



QUARTERLY STATEMENT

As of September 30, 2018
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 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	6131 Falls of Neuse Rd., Suite 306 .. Raleigh .. NC .. US .. 27609 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Mail Address	6131 Falls of Neuse Rd., Suite 306 .. Raleigh .. NC .. US .. 27609 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	6131 Falls of Neuse Rd., Suite 306 .. Raleigh .. NC .. US .. 27609 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Internet Web Site Address	www.fallslakeins.com	
Statutory Statement Contact	Timothy S. MacAleese <i>(Name)</i> accounting@fallslakeins.com <i>(E-Mail Address)</i>	919-882-3500 <i>(Area Code) (Telephone Number)</i> 919-882-3500 <i>(Area Code) (Telephone Number)</i> (804) 281-2683 <i>(Area Code) (Telephone Number) (Extension)</i> 888-698-7290 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. Terence M. McCafferty #	President/CEO	2. Eric F. Liland #	Secretary
3. Timothy S. MacAleese #	Chief Financial Officer	4. Michael E. Crow	Treasurer

OTHER

Sarah C. Doran	Chairman of the Board	Dennis R. Johnson #	Chief Underwriting Officer
David B. Zoffer #	Senior VP and General Counsel		

DIRECTORS OR TRUSTEES

Sarah C. Doran	Terence M. McCafferty #	Michael E. Crow	Courtenay G. Warren #
Jennifer E. Kish #	Timothy S. MacAleese #	Bhupinder S. Sodhi #	Dennis R. Johnson #

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) Terence M. McCafferty 1. (Printed Name) President/CEO (Title)	_____ (Signature) Eric F. Liland 2. (Printed Name) Secretary (Title)	_____ (Signature) Timothy S. MacAleese 3. (Printed Name) Chief Financial Officer (Title)
--	---	---

Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No []

b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	4,739,536		4,739,536	4,698,745
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....267,553), cash equivalents (\$.....146,213) and short-term investments (\$.....0).....	413,766		413,766	324,306
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,153,302	0	5,153,302	5,023,051
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	13,058		13,058	14,719
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	635,795		635,795	649,928
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.....	7,078,180		7,078,180	6,410,192
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.....	170,558	13,782	156,776	131,902
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	13,050,893	13,782	13,037,111	12,229,792
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	13,050,893	13,782	13,037,111	12,229,792

DETAILS OF WRITE-INS

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....947,957).....	3,671,206	3,339,127
2. Reinsurance payable on paid losses and loss adjustment expenses.....	527,082	433,740
3. Loss adjustment expenses.....	2,210,521	2,046,659
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	6,175	10,822
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$....(2) on realized capital gains (losses)).....	25,250	72,888
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	1,196,454	1,024,407
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(6,570)	(9,497)
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	7,630,118	6,918,145
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	7,630,118	6,918,145
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	2,000,000
35. Unassigned funds (surplus).....	1,906,993	1,811,647
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).....	5,406,993	5,311,647
38. Totals (Page 2, Line 28, Col. 3).....	13,037,111	12,229,792

DETAILS OF WRITE-INS

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

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....0).....			
1.2 Assumed..... (written \$.....2,218,379).....	2,046,332	1,977,847	2,635,837
1.3 Ceded..... (written \$.....0).....			
1.4 Net..... (written \$.....2,218,379).....	2,046,332	1,977,847	2,635,837
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....990,591):			
2.1 Direct.....	(913)	(954)	
2.2 Assumed.....	936,038	797,644	1,046,843
2.3 Ceded.....	(913)	(954)	
2.4 Net.....	936,038	797,644	1,046,843
3. Loss adjustment expenses incurred.....	590,440	534,063	718,604
4. Other underwriting expenses incurred.....	453,946	645,561	653,623
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	1,980,424	1,977,268	2,419,070
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	65,908	579	216,767
INVESTMENT INCOME			
9. Net investment income earned.....	53,413	33,810	47,141
10. Net realized capital gains (losses) less capital gains tax of \$.....(2).....	(9)	(40)	(66)
11. Net investment gain (loss) (Lines 9 + 10).....	53,404	33,770	47,075
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	119,312	34,349	263,842
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).....	119,312	34,349	263,842
19. Federal and foreign income taxes incurred.....	48,840	(7,350)	64,528
20. Net income (Line 18 minus Line 19) (to Line 22).....	70,472	41,699	199,314
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	5,311,647	4,163,654	4,163,654
22. Net income (from Line 20).....	70,472	41,699	199,314
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.....	23,679	(19,386)	(125,760)
27. Change in nonadmitted assets.....	1,195	8,618	74,439
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....		1,000,000	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.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	95,346	1,030,931	1,147,993
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	5,406,993	5,194,585	5,311,647

DETAILS OF WRITE-INS

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

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	2,235,438	2,259,714	2,648,630
2. Net investment income.....	52,237	34,286	40,542
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	2,287,675	2,294,000	2,689,172
5. Benefit and loss related payments.....	1,178,605	652,584	896,420
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	885,169	1,652,241	1,806,810
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	96,476	(6,479)	(89,728)
10. Total (Lines 5 through 9).....	2,160,249	2,298,346	2,613,502
11. Net cash from operations (Line 4 minus Line 10).....	127,426	(4,346)	75,670
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,813,023		
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.....	(11)	(61)	(102)
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,813,012	(61)	(102)
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	1,850,978	600,853	899,905
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,850,978	600,853	899,905
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(37,966)	(600,914)	(900,007)
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	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 through 16.4 minus Line 16.5 plus Line 16.6).....	0	1,000,000	1,000,000
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	89,460	394,740	175,663
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	324,306	148,643	148,643
19.2 End of period (Line 18 plus Line 19.1).....	413,766	543,383	324,306

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

20.0001			
---------------	--	--	--

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern**

A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) The Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 70,472	\$ 199,314
(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	\$ 70,472	\$ 199,314
SURPLUS					
(5) The Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,406,993	\$ 5,311,647
(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	\$ 5,406,993	\$ 5,311,647

C. Accounting Policy

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

D. Going Concern - not applicable

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

Not applicable

Note 4 – Discontinued Operations

Not applicable

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 2018.

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 Determine Prepayment Assumptions

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

(2)

For the quarter ended September 30, 2018, the Company did not recognize any other-than-temporary impairments for loan-backed and structured securities as a result of the Company's intent to sell or inability (or lack of intent) to retain the security for a period of time sufficient to recover the amortized cost basis.

(3) Recognized OTTI securities

At September 30, 2018 the Company held no securities with a recognized other-than-temporary impairment.

NOTES TO FINANCIAL STATEMENTS

- (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	\$ 9,970
	2. 12 Months or Longer	\$ 5,003
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 638,621
	2. 12 Months or Longer	\$ 194,433

- (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)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
j. On deposit with states	580,371				580,371	575,977	4,394		580,371	4.5%	4.5%
o. Total Restricted Assets	\$ 580,371	\$	\$	\$	\$ 580,371	\$ 575,977	\$ 4,394	\$	\$ 580,371	4.5%	4.5%

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

The Company does not have structured notes.

P. 5* Securities

The Company does not have any 5* securities.

NOTES TO FINANCIAL STATEMENTS

Q. Short Sales

Not applicable

R. Prepayment Penalty and Acceleration Fees

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

Not applicable

Note 9 – Income Taxes

The effective tax rate decreased for the nine months ended September 30, 2018 from the rate in the prior year primarily as a result of the application of the Tax Cuts and Jobs Act of 2017 (the "Act"), which, among other things, reduced the Federal statutory tax rate to 21% (previously this rate was 35%).

No other significant changes

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

No significant changes

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements

The Company does not have any FHLB (Federal Home Loan Bank) loan agreements at September 30, 2018.

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

No significant change

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

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

Not applicable

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

Not applicable

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

B. Transfer and Servicing of Financial Assets

(2) Servicing Assets and Servicing Liabilities
Not applicable

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales
Not applicable

C. Wash Sales

(1) Description of the Objectives Regarding These Transactions
The Company did not enter into any wash sale transactions during 2018.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2018 and reacquired within 30 days of the sale date are:
Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant changes

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

The Company does not have any assets or liabilities reported at fair value at September 30, 2018

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

Not applicable

(3) Policies when Transfers Between Levels are Recognized

Not applicable

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Not applicable

(5) Fair Value Disclosures

Not applicable

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	\$ 4,665,102	\$ 4,739,536	\$ 3,630,888	\$ 1,034,214	\$	\$	\$
Short-term investments	\$	\$	\$	\$	\$	\$	\$
Cash equivalents	\$ 146,214	\$ 146,214	\$ 146,214	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

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

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

On October 12, 2018, the Board of Directors of Falls Lake National Insurance Company (the Parent) approved a merger of Falls Lake General Insurance Company and the Parent with the Parent being the surviving entity. This merger was approved by the Ohio Department of Insurance effective November 9, 2018.

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

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

	<u>9/30/2018</u>	<u>12/31/2017</u>
Reserves, Net of Reinsurance Recoverables at		
Beginning of Year	\$ 5,385,786	\$ 5,996,516
Add: Provision of Claims Occurring During:		
Current Year	1,640,360	2,035,004
Prior Years	(113,882)	(269,557)
Incurred Losses/Expenses	<u>1,526,478</u>	<u>1,765,447</u>
Deduct: Payments for Claims Occurring During:		
Current Year	105,538	181,454
Prior Years	924,999	2,194,723
	<u>1,030,527</u>	<u>2,376,177</u>
Reserves, net of Reins Recoverables at End of Period	<u>\$ 5,881,737</u>	<u>\$ 5,385,786</u>

Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by approximately \$114,000 in 2018, resulting primarily from other liability lines of business. This change is the result of an ongoing analysis of recent development trends and additional information regarding individual claims.

NOTES TO FINANCIAL STATEMENTS**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. Prior to January 1, 2017 all lines of business were 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.-G.

No significant changes

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating policies

Not applicable

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – High Deductibles

Not applicable

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

Not applicable

Note 33 – Asbestos/Environmental Reserves

No significant changes

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

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 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes No
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 1620459
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes No N/A
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/09/2015
- 6.4 By what department or departments?
Ohio Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

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

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

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

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

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

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No []
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

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

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

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 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 [X]

GENERAL INTERROGATORIES (continued)

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] N/A []
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
 3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5.1 Operating Percentages:

5.1 A&H loss percent	0.000%
5.2 A&H cost containment percent	0.000%
5.3 A&H expense percent excluding cost containment expenses	0.000%

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

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

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

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

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No []

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

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

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	E						
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	E						
9. District of Columbia.....DC	N						
10. Florida.....FL	N						
11. Georgia.....GA	L			(913)	(954)		
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	E						
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	E						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	E						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N						
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	XXX	0	0	(913)	(954)	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
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	0

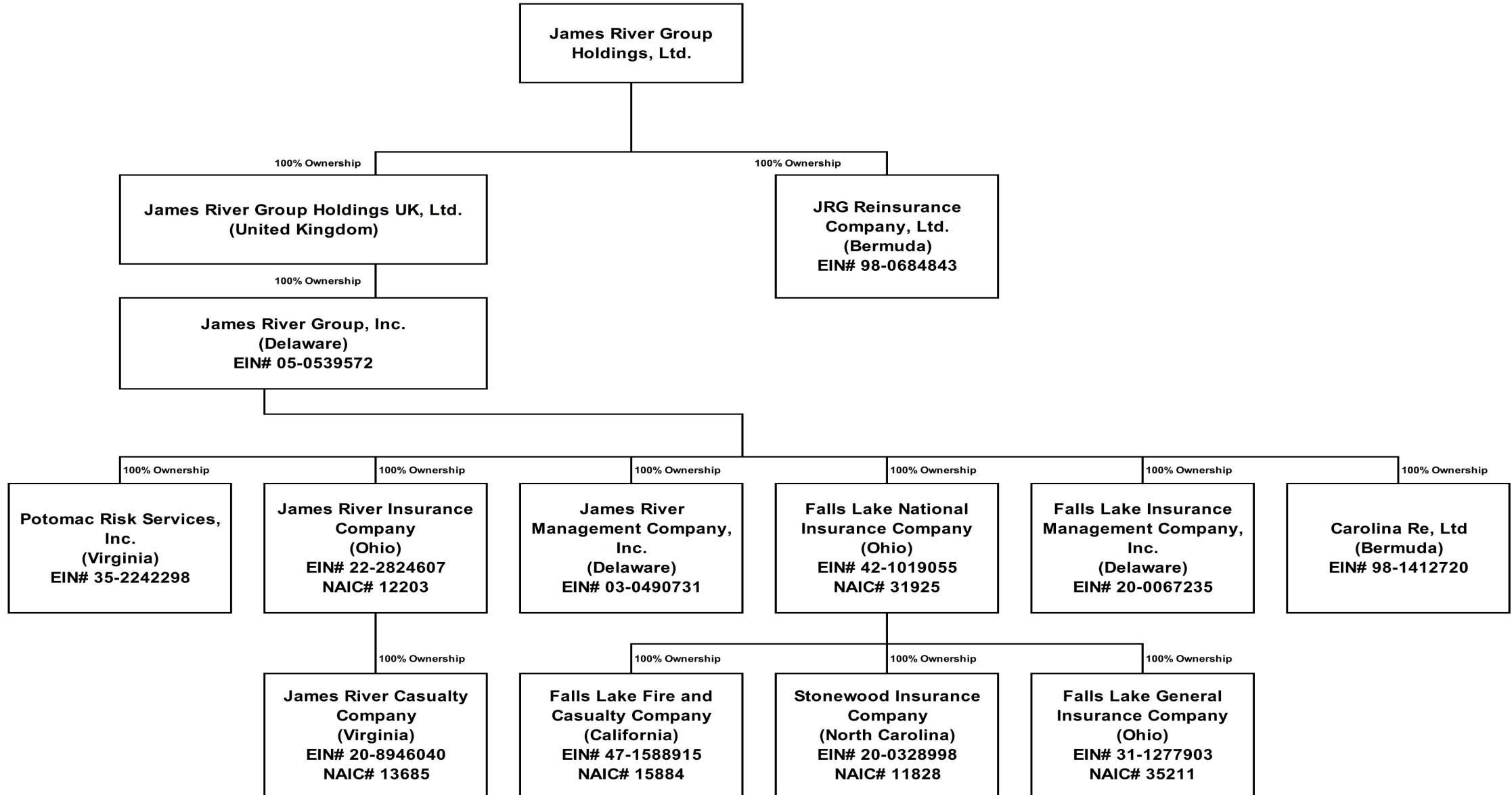
(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	4	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	5	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	48

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

PART 1 – ORGANIZATIONAL CHART

Q11



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

PART 1 – ORGANIZATIONAL CHART

Q11.1

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
Members															
		00000...	98-0585280..		.....1620459	OQ.....	James River Group Holdings, Ltd.....	BMU.....	UIP.....					.....N.....	
		00000...					James River Group Holdings UK, Ltd.....	GBR.....	UIP.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
		00000...	05-0539572..				James River Group, Inc.....	DE.....	UIP.....	James River Group Holdings UK, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
		00000...	98-0684843..				JRG Reinsurance Company, Ltd.....	BMU.....	IA.....	James River Group Holdings, Ltd.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
		00000...	35-2242298..				Potomac Risk Services Inc.....	VA.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	12203...	22-2824607..				James River Insurance Company.....	OH.....	IA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
		00000...	03-0490731..				James River Management Company, Inc.....	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	13685...	20-8946040..				James River Casualty Company.....	VA.....	IA.....	James River Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	31925...	42-1019055..				Falls Lake National Insurance Company.....	OH.....	UDP.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
		00000...	20-0067235..				Falls Lake Insurance Management Company, Inc.	DE.....	NIA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	00000...	98-1412720..				Carolina Re, Ltd.....	BMU.....	IA.....	James River Group, Inc.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	15884...	47-1588915..				Falls Lake Fire and Casualty Company.....	CA.....	IA.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	11828...	20-0328998..				Stonewood Insurance Company.....	NC.....	IA.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	
3494	James River Insurance Group	35211...	31-1277903..				Falls Lake General Insurance Company.....	OH.....	IA.....	Falls Lake National Insurance Company.....	Ownership.....	...100.000	James River Group Holdings, Ltd.....	.....N.....	

Q12

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.000	
2. Allied lines.....			0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....			0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....			0.000	
17.1. Other liability-occurrence.....			0.000	
17.2. Other liability-claims made.....			0.000	
17.3. Excess workers' compensation.....			0.000	
18.1. Products liability-occurrence.....			0.000	
18.2. Products liability-claims made.....			0.000	
19.1, 19.2. Private passenger auto liability.....			0.000	
19.3, 19.4. Commercial auto liability.....			0.000	
21. Auto physical damage.....		(913)	0.000	
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	.0	.0	0.000	
35. Totals.....	.0	(913)	0.000	
DETAILS OF WRITE-INS				
3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	.0	.0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	.0	.0	0.000	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1 19.2. Private passenger auto liability.....			
19.3 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	.0	.0	.0
35. Totals.....	.0	.0	.0
DETAILS OF WRITE-INS			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	.0	.0	.0

NONE

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + Prior.....	.....754	.....1,501	.....2,255	.....440	.....41	.....481	.....687	.....32	.....1,071	.....1,790	.....373	.....(357)	.....16
2. 2016.....	.....324	.....954	.....1,278	.....181	.....24	.....205	.....352	.....25	.....649	.....1,026	.....209	.....(256)	.....(47)
3. Subtotals 2016 + Prior.....	.....1,078	.....2,455	.....3,533	.....621	.....65	.....686	.....1,039	.....57	.....1,720	.....2,816	.....582	.....(613)	.....(31)
4. 2017.....	.....341	.....1,512	.....1,853	.....201	.....37	.....238	.....404	.....(53)	.....1,180	.....1,531	.....264	.....(348)	.....(84)
5. Subtotals 2017 + Prior.....	.....1,419	.....3,967	.....5,386	.....822	.....102	.....924	.....1,443	.....4	.....2,900	.....4,347	.....846	.....(961)	.....(115)
6. 2018.....	.....XXX	.....XXX	.....XXX	.....XXX	.....106	.....106	.....XXX	.....250	.....1,285	.....1,535	.....XXX	.....XXX	.....XXX
7. Totals.....	.....1,419	.....3,967	.....5,386	.....822	.....208	.....1,030	.....1,443	.....254	.....4,185	.....5,882	.....846	.....(961)	.....(115)
8. Prior Year-End's Surplus As Regards Policyholders.....	.....5,312										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....59.6 %	2. ....(24.2)%	3. ....(2.1)%
													Col. 13, Line 7 Line 8
													4. ....(2.2)%

Q14

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

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

Bar Code:



NONE

Falls Lake General Insurance Company
SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	4,698,743	3,794,422
2. Cost of bonds and stocks acquired.....	1,850,978	899,905
3. Accrual of discount.....	3,666	5,388
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration for bonds and stocks disposed of.....	1,813,023	
7. Deduct amortization of premium.....	829	972
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	4,739,535	4,698,743
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	4,739,535	4,698,743

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	4,281,565	2,232,945	1,778,418	3,444	4,235,669	4,281,565	4,739,536	4,748,540
2. NAIC 2 (a).....							0	
3. NAIC 3 (a).....							0	
4. NAIC 4 (a).....							0	
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	4,281,565	2,232,945	1,778,418	3,444	4,235,669	4,281,565	4,739,536	4,748,540
PREFERRED STOCK								
8. NAIC 1.....							0	
9. NAIC 2.....							0	
10. NAIC 3.....							0	
11. NAIC 4.....							0	
12. NAIC 5.....							0	
13. NAIC 6.....							0	
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	4,281,565	2,232,945	1,778,418	3,444	4,235,669	4,281,565	4,739,536	4,748,540

QS102

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

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

NONE

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	49,795	82,842
2. Cost of short-term investments acquired.....	2,129,009	4,020,704
3. Accrual of discount.....	7,688	1,148
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(11)	(101)
6. Deduct consideration received on disposals.....	2,186,481	4,054,798
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	49,795
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	0	49,795

**Sch. DB - Pt. A - Verification
NONE**

**Sch. DB - Pt. B - Verification
NONE**

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

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

**Sch. DB - Verification
NONE**

SCHEDULE E - PART 2 - VERIFICATION

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	78,411	
2. Cost of cash equivalents acquired.....	5,910,389	251,644
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	5,842,587	173,233
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	146,213	78,411
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	146,213	78,411

**Sch. A - Pt. 2
NONE**

**Sch. A - Pt. 3
NONE**

**Sch. B - Pt. 2
NONE**

**Sch. B - Pt. 3
NONE**

**Sch. BA - Pt. 2
NONE**

**Sch. BA - Pt. 3
NONE**

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government									
912828 3Y 4	UNITED STATES TREASURY NOTE		08/07/2018	NOMURA SECURITIES INTL		497,131	500,000	4,922	1
912828 Y4 6	UNITED STATES TREASURY NOTE		08/21/2018	BARCLAYS CAPITAL		800,284	800,000	1,255	1
0599999	Total - Bonds - U.S. Government					1,297,415	1,300,000	6,177	XXX
Bonds - Industrial and Miscellaneous									
36255J AD 6	GM FINANCIAL SECURITIZED TERM 18-3 A3		07/11/2018	JP MORGAN SECURITIES INC		99,977	100,000		1FE
3899999	Total - Bonds - Industrial and Miscellaneous					99,977	100,000	0	XXX
8399997	Total - Bonds - Part 3					1,397,392	1,400,000	6,177	XXX
8399999	Total - Bonds					1,397,392	1,400,000	6,177	XXX
9999999	Total - Bonds, Preferred and Common Stocks					1,397,392	XXX	6,177	XXX

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

QE04

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue and Special Assessment																					
3140H5 AW 1	FEDERAL NATIONAL MTG ASSOC #BJ3620		09/01/2018	PAYDOWN		1,004	1,004	1,054			(2)		(2)		1,004			0	22	01/01/2048	1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments					1,004	1,004	1,054	0	0	(2)	0	(2)	0	1,004	0	0	0	22	XXX	XXX
8399997	Total - Bonds - Part 4					1,004	1,004	1,054	0	0	(2)	0	(2)	0	1,004	0	0	0	22	XXX	XXX
8399999	Total - Bonds					1,004	1,004	1,054	0	0	(2)	0	(2)	0	1,004	0	0	0	22	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks					1,004	XXX	1,054	0	0	(2)	0	(2)	0	1,004	0	0	0	22	XXX	XXX

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

QE05

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

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

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

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

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Key Bank..... Cleveland, OH.....					.....342,550	.....321,758	.....267,553	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....342,550	.....321,758	.....267,553	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....342,550	.....321,758	.....267,553	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....342,550	.....321,758	.....267,553	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1			2	3	4	5	6	7	8	9
CUSIP			Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Exempt Money Market Mutual Funds as Identified by the SVO										
31846V	80	7	FIRST AMER TREASURY OBLIG-Y.....		09/18/2018.....					
31846V	80	7	FIRST AMER TREASURY OBLIG-Y.....	SD.....	09/18/2018.....			53,261		
60934N	50	0	FEDERATED TREASURY OBLIGA-IS.....		09/18/2018.....			62,862		
94975H	29	6	WELLS FARGO ADV TR PL MM-INS.....		09/18/2018.....					
94975H	29	6	WELLS FARGO ADV TR PL MM-INS.....	SD.....	09/18/2018.....			30,090		
8599999			Total - Exempt Money Market Mutual Funds as Identified by the SVO.....					146,213	.0	.0
8899999			Total - Cash Equivalents.....					146,213	.0	.0

QE13