



ANNUAL STATEMENT

For the Year Ended December 31, 2017
of the Condition and Affairs of the

Falls Lake General Insurance Company

NAIC Group Code.....3494, 3494 (Current Period) (Prior Period)	NAIC Company Code..... 35211	Employer's ID Number..... 31-1277903
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Incorporated/Organized..... September 5, 1989	Commenced Business..... February 1, 1990	
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

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

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of _____ 2018	b. If no	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	4,698,745		4,698,745	3,794,422
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (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 (\$.....196,100, Schedule E-Part 1), cash equivalents (\$.....78,411, Schedule E-Part 2) and short-term investments (\$.....49,795, Schedule DA).....	324,306		324,306	148,643
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,023,051	.0	5,023,051	3,943,065
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	14,719		14,719	12,357
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	649,928		649,928	829,381
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.....	6,410,192		6,410,192	7,185,097
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	81,332
18.2 Net deferred tax asset.....	146,879	14,977	131,902	183,223
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 to 25).....	12,244,769	14,977	12,229,792	12,234,455
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	12,244,769	14,977	12,229,792	12,234,455

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 through 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 through 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	3,339,127	3,515,125
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	433,740	882,224
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	2,046,659	2,481,392
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	10,822	10,491
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$....(36) on realized capital gains (losses)).....	72,888	
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....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).....	1,024,407	1,188,581
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(9,497)	(7,011)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
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).....	6,918,145	8,070,801
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	6,918,145	8,070,801
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.....	2,000,000	1,000,000
35. Unassigned funds (surplus).....	1,811,647	1,663,654
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	5,311,647	4,163,654
38. TOTAL (Page 2, Line 28, Col. 3).....	12,229,792	12,234,455

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 through 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 through 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 through 3203 plus 3298) (Line 32 above).....	0	0

Falls Lake General Insurance Company
STATEMENT OF INCOME

			1	2
			Current Year	Prior Year
UNDERWRITING INCOME				
1.	Premiums earned (Part 1, Line 35, Column 4).....		2,635,837	3,199,561
DEDUCTIONS:				
2.	Losses incurred (Part 2, Line 35, Column 7).....		1,046,843	1,285,885
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....		718,604	1,437,460
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		653,623	568,677
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		2,419,070	3,292,023
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		216,767	(92,462)
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		47,141	36,402
10.	Net realized capital gains (losses) less capital gains tax of \$.....(36) (Exhibit of Capital Gains (Losses)).....		(66)	(97)
11.	Net investment gain (loss) (Lines 9 + 10).....		47,075	36,305
OTHER INCOME				
12.	Net gain (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
15.	Total other income (Lines 12 through 14).....		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).....		263,842	(56,157)
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).....		263,842	(56,157)
19.	Federal and foreign income taxes incurred.....		64,528	130,032
20.	Net income (Line 18 minus Line 19) (to Line 22).....		199,314	(186,189)
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		4,163,654	4,237,222
22.	Net income (from Line 20).....		199,314	(186,189)
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.....		(125,760)	149,631
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		74,439	(37,010)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....			
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.....		1,000,000	
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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....			
37.	Aggregate write-ins for gains and losses in surplus.....		0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		1,147,993	(73,568)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		5,311,647	4,163,654
DETAILS OF WRITE-INS				
0501.	.....		
0502.	.....		
0503.	.....		
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		0	0
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		0	0
3701.	.....		
3702.	.....		
3703.	.....		
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		0	0

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	2,648,630	3,386,506
2.	Net investment income.....	40,542	34,605
3.	Miscellaneous income.....		
4.	Total (Lines 1 through 3).....	2,689,172	3,421,111
5.	Benefit and loss related payments.....	896,420	3,236,376
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	1,806,810	167,338
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(89,728)	213,254
10.	Total (Lines 5 through 9).....	2,613,502	3,616,968
11.	Net cash from operations (Line 4 minus Line 10).....	75,670	(195,857)
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....		1,164,725
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.....	(102)	(5)
12.7	Miscellaneous proceeds.....		
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	(102)	1,164,720
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	899,905	1,792,836
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).....	899,905	1,792,836
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(900,007)	(628,116)
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.....	1,000,000	
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 to 16.4 minus Line 16.5 plus Line 16.6).....	1,000,000	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	175,663	(823,973)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	148,643	972,615
19.2	End of year (Line 18 plus Line 19.1).....	324,306	148,643

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	2,127	1,740	1,857	2,011
2.	Allied lines.....	10,402	11,378	9,809	11,971
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	0		0	0
5.	Commercial multiple peril.....	1,024	1,504	208	2,320
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	0		0	0
9.	Inland marine.....	1,903	1,457	1,012	2,348
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	4,862	1,480	1,702	4,639
11.2	Medical professional liability - claims-made.....	94,719	30,537	36,711	88,545
12.	Earthquake.....	3,786	2,373	3,305	2,854
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	0		0	0
16.	Workers' compensation.....	498,036	129,820	78,812	549,044
17.1	Other liability - occurrence.....	1,211,461	497,449	523,428	1,185,483
17.2	Other liability - claims-made.....	182,440	71,422	76,875	176,988
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	411,667	200,090	208,249	403,507
18.2	Products liability - claims-made.....	93,782	41,743	46,448	89,078
19.1, 19.2	Private passenger auto liability.....	0		0	0
19.3, 19.4	Commercial auto liability.....	(54,438)	193,401	31,490	107,473
21.	Auto physical damage.....	9,888	4,174	4,493	9,570
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	0		0	0
26.	Burglary and theft.....	2	5	0	7
27.	Boiler and machinery.....	0	6	6	0
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	0		0	0
32.	Reinsurance - nonproportional assumed liability.....	0		0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	2,471,663	1,188,581	1,024,407	2,635,837

DETAILS OF WRITE-INS

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

Annual Statement for the year 2017 of the

Falls Lake General Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	1,857				1,857
2.	Allied lines.....	9,809				9,809
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....	208				208
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....	1,012				1,012
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....	1,702				1,702
11.2	Medical professional liability - claims-made.....	36,711				36,711
12.	Earthquake.....	3,305				3,305
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....	78,812				78,812
17.1	Other liability - occurrence.....	523,428				523,428
17.2	Other liability - claims-made.....	76,875				76,875
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....	208,249				208,249
18.2	Products liability - claims-made.....	46,448				46,448
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....	31,490				31,490
21.	Auto physical damage.....	4,493				4,493
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....	0				0
27.	Boiler and machinery.....	6				6
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	1,024,407	0	0	0	1,024,407
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					1,024,407

DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: Daily Pro Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire.....		2,127				2,127
2.	Allied lines.....		10,402				10,402
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....		1,024				1,024
6.	Mortgage guaranty.....						0
8.	Ocean marine.....						0
9.	Inland marine.....		1,903				1,903
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....		4,862				4,862
11.2	Medical professional liability - claims-made.....		94,719				94,719
12.	Earthquake.....		3,786				3,786
13.	Group accident and health.....						0
14.	Credit accident and health (group and individual).....						0
15.	Other accident and health.....						0
16.	Workers' compensation.....		498,036				498,036
17.1	Other liability - occurrence.....		1,211,461				1,211,461
17.2	Other liability - claims-made.....		182,440				182,440
17.3	Excess workers' compensation.....						0
18.1	Products liability - occurrence.....		411,667				411,667
18.2	Products liability - claims-made.....		93,782				93,782
19.1, 19.2	Private passenger auto liability.....						0
19.3, 19.4	Commercial auto liability.....		(54,438)				(54,438)
21.	Auto physical damage.....		9,888				9,888
22.	Aircraft (all perils).....						0
23.	Fidelity.....						0
24.	Surety.....						0
26.	Burglary and theft.....		2				2
27.	Boiler and machinery.....						0
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	0	2,471,663	0	0	0	2,471,663

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....				.0	701	1,137	(436)	(21.7)
2.	Allied lines.....		17,844		17,844	34,289	19,201	32,932	275.1
3.	Farmowners multiple peril.....				.0	.0		.0	0.0
4.	Homeowners multiple peril.....				.0	.0		.0	0.0
5.	Commercial multiple peril.....		1,841		1,841	1,172	1,863	1,150	49.6
6.	Mortgage guaranty.....				.0	.0		.0	0.0
8.	Ocean marine.....				.0	.0		.0	0.0
9.	Inland marine.....		.9		.9	672	390	291	12.4
10.	Financial guaranty.....				.0	.0		.0	0.0
11.1	Medical professional liability - occurrence.....				.0	7,663	6,556	1,107	23.9
11.2	Medical professional liability - claims-made.....		37,135		37,135	98,087	80,284	54,939	62.0
12.	Earthquake.....				.0	963		963	33.8
13.	Group accident and health.....				.0	.0		.0	0.0
14.	Credit accident and health (group and individual).....				.0	.0		.0	0.0
15.	Other accident and health.....				.0	.0		.0	0.0
16.	Workers' compensation.....		144,316		144,316	511,511	400,681	255,146	46.5
17.1	Other liability - occurrence.....		284,513		284,513	1,630,326	1,509,675	405,163	34.2
17.2	Other liability - claims-made.....		57,531		57,531	142,951	169,298	31,184	17.6
17.3	Excess workers' compensation.....				.0	.0		.0	0.0
18.1	Products liability - occurrence.....		133,199		133,199	725,250	684,142	174,307	43.2
18.2	Products liability - claims-made.....		9,473		9,473	58,337	67,268	543	0.6
19.1, 19.2	Private passenger auto liability.....	(340)		(340)	.0	593		593	0.0
19.3, 19.4	Commercial auto liability.....		533,169		533,169	123,726	572,250	84,645	78.8
21.	Auto physical damage.....	(738)	3,811	(738)	3,811	2,884	2,352	4,343	45.4
22.	Aircraft (all perils).....				.0	.0		.0	0.0
23.	Fidelity.....				.0	.0		.0	0.0
24.	Surety.....				.0	.0		.0	0.0
26.	Burglary and theft.....				.0	.1	.1	.0	5.8
27.	Boiler and machinery.....				.0	(0)	.26	(26)	0.0
28.	Credit.....				.0	.0		.0	0.0
29.	International.....				.0	.0		.0	0.0
30.	Warranty.....				.0	.0		.0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			.0	.0		.0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			.0	.0		.0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0	.0		.0	0.0
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0	.0	0.0
35.	TOTALS.....	(1,078)	1,222,841	(1,078)	1,222,841	3,339,127	3,515,124	1,046,843	39.7
DETAILS OF WRITE-INS									
3401.	.....				.0	.0		.0	0.0
3402.	.....				.0	.0		.0	0.0
3403.	.....				.0	.0		.0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0	.0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....				0		701		701	1,122
2.	Allied lines.....		333		333		33,956		34,289	17,765
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....		576		576		596		1,172	87
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....				0		672		672	804
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....		1,454		1,454		6,209		7,663	5,313
11.2	Medical professional liability - claims-made.....		69,281		69,281		28,807		98,087	48,847
12.	Earthquake.....				0		963		963	1,339
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....				0				(a) 0	
16.	Workers' compensation.....		240,064		240,064		271,447		511,511	161,833
17.1	Other liability - occurrence.....		490,916		490,916		1,139,410		1,630,326	1,005,653
17.2	Other liability - claims-made.....		39,871		39,871		103,080		142,951	106,635
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....		145,922		145,922		579,327		725,250	591,109
18.2	Products liability - claims-made.....		13,549		13,549		44,789		58,337	69,767
19.1, 19.2	Private passenger auto liability.....				0		593		593	66
19.3, 19.4	Commercial auto liability.....		76,784		76,784		46,942		123,726	36,037
21.	Auto physical damage.....		792		792		2,092		2,884	282
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0		1		1	
27.	Boiler and machinery.....				0		(0)		(0)	
28.	Credit.....				0				0	
29.	International.....				0				0	
30.	Warranty.....				0				0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	0	1,079,542	0	1,079,542	0	2,259,584	0	3,339,127	2,046,659
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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

Falls Lake General Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	2,444,135			2,444,135
1.2 Reinsurance assumed.....	1,763			1,763
1.3 Reinsurance ceded.....	1,846,202			1,846,202
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	599,696	0	0	599,696
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		3,129,664		3,129,664
2.2 Reinsurance assumed, excluding contingent.....		26,121		26,121
2.3 Reinsurance ceded, excluding contingent.....		4,167,930		4,167,930
2.4 Contingent - direct.....		77,260		77,260
2.5 Contingent - reinsurance assumed.....		98		98
2.6 Contingent - reinsurance ceded.....		33		33
2.7 Policy and membership fees.....		52,423		52,423
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	(882,397)	0	(882,397)
3. Allowances to manager and agents.....		3,029		3,029
4. Advertising.....		5,085		5,085
5. Boards, bureaus and associations.....	994	49,612		50,606
6. Surveys and underwriting reports.....	53	(61,050)		(60,997)
7. Audit of assureds' records.....		18,887		18,887
8. Salary and related items:				
8.1 Salaries.....	79,628	764,265		843,893
8.2 Payroll taxes.....	5,395	56,908		62,303
9. Employee relations and welfare.....	11,511	118,810		130,321
10. Insurance.....	1,300	11,545		12,845
11. Directors' fees.....			0	0
12. Travel and travel items.....	2,060	31,210		33,270
13. Rent and rent items.....	5,566	59,852		65,418
14. Equipment.....	2,008	32,438		34,446
15. Cost or depreciation of EDP equipment and software.....	1,759	43,024		44,783
16. Printing and stationery.....	1,504	18,049		19,553
17. Postage, telephone and telegraph, exchange and express.....	1,524	21,871		23,395
18. Legal and auditing.....	240	15,778		16,018
19. Totals (Lines 3 to 18).....	113,542	1,189,313	0	1,302,855
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....2,780.....		245,543		245,543
20.2 Insurance department licenses and fees.....		18,106		18,106
20.3 Gross guaranty association assessments.....		11,486		11,486
20.4 All other (excluding federal and foreign income and real estate).....		15,417		15,417
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	290,552	0	290,552
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	5,366	56,155	6,334	67,855
25. Total expenses incurred.....	718,604	653,623	6,334	(a) 1,378,561
26. Less unpaid expenses - current year.....	2,046,659	9,750	1,072	2,057,481
27. Add unpaid expenses - prior year.....	2,481,392	9,600	891	2,491,883
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	1,153,337	653,473	6,153	1,812,963

DETAILS OF WRITE-INS				
2401. Outisde Consulting.....	4,695	47,749		52,444
2402. Claims Search Fees.....				0
2403. Shared Reimbursements.....	(101)	1,051		950
2498. Summary of remaining write-ins for Line 24 from overflow page.....	772	7,355	6,334	14,461
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	5,366	56,155	6,334	67,855

(a) Includes management fees of \$.....0 to affiliates and \$.....4,386 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....35,519	.....37,458
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....12,648	.....13,071
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....2,946	.....2,946
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....51,112	.....53,475
11. Investment expenses.....	.....	(g).....6,334
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....6,334
17. Net investment income (Line 10 minus Line 16).....	.....	.....47,141

DETAILS OF WRITE-INS

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

- (a) Includes \$.....5,390 accrual of discount less \$.....971 amortization of premium and less \$.....612 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....1,148 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....0	.....	.....
1.3 Bonds of affiliates.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(102)	.....	.....(102)	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(102)	.....0	.....(102)	.....0	.....0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	14,977	89,416	74,439
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	14,977	89,416	74,439
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	14,977	89,416	74,439

DETAILS OF WRITE-INS

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

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.

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) Falls Lake General Insurance Company Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 199,314	\$ (186,189)
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 199,314	\$ (186,189)
SURPLUS					
(5) Falls Lake General Insurance Company Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,311,647	\$ 4,163,654
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 5,311,647	\$ 4,163,654

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

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

C. Accounting Policy

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

Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable. In addition, the Company uses the following accounting policies:

- (1) Basis for Short-Term Investments
- Short-term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule
- Bonds are stated at amortized cost using the interest method
- (3) Basis for Common Stocks
- The Company does not have any investments in common stocks.
- (4) Basis for Preferred Stocks
- The Company does not have any investments in preferred stocks.
- (5) Basis for Mortgage Loans
- The Company does not have any mortgage loans on real estate.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
- The Company does not have any loan-backed securities.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
- Not applicable
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
- The Company does not have any minor ownership interests in joint ventures.

NOTES TO FINANCIAL STATEMENTS

- (9) Accounting Policies for Derivatives

The Company does not have any derivatives investments.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts

Unpaid losses and loss adjustment expenses include net liabilities stated for unpaid claims and for expenses of investigation and adjustment of unpaid claims and are based upon (a) the accumulation of case estimates for losses reported prior to the close of the accounting period on the direct business written; (b) estimates received from ceding reinsurers and insurance pools and associations; (c) estimates of unreported losses and development on reported losses based on past experience net of salvage and subrogation recoveries; and (d) estimates based on experience of expenses for investigating and adjusting claims. The total of these factors is reduced for portions ceded to other insurers. These liabilities are subject to the impact of changes in claim amounts, frequency and other factors. In spite of the variability inherent in such estimates, management believes that the liabilities for unpaid losses and loss adjustment expenses ("LAE") are adequate. Changes in estimates of the liabilities for losses and LAE are reflected in the statement of income in the period in which determined.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company has not modified its capitalization policy from the prior period.
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company does not have pharmaceutical rebate receivables
- 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 Correction of Errors

The Company had no changes in accounting policies or correction of errors from the prior year to report.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method

The Company was not involved in any business combinations during 2017.
- B. Statutory Merger

The Company was not involved in any statutory mergers during 2017.
- C. Impairment Loss

The Company did not recognize any impairment loss during 2017.

Note 4 – Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale

The Company did not have any discontinued operations during 2017.

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not have investments in mortgage loans.
- B. Debt Restructuring

The Company did not restructure any debt during 2017.
- C. Reverse Mortgages

(1) Description of Accounting Policies and Methods

The Company does not have investments in reverse mortgages
- D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions

The Company does not have any investments in loan-backed securities.

(2)

For the quarter ended December 31, 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.

NOTES TO FINANCIAL STATEMENTS

(3) Recognized OTTI securities

At December 31, 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	\$ 2,832
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 396,364
	2. 12 Months or Longer	\$

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

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. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company does not participate in dollar repurchase agreements or securities lending activities.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not participate in repurchase agreements or securities lending activities.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not Applicable

J. Real Estate

The Company does not own any real estate investments.

K. Low-Income Housing Tax Credits (LIHTC)

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

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)		
j. On deposit with states	575,977				575,977	571,982	3,995		575,977	4.8%	4.8%
o. Total Restricted Assets	\$ 575,977	\$	\$	\$	\$ 575,977	\$ 571,982	\$ 3,995	\$	\$ 575,977	4.8%	4.8%

M. Working Capital Finance Investments

The Company does not have working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The company does not participate in those investing activities that require offsetting and netting of assets and liabilities.

O. Structured Notes

NOTES TO FINANCIAL STATEMENTS

The Company does not have structured notes.

P. 5* Securities

The Company does not have any 5* securities.

Q. Short Sales

Not applicable

R. Prepayment Penalty and Acceleration Fees

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership
The Company has no investments in joint ventures, partnerships or limited liability companies.

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies
Not Applicable.

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:
The Company non-admits investment income due and accrued if amounts are over 90 days past due.

B. The total amount excluded:
No amounts were excluded from surplus at December 31, 2017.

Note 8 – Derivative Instruments

The Company does not hold or issue derivative instruments.

Note 9 – Income Taxes

On December 22, 2017, H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Act"), was enacted by the U.S. federal government. The Act provides for significant changes to corporate taxation including the decrease of the corporate tax rate to 21%. The Company has accounted for the material impacts of the Act by remeasuring its deferred tax assets/(liabilities) at the 21% enacted tax rate.

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2017			2016			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Gross deferred tax assets	\$ 187,983	\$	\$ 187,983	\$ 274,202	\$	\$ 274,202	\$ (86,219)	\$	\$ (86,219)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 187,983	\$	\$ 187,983	\$ 274,202	\$	\$ 274,202	\$ (86,219)	\$	\$ (86,219)
d. Deferred tax assets nonadmitted	14,977		14,977	89,416		89,416	(74,439)		(74,439)
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 173,006	\$	\$ 173,006	\$ 184,786	\$	\$ 184,786	\$ (11,780)	\$	(11,780)
f. Deferred tax liabilities	41,104		41,104	1,563		1,563	39,541		39,541
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 131,902	\$	\$ 131,902	\$ 183,223	\$	\$ 183,223	\$ (51,321)	\$	\$ (51,321)

2. Admission Calculation Components SSAP No. 101

		2017			2016			Change	
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	63,099		63,099				63,099		63,099
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets	68,839		68,839	183,223		183,223	(114,384)		(114,384)

NOTES TO FINANCIAL STATEMENTS

		2017			2016			Change	
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	68,839		68,839	183,223		183,223	(114,384)		(114,384)
Adjusted gross deferred tax assets allowed per limitation threshold			604,763			594,435			10,328
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	41,104		41,104	1,563		1,563	39,541		39,541
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	173,042		173,042	184,786		184,786	(11,744)		(11,744)

3. Other Admissibility Criteria

		2017	2016
a.	Ratio percentage used to determine recovery period and threshold limitation amount	528.0%	421.0%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	5,179,745	3,980,431

4. Impact of Tax Planning Strategies

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

	12/31/2017		12/31/2016		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	187,983		274,202		(86,219)	
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	173,006		184,786		(11,780)	
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

B. Deferred Tax Liabilities Not Recognized

1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:
Not applicable
2. The cumulative amount of each type of temporary difference is:
Not applicable
3. The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable are:
Not applicable
4. The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is:
Not applicable

NOTES TO FINANCIAL STATEMENTS

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2017	2016	(Col 1-2) Change
a. Federal	63,099	130,032	(66,933)
b. Foreign			
c. Subtotal	63,099	130,032	(66,933)
d. Federal income tax on net capital gains	(36)	(52)	16
e. Utilization of capital loss carry-forwards			
f. Other	1,428		1,428
g. Federal and Foreign income taxes incurred	64,491	129,980	(65,489)

2. Deferred Tax Assets

	1	2	3
	2017	2016	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	119,758	144,334	(24,576)
2. Unearned premium reserve	43,025	83,201	(40,176)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <5% of total ordinary tax assets)	25,200	46,667	(21,467)
Other (items >=5% of total ordinary tax assets)			
14.			
99. Subtotal	187,983	274,202	(86,219)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	14,977	89,416	(74,439)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	173,006	184,786	(11,780)
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <5% of total capital tax assets)			
Other (items >=5% of total capital tax assets)			
5.			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	173,006	184,786	(11,780)

3. Deferred Tax Liabilities

	1	2	3
	2017	2016	(Col 1-2) Change
a. Ordinary:			
1. Investments	1,185	1,563	(378)
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <5% of total ordinary tax liabilities)			
Other (items >=5% of total ordinary tax liabilities)			
6. LRD Transitional Adjustment (TCJA)	39,919		39,919
99. Subtotal	41,104	1,563	39,541
b. Capital:			
1. Investments			
2. Real estate			
3. Other (Items <5% of total capital tax liabilities)			
Other (items >=5% of total capital tax liabilities)			
4.			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)	41,104	1,563	39,541
4. Net Deferred Tax Assets (2i – 3c)	131,902	183,223	(51,321)

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	92,332	35.0%
Proration of tax exempt investment income		%
Tax exempt income deduction		%
Dividends received deduction		%
Disallowed travel and entertainment		%
Other permanent differences	97,919	37.1%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year		%
Other		%
Totals	190,251	72.1%
Federal and foreign income taxes incurred	64,491	24.4%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	125,760	47.7%
Total statutory income taxes	\$ 190,251	72.1%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. At December 31, 2017, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2017	63,063
2016	

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

F. Consolidated Federal Income Tax Return

1. The Company’s federal income tax return is consolidated with the following entities:
James River Group, Inc.
James River Management Company, Inc.
James River Insurance Company
Falls Lake Insurance Management Company, Inc.
James River Casualty Company
Potomac Risk Services, Inc.
Stonewood Insurance Company
Falls Lake General Insurance Company (formerly Stonewood General Insurance Company)
Falls Lake Fire and Casualty Company
2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:
The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Estimated tax payments are settled with the Company's parent at the time such estimates are payable to the Internal Revenue Service. Final settlement between the Company and its parent is made within 90 days of the tax return filing.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

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

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

A. Nature of the Relationship Involved

The Company is an indirect subsidiary of James River Group Holdings (Bermuda), Ltd.; 100% of the outstanding stock of the Company is directly owned by Falls Lake National Insurance Company. See Schedule Y, Part 1, Organizational Chart. The Company was purchased by James River Group, Inc. from Infinity Insurance Company ("Infinity") on December 31, 2011.

B. Transactions

The Company is an indirect subsidiary of James River Group Holdings (Bermuda), Ltd.; 100% of the outstanding stock of the Company is directly owned by Falls Lake National Insurance Company. See Schedule Y, Part 1, Organizational Chart. The Company was purchased by James River Group, Inc. from Infinity Insurance Company ("Infinity") on December 31, 2011.

On March 31, 2017, the Company's immediate parent, Falls Lake National Insurance Company, an Ohio Corporation, contributed \$1,000,000 of additional Paid in Surplus to the Company.

NOTES TO FINANCIAL STATEMENTS

- C. Dollar Amounts of Transactions
- The Company did not have any intercompany arrangements as of December 31, 2017, except as discussed in Notes 9F, 10F, and 26.
- D. Amounts Due From or To Related Parties
- As a result of the intercompany pooling arrangement, the Company reported a \$225,685 receivable from Falls Lake National Insurance Company at December 31, 2017. See Note 26 for additional details.
- E. Guarantees or Undertakings
- The Company is not a party to any guarantee or undertaking for the benefit of an affiliate or related party that could result in a material contingent exposure of the Company's or any related party's assets or liabilities.
- F. Material Management or Service Contracts and Cost-Sharing Arrangements
- The Company and Falls Lake Insurance Management Company, Inc. are parties to a Management Services Agreement. Pursuant to this agreement, Falls Lake Insurance Management Company, Inc. provides various services to the Company, including but not limited to management, administration, underwriting, premium collection, claims, operations, accounting, actuarial, information technology and human resources.
- G. Nature of the Control Relationship
- All outstanding shares of the Company are owned by Falls Lake National Insurance Company. See Schedule Y, Part 1, Organizational Chart.
- H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned
- The Company owns no shares, either directly or indirectly, of an upstream intermediate or ultimate parent.
- I. Investments in SCA that Exceed 10% of Admitted Assets
- The Company has no investment in a subsidiary, controlled or affiliated company.
- J. Investments in Impaired SCAs
- The Company has no investments in impaired subsidiary, controlled or affiliated companies.
- K. Investment in Foreign Insurance Subsidiary
- The Company has no investments in foreign insurance subsidiaries.
- L. Investment in Downstream Noninsurance Holding Company
- The Company has no investment in a downstream non-insurance holding company.
- M. All SCA Investments
- The Company has no investment in non-insurance subsidiary, controlled or affiliated companies.
- N. Investment in Insurance SCAs
- The Company has no investment in an insurance subsidiary, controlled or affiliated company for which the audited statutory equity reflects a departure from NAIC statutory accounting practices and procedures.

Note 11 – Debt

- A. Debt, Including Capital Notes
- The Company does not have debt outstanding at December 31, 2017.
- B. FHLB (Federal Home Loan Bank) Agreements
- The Company does not have any FHLB (Federal Home Loan Bank) loan agreements at December 31, 2017.

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 pension plan.
- B. Investment Policies and Strategies
- The Company does not have a defined benefit pension plan.
- C. Fair Value of Plan Assets
- The Company does not have a defined benefit pension plan.
- D. Basis Used to Determine Expected Long-Term Rate-of-Return
- The Company does not have a defined benefit pension plan.

NOTES TO FINANCIAL STATEMENTS

- E. Defined Contribution Plans
- The Company does not have a defined contribution retirement plan.
- F. Multiemployer Plans
- The Company does not participate in a multiemployer plan.
- G. Consolidated/Holding Company Plans
- The Company has no employees. However, Falls Lake Insurance Management Company, Inc. sponsors a 401(k) plan for its employees. The terms of the 401(k) plan allow employees to contribute the maximum allowed by the U.S. Government. One hundred percent (100%) of this contribution, up to a maximum of 6% of salary, is matched by Falls Lake Insurance Management Company, Inc. All expenses associated with the plan are allocated to the Company, in accordance with the terms of the Management Services Agreement. The Company’s share of this 401(k) plan expense was \$-0- for 2017. The Company has no legal obligation for benefits under this plan.
- H. Postemployment Benefits and Compensated Absences
- The Company does not provide postretirement benefits to retired employees or compensated absences.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
- The Medicare Modernization Act on Postretirement Benefits had no impact on the Company.

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) Number of Share and Par or State Value of Each Class
- The Company has 25,000 shares of common stock authorized, of which 12,000 shares are issued and outstanding with a par value of \$125 per share.
- (2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
- The Company has no preferred stock outstanding.
- (3) Dividend Restrictions
- The maximum amount of dividends or distributions which may be paid to stockholders by property/casualty insurance companies domiciled in the state of Ohio without (i) prior approval or (ii) expiration of a 30 day waiting period without disapproval of the Director of Insurance, is the greater of net income or 10% of capital and surplus as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of ordinary dividends or distributions which may be paid in 2018 based on capital and surplus is \$416,365.
- (4) Dates and Amounts of Dividends Paid
- The Company did not pay dividends during 2017.
- (5) Profits that may be Paid as Ordinary Dividends to Stockholders
- Within the limitations of (3) above, there are not specific restrictions placed on the portion of the Company’s profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions Plans on Unassigned Funds (Surplus)
- There are no restrictions placed on unassigned surplus other than those described above in paragraphs (3) and (5). These unassigned funds are held for the benefit of the owner and policyholders.
- (7) Amount of Advances to Surplus not Repaid
- The Company does not have any advances to surplus not repaid.
- (8) Amount of Stock Held for Special Purposes
- The Company does not hold stock for special purposes.
- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period
- The Company does not have special surplus funds.
- (10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$0.
- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
- The Company does not have surplus notes or similar obligations.
- (12) The impact of any restatement due to prior quasi-reorganizations is as follows
- The Company has not entered into any quasi-reorganization.
- (13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
- The Company has not entered into any quasi-reorganization.

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no contingent commitments and/or guarantees of indebtedness of others at December 31, 2017.

B. Assessments

(1) Nature of Any Assets That Could Have a Material Financial Effect

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of assessments or in the case of premium based assessments, at the time the premiums were written, or, in the case of loss based assessments, at the time the losses are incurred. The Company had no accrual for guaranty fund assessments as of December 31, 2017.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2017.

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

The Company has no gain contingencies at December 31, 2017.

Falls Lake General Insurance Company Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$0

E. Product Warranties

The Company has no product warranty liabilities.

F. Joint and Several Liabilities

The Company has no joint and several liability arrangements.

G. All Other Contingencies

Various lawsuits against the Company arise during the normal course of business. The Company's management believes that contingent liabilities arising from such litigation and other matters will not have material effect on the financial position or the results of operations of the Company.

Note 15 – Leases

A. Lessee Operating Lease

The Company does not have any material lease obligations at December 31, 2017.

B. Lessor Leases

Leasing is not part of the Company's business activities.

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

The Company does not have financial instruments with off-balance sheet risk.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

The Company did not sell any receivable balances during 2017.

B. Transfer and Servicing of Financial Assets

The Company did not transfer or service any financial assets or extinguish liabilities during 2017.

C. Wash Sales

The Company did not enter into any wash sale transactions during 2017.

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

The Company did not serve as administrator for any uninsured or partially insured accident and health plans during 2017.

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

The Company did not have any direct premium written by or produced through a managing general agent or third party administrator during 2017.

Note 20 – Fair Value Measurements

NOTES TO FINANCIAL STATEMENTS

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 and 2016. 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	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Bonds are reported at amortized cost	\$	\$	\$	\$	\$
Short-term investments are carried at amortized cost	\$	\$	\$	\$	\$
Cash Equivalents are carried at amortized cost	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$
Liabilities at Fair Value					
Not applicable	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

	Beginning Balance at 1/1/2017	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settle-ments	Ending Balance at 12/31/2017
a. Assets										
Not applicable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Liabilities										
Not applicable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

- (3) Policies when Transfers Between Levels are Recognized
The Company has a policy to recognize transfers between levels at the beginning of the reporting period.
- (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement
See narrative above for Level 2 valuation techniques. The Company does not have any Level 3 assets.
- (5) Fair Value Disclosures
The Company does not own derivative assets or liabilities.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	\$ 4,663,775	\$ 4,698,745	\$ 3,018,896	\$ 1,644,879	\$	\$	\$
Short-term investments	\$ 49,795	\$ 49,795	\$	\$ 49,795	\$	\$	\$
Cash equivalents	\$ 78,411	\$ 78,411	\$ 78,411	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
---------------------------------------	----------------	-------------------------	---------------	-------------

NOTES TO FINANCIAL STATEMENTS

Not applicable	\$	%		
----------------	----	---	--	--

Note 21 – Other Items

- A.

Unusual or Infrequent Items
The Company did not have any unusual or infrequent items reported in 2017.
- B.

Troubled Debt Restructuring Debtors
The Company did not have any troubled debt restructurings in 2017.
- C.

Other Disclosures
None
- D.

Business Interruption Insurance Recoveries
The Company did not have any events giving rise to business interruption insurance recoveries during 2017.
- E.

State Transferable and Non-Transferable Tax Credits

The Company does not have any state transferable credits available at December 31, 2017.
- F.

Subprime Mortgage Related Risk Exposure

The Company does not have any exposure to subprime mortgage-related risks.
- G.

Insurance-Linked Securities (ILS) Contracts

The Company does not issue insurance-linked securities.

Note 22 – Events Subsequent

There are no material events (recognized and nonrecognized) occurring subsequent to December 31, 2017. Subsequent events have been considered through February 23, 2018 for the statutory statement issued February 28, 2018.

- A.

Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [] No [X]
- B.

ACA fee assessment payable for the upcoming year
- C.

ACA fee assessment paid
- D.

Premium written subject to ACA 9010 assessment
- E.

Total adjusted capital before surplus adjustment (Five-Year Historical Line 28)
- F.

Total adjusted capital (Five-Year Historical Line 28 minus 22B above)
- G.

Authorized control level (Five-Year Historical Line 29)
- H.

Would reporting the ACA assessment as of December 31, 2017 have triggered an RBC action level (YES/NO)?

Yes [] No [X]

Note 23 – Reinsurance

- A.

Unsecured Reinsurance Recoverables -- None
- B.

Reinsurance Recoverable in Dispute -- None
- C.

Reinsurance Assumed and Ceded

(1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 1,024,407	\$ 255,225	\$	\$	\$ 1,024,407	\$ 255,225
b. All Other						
c. Total	\$ 1,024,407	\$ 255,225	\$	\$	\$ 1,024,407	\$ 255,225
d. Direct Unearned Premium Reserves						\$

(2) Additional or Return Commission

There were no direct or ceded contingent commission accruals recorded as of December 31, 2017.

(3) Types of Risks Attributed to Protected Cell -- None

- D.

Uncollectible Reinsurance -- None
- E.

Commutation of Ceded Reinsurance -- None
- F.

Retroactive Reinsurance -- None
- G.

Reinsurance Accounted for as a Deposit -- None
- H.

Disclosures for the Transfer of Property and Casualty Run-off Agreements -- None

NOTES TO FINANCIAL STATEMENTS

- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation -- None
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation -- None

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not write any contracts with retroactive rated contract terms.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The Company is a party to an intercompany reinsurance pooling arrangement with its United States affiliated insurance carriers, which was effective January 1, 2013. The Company's pooling participation percentage of 3%. Schedule P reflects the pooled activity for all years presented in accordance with the NAIC Annual Statement Instructions.

The following table provides an analysis of the change in loss and loss adjustment reserves, net of reinsurance recoverables for 2017 and 2016:

	2017	2016
Balance at beginning of period	\$5,996,516	\$1,625,094
Losses and loss adjustment expenses incurred:		
Current accident year	2,035,004	2,898,210
Prior accident years	(269,557)	(174,865)
	1,765,447	2,723,345
Losses and loss adjustment expenses payments made for:		
Current accident year	181,454	519,410
Prior accident years	2,194,723	(2,167,487)
	2,376,177	(1,648,077)
Balance at end of period	\$5,385,786	\$5,996,516

The Company's reserves for losses and loss adjustment expenses, attributable to insured events of prior years, decreased by approximately \$270 thousand in 2017, resulting primarily from the other liability line 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 assumed from the intercompany reinsurance pooling agreement.

Note 26 – Intercompany Pooling Arrangements

A.-D.

Falls Lake General Insurance Company is a party to an intercompany reinsurance pooling arrangement (the pooling) with its United States affiliated insurance carriers, which was effective January 1, 2013. All lines of business are subject to the pooling net of any outside reinsurance coverage carried by the participants. Net business included business in force on January 1, 2013 and all business written subsequent to that date. The pooling provides for proportionate sharing of premiums earned, losses and loss adjustment expenses incurred, and underwriting expenses incurred.

The participation percentages are as follows:

Falls Lake National Insurance Company (Lead Company)	NAIC #31925	7%
James River Insurance Company	NAIC #12203	61%
Stonewood Insurance Company	NAIC #11828	14%
James River Casualty Company	NAIC #13685	9%
Falls Lake General Insurance Company	NAIC #35211	3%
Falls Lake Fire and Casualty Company	NAIC #15884	6%

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.

- E. Explanation of Discrepancies Between Entries of Pooled Business
Not applicable
- F. Description of Intercompany Sharing
Not applicable
- G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
As a result of the pooling, the amount due from Falls Lake National Insurance Company is \$225,685 as of December 31, 2017.

Note 27 – Structured Settlements

The Company has not purchased annuities to fund future claims payments.

Note 28 – Health Care Receivables

The Company does not have health care receivables.

NOTES TO FINANCIAL STATEMENTS

Note 29 – Participating Policies

The Company does not write accident and health insurance participating contracts.

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: January 15, 2018
3. Was anticipated investment income utilized in the calculation? Yes [] No [X]

Note 31 – High Deductibles

The Company does not issue high deductible policies.

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

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

Note 33 – Asbestos/Environmental Reserves

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

(1) Direct

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$	\$	\$	\$
b. Incurred losses and loss adjustment expense					
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$	\$	\$	\$

(2) Assumed Reinsurance

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$ 6,818	\$ 4,577	\$ 2,265	\$ 1,840
b. Incurred losses and loss adjustment expense	7,010	(1,173)	1,503	(3,852)	4,021
c. Calendar year payments for losses and loss adjustment expenses	192	1,068	3,815	(3,427)	752
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 6,818	\$ 4,577	\$ 2,265	\$ 1,840	\$ 5,109

(3) Net of Ceded Reinsurance

	2013	2014	2015	2016	2017
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$ 6,818	\$ 4,577	\$ 2,265	\$ 1,840
b. Incurred losses and loss adjustment expense	7,010	(1,173)	1,503	(3,852)	4,021
c. Calendar year payments for losses and loss adjustment expenses	192	1,068	3,815	(3,427)	752
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 6,818	\$ 4,577	\$ 2,265	\$ 1,840	\$ 5,109

- B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE) -- None
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR) -- None
- D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? -- NONE
- E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE) - None
- F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR) -- None

Note 34 – Subscriber Savings Accounts

The Company is not a reciprocal insurance company and has no subscriber savings accounts.

Note 35 – Multiple Peril Crop Insurance

The Company does not write multiple peril crop insurance.

NOTES TO FINANCIAL STATEMENTS

Note 36 – Financial Guaranty Insurance

- A.

Financial Guaranty Insurance Contracts

The Company does not write financial guaranty insurance contracts
- B.

Schedule of Insured Financial Obligations at the End of the Period:

The Company does not write financial guaranty insurance contracts.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X]No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

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

1.3

State regulating?
Ohio

2.1

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

Yes []No [X]

2.2

If yes, date of change:

3.1

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

12/31/2014

3.2

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

12/31/2014

3.3

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

11/09/2015

3.4

By what department or departments?
Ohio Department of Insurance

3.5

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

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

3.6

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

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

4.1

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

4.11

sales of new business?

Yes []No [X]

4.12

renewals?

Yes []No [X]

4.2

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

4.21

sales of new business?

Yes []No [X]

4.22

renewals?

Yes []No [X]

5.1

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

Yes []No [X]

5.2

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

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

6.1

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

Yes []No [X]

6.2

If yes, give full information:
Not Applicable

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [X]No []

7.2

If yes,

7.21

State the percentage of foreign control

100.0%

7.22

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

1 Nationality	2 Type of Entity
Bermuda	Corporate

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, The Edgeworth Building, Suite 201, 2100 E. Cary Street, Richmond, VA 23223

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes []No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:
Not Applicable

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes []No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:
Not Applicable

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

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

10.6

If the response to 10.5 is no or n/a, please explain:
Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Sean P. McDermott, FCAS, MAAA, Willis Towers Watson, Centre Square East, 1500 Market Street, Philadelphia, PA 19102
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ☐ No ☒

12.11

Name of real estate holding company

Not Applicable

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$

0
- 12.2

If yes, provide explanation
Not Applicable
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes ☐ No ☐

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes ☐ No ☐

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes ☐ No ☐ N/A ☐

14.1

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

Yes ☒ No ☐

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:
Not Applicable

14.2

Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

14.21

If the response to 14.2 is yes, provide information related to amendment(s).
Not Applicable

14.3

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

Yes ☐ No ☒

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
Not Applicable

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes ☐ No ☒

15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
	Not Applicable		\$

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes ☒ No ☐

17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes ☒ No ☐

18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes ☒ No ☐

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes ☐ No ☒

20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$

0

20.12

To stockholders not officers

\$

0

20.13

Trustees, supreme or grand (Fraternal only)

\$

0

20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$

0

20.22

To stockholders not officers

0

20.23

Trustees, supreme or grand (Fraternal only)

0

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes ☐ No ☒

21.2

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

21.21

Rented from others

\$

0

21.22

Borrowed from others

\$

0

21.23

Leased from others

\$

0

21.24

Other

\$

0

22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes ☐ No ☒

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

0

22.22

Amount paid as expenses

\$

0

22.23

Other amounts paid

\$

0

23.1

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

Yes ☐ No ☒

23.2

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

\$

0

INVESTMENT

15.1

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes ☒ No ☐

24.02

If no, give full and complete information, relating thereto:
Not Applicable

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
The Company is not involved in any security lending programs

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes ☐ No ☐ N/A ☒

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$0

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$0

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ N/A ☒

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ N/A ☒

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ N/A ☒

24.10

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

24.101

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

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes ☒ No ☐

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$575,977

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
Not Applicable		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.
Not Applicable

Yes ☐ No ☐ N/A ☒

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2

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

\$0

28.

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

Yes ☒ No ☐

28.01

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

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

28.02

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

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

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

28.0597

For those firms/individuals listed in the table for Question 28.05, 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 ☒ No ☐

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [☐] No [☒]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [☒] No [☐]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
34529S AA 7	Ford Credit Auto Owner Trust	\$ 99,072
29.2999 TOTAL		\$ 99,072

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

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

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 4,748,540	\$ 4,713,570	\$ (34,970)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 4,748,540	\$ 4,713,570	\$ (34,970)

- 30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are based on values either published by the NAIC's Securities Valuation Office (SVO) or from an independent pricing service vendor such as ICE Data Services, ICE BofAML indices, Reuters, Bloomberg, Markit, Markit iBoxx, or PricingDirect. If an SVO price or vendor price is unavailable, a price may be obtained from a broker. Short term securities are valued at amortized cost. Non-government money market funds are valued at NPV. Cash equivalents are valued at amortized cost, including Government (exempt) money market mutual funds.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [☐] No [☒]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [☐] No [☐]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
Not Applicable
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?
- Yes [☒] No [☐]
- 32.2 If no, list exceptions:
Not Applicable
33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities?
- Yes [☐] No [☒]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 18,930

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

1 Name	2 Amount Paid
A.M. Best Company, Inc.	\$ 18,700

35.1 Amount of payments for legal expenses, if any?

\$ 0

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

1 Name	2 Amount Paid
	\$

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

\$ 0

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes []

No [X]

1.2

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

\$

0

1.3

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

\$

0

1.31

Reason for excluding:
Not Applicable

1.4

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

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:
Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:
Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

\$

0

2.2

Premium Denominator

\$

2,635,837

\$

3,199,561

2.3

Premium Ratio (2.1/2.2)

0.0%

0.0%

2.4

Reserve Numerator

\$

0

\$

0

2.5

Reserve Denominator

\$

6,843,933

\$

8,067,321

2.6

Reserve Ratio (2.4/2.5)

0.0%

0.0%

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes []

No [X]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

0

3.22

Non-participating policies

\$

0

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes []

No []

4.2

Does the reporting entity issue non-assessable policies?

Yes []

No []

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$

0

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes []

No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes []

No []

N/A []

5.22

As a direct expense of the exchange

Yes []

No []

N/A []

5.3

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

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes []

No []

5.5

If yes, give full information:

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Although the Company did not write any direct business in 2017, the net business assumed is protected up to \$29.4 million through non-affiliated reinsurance.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
The Company did not write any direct business in 2017. For business assumed through the intercompany pooling agreement the PML is estimated by use of catastrophic modeling software from AIR Worldwide Touchstone 3.1.

6.3

What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Assumed business is protected by property catastrophe reinsurance.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes [X]

No []

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
Not Applicable

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer’s losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	<div><div></div><div>0</div></div>	
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
8.2	If yes, give full information <u>Not Applicable</u>		
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management’s principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.		
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles (“SAP”) and as a deposit under generally accepted accounting principles (“GAAP”); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.		
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [<input checked="" type="checkbox"/> X]	No [<input type="checkbox"/>] N/A [<input type="checkbox"/>]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
11.2	If yes, give full information <u>Not Applicable</u>		
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	<div><div>\$</div><div>0</div></div> <div><div>\$</div><div>0</div></div>	
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	<div><div>\$</div><div>0</div></div>	
12.3	If the reporting entity underwrites commercial insurance risks, such as workers’ compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/> X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To	<div><div></div><div>%</div></div> <div><div></div><div>%</div></div>	
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity’s reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/> X]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	<div><div>\$</div><div>0</div></div> <div><div>\$</div><div>0</div></div>	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	<div><div>\$</div><div>45,000</div></div>	

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes ☐ No ☒

13.3

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

2

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes ☒ No ☐

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums and losses are ceded on a pro-rata basis.

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes ☐ No ☒

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes ☐ No ☒

14.5

If the answer to 14.4 is no, please explain:
Premiums ceded are based upon rate times (x) direct premium written. Losses would be allocated pro-rata.

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes ☐ No ☒

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes ☐ No ☒

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

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

* Disclose type of coverage:

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5.

Yes ☐ No ☒

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

17.11

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

\$0

17.12

Unfunded portion of Interrogatory 17.11

\$0

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$0

17.14

Case reserves portion of Interrogatory 17.11

\$0

17.15

Incurred but not reported portion of Interrogatory 17.11

\$0

17.16

Unearned premium portion of Interrogatory 17.11

\$0

17.17

Contingent commission portion of Interrogatory 17.11

\$0

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

17.18

Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

\$0

17.19

Unfunded portion of Interrogatory 17.18

\$0

17.20

Paid losses and loss adjustment expenses portion of Interrogatory 17.18

\$0

17.21

Case reserves portion of Interrogatory 17.18

\$0

17.22

Incurred but not reported portion of Interrogatory 17.18

\$0

17.23

Unearned premium portion of Interrogatory 17.18

\$0

17.24

Contingent commission portion of Interrogatory 17.18

0

18.1

Do you act as a custodian for health savings accounts?

Yes ☐ No ☒

18.2

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

\$0

18.3

Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

18.4

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

\$0

FIVE-YEAR HISTORICAL DATA

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

	1 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,442,531	4,004,578	884,539	721,034	689,647
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	28,108	41,379	10,338	13,612	21,310
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,024	3,092	479	1,701	
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	2,471,663	4,049,049	895,356	736,347	710,957
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	2,442,531	4,004,578	884,539	721,034	689,647
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	28,108	41,379	10,338	13,612	21,310
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,024	3,092	479	1,701	
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	2,471,663	4,049,049	895,356	736,347	710,957
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	216,767	(92,462)	53,001	56,651	96,522
14. Net investment gain (loss) (Line 11).....	47,075	36,305	34,877	35,193	33,303
15. Total other income (Line 15).....					196
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	64,528	130,032	18,787	16,780	93,165
18. Net income (Line 20).....	199,314	(186,189)	69,091	75,064	36,856
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	12,229,792	12,234,455	6,351,516	6,065,725	5,785,531
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	649,928	829,381	167,068	151,687	91,357
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	6,918,145	8,070,801	2,114,294	1,897,630	1,711,457
22. Losses (Page 3, Line 1).....	3,339,127	3,515,125	981,902	900,494	887,574
23. Loss adjustment expenses (Page 3, Line 3).....	2,046,659	2,481,392	643,192	590,947	552,589
24. Unearned premiums (Page 3, Line 9).....	1,024,407	1,188,581	339,093	293,738	233,387
25. Capital paid up (Page 3, Lines 30 & 31).....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,311,647	4,163,654	4,237,222	4,168,095	4,074,074
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	75,670	(195,857)	100,150	92,790	(60,622)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	5,311,647	4,163,654	4,237,222	4,168,095	4,074,074
29. Authorized control level risk-based capital.....	980,611	945,827	197,505	172,519	165,618
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	93.5	96.2	76.5	81.5	83.4
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	6.5	3.8	23.5	18.5	16.6
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2017	2016	2015	2014	2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....					
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	1,147,993	(73,568)	69,127	94,021	161,796
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,198,996	(1,252,303)	203,472	184,440	(791,840)
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	20,926	4,716	383	(1,438)	2,928
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,841	(777)	254	41	
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	1,221,763	(1,248,365)	204,109	183,043	(788,912)
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,199,336	(1,252,036)	204,247	158,293	(821,014)
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	21,664	5,476	2,295	989	3,812
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,841	(777)	254	41	
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	1,222,841	(1,247,338)	206,796	159,323	(817,202)
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	39.7	40.2	33.9	25.5	14.7
68. Loss expenses incurred (Line 3).....	27.3	44.9	31.3	30.9	22.0
69. Other underwriting expenses incurred (Line 4).....	24.8	17.8	28.6	35.2	43.7
70. Net underwriting gain (loss) (Line 8).....	8.2	(2.9)	6.2	8.4	20.2
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	26.4	14.0	27.1	32.3	28.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	67.0	85.1	65.2	56.4	36.7
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	46.5	97.2	21.1	17.7	17.5
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(38)	(220)	(83)	(156)	(192)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(0.9)	(5.2)	(2.0)	(3.8)	(4.9)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(217)	(376)	(189)	(348)	(278)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(5.1)	(9.0)	(4.6)	(8.9)	(7.1)

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

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....48.....	.....	.....193.....	.....	.....19.....	.....	.....0.....	.....260.....	.....XXX.....
2. 2008.....	.....8,535.....	.....6,294.....	.....2,241.....	.....3,219.....	.....2,348.....	.....811.....	.....571.....	.....400.....	.....146.....	.....8.....	.....1,365.....	.....XXX.....
3. 2009.....	.....7,296.....	.....5,345.....	.....1,951.....	.....2,575.....	.....1,818.....	.....565.....	.....398.....	.....278.....	.....100.....	.....11.....	.....1,103.....	.....XXX.....
4. 2010.....	.....5,724.....	.....4,285.....	.....1,439.....	.....2,218.....	.....1,695.....	.....629.....	.....440.....	.....314.....	.....136.....	.....12.....	.....890.....	.....XXX.....
5. 2011.....	.....6,517.....	.....4,864.....	.....1,653.....	.....4,190.....	.....3,199.....	.....620.....	.....434.....	.....229.....	.....68.....	.....14.....	.....1,339.....	.....XXX.....
6. 2012.....	.....8,357.....	.....6,822.....	.....1,535.....	.....5,071.....	.....4,379.....	.....803.....	.....572.....	.....250.....	.....81.....	.....8.....	.....1,092.....	.....XXX.....
7. 2013.....	.....5,885.....	.....4,468.....	.....1,417.....	.....1,652.....	.....1,198.....	.....643.....	.....440.....	.....225.....	.....63.....	.....9.....	.....820.....	.....XXX.....
8. 2014.....	.....7,516.....	.....5,733.....	.....1,783.....	.....1,508.....	.....1,205.....	.....561.....	.....400.....	.....254.....	.....93.....	.....13.....	.....627.....	.....XXX.....
9. 2015.....	.....9,109.....	.....7,017.....	.....2,092.....	.....1,693.....	.....1,369.....	.....447.....	.....332.....	.....244.....	.....86.....	.....19.....	.....597.....	.....XXX.....
10. 2016.....	.....11,581.....	.....9,287.....	.....2,294.....	.....1,651.....	.....1,406.....	.....283.....	.....221.....	.....275.....	.....138.....	.....15.....	.....444.....	.....XXX.....
11. 2017.....	.....18,075.....	.....15,439.....	.....2,636.....	.....1,061.....	.....966.....	.....131.....	.....112.....	.....332.....	.....265.....	.....10.....	.....181.....	.....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....24,886.....	.....19,582.....	.....5,686.....	.....3,919.....	.....2,821.....	.....1,176.....	.....119.....	.....8,717.....	.....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	.....65.....	.....	.....169.....	.....45.....	.....62.....	.....	.....48.....	.....5.....	.....20.....	.....	.....	.....314.....	.....XXX.....
2. 2008.....	.....19.....	.....13.....	.....102.....	.....78.....	.....12.....	.....9.....	.....30.....	.....22.....	.....10.....	.....1.....	.....	.....52.....	.....XXX.....
3. 2009.....	.....27.....	.....19.....	.....84.....	.....63.....	.....8.....	.....5.....	.....27.....	.....19.....	.....11.....	.....2.....	.....	.....48.....	.....XXX.....
4. 2010.....	.....72.....	.....50.....	.....104.....	.....78.....	.....16.....	.....11.....	.....34.....	.....24.....	.....23.....	.....7.....	.....	.....77.....	.....XXX.....
5. 2011.....	.....54.....	.....38.....	.....188.....	.....143.....	.....25.....	.....17.....	.....62.....	.....45.....	.....24.....	.....3.....	.....	.....106.....	.....XXX.....
6. 2012.....	.....282.....	.....219.....	.....239.....	.....184.....	.....53.....	.....39.....	.....81.....	.....59.....	.....40.....	.....7.....	.....	.....188.....	.....XXX.....
7. 2013.....	.....233.....	.....166.....	.....415.....	.....329.....	.....37.....	.....26.....	.....135.....	.....99.....	.....53.....	.....7.....	.....	.....246.....	.....XXX.....
8. 2014.....	.....437.....	.....332.....	.....693.....	.....547.....	.....112.....	.....80.....	.....228.....	.....168.....	.....85.....	.....8.....	.....	.....419.....	.....XXX.....
9. 2015.....	.....769.....	.....578.....	.....1,497.....	.....1,190.....	.....169.....	.....122.....	.....443.....	.....329.....	.....160.....	.....15.....	.....	.....804.....	.....XXX.....
10. 2016.....	.....1,624.....	.....1,365.....	.....2,721.....	.....2,178.....	.....264.....	.....207.....	.....751.....	.....561.....	.....252.....	.....25.....	.....	.....1,277.....	.....XXX.....
11. 2017.....	.....2,584.....	.....2,306.....	.....5,996.....	.....5,115.....	.....362.....	.....306.....	.....1,405.....	.....1,101.....	.....368.....	.....33.....	.....	.....1,854.....	.....XXX.....
12. Totals...	.....6,164.....	.....5,085.....	.....12,210.....	.....9,950.....	.....1,120.....	.....822.....	.....3,244.....	.....2,433.....	.....1,045.....	.....108.....	.....0.....	.....5,386.....	.....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....189.....	.....125.....
2. 2008.	.....4,605.....	.....3,188.....	.....1,417.....	.....54.0.....	.....50.7.....	.....63.2.....	.....	.....	.....	.....30.....	.....22.....
3. 2009.	.....3,575.....	.....2,424.....	.....1,151.....	.....49.0.....	.....45.3.....	.....59.0.....	.....	.....	.....	.....29.....	.....19.....
4. 2010.	.....3,409.....	.....2,442.....	.....967.....	.....59.6.....	.....57.0.....	.....67.2.....	.....	.....	.....	.....47.....	.....29.....
5. 2011.	.....5,391.....	.....3,947.....	.....1,445.....	.....82.7.....	.....81.1.....	.....87.4.....	.....	.....	.....	.....61.....	.....45.....
6. 2012.	.....6,819.....	.....5,540.....	.....1,279.....	.....81.6.....	.....81.2.....	.....83.4.....	.....	.....	.....	.....118.....	.....69.....
7. 2013.	.....3,393.....	.....2,327.....	.....1,066.....	.....57.7.....	.....52.1.....	.....75.2.....	.....	.....	.....	.....154.....	.....92.....
8. 2014.	.....3,878.....	.....2,832.....	.....1,046.....	.....51.6.....	.....49.4.....	.....58.7.....	.....	.....	.....	.....251.....	.....168.....
9. 2015.	.....5,421.....	.....4,019.....	.....1,402.....	.....59.5.....	.....57.3.....	.....67.0.....	.....	.....	.....	.....498.....	.....306.....
10. 2016.	.....7,822.....	.....6,101.....	.....1,721.....	.....67.5.....	.....65.7.....	.....75.0.....	.....	.....	.....	.....802.....	.....475.....
11. 2017.	.....12,239.....	.....10,204.....	.....2,035.....	.....67.7.....	.....66.1.....	.....77.2.....	.....	.....	.....	.....1,159.....	.....694.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....3,339.....	.....2,047.....

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior.....	.....6,080	.....5,959	.....5,717	.....5,222	.....4,984	.....4,627	.....4,421	.....4,426	.....4,465	.....4,613	.....148	.....187
2. 2008.....	.....1,368	.....1,344	.....1,326	.....1,290	.....1,265	.....1,217	.....1,179	.....1,176	.....1,161	.....1,154	.....(7)	.....(22)
3. 2009.....	.....XXX	.....1,244	.....1,199	.....1,152	.....1,090	.....989	.....932	.....945	.....949	.....963	.....15	.....19
4. 2010.....	.....XXX	.....XXX	.....918	.....946	.....935	.....889	.....840	.....826	.....780	.....774	.....(6)	.....(52)
5. 2011.....	.....XXX	.....XXX	.....XXX	.....1,310	.....1,416	.....1,365	.....1,283	.....1,275	.....1,265	.....1,263	.....(3)	.....(13)
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....1,093	.....1,122	.....1,085	.....1,059	.....1,056	.....1,078	.....22	.....18
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....895	.....894	.....827	.....841	.....858	.....17	.....31
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,103	.....1,014	.....875	.....808	.....(66)	.....(206)
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,277	.....1,189	.....1,099	.....(90)	.....(179)
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,424	.....1,357	.....(68)	.....XXX
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,633	.....XXX	.....XXX
12. Totals.....											.....(38)	.....(217)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior.....	.....000	.....1,595	.....2,517	.....3,120	.....3,511	.....3,691	.....3,814	.....3,921	.....4,078	.....4,319	.....XXX	.....XXX
2. 2008.....	.....243	.....504	.....708	.....869	.....979	.....1,030	.....1,069	.....1,103	.....1,107	.....1,111	.....XXX	.....XXX
3. 2009.....	.....XXX	.....335	.....519	.....643	.....738	.....798	.....828	.....867	.....892	.....924	.....XXX	.....XXX
4. 2010.....	.....XXX	.....XXX	.....192	.....389	.....511	.....607	.....667	.....692	.....694	.....712	.....XXX	.....XXX
5. 2011.....	.....XXX	.....XXX	.....XXX	.....366	.....696	.....923	.....1,028	.....1,111	.....1,146	.....1,177	.....XXX	.....XXX
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....129	.....478	.....627	.....755	.....857	.....923	.....XXX	.....XXX
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....56	.....176	.....345	.....526	.....658	.....XXX	.....XXX
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....59	.....219	.....324	.....465	.....XXX	.....XXX
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....87	.....267	.....439	.....XXX	.....XXX
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....73	.....307	.....XXX	.....XXX
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....114	.....XXX	.....XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior.....	.....4,512	.....3,193	.....2,430	.....1,704	.....1,221	.....735	.....444	.....305	.....266	.....167
2. 2008.....	.....860	.....595	.....428	.....299	.....202	.....120	.....78	.....60	.....46	.....33
3. 2009.....	.....XXX	.....729	.....525	.....395	.....262	.....151	.....67	.....50	.....35	.....29
4. 2010.....	.....XXX	.....XXX	.....549	.....409	.....311	.....178	.....104	.....69	.....54	.....35
5. 2011.....	.....XXX	.....XXX	.....XXX	.....648	.....441	.....298	.....173	.....115	.....94	.....62
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....603	.....439	.....295	.....181	.....112	.....77
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....668	.....564	.....330	.....195	.....122
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....855	.....641	.....400	.....206
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....957	.....681	.....421
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,098	.....734
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,185

Falls Lake General Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			2	3						
States, Etc.		Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
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....				(1,078)	(1,078)			
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	.....0	.....0
59.	Totals.....	(a)....4	.....0	.....0	.....0	.....(1,078)	.....(1,078)	.....0	.....0	.....0

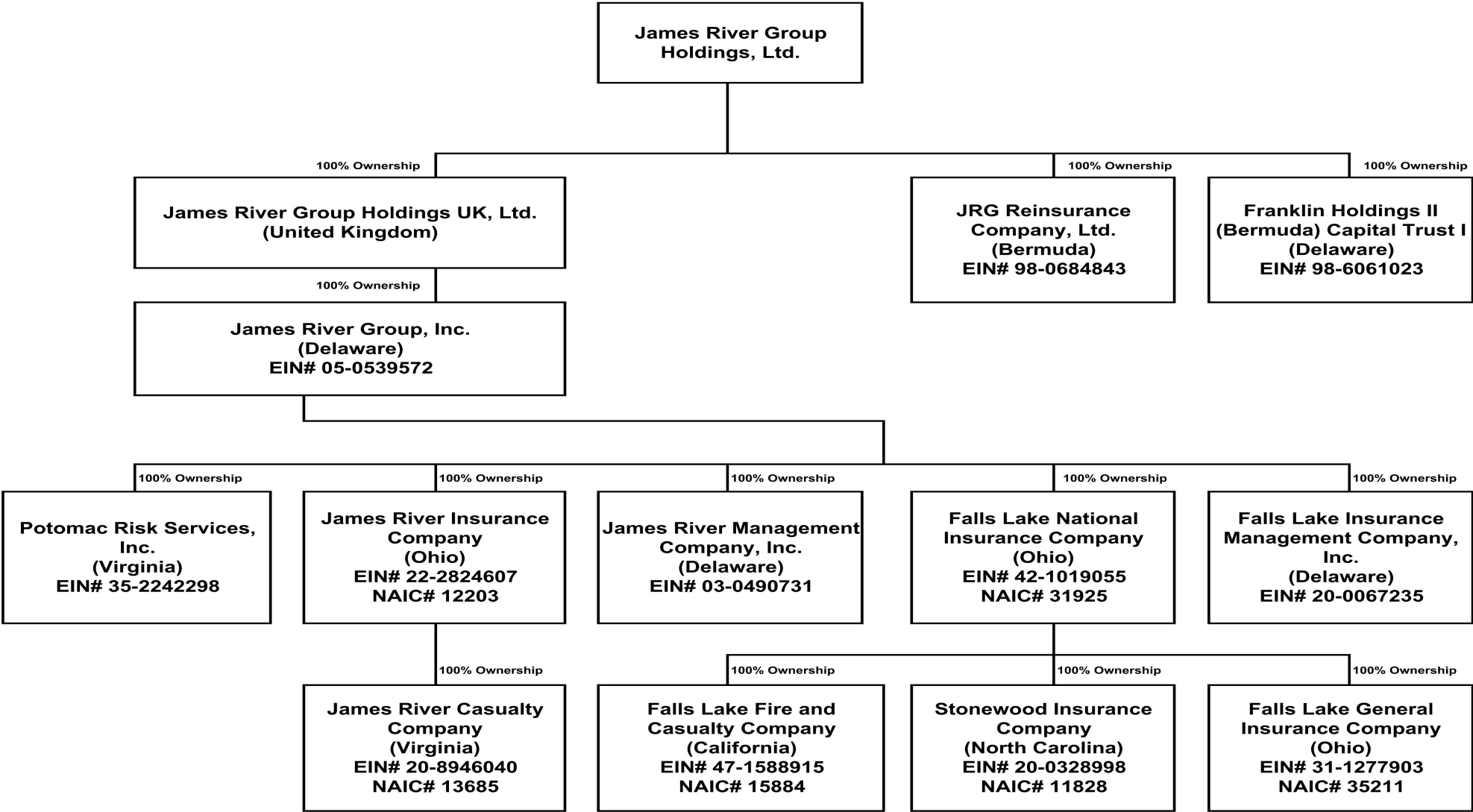
DETAILS OF WRITE-INS

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

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

(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



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