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# ANNUAL STATEMENT

For the Year Ended December 31, 2020

of the Condition and Affairs of the

## Falls Lake National Insurance Company

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

NAIC Company Code..... 31925

Employer's ID Number..... 42-1019055

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... February 6, 1974

Commenced Business..... February 21, 1974

Statutory Home Office

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

919-882-3500

(Area Code) (Telephone Number)

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

Timothy Sean MacAleese

(Name)

(804) 281-2683

(Area Code) (Telephone Number) (Extension)

accounting@fallslakeins.com

(E-Mail Address)

888-698-7290

(Fax Number)

### OFFICERS

**Name**

1. Terence Michael McCafferty  
3. Timothy Sean MacAleese

**Title**

President/CEO  
SVP/Chief Financial Officer

**Name**

2. Eric Forest Liland  
4. Daniel Arthur Shultis

**Title**

Secretary/Chief Actuary  
Treasurer/Controller

Sarah Casey Doran  
Benson Lee Jeffress #

Chairperson of the Board  
Assistant Secretary

Courtney Gray Warren

SVP/Chief Claims Officer

### OTHER

Sarah Casey Doran  
Timothy Sean MacAleese

Terence Michael McCafferty  
Thomas Edward Peach

Michael Edward Crow

Courtenay Gray Warren

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 Michael McCafferty	(Signature) Eric Forest Liland	(Signature) Timothy Sean MacAleese
1. (Printed Name) President/CEO	2. (Printed Name) Secretary/Chief Actuary	3. (Printed Name) SVP/Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

2021

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

Yes [ X ]   No [ ]

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	4,357,015	0	4,357,015	5,140,171
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	215,400	0	215,400	399,249
2.2 Common stocks .....	94,354,687	0	94,354,687	83,568,671
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... 0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... 0 encumbrances) .....	0	0	0	0
5. Cash (\$ ..... 21,159,711 , Schedule E - Part 1), cash equivalents (\$ ..... 3,967,665 , Schedule E - Part 2) and short-term investments (\$ ..... 249,993 , Schedule DA) .....	25,377,369	0	25,377,369	11,764,058
6. Contract loans (including \$ ..... 0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivable for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	124,304,471	0	124,304,471	100,872,149
13. Title plants less \$ ..... 0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	35,914	0	35,914	38,562
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	100,316,716	2,727,795	97,588,921	68,511,077
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ ..... 0 earned but unbilled premiums) .....	5,952,587	6,849	5,945,738	14,683,358
15.3 Accrued retrospective premiums (\$ ..... 0 ) and contracts subject to redetermination (\$ ..... 0 ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	21,010,509	0	21,010,509	29,522,856
16.2 Funds held by or deposited with reinsured companies .....	315,408,088	0	315,408,088	285,323,109
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	0
18.2 Net deferred tax asset .....	1,751,675	325,104	1,426,571	838,984
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... 0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	280,445	0	280,445	293,094
24. Health care (\$ ..... 0 ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other than invested assets .....	20,603	10,000	10,603	13,051
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	569,081,008	3,069,748	566,011,260	500,096,240
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	569,081,008	3,069,748	566,011,260	500,096,240
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
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. Other assets .....	20,603	10,000	10,603	10,000
2502. Miscellaneous receivable .....	0	0	0	3,051
2503. ....				
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) .....	20,603	10,000	10,603	13,051

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	16,193,303	14,313,637
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	11,660,482	22,159,712
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	9,180,233	9,030,828
4. Commissions payable, contingent commissions and other similar charges .....	15,491,193	11,385,529
5. Other expenses (excluding taxes, licenses and fees) .....	38,660	1,672,094
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	7,828,439	7,544,904
7.1 Current federal and foreign income taxes (including \$ .....(832) on realized capital gains (losses)) .....	252,770	27,475
7.2 Net deferred tax liability .....	0	0
8. Borrowed money \$ .....5,000,000 and interest thereon \$ .....0 .....	5,000,000	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....144,772,309 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) .....	7,190,675	5,969,323
10. Advance premium .....	111,879	466,121
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	78,761,429	62,292,759
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	293,127,874	263,824,073
14. Amounts withheld or retained by company for account of others .....	0	0
15. Remittances and items not allocated .....	0	0
16. Provision for reinsurance (including \$ .....0 certified) (Schedule F, Part 3, Column 78) .....	27,000	114,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0
18. Drafts outstanding .....	0	0
19. Payable to parent, subsidiaries and affiliates .....	746,735	173,556
20. Derivatives .....	0	0
21. Payable for securities .....	0	0
22. Payable for securities lending .....	0	0
23. Liability for amounts held under uninsured plans .....	0	0
24. Capital notes \$ .....0 and interest thereon \$ .....0 .....	0	0
25. Aggregate write-ins for liabilities .....	6,368,796	1,898,003
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	451,979,468	400,872,014
27. Protected cell liabilities .....	0	0
28. Total liabilities (Lines 26 and 27) .....	451,979,468	400,872,014
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	4,200,000	4,200,000
31. Preferred capital stock .....	0	0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	0	0
34. Gross paid in and contributed surplus .....	78,558,551	78,558,551
35. Unassigned funds (surplus) .....	31,273,241	16,465,675
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$ .....0) .....	0	0
36.2 .....0 shares preferred (value included in Line 31 \$ .....0) .....	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	114,031,792	99,224,226
38. <b>TOTALS (Page 2, Line 28, Col. 3)</b> .....	<b>566,011,260</b>	<b>500,096,240</b>
<b>DETAILS OF WRITE-INS</b>		
2501. Deferred service fees .....	195,330	173,749
2502. Funds held deposit .....	5,194,174	1,683,595
2503. Policyholder deposits .....	773,340	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	205,952	40,659
2599. <b>Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)</b> .....	<b>6,368,796</b>	<b>1,898,003</b>
2901. .....		
2902. .....		
2903. .....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. <b>Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)</b> .....	<b>0</b>	<b>0</b>
3201. .....		
3202. .....		
3203. .....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. <b>Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)</b> .....	<b>0</b>	<b>0</b>

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	13,630,085	10,854,146
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7).....	5,070,168	4,756,656
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	3,213,038	3,675,739
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	726,238	1,876,475
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	9,009,444	10,308,870
7. Net income of protected cells.....	0	0
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	4,620,641	545,275
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	54,027	335,289
10. Net realized capital gains or (losses) less capital gains tax of \$ (832) (Exhibit of Capital Gains (Losses) ).....	(3,131)	104,724
11. Net investment gain (loss) (Lines 9 + 10).....	50,896	440,013
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 23,784 ).....	(23,784)	(7,621)
13. Finance and service charges not included in premiums.....	2,057,183	1,963,086
14. Aggregate write-ins for miscellaneous income.....	328,770	(1,560,450)
15. Total other income (Lines 12 through 14).....	2,362,169	395,015
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	7,033,706	1,380,303
17. Dividends to policyholders.....	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	7,033,706	1,380,303
19. Federal and foreign income taxes incurred.....	1,580,054	337,427
20. Net income (Line 18 minus Line 19)(to Line 22).....	5,453,652	1,042,876
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	99,224,226	94,031,484
22. Net income (from Line 20).....	5,453,652	1,042,876
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 2,915.....	10,796,983	4,332,542
25. Change in net unrealized foreign exchange capital gain (loss).....	0	0
26. Change in net deferred income tax.....	558,321	128,102
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(2,088,390)	(196,778)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	87,000	(114,000)
29. Change in surplus notes.....	0	0
30. Surplus (contributed to) withdrawn from protected cells.....	0	0
31. Cumulative effect of changes in accounting principles.....	0	0
32. Capital changes:		
32.1 Paid in.....	0	0
32.2 Transferred from surplus (Stock Dividend).....	0	0
32.3 Transferred to surplus.....	0	0
33. Surplus adjustments:		
33.1 Paid in.....	0	0
33.2 Transferred to capital (Stock Dividend).....	0	0
33.3 Transferred from capital.....	0	0
34. Net remittances from or (to) Home Office.....	0	0
35. Dividends to stockholders.....	0	0
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	14,807,566	5,192,742
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	114,031,792	99,224,226
<b>DETAILS OF WRITE-INS</b>		
0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....	0	0
1401. Miscellaneous fees.....	(211,300)	(1,685,888)
1402. Fronting fee income.....	540,070	125,438
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	328,770	(1,560,450)
3701.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	8,505,070	(1,654,612)
2. Net investment income .....	90,803	423,368
3. Miscellaneous income .....	2,362,169	395,013
4. Total (Lines 1 through 3) .....	10,958,042	(836,231)
5. Benefit and loss related payments .....	35,262,364	55,360,159
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,037,305	(6,209,630)
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....	27,838	tax on capital gains (losses) .....
	1,353,927	113,723
10. Total (Lines 5 through 9) .....	37,653,596	49,264,252
11. Net cash from operations (Line 4 minus Line 10) .....	(26,695,554)	(50,100,484)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	3,396,381	8,339,259
12.2 Stocks .....	195,000	1,184,013
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	3,591,381	9,523,272
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	2,645,385	3,331,566
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,645,385	3,331,566
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	945,996	6,191,706
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	5,000,000	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	34,362,869	47,208,030
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	39,362,869	47,208,030
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	13,613,311	3,299,253
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	11,764,058	8,464,805
19.2 End of period (Line 18 plus Line 19.1) .....	25,377,369	11,764,058

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

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## ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire .....	19,086	18,442	14,217	23,311
2. Allied lines .....	7,140	112,386	50,765	68,761
3. Farmowners multiple peril .....	0	0	0	0
4. Homeowners multiple peril .....	0	0	0	0
5. Commercial multiple peril .....	7,772	(21)	1,157	6,594
6. Mortgage guaranty .....	0	0	0	0
8. Ocean marine .....	0	0	0	0
9. Inland marine .....	10,849	3,786	8,634	6,001
10. Financial guaranty .....	0	0	0	0
11.1 Medical professional liability - occurrence .....	1,488	4,586	502	5,572
11.2 Medical professional liability - claims-made .....	369,432	151,965	169,886	351,511
12. Earthquake .....	(1,334)	27,633	11,368	14,931
13. Group accident and health .....	0	0	0	0
14. Credit accident and health (group and individual) .....	0	0	0	0
15. Other accident and health .....	0	0	0	0
16. Workers' compensation .....	1,262,558	356,548	245,116	1,373,990
17.1 Other liability - occurrence .....	9,075,914	3,642,583	4,546,263	8,172,234
17.2 Other liability - claims-made .....	852,525	348,737	412,175	789,087
17.3 Excess workers' compensation .....	0	0	0	0
18.1 Products liability - occurrence .....	2,133,800	946,675	1,149,227	1,931,248
18.2 Products liability - claims-made .....	567,260	174,373	311,724	429,909
19.1, 19.2 Private passenger auto liability .....	169,203	63,680	41,846	191,037
19.3, 19.4 Commercial auto liability .....	242,397	105,260	147,706	199,951
21. Auto physical damage .....	72,382	13,316	37,683	48,015
22. Aircraft (all perils) .....	56,819	0	41,522	15,297
23. Fidelity .....	0	0	0	0
24. Surety .....	0	0	0	0
26. Burglary and theft .....	3,556	(647)	860	2,049
27. Boiler and machinery .....	590	21	24	587
28. Credit .....	0	0	0	0
29. International .....	0	0	0	0
30. Warranty .....	0	0	0	0
31. Reinsurance - nonproportional assumed property .....	0	0	0	0
32. Reinsurance - nonproportional assumed liability .....	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines .....	0	0	0	0
34. Aggregate write-ins for other lines of business .....	0	0	0	0
35. TOTALS .....	14,851,437	5,969,323	7,190,675	13,630,085
<b>DETAILS OF WRITE-INS</b>				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	0	0	0

## ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire .....	14,002	215	0	0	14,217
2. Allied lines .....	49,902	863	0	0	50,765
3. Farmowners multiple peril .....	0	0	0	0	0
4. Homeowners multiple peril .....	0	0	0	0	0
5. Commercial multiple peril .....	1,157	0	0	0	1,157
6. Mortgage guaranty .....	0	0	0	0	0
8. Ocean marine .....	0	0	0	0	0
9. Inland marine .....	8,611	23	0	0	8,634
10. Financial guaranty .....	0	0	0	0	0
11.1 Medical professional liability - occurrence .....	502	0	0	0	502
11.2 Medical professional liability - claims-made .....	169,746	140	0	0	169,886
12. Earthquake .....	11,156	212	0	0	11,368
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 .....	245,116	0	0	0	245,116
17.1 Other liability - occurrence .....	4,087,328	458,935	0	0	4,546,263
17.2 Other liability - claims-made .....	409,931	2,244	0	0	412,175
17.3 Excess workers' compensation .....	0	0	0	0	0
18.1 Products liability - occurrence .....	1,001,937	147,290	0	0	1,149,227
18.2 Products liability - claims-made .....	290,130	21,594	0	0	311,724
19.1, 19.2 Private passenger auto liability .....	41,846	0	0	0	41,846
19.3, 19.4 Commercial auto liability .....	147,706	0	0	0	147,706
21. Auto physical damage .....	37,683	0	0	0	37,683
22. Aircraft (all perils) .....	41,522	0	0	0	41,522
23. Fidelity .....	0	0	0	0	0
24. Surety .....	0	0	0	0	0
26. Burglary and theft .....	860	0	0	0	860
27. Boiler and machinery .....	24	0	0	0	24
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 .....	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability .....	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines .....	0	0	0	0	0
34. Aggregate write-ins for other lines of business .....	0	0	0	0	0
35. TOTALS .....	6,559,159	631,516	0	0	7,190,675
36. Accrued retrospective premiums based on experience .....					0
37. Earned but unbilled premiums .....					0
38. Balance (Sum of Line 35 through 37) .....					7,190,675
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	0	0	0	0

(a) State here basis of computation used in each case      Daily pro rata .....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**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	2,607,823	.27,194	0	.553,675	2,062,256	19,086
2. Allied lines	7,779,824	78,169	0	.48,460	7,802,393	7,140
3. Farmowners multiple peril	0	0	0	0	0	0
4. Homeowners multiple peril	0	0	0	0	0	0
5. Commercial multiple peril	22,411,479	.66,212	0	.96,810	22,373,109	7,772
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	2,349,248	-(10,567)	0	.375,454	1,952,378	10,849
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	14,878	0	.13,390	0	1,488
11.2 Medical professional liability - claims-made	0	3,694,321	0	.3,324,889	0	369,432
12. Earthquake	6,854	-(13,446)	0	-(11,769)	.6,511	-(1,334)
13. Group accident and health	0	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	12,756,618	11,755,595	.660,380	.13,247,845	10,662,190	1,262,558
17.1 Other liability - occurrence	22,272,680	89,845,546	0	.83,773,695	19,268,617	9,075,914
17.2 Other liability - claims-made	12,295	8,524,950	0	.7,673,419	11,301	.852,525
17.3 Excess workers' compensation	0	0	0	0	0	0
18.1 Products liability - occurrence	0	21,336,853	0	.19,203,053	0	2,133,800
18.2 Products liability - claims-made	72,736	5,672,603	0	.5,109,173	.68,906	.567,260
19.1, 19.2 Private passenger auto liability	36,607,397	0	0	.5,470,898	30,967,296	.169,203
19.3, 19.4 Commercial auto liability	45,650,738	619,806	.278,823	.6,391,267	39,915,703	242,397
21. Auto physical damage	14,255,355	.20,265	0	.2,293,064	11,910,174	.72,382
22. Aircraft (all perils)	14,420,501	0	0	.1,837,146	12,526,536	.56,819
23. Fidelity	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0
26. Burglary and theft	589,892	.2,677	0	.108,736	480,277	.3,556
27. Boiler and machinery	1,783,827	.5,896	0	.5,313	1,783,820	.590
28. Credit	386,756	0	0	0	.386,756	0
29. International	0	0	0	0	0	0
30. Warranty	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	0	0
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
35. TOTALS	183,964,023	141,640,952	939,203	149,514,518	162,178,223	14,851,437
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 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 [ X ] No [ ]

If yes: 1. The amount of such installment premiums \$ 2,935,099

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$ 4,234,537

## ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire .....	1,380,221	8,354	1,384,931	3,644	63,800	9,102	58,342	250.3
2. Allied lines .....	1,414,661	(63,055)	1,350,806	800	76,165	20,221	56,744	82.5
3. Farmowners multiple peril .....	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril .....	0	0	0	0	0	0	0	0.0
5. Commercial multiple peril .....	7,279,174	8,912	7,287,624	462	11,667	(16,681)	28,810	436.9
6. Mortgage guaranty .....	0	0	0	0	0	0	0	0.0
8. Ocean marine .....	0	0	0	0	0	0	0	0.0
9. Inland marine .....	591,065	0	589,809	1,256	1,510	1,000	1,766	29.4
10. Financial guaranty .....	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence .....	0	44,247	39,822	4,425	31,642	32,696	3,371	60.5
11.2 Medical professional liability - claims-made .....	0	2,144,358	1,929,922	214,436	697,853	482,411	429,878	122.3
12. Earthquake .....	0	0	0	0	0	3,410	(3,410)	(22.8)
13. Group accident and health .....	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual) .....	0	0	0	0	0	0	0	0.0
15. Other accident and health .....	0	0	0	0	0	0	0	0.0
16. Workers' compensation .....	6,792,642	5,869,164	12,041,343	620,463	1,766,532	1,840,281	.546,714	39.8
17.1 Other liability - occurrence .....	1,347,490	15,117,081	14,949,403	1,515,168	9,250,288	7,677,855	3,087,601	37.8
17.2 Other liability - claims-made .....	175,000	950,689	1,029,345	96,344	492,936	558,329	30,951	3.9
17.3 Excess workers' compensation .....	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence .....	0	4,827,008	4,344,307	482,701	3,058,509	2,996,687	.544,523	28.2
18.2 Products liability - claims-made .....	0	123,616	111,254	12,362	129,685	153,229	(11,182)	(2.6)
19.1, 19.2 Private passenger auto liability .....	9,528,496	0	9,493,218	35,278	130,214	94,744	70,748	37.0
19.3, 19.4 Commercial auto liability .....	18,707,617	896,394	19,427,589	176,422	453,152	461,736	167,838	83.9
21. Auto physical damage .....	5,982,340	3,036	5,959,189	26,187	20,708	(1,246)	48,141	100.3
22. Aircraft (all perils) .....	47,500	0	47,215	285	6,144	0	6,429	42.0
23. Fidelity .....	0	0	0	0	0	0	0	0.0
24. Surety .....	0	0	0	0	0	0	0	0.0
26. Burglary and theft .....	53,138	0	52,869	269	116	(137)	522	25.5
27. Boiler and machinery .....	6,579	0	6,579	0	81	0	.81	13.8
28. Credit .....	222,070	0	222,070	0	2,301	0	2,301	0.0
29. International .....	0	0	0	0	0	0	0	0.0
30. Warranty .....	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property .....	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0.0
35. TOTALS .....	53,527,993	29,929,804	80,267,295	3,190,502	16,193,303	14,313,637	5,070,168	37.2
<b>DETAILS OF WRITE-INS</b>								
3401. ....								
3402. ....								
3403. ....								
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 thru 3403 plus 3498)(Line 34 above) .....	0	0	0	0	0	0	0	0.0

## ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire .....	17,381	589,718	548,178	58,921	115,372	.45,346	155,839	63,800	9,676
2. Allied lines .....	466,782	.8,932	472,140	3,574	.687,305	.698,631	1,313,345	76,165	51,848
3. Farmowners multiple peril .....	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril .....	0	0	0	0	0	0	0	0	0
5. Commercial multiple peril .....	9,169,775	42,761	9,211,328	1,208	20,693,149	235,651	20,918,341	.11,667	1,738
6. Mortgage guaranty .....	0	0	0	0	0	0	0	0	0
8. Ocean marine .....	0	0	0	0	0	0	0	0	0
9. Inland marine .....	17,351	0	17,875	(524)	523,679	.1,790	523,435	1,510	.589
10. Financial guaranty .....	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence .....	0	109,500	.98,550	.10,950	0	206,908	.186,216	.31,642	18,597
11.2 Medical professional liability - claims-made .....	0	5,105,252	4,594,727	.510,525	0	1,873,278	.1,685,950	.697,853	359,222
12. Earthquake .....	0	0	0	0	0	0	0	0	0
13. Group accident and health .....	0	0	0	0	0	0	0	(a)	0
14. Credit accident and health (group and individual) .....	0	0	0	0	0	0	0	0	0
15. Other accident and health .....	0	0	0	0	0	0	0	(a)	0
16. Workers' compensation .....	10,007,427	8,081,706	17,269,759	.819,374	9,161,937	.9,302,925	.17,517,704	1,766,532	685,429
17.1 Other liability - occurrence .....	10,143,279	28,599,245	35,843,763	.2,898,761	14,213,916	.63,292,706	.71,155,095	.9,250,288	4,939,001
17.2 Other liability - claims-made .....	10,000	1,855,687	1,680,118	.185,569	.365,011	.3,048,144	.3,105,788	.492,936	.309,941
17.3 Excess workers' compensation .....	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence .....	25,000	7,649,425	6,909,483	.764,942	.42,953	.22,935,523	.20,684,909	.3,058,509	2,302,557
18.2 Products liability - claims-made .....	0	193,763	174,387	.19,376	0	.1,103,085	.992,776	.129,685	.125,567
19.1, 19.2 Private passenger auto liability .....	7,951,838	0	.7,920,227	.31,611	.26,235,870	0	.26,137,267	.130,214	.30,755
19.3, 19.4 Commercial auto liability .....	22,278,291	1,645,601	23,685,245	.238,647	.32,124,866	.1,410,885	.33,321,246	.453,152	.341,049
21. Auto physical damage .....	1,146,703	.288	1,141,838	.5,153	.3,831,847	.5,397	.3,821,689	.20,708	.2,765
22. Aircraft (all perils) .....	.8,659	0	.8,659	0	.1,649,085	0	.1,642,941	.6,144	.1,084
23. Fidelity .....	0	0	0	0	0	0	0	0	0
24. Surety .....	0	0	0	0	0	0	0	0	0
26. Burglary and theft .....	5,000	.600	5,510	.90	.32,341	.71	.32,386	.116	.5
27. Boiler and machinery .....	2,500	0	2,425	.75	.657,470	3	.657,467	.81	0
28. Credit .....	21,000	0	.20,953	.47	.204,247	.8,128	.210,121	.2,301	.410
29. International .....	0	0	0	0	0	0	0	0	0
30. Warranty .....	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property .....	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability .....	XXX	0	0	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines .....	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0	0	0	0
35. TOTALS .....	61,270,986	53,882,478	109,605,165	5,548,299	110,539,048	104,168,471	204,062,515	16,193,303	9,180,233
<b>DETAILS OF WRITE-INS</b>									
3401. ....									
3402. ....									
3403. ....									
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 thru 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.

## ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

## PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	12,238,813	0	0	12,238,813
1.2 Reinsurance assumed .....	6,859	0	0	6,859
1.3 Reinsurance ceded .....	10,805,843	0	0	10,805,843
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	1,439,829	0	0	1,439,829
2. Commission and brokerage:				
2.1 Direct excluding contingent .....	0	18,615,378	0	18,615,378
2.2 Reinsurance assumed, excluding contingent .....	0	125,366	0	125,366
2.3 Reinsurance ceded, excluding contingent .....	0	25,918,417	0	25,918,417
2.4 Contingent - direct .....	0	401,100	0	401,100
2.5 Contingent - reinsurance assumed .....	0	0	0	0
2.6 Contingent - reinsurance ceded .....	0	15,230	0	15,230
2.7 Policy and membership fees .....	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....	0	(6,791,803)	0	(6,791,803)
3. Allowances to managers and agents .....	.61	.737	0	.798
4. Advertising .....	.45	2,335	0	2,380
5. Boards, bureaus and associations .....	16,696	1,331,648	0	1,348,344
6. Surveys and underwriting reports .....	143	(373,064)	0	(372,921)
7. Audit of assureds' records .....	149	137,178	0	137,327
8. Salary and related items:				
8.1 Salaries .....	1,202,280	2,966,741	0	4,169,021
8.2 Payroll taxes .....	88,950	258,678	0	347,628
9. Employee relations and welfare .....	189,318	585,540	0	.774,858
10. Insurance .....	52,666	88,824	0	.141,490
11. Directors' fees .....	0	0	0	0
12. Travel and travel items .....	.6,107	44,614	0	50,721
13. Rent and rent items .....	91,231	238,740	0	329,971
14. Equipment .....	22,443	43,474	0	65,917
15. Cost or depreciation of EDP equipment and software .....	109,385	170,757	0	280,142
16. Printing and stationery .....	7,090	31,194	0	38,284
17. Postage, telephone and telegraph, exchange and express .....	39,625	73,005	0	.112,630
18. Legal and auditing .....	33,989	109,119	0	143,108
19. Totals (Lines 3 to 18) .....	1,860,178	5,716,520	0	7,576,698
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....	10,965	0	1,160,615	0
20.2 Insurance department licenses and fees .....	5,028	130,214	0	.135,242
20.3 Gross guaranty association assessments .....	.22	123,380	0	.123,402
20.4 All other (excluding federal and foreign income and real estate) .....	3,940	76,140	0	80,080
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	.8,990	1,490,349	0	1,499,339
21. Real estate expenses .....	0	0	0	0
22. Real estate taxes .....	0	0	0	0
23. Reimbursements by uninsured plans .....	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses .....	(95,959)	311,172	104,359	.319,572
25. Total expenses incurred .....	3,213,038	726,238	104,359	(a) 4,043,635
26. Less unpaid expenses - current year .....	9,180,233	23,359,223	3,199	.32,542,655
27. Add unpaid expenses - prior year .....	9,030,830	20,599,192	3,335	.29,633,357
28. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....	3,063,635	(2,033,793)	104,495	1,134,337
<b>DETAILS OF WRITE-INS</b>				
2401. Claims Search fees .....	.6,988	10,129	0	.17,117
2402. Shared Reimbursements .....	(6,991)	(12,838)	0	(.19,829)
2403. Other .....	1,648	18,760	81,900	.102,308
2498. Summary of remaining write-ins for Line 24 from overflow page .....	(97,604)	295,121	22,459	.219,976
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	(95,959)	311,172	104,359	319,572

(a) Includes management fees of \$ 8,012,169 to affiliates and \$ 10,059 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**EXHIBIT OF NET INVESTMENT INCOME**

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	45,910	44,113
1.1 Bonds exempt from U.S. tax .....	(a) .....	69,510	69,510
1.2 Other bonds (unaffiliated) .....	(a) .....	9,022	9,348
1.3 Bonds of affiliates .....	(a) .....	0	0
2.1 Preferred stocks (unaffiliated) .....	(b) .....	14,939	14,939
2.11 Preferred stocks of affiliates .....	(b) .....	0	0
2.2 Common stocks (unaffiliated) .....	.....	0	0
2.21 Common stocks of affiliates .....	.....	0	0
3. Mortgage loans .....	(c) .....	0	0
4. Real estate .....	(d) .....	0	0
5. Contract loans .....	.....	0	0
6. Cash, cash equivalents and short-term investments .....	(e) .....	15,743	15,759
7. Derivative instruments .....	(f) .....	0	0
8. Other invested assets .....	.....	0	0
9. Aggregate write-ins for investment income .....	.....	4,717	4,717
10. Total gross investment income .....	.....	159,841	158,386
11. Investment expenses .....	(g) .....	104,359	
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) .....	0	
13. Interest expense .....	(h) .....	0	
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) .....	.....	.....	104,359
17. Net investment income (Line 10 minus Line 16) .....	.....	.....	54,027
<b>DETAILS OF WRITE-INS</b>			
0901. Misc Income .....	.....	4,717	4,717
0902. .....	.....	.....	
0903. .....	.....	.....	
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	4,717	4,717
1501. .....	.....	.....	
1502. .....	.....	.....	
1503. .....	.....	.....	
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	.....	0

(a) Includes \$ 3,124 accrual of discount less \$ 34,053 amortization of premium and less \$ 5,954 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 \$ 60 accrual of discount less \$ 0 amortization of premium and less \$ 3,687 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 .....	(1,233)	0	(1,233)	0	0
1.1 Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2 Other bonds (unaffiliated) .....	0	0	0	0	0
1.3 Bonds of affiliates .....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated) .....	(2,730)	0	(2,730)	13,881	0
2.11 Preferred stocks of affiliates .....	0	0	0	0	0
2.2 Common stocks (unaffiliated) .....	0	0	0	0	0
2.21 Common stocks of affiliates .....	0	0	0	10,786,017	0
3. Mortgage loans .....	0	0	0	0	0
4. Real estate .....	0	0	0	0	0
5. Contract loans .....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments .....	0	0	0	0	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses) .....	(3,963)	0	(3,963)	10,799,898	0
<b>DETAILS OF WRITE-INS</b>					
0901. .....	.....	.....	.....	.....	
0902. .....	.....	.....	.....	.....	
0903. .....	.....	.....	.....	.....	
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**EXHIBIT OF NON-ADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income .....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,727,795	607,224	(2,120,571)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	6,849	6,849	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset .....	325,104	357,285	32,181
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable .....	0	0	0
25. Aggregate write-ins for other than invested assets .....	10,000	10,000	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,069,748	981,358	(2,088,390)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28. Total (Lines 26 and 27) .....	3,069,748	981,358	(2,088,390)
<b>DETAILS OF WRITE-INS</b>			
1101. .....			
1102. .....			
1103. .....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Other assets .....	10,000	10,000	0
2502. .....			
2503. .....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	10,000	10,000	0

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

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

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

The accompanying financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from the NAIC's *Accounting Practices and Procedures Manual* as noted in the table below:

	SSAP #	F/S Page	F/S Line #	2020	2019
<b>Net Income</b>					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,453,652	\$ 1,042,876
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 5,453,652	\$ 1,042,876
<b>Surplus</b>					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 114,031,792	\$ 99,224,226
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 114,031,792	\$ 99,224,226

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

The preparation of financial statements in conformity with Statutory Accounting Principles 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.

(1) Short-term investments are stated at amortized cost.

(2) Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method

Investment grade non-loan backed bonds are stated at amortized cost using the interest method. Non-investment grade non-loan backed bonds are stated at the lower of amortized cost or fair value. The Company does not have any investments in mandatory convertible securities or SVO-Identified investments.

(3) The Company has no investments in unaffiliated common stock.

(4) Perpetual preferred stocks are stated at fair value, except non-investment grade perpetual preferred stocks, which are stated at the lower of cost or fair value. Mandatory redeemable preferred stocks are stated at amortized cost, except non-investment grade redeemable preferred stocks, which are stated at the lower of cost or fair value.

(5) The Company has no investments in mortgage loans.

(6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities are stated at either amortized cost using the interest method, or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield has become negative, which are valued using the prospective method.

(7) Affiliated common stock is stated at the statutory value of the insurance subsidiary.

(8) The Company has no investments in joint ventures, partnerships or limited liability companies.

(9) The Company has no investments in derivatives.

(10) The Company does not consider investment income as a factor in determining premium deficiency reserves.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on industry experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company does not write major medical insurance with prescription drug coverage.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern (Continued)

#### D. Going Concern

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

### 2. Accounting Changes and Corrections of Errors - Not Applicable

### 3. Business Combinations and Goodwill - Not Applicable

### 4. Discontinued Operations - Not Applicable

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans - Not Applicable

#### B. Debt Restructuring - Not Applicable

#### C. Reverse Mortgages - Not Applicable

#### D. Loan-Backed Securities

##### (1) Description of Sources Used to Determine Prepayment Assumptions

For fixed rate agency mortgage-backed securities, prepayment speeds are calculated utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer consensus survey of long-term prepayment projections.

For other mortgage-backed, loan-backed and structured securities, prepayment assumptions are obtained from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. If Moody's projections are not available, data is obtained from Reuters, which utilizes the median prepayment speed from contributors' models. Prepayment assumptions for fixed rate agency mortgage-backed securities were generated using the prepayment speeds.

##### (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable

##### (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable

##### (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss - None

##### (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 - Not Applicable

#### F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

#### G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

#### H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

#### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

#### J. Real Estate - Not Applicable

#### K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**

**Notes to the Financial Statements**

**5. Investments (Continued)**

L. Restricted Assets

(1) Restricted assets (including pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted	Admitted Restricted to Total Assets, %
a. Subject to contractual obligation for which liability is not shown	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	-	\$ .....	-	\$ .....	% .....
b. Collateral held under security lending agreements	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
c. Subject to repurchase agreements	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
d. Subject to reverse repurchase agreements	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
e. Subject to dollar repurchase agreements	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
f. Subject to dollar reverse repurchase agreements	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
g. Placed under option contracts	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
i. FHLB capital stock	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
j. On deposit with states	8,276,406	.....	.....	8,276,406	.....	7,769,721	.....	506,685	.....	8,276,406	.....
k. On deposit with other regulatory bodies	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
l. Pledged as collateral to FHLB (including assets backing funding agreements)	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
m. Pledged as collateral not captured in other categories	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
n. Other restricted assets	.....	.....	.....	.....	.....	.....	-	.....	-	.....	.....
o. Total restricted assets	\$ 8,276,406	\$ .....	\$ .....	\$ .....	\$ 8,276,406	\$ 7,769,721	\$ 506,685	\$ .....	\$ 8,276,406	1.454 %	1.462 %

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities - Not Applicable

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees - Not Applicable

**6. Joint Ventures, Partnerships and Limited Liability Companies** - Not Applicable

**7. Investment Income**

A. Due and Accrued Income Excluded from Surplus

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

B. Total Amount Excluded - Not Applicable

**8. Derivative Instruments** - Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**

**Notes to the Financial Statements**

**9. Income Taxes**

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2020			2019			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 1,865,041	\$ 1,865,041	\$ 1,865,041	\$ 1,316,239	\$ 1,316,239	\$ 1,316,239	\$ 548,802	\$ 548,802	\$ 548,802
(b) Statutory valuation allowance adjustments									
(c) Adjusted gross deferred tax assets (1a - 1b)	1,865,041		1,865,041	1,316,239		1,316,239	548,802		548,802
(d) Deferred tax assets nonadmitted	325,104		325,104	357,285		357,285	(32,181)		(32,181)
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 1,539,937	\$ 1,539,937	\$ 1,539,937	\$ 958,954	\$ 958,954	\$ 958,954	\$ 580,983	\$ 580,983	\$ 580,983
(f) Deferred tax liabilities	110,074	3,292	113,366	119,593	377	119,970	(9,519)	2,915	(6,604)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 1,429,863	\$ (3,292)	\$ 1,426,571	\$ 839,361	\$ (377)	\$ 838,984	\$ 590,502	\$ (2,915)	\$ 587,587

(2) Admission calculation components SSAP No. 101

	2020			2019			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 1,355,242	\$ 507,322	\$ 1,355,242	\$ 507,322	\$ 507,322	\$ 507,322	\$ 847,920	\$ 847,920	\$ 847,920
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	74,621		74,621	332,039		332,039	(257,418)		(257,418)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	74,621		74,621	332,039		332,039	(257,418)		(257,418)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	16,890,783	XXX	XXX	14,757,786	XXX	XXX	2,132,997
(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	110,074		110,074	119,593		119,593	(9,519)		(9,519)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total (2(a) + 2(b) + 2(c))	\$ 1,539,937	\$ 958,954	\$ 1,539,937	\$ 580,983	\$ 580,983	\$ 580,983	\$ 580,983	\$ 580,983	\$ 580,983

(3) Ratio used as basis of admissibility

		2020	2019
(a) Ratio percentage used to determine recovery period and threshold limitation amount		499.300 %	438.300 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above		\$ 112,605,221	\$ 98,385,242

(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

	2020			2019			Change		
	(1)	(2)	(3)	(4)	(5)	(6)			
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)			
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 1,865,041	\$ 1,865,041	\$ 1,316,239	\$ 1,316,239	\$ 548,802	\$ 548,802			
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)	\$ 1,539,937	\$ 1,539,937	\$ 958,954	\$ 958,954	\$ 580,983	\$ 580,983			
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies		%		%		%			%

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? **NO**

B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**Notes to the Financial Statements**

**9. Income Taxes (Continued)**

C. Major Components of Current Income Taxes Incurred

	(1) 2020	(2) 2019	(3) Change (1-2)
Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
(a) Federal	\$ 1,528,963	\$ 347,891	\$ 1,181,072
(b) Foreign			
(c) Subtotal	\$ 1,528,963	\$ 347,891	\$ 1,181,072
(d) Federal income tax on net capital gains	(832)	27,838	(28,670)
(e) Utilization of capital loss carry-forwards			
(f) Other	51,091	(10,464)	61,555
(g) Federal and foreign income taxes incurred	\$ 1,579,222	\$ 365,265	\$ 1,213,957
	(1) 2020	(2) 2019	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 541,908	\$ 496,205	\$ 45,703
(2) Unearned premium reserve	306,376	250,712	55,664
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			8,538 (8,538)
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted	576,375	131,055	445,320
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items less than 5% of total ordinary tax assets)*	440,382	429,729	10,653
(99) Subtotal	\$ 1,865,041	\$ 1,316,239	\$ 548,802
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted	325,104	357,285	(32,181)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 1,539,937	\$ 958,954	\$ 580,983
(e) Capital			
(1) Investments			
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items <5% of total capital tax assets)			
(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)	\$ 1,539,937	\$ 958,954	\$ 580,983
	(1) 2020	(2) 2019	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 738	\$ 709	\$ 29
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other (including items <5% of total ordinary tax liabilities)†	109,336	118,884	(9,548)
(99) Subtotal	\$ 110,074	\$ 119,593	\$ (9,519)
(b) Capital			
(1) Investments			
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities)	3,292	377	2,915
(99) Subtotal	\$ 3,292	\$ 377	\$ 2,915
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 113,366	\$ 119,970	\$ (6,604)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 1,426,571	\$ 838,984	\$ 587,587

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**Notes to the Financial Statements**

**9. Income Taxes (Continued)**

	(1)	(2)	(3)
	2020	2019	Change (1-2)
* Items >5% of total ordinary tax assets included in Other			
Deferred Fees	\$ 41,019	\$ 41,019	
Amortization	316,229	368,934	(52,705)
Other	83,134	60,795	22,339
† Items >5% of total ordinary tax liabilities included in Other			
LRD transitional adjustment (TCJA)	\$ 71,381	\$ 85,657	(14,276)
Injury Fund Accrual	37,955	33,227	4,728

**D. Among the More Significant Book to Tax Adjustments**

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

	2020	Effective Tax Rate
Provision computed at statutory rate	\$ 1,476,904	21.000 %
Proration of tax exempt investment income	4,041	0.057
Tax exempt income deduction	(14,597)	-0.208
Dividends received deduction	(1,569)	-0.022
Disallowable travel and entertainment		
Other Permanent differences	1,868	0.027
Total ordinary DTAs		
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs		
Change in nonadmitted assets	(445,320)	-6.332
Accrual adjustment - prior year	(426)	-0.006
Other		
<b>Total</b>	<b>\$ 1,020,901</b>	<b>14.516 %</b>
	2020	Effective Tax Rate
Federal and foreign income taxes incurred	\$ 1,579,222	22.455 %
Realized capital gains (losses) tax		
Change in deferred income taxes	(558,321)	-7.939
<b>Total statutory income taxes</b>	<b>\$ 1,020,901</b>	<b>14.516 %</b>

**E. Operating Loss and Tax Credit Carryforwards**

- (1) Unused loss carryforwards available - Not Applicable
- (2) Income tax expense available for recoupment

	Total
2018	\$ .....
2019	928,422
2020	426,820

- (3) Deposits admitted under IRC Section 6603 - Not Applicable

**F. Consolidated Federal Income Tax Return**

- (1) The Company's federal income tax return is consolidated with the following entities:

- Carolina Re Ltd.
- Falls Lake Fire & Casualty Company
- Falls Lake Insurance Management Company, Inc.
- James River Casualty Company
- James River Insurance Company
- James River Group, Inc.
- James River Management Company, Inc
- James River TPA Services, Inc
- Stonewood Insurance Company

- (2) A written agreement provides that federal income taxes will be allocated to the Company on approximately the same basis as though the Company were filing a separate 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 ninety days of filing the tax return.

**G. Federal or Foreign Income Tax Loss Contingencies**

## Notes to the Financial Statements

### 9. Income Taxes (Continued)

- H. Repatriation Transition Tax (RTT) - Not Applicable
- I. Alternative Minimum Tax (AMT) Credit - Not Applicable

### 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 James River Group, Inc. 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. Detail of Transactions Greater Than 0.5% of Admitted Assets

- See Note 26 for additional details about the intercompany reinsurance pooling agreement.

#### Dollar Amounts of Transactions

- See Notes 9F, 10E, 12G and 26.

#### C. Transactions With Related Party Who Are Not Reported on Schedule Y - None

#### D. Amounts Due From or To Related Parties

On January 1, 2020, the Company borrowed \$5,000,000 from its affiliate James River Insurance Company in the form of a promissory note maturing on January 1, 2023. As of December 31, 2020 the Company has paid \$89,100 in interest. The Company will make quarterly interest payments to James River Insurance Company and will repay in entire unpaid principal balance on January 1, 2023.

See Note 10E.

#### E. Material Management or Service Contracts and Cost-Sharing Arrangements

Falls Lake National Insurance 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 Falls Lake National Insurance Company, including but not limited to management, administration, underwriting, premium collection, claims, operations, accounting, actuarial, information technology and human resources.

During 2020, Falls Lake Insurance Management Company, Inc. incurred \$8,012,169 of expenses on behalf of Falls Lake National Insurance Company, pursuant to the terms of the intercompany Management Services Agreement. As of December 31, 2020, \$8,149,364 of this amount had been settled, and the resulting \$137,195 receivable was settled by January 31, 2021.

All intercompany reinsurance balances are settled quarterly.

#### F. Guarantees or Contingencies - Not Applicable

#### G. Nature of the Control Relationship

See Schedule Y, Part 1, Organizational Chart.

#### H. Amount Deducted for Investment in Upstream Company - Not Applicable

#### I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

#### J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

#### K. Foreign Subsidiary Value Using CARVM - Not Applicable

#### L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

#### M. All SCA Investments - Not Applicable

#### N. Investment in Insurance SCAs - Not Applicable

#### O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

### 11. Debt

#### A. See note 10D for additional detail.

#### B. FHLB (Federal Home Loan Bank) Agreements - Not Applicable

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

#### A. Defined Benefit Plan - Not Applicable

#### B. Investment Policies and Strategies of Plan Assets - Not Applicable

#### C. Fair Value of Each Class of Plan Assets - Not Applicable

#### D. Expected Long-Term Rate of Return for the Plan Assets - Not Applicable

#### E. Defined Contribution Plans - Not Applicable

#### F. Multiemployer Plans - Not Applicable

## Notes to the Financial Statements

### **12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)**

#### 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 \$25,854 for 2020. The Company has no legal obligation for benefits under this plan.

#### H. Postemployment Benefits and Compensated Absences - Not Applicable

#### I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

### **13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

#### A. Number of Share and Par or State Value of Each Class

The Company has 300,000 shares of common stock authorized, of which 300,000 shares are issued and outstanding with a par value of \$14 per share.

#### B. Dividend Rate of Preferred Stock - Not Applicable

#### C. 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 2021 based on capital and surplus is \$11,403,179.

#### D. Ordinary Dividends - Not Applicable

#### E. Within the limitations of (C) above, there are no specific restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.

#### F. 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.

#### G. Surplus Advances - Not Applicable

#### H. Stock Held for Special Purposes - Not Applicable

#### I. Changes in Special Surplus Funds - Not Applicable

#### J. Unassigned Funds (Surplus)

The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$19,638,888.

#### K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable

#### L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable

#### M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

### **14. Liabilities, Contingencies and Assessments**

#### A. Contingent Commitments - Not Applicable

#### 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 an accrual of \$40,664 for guaranty fund assessments as of December 31, 2020. The liability is included in the taxes, licenses and fees liability and is expected to be paid in 2021. The amounts represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors, including the Company's share of the ultimate cost of current insolvencies.

##### (2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - Not Applicable

##### (3) Guaranty fund liabilities and assets related to long-term care insolvencies - Not Applicable

#### C. Gain Contingencies - Not Applicable

#### D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable

#### E. Product Warranties - Not Applicable

#### F. Joint and Several Liabilities - Not Applicable

#### G. All Other Contingencies

Various lawsuits against the Company arise during the normal course of business. The Company's management believes that the 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.

### **15. Leases - Not Applicable**

## Notes to the Financial Statements

**16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - Not Applicable**

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - Not Applicable**

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable**

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

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written / Produced By
Atlas General Insurance Services, LLC, 4365 Executive Drive, Ste. 400, San Diego, CA 92121	90-0409088	YES	Workers' Compensation	U, B, P	\$ 8,293,667
AE Underwriters Agency Inc., 444 Madison Ave., Suite 501, New York, NY 10022	46-3127467	NO	Commercial Package, WC	U,B,P,CA,C	22,666,433
Arrowhead General Insurance Agency, Inc. 701 B Street, Suite 2100, San Diego, CA 92101	33-0108914	NO	Private Passenger Auto	U,C	39,257,552
Total					\$ 70,217,652

**20. Fair Value Measurements**

**A. Fair Value Measurement**

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.

Three levels of inputs are used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets,
- Level 2: Indirect observable inputs, including prices for similar assets and market corroborated inputs, and
- Level 3: Unobservable inputs reflecting assumptions that market participants would use, including assumptions about risk.

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 pricing policy procedures. Market information obtained from brokers with respect to security valuations is also considered in the pricing hierarchy.

**(1) Fair value measurements at reporting date**

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Preferred Stock	\$ -	\$ 215,400	\$ -	\$ 215,400	
Money market mutual funds	-	-	-	3,967,665	3,967,665
Total assets at fair value/NAV	\$ -	\$ 215,400	\$ -	\$ 3,967,665	\$ 4,183,065
b. Liabilities at fair value					
Not applicable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

**(2) Fair value measurements in Level 3 of the fair value hierarchy - Not Applicable**

**(3) Policies when Transfers Between Levels are Recognized**

Transfers in and out of Level 3 are recognized based on the beginning of the reporting period.

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

Fair value measurements for fixed income and equity securities are based on values published by independent pricing services such as Refinitiv and IHS Markit. These sources have been evaluated and approved by the investment manager's pricing policy committee. Under certain circumstances, if a vendor price is not available, a price may be obtained from a broker. Short-term securities are valued at amortized cost. Cash Equivalents, excluding money market mutual funds, are valued at amortized cost. Money market mutual funds are valued using a stable Net Asset Value (NAV) of one dollar per share.

Generally, independent 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.

Investments for which external sources are not available or are determined by the investment manager not to be representative of fair value are recorded at fair value as determined by the investment manager. In determining the fair value of such investments, the investment manager considers one or more of the following factors: type of security held, convertibility or exchangeability of the security, redeemability of the security (including timing of such redemptions), application of industry accepted valuation models, recent trading activity, liquidity, estimates of liquidation value, purchase cost, and prices received for securities with similar terms of the same issuer or similar issuers. As of December 31, 2020, there were no investments for which external sources were unavailable to determine fair value.

The Company does not have any Level 3 assets.

**(5) Derivatives - Not Applicable**

**B. Other Fair Value Disclosures - Not Applicable**

## Notes to the Financial Statements

### 20. Fair Value Measurements (Continued)

#### C. Fair Values for All Financial Instruments by Level 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments, excluding those accounted for under the equity method (subsidiaries). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 4,635,619	\$ 4,357,015	\$ 1,680,416	\$ 2,955,203	\$ -	\$ -	\$ -
Preferred stock	215,400	215,400	-	215,400	-	-	-
Cash equivalents & short-term investments	4,217,663	4,217,658	-	249,998	-	3,967,665	-

#### D. Not Practicable to Estimate Fair Value - Not Applicable

#### E. Nature and Risk of Investments Reported at NAV - Not Applicable

### 21. Other Items

#### A. Unusual or Infrequent Items

In response to the outbreak of the coronavirus pandemic in the first quarter of 2020, many state and local governments in the United States and around the world have instituted emergency restrictions that have substantially limited the operation of non-essential businesses and the activities of individuals. Many states have extended the expiration date of restrictions and some states that eased restrictions subsequently reimposed them as the spread of COVID-19 worsened. These restrictions could result in significant adverse effects on our policyholders and many different types of small and mid-sized businesses within the Company's client base, particularly those in the retail, hospitality and food and beverage industries, among many others. The ultimate effect and severity of COVID-19 on the economy is not known nor is the ultimate length of the restrictions and any accompanying effects caused by it. Moreover, the Federal Reserve has taken action to lower the Federal Funds rate and the U.S. equity markets have experienced substantial volatility in reaction to COVID-19 since February 2020, both of which have, along with other factors, placed pressure on net investment income and resulted in material realized and unrealized losses in our investment portfolio in the first quarter of 2020. Investment markets recovered substantially in the second, third and fourth quarters, leading to unrealized gains in our investment portfolio for those quarters.

The effect of COVID-19 and related events could have a negative effect on the Company, including as a result of quarantines, market volatility, market downturns, actions of lawmakers and regulators, changes in consumer behavior, business closures, deterioration in the credit quality of policyholders or the inability of policyholders to pay their premium and deductible obligations to the Company, and deterioration in the credit quality of reinsurers or insurance entities with which we have a fronting arrangement or the inability of insurers or the insurance entities for which we are fronting to pay their obligations to the Company. At the federal and state level, there have been proposals by lawmakers to retroactively amend business interruption insurance policies to cover claims related to COVID-19 when such insurance policies otherwise would exclude such risks. In addition, a number of states have instituted, and other states are considering instituting, changes designed to effectively expand workers' compensation coverage by creating presumptions of compensability of claims for certain types of workers.

The Company has received both business interruption and workers' compensation claims related to COVID-19 and we expect that we will continue to receive claims related to COVID-19. If the efforts of lawmakers to effectively expand coverage under business interruption, workers' compensation or other policies on a retroactive basis are successful and enforceable, the Company may be forced to pay claims under policies for which it received inadequate premiums to cover such risks, and therefore the Company's reserves may be inadequate to pay such claims. At the state level, insurance departments throughout the country have issued bulletins and regulations urging or requiring insurers to extend grace periods for the payment of policy premiums and to refrain from canceling or non-renewing policies for the non-payment of policy premiums for policyholders adversely affected by COVID-19. While many of these requirements and recommendations have expired or are scheduled to expire in the near future, insurance departments could reinstate or extend them as conditions deteriorate and/or the negative impact of the pandemic on policyholders persists. It is uncertain what impact these government mandates may have on our ability to recover unpaid premiums on the affected policies or what our obligations may be for the payment of claims made under policies for which we have not received premium payments. Further, demand for the insurance policies that the Company offers is highly dependent upon the business environment in the markets in which the Company operates. Given the ongoing and dynamic nature of the circumstances, it is not possible to predict the ultimate impact of the coronavirus outbreak, but it could have a material adverse impact on the business prospects, financial condition or results of operations of the Company.

Due to Covid-19, certain customers have been allowed to modify their exposure base of auto policies. On August 1, 2020, the Michigan Department of Insurance approved the Company's plan to issue premium refunds within 30 days of approval. These refunds totaling \$1,331,319 were issued during August 2020 and were accounted for as premium refunds. Ceded written premiums under our various reinsurance contracts were adjusted for this refund.

#### B. Troubled Debt Restructuring - Not Applicable

#### C. Other Disclosures - Not Applicable

#### D. Business Interruption Insurance Recoveries - Not Applicable

#### E. State Transferable and Non-Transferable Tax Credits - Not Applicable

#### F. Subprime-Mortgage-Related Risk Exposure - Not Applicable

#### G. Insurance-Linked Securities (ILS) Contracts - Not Applicable

#### H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

### 22. Events Subsequent

The Company has considered subsequent events through February 26, 2021, the date that the statutory-basis financial statements were available to be issued. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in these statements.

### 23. Reinsurance

#### A. Unsecured Reinsurance Recoverables

At December 31, 2020, the Company had the following unsecured aggregate reinsurance recoverables for losses and loss adjustment expenses, paid and unpaid, including IBNR, and unearned premium that exceeded 3% of the Company's policyholders' surplus:

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company

**Notes to the Financial Statements**

**23. Reinsurance (Continued)**

Individual Reinsurers with Unsecured Reinsurance Recoverables Exceeding 3% of Policyholder Surplus

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
AA-1340125	Hannover Rückversicherungs AG	\$ 15,243,000
AA-1128001	Lloyd's Syndicate Number 2001	4,282,000

Individual Reinsurers Who Are Members of a Group

NAIC Group Code	FEIN	Reinsurer Name	Unsecured Amount
00383	02-6005008	American European Insurance Company	\$ 37,785,000
00181	13-1675535	Swiss Reinsurance America Corporation	66,118,000
00626	06-0237820	Chubb Tempest Re US	9,192,000
01279	06-1430254	Arch Reins Co	8,943,000
00250	23-1336198	Donegal Mut Ins Co	8,242,000
00361	13-4924125	Munch Reins Amer Inc	7,086,000
03416	51-0434766	Axis Reins Co	6,754,000
00031	47-0355979	National Indemnity Company	6,442,000
00158	47-0698507	Odyssey Reins Co	4,914,000

B. Reinsurance Recoverable in Dispute - Not Applicable

C. Reinsurance Assumed and Ceded

(1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 68,540,342	\$ 2,189,915	\$ 72,561,668	\$ 5,143,425	\$ (4,021,326)	\$ (2,953,510)
b. All other	296,573	98,720	72,210,641	20,774,426	(71,914,068)	(20,675,706)
c. Total	\$ 68,836,915	\$ 2,288,635	\$ 144,772,309	\$ 25,917,851	\$ (75,935,394)	\$ (23,629,216)
d. Direct unearned premium reserve			\$ 83,126,069			

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows: - Not Applicable

(3) Risks attributed to each of the company's protected cells - Not Applicable

D. Uncollectible Reinsurance - Not Applicable

E. Commutation of Ceded Reinsurance - Not Applicable

F. Retroactive Reinsurance - Not Applicable

G. Reinsurance Accounted for as a Deposit - Not Applicable

H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not Applicable

K. Reinsurance Credit - Not Applicable

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

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

A. Method Used to Estimate - None

B. Method Used to Record - None

C. Amount and Percent of Net Retrospective Premiums - None

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None

E. Calculation of Nonadmitted Retrospective Premium - None

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

NONE

(1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?  
NO

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable

## Notes to the Financial Statements

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - Not Applicable
- (4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable
- (5) ACA risk corridors receivable as of reporting date - Not Applicable

### 25. Changes in Incurred Losses and Loss Adjustment Expenses

#### A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years

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

	December 31, 2020	Dec. 31, 2019
<b>Reserves, Net of Reinsurance Recoverables at Beginning of Period</b>	<b>\$ 23,344,465</b>	<b>\$ 20,361,913</b>
Loss and loss adjustment expense incurred:		
Current accident year	10,284,011	9,430,106
Prior accident years	(2,000,805)	(997,704)
	8,283,206	8,432,402
Loss and loss adjustment expense payments made for:		
Current accident year	1,155,802	998,868
Prior accident years	5,098,333	4,450,982
	6,254,135	5,449,850
<b>Reserves, Net of Reinsurance Recoverables at End of Period</b>	<b>\$ 25,373,536</b>	<b>\$ 23,344,465</b>

Reserves for incurred losses and LAE attributable to insured events of prior years, decreased by \$ 2,000,805 in 2020, 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 retained from the intercompany reinsurance pooling agreement.

#### B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses - Not Applicable

### 26. Intercompany Pooling Arrangements

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

On August 1, 2016 Falls Lake Fire and Casualty Company received approval from the California Department of Insurance to be a party to the pooling agreement, effective January 1, 2016 on an in-force, new and renewal basis. The current participating companies have received approval of the revised agreement with their States of domicile (OH, NC and VA).

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

Company	NAIC #	Current Participation
Falls Lake National Insurance Company (Lead Company)	31925	10%
James River Insurance Company	12203	61%
Stonewood Insurance Company	11828	14%
James River Casualty Company	13685	9%
Falls Lake Fire and Casualty Company	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 supersedes the previous pooling agreement effective January 1, 2016. Falls Lake General Insurance Company (General) merged into the Lead Company effective November 15, 2018. The Lead Company assumed General's 3% share of the pool increasing the Lead Company's percentage from 7% to 10%. There were no changes made to the pooling agreement, and all participation percentages remain as reported as of December 31, 2019.

#### 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 net amount due from the other participants is \$3,052,479 as of December 31, 2020.

### 27. Structured Settlements - Not Applicable

### 28. Health Care Receivables - Not Applicable

### 29. Participating Policies - Not Applicable

### 30. Premium Deficiency Reserves

- 1. Liability carried for premium deficiency reserves: \$-
- 2. Date of the most recent evaluation of this liability: 01/15/2021
- 3. Was anticipated investment income utilized in the calculation? NO

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**

**Notes to the Financial Statements**

**31. High Deductibles**

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

(1) Counter party exposure recorded on unpaid claims and billed recoverables on paid claims

Annual Statement Line of Business (ASL)		(3)	(4)	(5)	(6)
(1)	(2)	Gross (of High Deductible) Loss Reserves	Reserve Credit for High Deductibles	Billed Recoverables on Paid Claims	Total High Deductibles and Billed Recoverables (Col 4 + Col 5)
ASL #	ASL Description				
171 .....	Other Liability Occurrence.....	\$ 33,743	\$ -	\$ -	\$ -
Total.....		\$ 33,743	\$ -	\$ -	\$ -

(2) Unsecured amounts of high deductibles

a. Total high deductibles and billed recoverables on paid claims (should equal total line for Column 6 for A(1) above).....	\$ -
b. Collateral on balance sheet (must be equal to or greater than zero).....	871,141
c. Collateral off balance sheet (must be equal to or greater than zero).....	
d. Total unsecured deductibles and billed recoverables on paid claims d=a-(b+c) (must be equal to or greater than zero).....	-
e. Percentage unsecured.....	%

(3) High Deductible Recoverables Amounts on Paid Claims - Not Applicable

(4) The deductible amounts for the highest ten unsecured high deductible policies - Not Applicable

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which Are Greater Than 1% of Capital and Surplus - Not Applicable

**32. Discounting of Liabilities For Unpaid Losses or Unpaid Loss Adjustment Expenses - Not Applicable**

**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?

Yes (X) No ( )

The Company has exposure to asbestos claims through the assumption of workers compensation insurance from the intercompany pooling arrangement.

(1) Direct basis - Not Applicable

(2) Assumed reinsurance basis

	2016	2017	2018	2019	2020
a. Beginning reserves.....	\$ 226,517	\$ 61,326	\$ 170,296	\$ 132,610	\$ 78,148
b. Incurred losses and loss adjustment expense.....	(128,400)	134,040	(47,794)	(47,831)	(6,806)
c. Calendar year payments for losses and loss adjustment expenses.....	36,791	25,070	(10,108)	6,631	(46,472)
d. Ending reserves (d=a+b-c).....	\$ 61,326	\$ 170,296	\$ 132,610	\$ 78,148	\$ 117,814

(3) Net of ceded reinsurance basis

	2016	2017	2018	2019	2020
a. Beginning reserves.....	\$ 29,447	\$ 4,293	\$ 11,921	\$ 9,283	\$ 4,690
b. Incurred losses and loss adjustment expenses.....	(8,988)	9,383	(3,346)	(2,869)	3,838
c. Calendar year payments for losses and loss adjustment expenses.....	16,166	1,755	(708)	1,724	(3,253)
d. Ending reserves (d=a+b-c).....	\$ 4,293	\$ 11,921	\$ 9,283	\$ 4,690	\$ 11,781

B. Amount of the Ending Reserves for Bulk + IBNR Included in A (Loss & LAE) - Not Applicable

C. Amount of the Ending Reserves for Loss Adjustment Expenses Included in A (Case, Bulk + IBNR) - Not Applicable

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? - Not Applicable

E. Amount of the Ending Reserves for Bulk + IBNR Included in D (Loss & LAE) - Not Applicable

F. Amount of the Ending Reserves for Loss Adjustment Expenses Included in D (Case, Bulk + IBNR) - Not Applicable

**34. Subscriber Savings Accounts - Not Applicable**

**35. Multiple Peril Crop Insurance - Not Applicable**

**36. Financial Guaranty Insurance - Not Applicable**

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
 GENERAL**

1.1	Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]						
1.2	If yes, complete Schedule Y, Parts 1, 1A and 2							
1.2	If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] N/A [ <input type="checkbox"/> ]						
1.3	State Regulating? .....	Ohio						
1.4	Is the reporting entity publicly traded or a member of a publicly traded group? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]						
1.5	If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....	1620459						
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 [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]						
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. ....	12/31/2019						
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 [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] N/A [ <input checked="" type="checkbox"/> ]						
3.6	Have all of the recommendations within the latest financial examination report been complied with? .....	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] N/A [ <input checked="" type="checkbox"/> ]						
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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]						
	4.12 renewals? .....	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]						
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 [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]						
	4.22 renewals? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]						
5.1	Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]						
	If yes, complete and file the merger history data file with the NAIC.							
5.2	If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.							
<table border="1"> <tr> <td style="text-align: center;">1 Name of Entity</td> <td style="text-align: center;">2 NAIC Company Code</td> <td style="text-align: center;">3 State of Domicile</td> </tr> <tr> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </table>			1 Name of Entity	2 NAIC Company Code	3 State of Domicile	.....	.....	.....
1 Name of Entity	2 NAIC Company Code	3 State of Domicile						
.....	.....	.....						
6.1	Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]						
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 [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]						
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 or government, manager or attorney in fact).							
<table border="1"> <tr> <td style="text-align: center;">1 Nationality</td> <td style="text-align: center;">2 Type of Entity</td> </tr> <tr> <td>Bermuda .....</td> <td>Corporation .....</td> </tr> </table>			1 Nationality	2 Type of Entity	Bermuda .....	Corporation .....		
1 Nationality	2 Type of Entity							
Bermuda .....	Corporation .....							

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**GENERAL INTERROGATORIES**

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
 Not applicable .....  
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]  
 8.4 If response to 8.3 is yes, please provide 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Ernst & Young LLP, 100 North Tryon Street, Charlotte, NC 28202

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 the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]  
 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 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 .....

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?  
 Jennifer Kish Chief Actuary James River Group, Inc 1414 Raleigh Road, Suite 405 Chapel Hill, NC 27517

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]  
 12.11 Name of real estate holding company .... 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?  
 Not applicable .....

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 [ X ]  
 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:  
 Not applicable .....

14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 Not applicable .....

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 Not applicable .....

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**GENERAL INTERROGATORIES**

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0	Not applicable		0

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? ..... Yes [ ] No [ X ]

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

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]

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

20.11 To directors or other officers.....	\$ .....	0
20.12 To stockholders not officers.....	\$ .....	0
20.13 Trustees, supreme or grand (Fraternal Only) .....	\$ .....	0

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

20.21 To directors or other officers.....	\$ .....	0
20.22 To stockholders not officers.....	\$ .....	0
20.23 Trustees, supreme or grand (Fraternal Only) .....	\$ .....	0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]

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

21.21 Rented from others.....	\$ .....	0
21.22 Borrowed from others.....	\$ .....	0
21.23 Leased from others .....	\$ .....	0
21.24 Other .....	\$ .....	0

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

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 [ X ] No [ ]

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

**INVESTMENT**

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

24.02 If no, give full and complete information relating thereto  
Not applicable .....

24.03 For securities 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 security lending programs. ....

24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ .....

24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....

24.06 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 [ X ]

24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]

24.08 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 [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**GENERAL INTERROGATORIES**

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

24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ ..... 0
24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ ..... 0
24.093 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 currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). .....  Yes [ X ]  No [ ]

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

25.21 Subject to repurchase agreements .....	\$ ..... 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 to sale - excluding FHLB Capital Stock .....	\$ ..... 0
25.27 FHLB Capital Stock .....	\$ ..... 0
25.28 On deposit with states .....	\$ ..... 8,276,406
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 .....	.....	0

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? .....  Yes [ ]  No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....  Yes [ ]  No [ ]  N/A [ X ]  
If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..  Yes [ ]  No [ ]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108 .....	Yes [ ] No [ ]
26.42 Permitted accounting practice .....	Yes [ ] No [ ]
26.43 Other accounting guidance .....	Yes [ ] No [ ]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:  

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

 Yes [ ]  No [ ]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? .....  Yes [ ]  No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year. ..... \$ ..... 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....  Yes [ X ]  No [ ]

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

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 [ X ]

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 invested assets?..... Yes [ X ] No [ ]

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 invested assets?..... Yes [ ] No [ X ]

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 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. .....	KUR85E5PS4G0FZTFC130 .....	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 [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	Not applicable .....	0
29.2999 - Total	.....	0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Not applicable .....	.....	..0	.....

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**GENERAL INTERROGATORIES**

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 .....	4,607,008	4,885,617	278,609
30.2 Preferred stocks .....	215,400	215,400	0
30.3 Totals .....	4,822,408	5,101,017	278,609

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

Fair values are based on end of period prices provided by independent pricing services such as Refinitiv or IHS Markit. If a vendor price is unavailable, a price may be obtained from a broker. Short-term securities are valued at amortized cost. Cash equivalents, excluding money market mutual funds, are valued at amortized cost. Money market mutual funds are valued using a stable Net Asset Value (NAV). .....

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 [ X ]

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 [ X ] No [ ]

32.2 If no, list exceptions:  
Not applicable .....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
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 5GI securities? ..... Yes [ ] No [ X ]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
a. The shares were purchased prior to January 1, 2019.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
d. The fund only or predominantly holds bonds in its portfolio.  
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ X ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**OTHER**

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....427,923

37.2 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
.....	

38.1 Amount of payments for legal expenses, if any? .....\$ .....23,000

38.2 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
Bryan, Cave, Leighton, Paisner, LLP .....	16,977

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

39.2 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
.....	

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND 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 .....				
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:	<table border="0"> <tr> <td style="width: 100px;"></td> <td style="width: 100px; text-align: center;">1 Current Year</td> <td style="width: 100px; text-align: center;">2 Prior Year</td> </tr> </table>		1 Current Year	2 Prior Year
	1 Current Year	2 Prior Year			
2.1	Premium Numerator .....	0 .....			
2.2	Premium Denominator .....	13,630,085 .....			
2.3	Premium Ratio (2.1/2.2) .....	0.000 .....			
2.4	Reserve Numerator .....	0 .....			
2.5	Reserve Denominator .....	44,224,693 .....			
2.6	Reserve Ratio (2.4/2.5) .....	0.000 .....			
3.1	Did the reporting entity issue participating policies during the calendar year? .....	Yes [ ] No [ X ]			
3.2	If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:				
	3.21 Participating policies .....	\$ 0			
	3.22 Non-participating policies .....	\$ 0			
4.	For mutual reporting Entities and Reciprocal Exchanges Only:				
4.1	Does the reporting entity issue assessable policies? .....	Yes [ ] No [ ]			
4.2	Does the reporting entity issue non-assessable policies? .....	Yes [ ] No [ ]			
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....	% 0.0			
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....	\$ 0			
5.	For Reciprocal Exchanges Only:				
5.1	Does the Exchange appoint local agents? .....	Yes [ ] No [ ]			
5.2	If yes, is the commission paid: .....				
	5.21 Out of Attorney's-in-fact compensation.....	Yes [ ] No [ ] N/A [ ]			
	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 .....				

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 The Company maintains a reinsurance placement comprised of both an at least 87.5% primary Quota Share Treaty up to \$1,000,000 per claim and an Excess of Loss Treaty up to \$49 million, any one claim. Net losses after both the Quota Share and the Excess reinsurance treaties are then protected by a 70% Quota Share maintained with the JRG Reinsurance Company, Ltd, an affiliate; and beginning in 2018 with Carolina Re, also an affiliate.

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.  
 For workers' compensation, the Company relies upon Catastrophe modeling expertise from its reinsurance brokers. For all other business the PML is estimated by use of catastrophic modeling software from AIR Worldwide Touchstone version 5.1.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 With the exception of one program, the company cedes at least 85% of all exposures via a primary 1M quota share reinsurance. For one specific property per risk reinsurance treaty, the company cedes 20% of primary 500K and 100% of 39.5M excess of 500k per occurrence.

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

7.1 Has this 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 ratio cap, an aggregate limit or any similar provisions)? ..... Yes [ ] No [ X ]

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

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

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? ..... Yes [ X ] No [ ]

8.2 If yes, give full information  
 Not applicable

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 [ ] No [ 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 [ ] No [ X ]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ..... Yes [ ] No [ X ]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. ..... Yes [ ] No [ X ]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? ..... Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]

11.2 If yes, give full information  
 Not applicable .....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  
 12.11 Unpaid losses ..... \$ ..... 0  
 12.12 Unpaid underwriting expenses (including loss adjustment expenses) ..... \$ ..... 0

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds ..... \$ ..... 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ X ] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:  
 12.41 From ..... 0.0 %  
 12.42 To ..... 0.0 %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ X ] No [ ]

12.6 If yes, state the amount thereof at December 31 of the current year:  
 12.61 Letters of credit ..... \$ ..... 100,000  
 12.62 Collateral and other funds ..... \$ ..... 201,822

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ ..... 150,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 3

14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ X ] 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 [ X ]

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 [ X ]

14.5 If the answer to 14.4 is no, please explain:  
 Premiums and losses are ceded on a pro-rata basis. ....

15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]

15.2 If yes, give full information  
 Not applicable .....

16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
 If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:  
 ....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? ..... Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance .....	\$ ..... 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

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

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

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

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

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

19.1 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 [ ]

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

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

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
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)	259,776,219	238,069,195	165,225,538	122,794,182	160,375,820
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	27,693,288	16,556,120	7,781,204	8,376,169	8,463,091
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	38,687,915	23,416,350	16,663,231	12,966,174	14,866,510
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	386,756	0	0	(1)	(8)
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	326,544,178	278,041,665	189,669,974	144,136,524	183,705,412
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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)	14,674,577	12,887,113	9,491,178	8,141,775	5,805,441
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	111,679	133,601	64,867	93,688	22,879
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	65,181	1	.665	3,415	2,470
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	(1)	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	14,851,437	13,020,715	9,556,709	8,238,877	5,830,790
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	.4,620,641	545,276	496,197	722,586	(217,594)
14. Net investment gain or (loss) (Line 11)	.50,896	440,013	382,054	.362,311	.340,987
15. Total other income (Line 15)	2,362,169	395,013	45,788	8,314	8,166
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	1,580,054	337,427	203,409	178,184	(527,975)
18. Net income (Line 20)	5,453,652	1,042,875	720,630	.915,027	.659,534
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	566,011,260	500,096,240	405,957,041	321,975,926	369,332,861
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	97,588,921	68,511,077	39,111,532	25,541,228	28,905,611
20.2 Deferred and not yet due (Line 15.2)	5,945,738	14,683,358	9,305,755	7,394,880	8,535,663
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	451,979,468	400,872,011	311,925,557	263,897,555	312,626,931
22. Losses (Page 3, Line 1)	16,193,303	14,313,637	12,722,505	11,130,417	8,201,957
23. Loss adjustment expenses (Page 3, Line 3)	.9,180,233	9,030,828	7,639,418	6,822,203	5,789,913
24. Unearned premiums (Page 3, Line 9)	.7,190,675	5,969,323	3,802,754	3,416,538	2,775,205
25. Capital paid up (Page 3, Lines 30 & 31)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
26. Surplus as regards policyholders (Page 3, Line 37)	114,031,792	99,224,226	94,031,484	58,078,371	56,705,930
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	(26,695,554)	(50,100,484)	(26,980,642)	23,507,184	(52,242,366)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	114,031,792	99,224,226	94,031,484	58,078,371	56,705,930
29. Authorized control level risk-based capital	22,553,955	22,223,540	18,308,682	19,945,853	14,730,772
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	3.5	5.1	10.1	20.5	18.4
31. Stocks (Lines 2.1 & 2.2)	76.1	83.2	81.4	63.5	68.2
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	20.4	.11.7	.8.5	12.2	13.4
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.0	0.0	0.0	3.8	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	.0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	94,354,687	83,568,671	79,292,288	40,453,677	.44,029,423
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	94,354,687	83,568,671	79,292,288	40,453,677	.44,029,423
49. Total Investment in Parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	82.7	84.2	84.3	69.7	77.6

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company**  
**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	10,796,983	4,332,542	(236,440)	652,881	(156,176)
52. Dividends to stockholders (Line 35) .....	0	0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38) .....	14,807,566	5,192,742	35,953,112	1,372,441	(473,608)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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) .....	66,523,802	63,014,247	50,105,241	58,338,557	39,501,121
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	9,369,760	3,312,747	3,247,184	4,363,826	3,132,591
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	7,342,165	12,052,000	5,836,096	9,817,727	2,196,108
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	222,070	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
59. Total (Line 35) .....	83,457,797	78,378,994	59,188,521	72,520,110	44,829,820
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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) .....	3,157,599	3,136,203	2,623,044	3,997,790	7,505,735
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	32,156	24,692	18,488	72,211	52,114
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	747	4,629	3,514	6,137	5,315
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....	0	0	0	0	0
65. Total (Line 35) .....	3,190,502	3,165,524	2,645,046	4,076,138	7,563,164
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	37.2	43.8	46.2	39.7	40.2
68. Loss expenses incurred (Line 3) .....	23.6	33.9	28.1	27.3	44.9
69. Other underwriting expenses incurred (Line 4) .....	5.3	17.3	20.3	24.8	17.8
70. Net underwriting gain (loss) (Line 8) .....	33.9	5.0	5.4	8.2	(2.9)
<b>Other Percentages</b>					
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) .....	(11.0)	11.4	19.0	26.3	22.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	60.8	77.7	74.3	67.0	85.1
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) .....	13.0	13.1	10.2	14.2	10.3
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	(989)	(522)	(171)	(127)	(513)
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) .....	(1.0)	(0.6)	(0.3)	(0.2)	(0.9)
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(1,104)	(492)	26	(722)	(877)
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) .....	(1.2)	(0.8)	0.0	(1.3)	(1.8)

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

Yes  No

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**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 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.	XXX	XXX	XXX	330	212	.25	.50	.68	.12	3	149	XXX	
2. 2011	21,723	16,213	5,510	14,209	10,831	2,172	1,519	.799	.241	46	4,589	XXX	
3. 2012	27,858	22,742	5,117	18,021	15,384	3,301	2,369	.934	.320	27	4,184	XXX	
4. 2013	19,616	14,894	4,722	6,540	4,723	2,541	1,746	.871	.258	37	3,226	XXX	
5. 2014	25,054	19,109	5,945	8,083	6,453	3,163	2,287	1,045	.411	47	3,140	XXX	
6. 2015	30,363	23,390	6,974	9,605	7,541	3,222	2,344	1,639	.877	84	3,705	XXX	
7. 2016	38,603	30,955	7,647	15,265	12,898	3,662	2,819	1,434	.708	178	3,935	XXX	
8. 2017	60,250	51,463	8,787	21,274	19,180	4,085	3,402	1,843	1,219	276	3,400	XXX	
9. 2018	68,159	58,992	9,168	16,988	15,427	3,152	2,647	2,082	1,523	.168	2,625	XXX	
10. 2019	77,713	66,860	10,853	10,085	9,034	1,910	1,685	2,336	1,253	76	2,359	XXX	
11. 2020	97,951	84,321	13,630	5,053	4,694	509	472	1,932	1,198	36	1,131	XXX	
12. Totals	XXX	XXX	XXX	125,452	106,376	27,742	21,339	14,984	8,020	977	32,443	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed			
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR									
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded						
1. Prior.	290	141	.514	.268	112	.69	.157	.73	.71	.10	.0	.583	XXX			
2. 2011	12	.8	225	174	.21	.14	.70	.52	.26	.0	.0	.105	XXX			
3. 2012	715	598	255	211	.89	.62	.62	.49	.49	.9	.0	.240	XXX			
4. 2013	351	262	407	.334	121	.84	.128	.99	.55	.11	.0	.272	XXX			
5. 2014	568	409	859	721	146	.102	.266	.204	.82	.12	.0	.473	XXX			
6. 2015	1,737	1,374	.522	.402	503	.361	.168	.123	.217	.88	.0	.798	XXX			
7. 2016	2,400	1,900	2,749	.2,375	.503	.372	.715	.575	.245	.65	.0	.1,324	XXX			
8. 2017	5,723	4,855	6,577	.5,786	947	.729	.1,563	.1,293	.343	.32	.0	.2,459	XXX			
9. 2018	8,336	7,240	10,122	.8,806	1,631	1,263	2,445	.1,994	.489	.151	.0	.3,569	XXX			
10. 2019	9,655	8,479	20,993	18,203	1,820	1,497	5,031	.4,078	.908	(272)	.0	.6,422	XXX			
11. 2020	10,998	9,971	35,151	30,449	1,412	1,233	8,537	6,916	1,845	.247	.0	.9,128	XXX			
12. Totals	40,785	35,237	78,375	67,730	7,304	5,786	19,143	15,456	4,329	354	.0	25,374	XXX			

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	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		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense	Losses Unpaid	Loss Expenses Unpaid	
1. Prior.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	.395	.188
2. 2011	17,534	12,840	.4,694	.80.7	.79.2	.85.2	0	0	.10.0	.54	.51
3. 2012	23,425	19,002	4,423	.84.1	.83.6	.86.5	0	0	.10.0	.161	.78
4. 2013	11,014	7,516	3,498	.56.1	.50.5	.74.1	0	0	.10.0	.162	.110
5. 2014	14,211	10,599	3,613	.56.7	.55.5	.60.8	0	0	.10.0	.298	.175
6. 2015	17,613	13,110	4,503	.58.0	.56.1	.64.6	0	0	.10.0	.482	.316
7. 2016	26,972	21,713	5,259	.69.9	.70.1	.68.8	0	0	.10.0	.874	.450
8. 2017	42,356	36,497	5,859	.70.3	.70.9	.66.7	0	0	.10.0	.1,659	.799
9. 2018	.45,245	39,050	6,195	.66.4	.66.2	.67.6	0	0	.10.0	2,411	1,158
10. 2019	.52,737	43,957	8,781	.67.9	.65.7	.80.9	0	0	.10.0	.3,967	2,455
11. 2020	65,437	55,178	10,259	66.8	65.4	.75.3	0	0	.10.0	5,729	3,399
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	16,193	9,180

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.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020	11 One Year	12 Two Year
1. Prior	11,965	10,847	9,000	7,834	7,838	7,776	8,277	8,474	8,130	7,978	(152)	(496)
2. 2011	4,365	4,719	4,549	4,277	4,251	4,218	4,209	4,210	4,173	4,110	(63)	(100)
3. 2012	XXX	3,642	3,738	3,618	3,531	3,519	3,593	3,637	3,687	3,770	83	133
4. 2013	XXX	XXX	2,985	2,981	2,758	2,804	2,860	2,887	2,856	2,840	(16)	(47)
5. 2014	XXX	XXX	XXX	3,676	3,381	2,916	2,694	2,729	2,868	2,909	41	180
6. 2015	XXX	XXX	XXX	XXX	4,258	3,962	3,662	3,533	3,518	3,613	95	80
7. 2016	XXX	XXX	XXX	XXX	XXX	4,748	4,522	4,499	4,432	4,354	(78)	(145)
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	5,444	5,120	5,105	4,925	(180)	(195)
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,811	5,611	5,298	(313)	(513)
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,923	6,518	(405)	XXX
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,927	XXX	XXX
										12. Totals	(989)	(1,104)

**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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020		
1. Prior	000	2,396	3,680	4,524	5,203	5,834	6,820	7,162	7,363	7,455	XXX	XXX
2. 2011	1,219	2,321	3,076	3,426	3,703	3,820	3,924	3,968	4,023	4,031	XXX	XXX
3. 2012	XXX	429	1,592	2,089	2,516	2,856	3,078	3,254	3,420	3,569	XXX	XXX
4. 2013	XXX	XXX	185	588	1,149	1,752	2,193	2,390	2,515	2,613	XXX	XXX
5. 2014	XXX	XXX	XXX	196	729	1,081	1,550	1,997	2,365	2,506	XXX	XXX
6. 2015	XXX	XXX	XXX	XXX	290	891	1,464	2,096	2,603	2,943	XXX	XXX
7. 2016	XXX	XXX	XXX	XXX	XXX	243	1,022	1,833	2,595	3,209	XXX	XXX
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	379	1,221	2,009	2,777	XXX	XXX
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	293	1,165	2,066	XXX	XXX
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	837	1,276	XXX	XXX
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	397	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)										10
	1 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	2020	
1. Prior	9,358	6,654	3,946	2,309	1,613	1,339	880	656	446	330	
2. 2011	2,158	1,471	992	577	382	313	207	158	117	70	
3. 2012	XXX	2,011	1,464	984	603	374	257	143	83	57	
4. 2013	XXX	XXX	2,227	1,879	1,098	648	407	293	163	102	
5. 2014	XXX	XXX	XXX	2,851	2,136	1,334	686	352	284	200	
6. 2015	XXX	XXX	XXX	XXX	3,189	2,270	1,403	661	242	164	
7. 2016	XXX	XXX	XXX	XXX	XXX	3,660	2,446	1,441	772	514	
8. 2017	XXX	XXX	XXX	XXX	XXX	XXX	3,951	2,665	1,752	1,061	
9. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,372	3,011	1,767	
10. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,275	3,743	
11. 2020	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,323	

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	2,544,473	1,382,441	0	778,529	1,296,080	1,942,624	.66,128	0
2. Alaska	AK	1,761,129	.452,666	0	0	185,393	185,393	0	0
3. Arizona	AZ	3,098,499	2,767,362	0	1,183,916	2,847,575	2,799,815	16,892	0
4. Arkansas	AR	1,003,880	.270,042	0	23,060	.78,465	.381,428	0	0
5. California	CA	14,401,900	8,767,181	0	2,182,680	5,160,018	8,404,992	0	0
6. Colorado	CO	1,249,801	.895,521	0	107,591	.176,478	.352,379	0	0
7. Connecticut	CT	2,164,398	2,199,512	0	689,124	1,811,975	3,110,208	.650	0
8. Delaware	DE	962,678	.737,680	0	87,764	.252,886	.220,715	0	0
9. District of Columbia	DC	0	0	0	0	.96	.229	0	0
10. Florida	FL	6,640,273	5,986,069	0	5,263,122	5,814,365	.6,481,897	.1,780	0
11. Georgia	GA	14,629,946	13,562,188	0	6,182,856	10,092,525	8,531,404	376,709	0
12. Hawaii	HI	38,988	.10,830	0	0	.4,423	.4,423	0	0
13. Idaho	ID	990,427	.450,215	0	70,392	(209,383)	.165,849	0	0
14. Illinois	IL	3,914,256	3,191,270	0	452,702	1,666,935	2,665,522	2,166	0
15. Indiana	IN	1,604,177	1,275,448	0	312,878	.827,126	.901,034	.358	0
16. Iowa	IA	2,460,837	1,821,196	0	237,411	1,187,728	1,046,495	0	0
17. Kansas	KS	666,726	.512,405	0	.30,830	.178,048	.155,075	0	0
18. Kentucky	KY	55,967	.21,680	0	108,838	.287,453	.613,918	.132	0
19. Louisiana	LA	3,530,157	1,105,911	0	52,142	.382,972	.451,655	0	0
20. Maine	ME	0	0	0	0	0	0	0	0
21. Maryland	MD	2,711,824	1,918,556	0	320,798	2,351,382	.3,022,554	.300	0
22. Massachusetts	MA	2,318,292	2,193,259	0	543,937	.1,427,666	.2,719,692	.480	0
23. Michigan	MI	32,838,753	.39,292,795	0	5,708,721	12,710,708	.29,667,932	3,757,407	0
24. Minnesota	MN	628,034	.451,308	0	14,149	.181,815	.233,073	0	0
25. Mississippi	MS	912,856	.183,582	0	(8,610)	(18,239)	.77,828	.80	0
26. Missouri	MO	1,790,410	2,770,663	0	291,044	1,546,320	.1,640,640	0	0
27. Montana	MT	96,844	.39,352	0	0	.15,113	.15,113	0	0
28. Nebraska	NE	109,392	.62,819	0	128,386	(166,085)	.19,969	0	0
29. Nevada	NV	2,078,651	1,695,886	0	386,486	736,730	.1,434,983	.9,934	0
30. New Hampshire	NH	59,228	.62,168	0	499,500	(368,648)	.38,536	0	0
31. New Jersey	NJ	8,041,509	8,124,613	0	5,055,912	8,022,367	.14,804,493	.9,029	0
32. New Mexico	NM	380,910	.320,077	0	240,742	(263,094)	.2,107,289	0	0
33. New York	NY	19,636,339	18,251,801	0	7,561,111	10,939,696	.42,181,698	.94,282	0
34. North Carolina	NC	4,978,194	2,581,433	0	555,030	1,368,992	.1,362,299	.1,634	0
35. North Dakota	ND	187,252	.167,572	0	0	.59,175	.63,853	0	0
36. Ohio	OH	844,329	.1,081,474	0	252,622	.602,597	.625,331	.320	0
37. Oklahoma	OK	2,496,968	2,909,067	0	1,687,749	2,794,253	.1,583,896	0	0
38. Oregon	OR	509,360	.99,995	0	.3,461	.46,778	.43,317	0	0
39. Pennsylvania	PA	10,853,047	10,681,077	0	4,553,367	8,199,720	.9,713,987	.7,150	0
40. Rhode Island	RI	2,085,097	2,091,979	0	.757,995	.877,385	.1,995,055	.50	0
41. South Carolina	SC	1,978,511	1,138,112	0	.287,479	1,048,081	.973,374	.7,585	0
42. South Dakota	SD	89,319	.16,388	0	0	.7,809	.7,809	0	0
43. Tennessee	TN	911,973	.629,403	0	.416,339	.376,377	.363,019	.878	0
44. Texas	TX	17,207,243	13,126,575	0	4,191,280	.6,968,877	.13,049,816	.5,830	0
45. Utah	UT	556,915	.607,927	0	.80,815	.188,110	.219,108	0	0
46. Vermont	VT	52,445	.37,522	0	0	.11,714	.11,714	0	0
47. Virginia	VA	4,041,636	3,794,988	0	1,247,779	1,912,521	.3,121,291	.1,948	0
48. Washington	WA	670,583	.194,713	0	0	.137,107	.138,646	0	0
49. West Virginia	WV	845,381	1,517,890	0	548,635	.951,967	.1,155,409	0	0
50. Wisconsin	WI	2,188,777	2,207,350	0	439,431	1,032,130	.967,018	0	0
51. Wyoming	WY	145,439	.45,299	0	0	.36,237	.36,237	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien ..	OT	XXX	0	0	0	0	0	0	0
59. Totals		XXX	183,964,023	163,705,260	0	53,527,993	95,776,719	171,810,034	4,361,722

## (a) Active Status Counts:

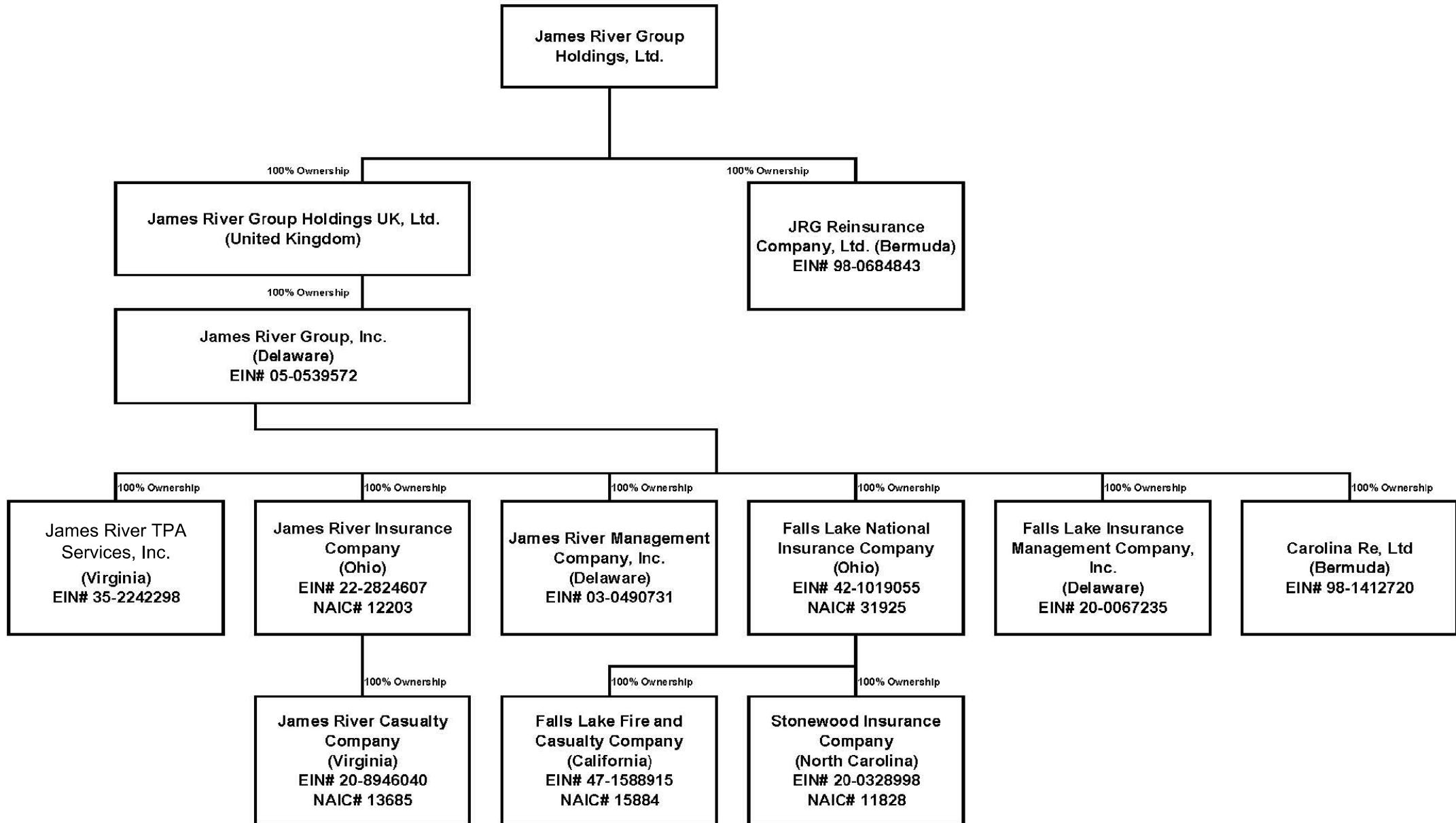
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....50 R - Registered - Non-domiciled RRGs.....0

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....1 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.....6

(b) Explanation of basis of allocation of premiums by states, etc.  
Premiums are allocated to jurisdiction based on location of risk

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company



ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Falls Lake National Insurance Company  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Other liabilities .....	205,952	0
2505. Deferred ceding commission .....	0	40,659
2597. Summary of remaining write-ins for Line 25 from overflow page	205,952	40,659

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Outside Consulting .....	97,062	295,121	22,459	414,642
2405. Service Fee .....	(194,666)	0	0	(194,666)
2497. Summary of remaining write-ins for Line 24 from overflow page	(97,604)	295,121	22,459	219,976