falls Lake National Insurance Company
SCHEDULE A - VERIFICATION
Real Estate

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

SCHEDULE B - VERIFICATION
Mortgage Loans

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	58,337,762	56,817,909
2. Cost of bonds and stocks acquired.....	1,269,758	5,156,233
3. Accrual of discount.....	6,890	8,273
4. Unrealized valuation increase (decrease).....	2,055,818	(194,971)
5. Total gain (loss) on disposals.....	(12,010)	2,493
6. Deduct consideration for bonds and stocks disposed of.....	1,880,610	3,401,146
7. Deduct amortization of premium.....	42,931	51,029
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).....	59,734,677	58,337,762
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	59,734,677	58,337,762

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

NAIC Designation		1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS									
1.	NAIC 1 (a).....	10,897,681	1,233,193	961,000	(11,704)	11,335,849	10,897,681	11,158,170	12,266,223
2.	NAIC 2 (a).....	249,635			9	249,626	249,635	249,644	249,617
3.	NAIC 3 (a).....							0	
4.	NAIC 4 (a).....							0	
5.	NAIC 5 (a).....							0	
6.	NAIC 6 (a).....							0	
7.	Total Bonds.....	11,147,316	1,233,193	961,000	(11,695)	11,585,475	11,147,316	11,407,814	12,515,840
PREFERRED STOCK									
8.	NAIC 1.....	209,280			(209,280)	204,480	209,280	0	194,000
9.	NAIC 2.....	1,431,208		204,480	193,854	1,416,518	1,431,208	1,420,582	1,346,898
10.	NAIC 3.....	400,275				400,275	400,275	400,275	389,325
11.	NAIC 4.....							0	
12.	NAIC 5.....							0	
13.	NAIC 6.....							0	
14.	Total Preferred Stock.....	2,040,763	0	204,480	(15,426)	2,021,273	2,040,763	1,820,857	1,930,223
15.	Total Bonds and Preferred Stock.....	13,188,079	1,233,193	1,165,480	(27,121)	13,606,748	13,188,079	13,228,671	14,446,063

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....484,117; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

QSI02

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.....	619,959	XXX.....	619,937		

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.....	214,781	1,596,828
2. Cost of short-term investments acquired.....	3,965,083	5,089,988
3. Accrual of discount.....	207	722
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(19)	(567)
6. Deduct consideration received on disposals.....	3,560,093	6,472,190
7. Deduct amortization of premium.....		
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).....	619,959	214,781
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	619,959	214,781

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

Sch. D - Pt. 3
NONE

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During 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. Special Revenue and Special Assessment																								
3132WE F2 3	#Q41084			..	09/01/2017.	PAYDOWN.....		.....4,814	.....4,814	.....5,072	.....4,824		.....(10)		.....(10)		.....4,814			.....0	.....113	06/01/2046.	1FE.....
3138EP UV 4	FEDERAL NATIONAL MTG ASSOC #AL6895			..	09/01/2017.	PAYDOWN.....		.....12,464	.....12,464	.....13,045	.....12,493		.....(29)		.....(29)		.....12,464			.....0	.....290	05/01/2045.	1FE.....
3138Y4 WA 3	FEDERAL NATIONAL MTG ASSOC #AX3340			..	09/01/2017.	PAYDOWN.....		.....1,810	.....1,810	.....1,899	.....1,811				.....0		.....1,810			.....0	.....42	02/01/2045.	1FE.....
3138YR QX 9	FEDERAL NATIONAL MTG ASSOC #AZ0469			..	09/01/2017.	PAYDOWN.....		.....11,997	.....11,997	.....12,582	.....12,052		.....(54)		.....(54)		.....11,997			.....0	.....251	05/01/2045.	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments.							31,08531,08532,59831,1800(93)0(93)031,085000696	XXX	XXX
8399997.	Total - Bonds - Part 4.....							31,08531,08532,59831,1800(93)0(93)031,085000696	XXX	XXX
8399999.	Total - Bonds.....							31,08531,08532,59831,1800(93)0(93)031,085000696	XXX	XXX
Preferred Stocks - Industrial and Miscellaneous																								
78406T 20 1	SCE TRUST I 5.625%.....			..	07/19/2017.	SECURITY CALLED BY ISSUER at 25.000	.....8,000.000	.....200,000	.....25.00	.....204,480	.....186,560	.....17,920			.....17,920		.....204,480		.....(4,480)	.....(4,480)	.....6,665	XXX	P2LFE.....
8499999.	Total - Preferred Stocks - Industrial and Miscellaneous.....							200,000	XXX204,480186,56017,9200017,9200204,4800(4,480)(4,480)6,665	XXX	XXX
8999997.	Total - Preferred Stocks - Part 4.....							200,000	XXX204,480186,56017,9200017,9200204,4800(4,480)(4,480)6,665	XXX	XXX
8999999.	Total - Preferred Stocks.....							200,000	XXX204,480186,56017,9200017,9200204,4800(4,480)(4,480)6,665	XXX	XXX
9899999.	Total - Preferred and Common Stocks.....							200,000	XXX204,480186,56017,9200017,9200204,4800(4,480)(4,480)6,665	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks.....							231,085	XXX237,078217,74017,920(93)017,8270235,5650(4,480)(4,480)7,361	XXX	XXX

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

QE05

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

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

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Key Bank..... Cleveland, OH.....					6,087,278	7,676,643	5,723,835	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	6,087,278	7,676,643	5,723,835	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	6,087,278	7,676,643	5,723,835	XXX
0599999. Total Cash.....	XXX	XXX	0	0	6,087,278	7,676,643	5,723,835	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