



# ANNUAL STATEMENT

For the Year Ended December 31, 2015  
of the Condition and Affairs of the

## MedMal Direct Insurance Company

NAIC Group Code..... 0, 0 (Current Period) (Prior Period)	NAIC Company Code..... 13793	Employer's ID Number..... 27-2813188
Organized under the Laws of Florida	State of Domicile or Port of Entry Florida	Country of Domicile US
Incorporated/Organized..... June 14, 2010	Commenced Business..... June 17, 2010	
Statutory Home Office	245 Riverside Avenue, Suite 550..... Jacksonville ..... FL ..... US ..... 32202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	245 Riverside Avenue, Suite 550..... Jacksonville ..... FL ..... US..... 32202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	904-482-4068 <i>(Area Code) (Telephone Number)</i>
Mail Address	245 Riverside Avenue, Suite 550..... Jacksonville ..... FL ..... US ..... 32202 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	245 Riverside Avenue, Suite 550..... Jacksonville ..... FL ..... US ..... 32202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	904-482-4068 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.medmaldirect.com	
Statutory Statement Contact	Cory Edward Brown <i>(Name)</i> cbrown@medmaldirect.com <i>(E-Mail Address)</i>	904-482-4068 <i>(Area Code) (Telephone Number) (Extension)</i> 844-877-5939 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Philip Butler Ball	Chief Executive Officer	2. Timothy Robert Bone	President
3. Michael John Wallace	Vice President and Chief Financial Officer	4. Carter Byrd Bryan	Chairman

### OTHER

### DIRECTORS OR TRUSTEES

Christopher McNeill Ball	Philip Butler Ball	Timothy Robert Bone	Carter Byrd Bryan
Michael John Wallace			

State of..... Florida  
County of..... Duval

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) Philip Butler Ball _____ 1. (Printed Name) Chief Executive Officer _____ (Title)	_____ (Signature) Timothy Robert Bone _____ 2. (Printed Name) President _____ (Title)	_____ (Signature) Michael John Wallace _____ 3. (Printed Name) Vice President and Chief Financial Officer _____ (Title)
Subscribed and sworn to before me This _____ day of _____ 2016	a. Is this an original filing? Yes [ X ] No [ ]	
	b. If no	1. State the amendment number _____
		2. Date filed _____
		3. Number of pages attached _____

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	17,288,548		17,288,548	15,417,818
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	800,583		800,583	296,484
2.2 Common stocks.....	2,379,710		2,379,710	2,510,059
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....14,793,666, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....36,742, Schedule DA).....	14,830,408		14,830,408	4,121,952
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....	265,580		265,580	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	35,564,830	.0	35,564,830	22,346,314
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	170,689		170,689	111,500
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	3,216,808		3,216,808	3,798,892
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	87,083
18.2 Net deferred tax asset.....	810,224	149,954	660,270	662,346
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	31,659	31,659	.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	46,964	46,964	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	205,957
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	294,215	76,195	218,019	100,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	40,135,389	304,773	39,830,616	27,312,091
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	40,135,389	304,773	39,830,616	27,312,091

### DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepaid expenses.....	58,195	58,195	.0	
2502. Security deposits.....	18,000	18,000	.0	
2503. Income Tax Recoverable.....	218,019		218,019	100,000
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).....	294,215	76,195	218,019	100,000

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	10,329,963	8,399,383
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	1,861,048	2,556,960
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	569,965	282,909
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	117,705	73,837
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	5,532,561	5,830,618
10. Advance premium.....	541,574	575,139
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(1,000,115)	(1,835,850)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	503,996	
20. Derivatives.....		
21. Payable for securities.....	32,020	249,847
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	18,488,715	16,132,843
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	18,488,715	16,132,843
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,750,620	4,750,180
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	17,149,380	7,149,820
35. Unassigned funds (surplus).....	(558,099)	(720,752)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	21,341,901	11,179,248
38. TOTALS (Page 2, Line 28, Col. 3).....	39,830,616	27,312,091

### DETAILS OF WRITE-INS

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

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	12,116,189	12,469,497
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	4,930,103	5,136,608
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	2,339,610	2,801,636
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	4,809,925	4,154,982
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	12,079,639	12,093,227
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	36,550	376,271
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	342,365	358,939
10. Net realized capital gains (losses) less capital gains tax of \$.....5,902 (Exhibit of Capital Gains (Losses)).....	(17,359)	9,830
11. Net investment gain (loss) (Lines 9 + 10).....	325,006	368,769
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	0	0
15. Total other income (Lines 12 through 14).....	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	361,556	745,039
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	361,556	745,039
19. Federal and foreign income taxes incurred.....	19,064	189,507
20. Net income (Line 18 minus Line 19) (to Line 22).....	342,492	555,532
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	11,179,248	10,450,482
22. Net income (from Line 20).....	342,492	555,532
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(118,359)	165,676
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(2,076)	(57,754)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(58,964)	65,311
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....	9,999,560	
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	10,162,653	728,766
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	21,341,901	11,179,248
<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. Rental income.....		
1402. ....		
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).....	0	0
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

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	13,202,386	11,755,596
2. Net investment income.....	589,342	477,407
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	13,791,728	12,233,002
5. Benefit and loss related payments.....	2,999,524	2,710,000
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	7,514,524	6,285,489
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(62,117)	279,999
10. Total (Lines 5 through 9).....	10,451,931	9,275,488
11. Net cash from operations (Line 4 minus Line 10).....	3,339,797	2,957,515
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	5,816,946	4,113,536
12.2 Stocks.....	18,844,807	10,840,923
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		249,847
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	24,661,752	15,204,306
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	6,500,646	5,472,137
13.2 Stocks.....	20,920,280	11,199,520
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	483,408	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	27,904,333	16,671,657
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(3,242,581)	(1,467,351)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	9,999,560	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	611,680	(312,750)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	10,611,240	(312,750)
<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 Line 15 plus Line 17).....	10,708,456	1,177,414
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	4,121,952	2,944,539
19.2 End of year (Line 18 plus Line 19.1).....	14,830,408	4,121,952

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

20.0001 .....		
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## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....				.0
2. Allied lines.....				.0
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....				.0
5. Commercial multiple peril.....				.0
6. Mortgage guaranty.....				.0
8. Ocean marine.....				.0
9. Inland marine.....				.0
10. Financial guaranty.....				.0
11.1 Medical professional liability - occurrence.....	901,816			901,816
11.2 Medical professional liability - claims-made.....	10,563,682	6,183,251	5,532,561	11,214,373
12. Earthquake.....				.0
13. Group accident and health.....				.0
14. Credit accident and health (group and individual).....				.0
15. Other accident and health.....				.0
16. Workers' compensation.....				.0
17.1 Other liability - occurrence.....				.0
17.2 Other liability - claims-made.....				.0
17.3 Excess workers' compensation.....				.0
18.1 Products liability - occurrence.....				.0
18.2 Products liability - claims-made.....				.0
19.1, 19.2 Private passenger auto liability.....				.0
19.3, 19.4 Commercial auto liability.....				.0
21. Auto physical damage.....				.0
22. Aircraft (all perils).....				.0
23. Fidelity.....				.0
24. Surety.....				.0
26. Burglary and theft.....				.0
27. Boiler and machinery.....				.0
28. Credit.....				.0
29. International.....				.0
30. Warranty.....				.0
31. Reinsurance - nonproportional assumed property.....				.0
32. Reinsurance - nonproportional assumed liability.....				.0
33. Reinsurance - nonproportional assumed financial lines.....				.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35. TOTALS.....	11,465,499	6,183,251	5,532,561	12,116,189

#### DETAILS OF WRITE-INS

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....					0
2. Allied lines.....					0
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....					0
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....					0
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....	4,872,497	660,064			5,532,561
12. Earthquake.....					0
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....					0
17.1 Other liability - occurrence.....					0
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....					0
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....					0
19.3, 19.4 Commercial auto liability.....					0
21. Auto physical damage.....					0
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....					0
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	4,872,497	660,064	0	0	5,532,561
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					5,532,561

#### DETAILS OF WRITE-INS

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

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						.0
2. Allied lines.....						.0
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....						.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....						.0
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....	1,188,862				287,046	901,816
11.2 Medical professional liability - claims-made.....	15,117,751				4,554,069	10,563,682
12. Earthquake.....						.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....						.0
17.2 Other liability - claims-made.....						.0
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....						.0
21. Auto physical damage.....						.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX					.0
32. Reinsurance - nonproportional assumed liability.....	XXX					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	16,306,613	.0	.0	.0	4,841,114	11,465,499

#### DETAILS OF WRITE-INS

3401. ....						.0
3402. ....						.0
3403. ....						.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 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 [ ] No [ ]

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

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0			0	0.0
2. Allied lines.....				0			0	0.0
3. Farmowners multiple peril.....				0			0	0.0
4. Homeowners multiple peril.....				0			0	0.0
5. Commercial multiple peril.....				0			0	0.0
6. Mortgage guaranty.....				0			0	0.0
8. Ocean marine.....				0			0	0.0
9. Inland marine.....				0			0	0.0
10. Financial guaranty.....				0			0	0.0
11.1 Medical professional liability - occurrence.....	350,000			350,000	993,510	568,871	774,640	85.9
11.2 Medical professional liability - claims-made.....	3,261,168			3,261,168	9,336,452	8,442,156	4,155,464	37.1
12. Earthquake.....				0			0	0.0
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.....				0			0	0.0
17.1 Other liability - occurrence.....				0			0	0.0
17.2 Other liability - claims-made.....				0			0	0.0
17.3 Excess workers' compensation.....				0			0	0.0
18.1 Products liability - occurrence.....				0			0	0.0
18.2 Products liability - claims-made.....				0			0	0.0
19.1, 19.2 Private passenger auto liability.....				0			0	0.0
19.3, 19.4 Commercial auto liability.....				0			0	0.0
21. Auto physical damage.....				0			0	0.0
22. Aircraft (all perils).....				0			0	0.0
23. Fidelity.....				0			0	0.0
24. Surety.....				0			0	0.0
26. Burglary and theft.....				0			0	0.0
27. Boiler and machinery.....				0			0	0.0
28. Credit.....				0			0	0.0
29. International.....				0			0	0.0
30. Warranty.....				0			0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX			0			0	0.0
32. Reinsurance - nonproportional assumed liability.....	XXX			0			0	0.0
33. Reinsurance - nonproportional assumed financial lines.....	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.....	3,611,168	0	0	3,611,168	10,329,963	9,011,027	4,930,103	40.7
<b>DETAILS OF WRITE-INS</b>								
3401. ....				0			0	0.0
3402. ....				0			0	0.0
3403. ....				0			0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				.0				.0	
2. Allied lines.....				.0				.0	
3. Farmowners multiple peril.....				.0				.0	
4. Homeowners multiple peril.....				.0				.0	
5. Commercial multiple peril.....				.0				.0	
6. Mortgage guaranty.....				.0				.0	
8. Ocean marine.....				.0				.0	
9. Inland marine.....				.0				.0	
10. Financial guaranty.....				.0				.0	
11.1 Medical professional liability - occurrence.....	77,000			77,000	916,510			993,510	451,999
11.2 Medical professional liability - claims-made.....	4,795,000			4,795,000	4,541,452			9,336,452	1,409,049
12. Earthquake.....				.0				.0	
13. Group accident and health.....				.0			(a)	.0	
14. Credit accident and health (group and individual).....				.0				.0	
15. Other accident and health.....				.0			(a)	.0	
16. Workers' compensation.....				.0				.0	
17.1 Other liability - occurrence.....				.0				.0	
17.2 Other liability - claims-made.....				.0				.0	
17.3 Excess workers' compensation.....				.0				.0	
18.1 Products liability - occurrence.....				.0				.0	
18.2 Products liability - claims-made.....				.0				.0	
19.1, 19.2 Private passenger auto liability.....				.0				.0	
19.3, 19.4 Commercial auto liability.....				.0				.0	
21. Auto physical damage.....				.0				.0	
22. Aircraft (all perils).....				.0				.0	
23. Fidelity.....				.0				.0	
24. Surety.....				.0				.0	
26. Burglary and theft.....				.0				.0	
27. Boiler and machinery.....				.0				.0	
28. Credit.....				.0				.0	
29. International.....				.0				.0	
30. Warranty.....				.0				.0	
31. Reinsurance - nonproportional assumed property.....	.XXX			.0	.XXX			.0	
32. Reinsurance - nonproportional assumed liability.....	.XXX			.0	.XXX			.0	
33. Reinsurance - nonproportional assumed financial lines.....	.XXX			.0	.XXX			.0	
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0		.0	.0
35. TOTALS.....	4,872,000	.0	.0	4,872,000	5,457,963	.0		10,329,963	1,861,048
<b>DETAILS OF WRITE-INS</b>									
3401. ....				.0				.0	
3402. ....				.0				.0	
3403. ....				.0				.0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0		.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0		.0	.0

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

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	1,762,314			1,762,314
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....		726,713		726,713
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	1,762,314	(726,713)	0	1,035,601
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....				0
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....				0
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	0	0	0
3. Allowances to manager and agents.....				0
4. Advertising.....		375,855		375,855
5. Boards, bureaus and associations.....		24,610		24,610
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	502,969	3,340,302		3,843,271
8.2 Payroll taxes.....	24,509	205,680		230,189
9. Employee relations and welfare.....	44,571	395,354		439,925
10. Insurance.....		27,935		27,935
11. Directors' fees.....				0
12. Travel and travel items.....	5,247	107,737		112,984
13. Rent and rent items.....		162,848		162,848
14. Equipment.....		32,156		32,156
15. Cost or depreciation of EDP equipment and software.....		28,274		28,274
16. Printing and stationery.....		47,193		47,193
17. Postage, telephone and telegraph, exchange and express.....		80,941		80,941
18. Legal and auditing.....		179,114		179,114
19. Totals (Lines 3 to 18).....	577,296	5,008,000	0	5,585,296
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		344,303		344,303
20.2 Insurance department licenses and fees.....		63,899		63,899
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	408,202	0	408,202
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	120,437	55,077	175,513
25. Total expenses incurred.....	2,339,610	4,809,925	55,077	(a) 7,204,612
26. Less unpaid expenses - current year.....		687,669		687,669
27. Add unpaid expenses - prior year.....	159,318	197,427		356,746
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	2,498,928	4,319,683	55,077	6,873,688

**DETAILS OF WRITE-INS**

2401. Miscellaneous Expenses.....		120,437	55,077	175,513
2402. ....				0
2403. ....				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	0	120,437	55,077	175,513

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	.....
1.1 Bonds exempt from U.S. tax.....	(a)..... 167,443	..... 220,655
1.2 Other bonds (unaffiliated).....	(a)..... 52,796	..... 60,097
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b)..... 24,879	..... 24,879
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	..... 72,927	..... 73,840
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e)..... 17,204	..... 17,970
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	..... 0	..... 0
10. Total gross investment income.....	..... 335,250	..... 397,442
11. Investment expenses.....	.....	(g)..... 55,077
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i)..... 0
15. Aggregate write-ins for deductions from investment income.....	.....	..... 0
16. Total deductions (Lines 11 through 15).....	.....	..... 55,077
17. Net investment income (Line 10 minus Line 16).....	.....	..... 342,365

### DETAILS OF WRITE-INS

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

- (a) Includes \$.....2,382 accrual of discount less \$.....308,548 amortization of premium and less \$.....9,452 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 \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	0	.....	.....
1.1 Bonds exempt from U.S. tax.....	(17,296)	.....	(17,296)	.....	.....
1.2 Other bonds (unaffiliated).....	(3,270)	.....	(3,270)	(37,794)	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	(571)	.....	(571)	(8,440)	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	6,244	(3,150)	3,094	(160,188)	1,948
2.21 Common stocks of affiliates.....	.....	.....	0	.....	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	684	684	(1,874)	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	.....	.....	0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	(14,894)	(2,466)	(17,359)	(208,296)	1,948

### DETAILS OF WRITE-INS

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

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....	149,954	71,243	(78,711)
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....	31,659	44,946	13,287
21. Furniture and equipment, including health care delivery assets.....	46,964	57,332	10,367
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	76,195	72,287	(3,908)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	304,773	245,808	(58,964)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	304,773	245,808	(58,964)

### DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Prepaid expenses.....	58,195	54,287	(3,908)
2502. Security deposits.....	18,000	18,000	.0
2503.....			.0
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).....	76,195	72,287	(3,908)

**NOTES TO FINANCIAL STATEMENTS****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

## A. Accounting Practices

MedMal Direct Insurance Company (the "Company") is a property and casualty insurance company licensed as a Florida domiciled stock insurer to write medical malpractice insurance in Florida. The Company received its Certificate of Authority from the Florida Office of Insurance Regulation (the "OIR") on June 17, 2010.

The accompanying financial statements of the Company have been prepared on the statutory basis of accounting as defined and in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* except to the extent state law differs. The Commissioner of the OIR has the right to permit specific practices that deviate from prescribed practices.

	State of Domicile	2015	2014
<b>NET INCOME</b>			
(1) MedMal Direct Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	FL	\$ 342,492	\$ 555,532
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	FL	\$ 342,492	\$ 555,532
<b>SURPLUS</b>			
(5) MedMal Direct Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	FL	\$ 21,341,901	\$ 11,179,248
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	FL	\$ 21,341,901	\$ 11,179,248

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

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 and ceded business.

Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest and dividends less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed of. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- Short-term investments are stated at amortized cost. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
- Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-Investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. The related unrealized losses are reported in unassigned surplus along with adjustment for federal income taxes.
- Common stock investments are stated at fair value. The related unrealized gains or (losses) are reported in unassigned surplus along with adjustment for federal income taxes.
- Preferred stock investments are stated in accordance with the guidance provided in SSAP No. 32. Redeemable preferred stocks that have characteristics of debt securities and are rated as high quality or better are reported at cost or amortized cost. All other redeemable preferred stocks are reported at the lower of cost or fair value. Perpetual preferred stocks are stated at fair value.
- The Company holds no mortgage loans.
- The Company has no investments in loan-backed subsidiaries.
- The Company has no investments in insurance subsidiaries.
- The Company has no investments in limited partnerships.
- The Company holds no derivatives.
- The Company has no premium deficiency reserve.
- Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience and industry statistics, for losses incurred but not reported. Such liabilities are necessarily based

**NOTES TO FINANCIAL STATEMENTS**

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 liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. The Company has established a capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The capitalization threshold is \$1,000.
13. The Company has no pharmaceutical rebate receivables.

**NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

No significant changes.

**NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL**

- A. Statutory Purchase Method  
Not applicable
- B. Statutory Merger  
Not applicable
- C. Impairment Loss  
Not applicable

**NOTE 4 – DISCONTINUED OPERATIONS**

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

- (1) None
- (2) None
- (3) None
- (4) None

- (5) The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Summary of Operations as follows:

Balance sheet December 31, 2015

## Assets

a. Line 5 Cash	\$
b. Line 28 Totals	\$

## Liabilities, Surplus and Other Funds

c. Line 28 Total Liabilities	\$
d. Line 37 Surplus	\$
e. Line 38 Total	\$

## Statement of Income December 31, 2015

f. Line 1 Premiums	\$
g. Line 6 Total underwriting deductions	\$
h. Line 8 Net underwriting gain or loss	\$
i. Line 18 Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$
j. Line 19 Federal and foreign income taxes incurred	\$
k. Line 20 Net income	\$

- B. Change in Plan of Sale of Discontinued Operation

Not applicable.

- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal

Not applicable

- D. Equity Interest Retained in the Discontinued Operation After Disposal

Not applicable

**NOTE 5 – INVESTMENTS**

- A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2015 were:

**NOTES TO FINANCIAL STATEMENTS**

Not applicable

B. Debt Restructuring

None.

C. Reverse Mortgages

(1) None

(2) None

(3) At December 31, 2015, the actuarial reserve of \$ reduced the asset value of the group of reverse mortgages.

(4) MedMal Direct Insurance Company recorded an unrealized loss \$ as a result of the re-estimates of the cash flows.

D. Loan-Backed Securities

(1) None

		1	2	3
(2)		Amortized Cost Basis Before Other-than-Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value 1 – 2
OTTI recognized 1 <sup>st</sup> Quarter				
a.	Intent to sell	\$	\$	\$
b.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
c.	Total 1 <sup>st</sup> Quarter	\$	\$	\$
OTTI recognized 2 <sup>nd</sup> Quarter				
d.	Intent to sell	\$	\$	\$
e.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
f.	Total 2 <sup>nd</sup> Quarter	\$	\$	\$
OTTI recognized 3 <sup>rd</sup> Quarter				
g.	Intent to sell	\$	\$	\$
h.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
i.	Total 4 <sup>th</sup> Quarter	\$	\$	\$
OTTI recognized 4 <sup>th</sup> Quarter				
j.	Intent to sell	\$	\$	\$
k.	Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis			
l.	Total 4 <sup>th</sup> Quarter		\$	
m.	Annual aggregate total	XXX	\$	XXX

(3) Recognized OTTI securities

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
	\$	\$	\$	\$	\$	12/30/1899
Total			\$			

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	\$
		2.	12 Months or Longer	\$
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than 12 Months	\$
		2.	12 Months or Longer	\$

(5)

E. Repurchase Agreements and/or Securities Lending Transactions

None



**NOTES TO FINANCIAL STATEMENTS**

(7) Collateral for Securities Lending transactions that extend beyond one year from the reporting date.

Description of Collateral	Amount
0	\$
Total Collateral extending beyond one year of the reporting date	\$

F. Real Estate

None

G. Investments in Low-Income Housing Trade Credits (LIHTC)

None

H. Other Disclosures and Unusual Items

(1) Restricted Assets (Including Pledged)

None

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Other Restricted Assets	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
0										
Total										

(a) Subset of column 1

(b) Subset of column 3

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Collateral Agreement	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
0										
Total										

(a) Subset of column 1

(b) Subset of column 3

I. Working Capital Finance Investments

None

J. Offsetting and Netting of Assets and Liabilities

(1) Assets	Gross Amount Recognized	Amount Offset	Net Amount Presented on Financial Statements
0	\$	\$	\$
(2) Liabilities			
0	\$	\$	\$

K. Structured Notes

None

**NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

Not applicable

**NOTE 7 – INVESTMENT INCOME**

No significant change

**NOTE 8 – DERIVATIVE INSTRUMENTS**

None

**NOTE 9 – INCOME TAXES**

A. Deferred Tax Assets/(Liabilities)

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

	2015			2014			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Gross deferred	\$ 739,831	\$ 93,732	\$ 833,563	\$ 755,316	\$ 23,574	\$ 778,890	\$ (15,485)	\$ 70,158	\$ 54,673

**NOTES TO FINANCIAL STATEMENTS**

tax assets									
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	739,831	93,732	833,563	755,316	23,574	778,890	(15,485)	70,158	54,673
d. Deferred tax assets nonadmitted	56,222	93,732	149,954	47,669	23,574	71,243	8,553	70,158	78,711
e. Subtotal net admitted deferred tax asset (1c-1d)	683,609		683,609	707,647		707,647	(24,038)		(24,038)
f. Deferred tax liabilities	23,339		23,339	45,301		45,301	(21,962)		(21,962)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 660,270	\$	\$ 660,270	\$ 662,346	\$	\$ 662,346	\$ (2,076)	\$	\$ (2,076)

## 2. Admission Calculation Components

	2015			2014			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 172,880	\$	\$ 172,880	\$ 204,917	\$	\$ 204,917	\$ (32,037)	\$	\$ (32,037)
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. (The lesser of 2(b)1 and 2(b)2 below:	487,390		487,390	457,430		457,430	29,960		29,960
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	3,085,621		3,085,621	1,581,504	23,574	1,605,078	1,504,117	(23,574)	1,480,543
Adjusted gross deferred tax assets allowed per limitation threshold									
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	23,339		23,339	45,300		45,300	(21,961)		(21,961)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	\$ 683,609	\$	\$ 683,609	\$ 707,647	\$	\$ 707,647	\$ (24,038)	\$	\$ (24,038)

## 3. Other Admissibility Criteria

		2015	2014
a.	Ratio percentage used to determine recovery period and threshold limitation amount	803.480%	507.000%
b.	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 20,570,805	\$ 10,543,358

## 4. Impact of Tax Planning Strategies

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

	12/31/15		12/31/14		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross	\$ 739,831	\$ 93,732	\$ 755,316	\$ 23,574	\$ (15,485)	\$ 70,158

**NOTES TO FINANCIAL STATEMENTS**

	DTAs amount from Note 9A1(c)						
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)	\$ 683,609	\$	\$ 707,647	\$	\$ (24,038)	\$
4.	Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

## B. Deferred Tax Liabilities Not Recognized

## C. Current and Deferred Income Taxes

## 1. Current Income Tax

	1 2015	2 2014	3 (Col 1-2) Change
a. Federal	\$ 67,431	\$ 204,916	\$ (137,485)
b. Foreign			
c. Subtotal	\$ 67,431	\$ 204,916	\$ (137,485)
d. Federal income tax on net capital gains	5,902		5,902
e. Utilization of capital loss carry-forwards			
f. Other	(48,367)	(15,409)	(32,958)
g. Federal and Foreign income taxes incurred	\$ 24,966	\$ 189,507	\$ (164,541)

## 2. Deferred Tax Assets

	1 2015	2 2014	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 243,403	\$ 260,372	\$ (16,969)
2. Unearned premium reserve	376,214	435,591	(59,377)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	263		263
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	36,827		36,827
11. Net operating loss carry-forward			
12. Tax credit carry-forward	20,365		20,365
13. Other (including items <5% of total ordinary tax assets)	62,759	59,353	3,406
99. Subtotal	\$ 739,831	\$ 755,316	\$ (15,485)
b. Statutory valuation allowance adjustment			
c. Nonadmitted	56,222	47,669	8,553
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 683,609	\$ 707,647	\$ (24,038)
e. Capital:			
1. Investments	\$ 93,732	\$ 23,574	\$ 70,158
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	\$ 93,732	\$ 23,574	\$ 70,158
f. Statutory valuation allowance adjustment			
g. Nonadmitted	93,732	23,574	70,158
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	\$ 683,609	\$ 707,647	\$ (24,038)

## 3. Deferred Tax Liabilities

	1 2015	2 2014	3 (Col 1-2) Change
--	-----------	-----------	--------------------------

**NOTES TO FINANCIAL STATEMENTS**

a. Ordinary:				
1. Investments	\$	2,625	\$	1,369
2. Fixed assets				25,474
3. Deferred and uncollected premium				(25,474)
4. Policyholder reserves				
5. Other (including items <5% of total ordinary tax liabilities)		20,714		18,458
99. Subtotal	\$	23,339	\$	45,301
				(21,962)
b. Capital:				
1. Investments	\$		\$	
2. Real estate				
3. Other (including items <5% of total capital tax liabilities)				
99. Subtotal				
c. Deferred tax liabilities (3a99+3b99)	\$	23,339	\$	45,301
				(21,962)
4. Net Deferred Tax Assets (2i – 3c)	\$	660,270	\$	662,346
				(2,076)

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

	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 122,929	34%
Proration of tax exempt investment income	(63,769)	-17.64%
Tax exempt income deduction		%
Dividends received deduction	(14,895)	-4.120%
Disallowed travel and entertainment	3,897	1.08%
Other permanent differences		%
<b>Temporary Differences:</b>		
Total ordinary DTAs	\$	%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
<b>Other:</b>		
Statutory valuation allowance adjustment	\$	%
Accrual adjustment – prior year	(23,598)	-6.53%
Other	(3,406)	-0.94%
Totals	\$	%
Federal and foreign income taxes incurred		%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	6,475	1.79%
Total statutory income taxes	\$ 19,064	5.27%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income, but had an AMT tax credit of \$20,365 available to offset against future taxable income.

The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

Year	Amount
2015	\$ 67,431
2014	\$ 152,125

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

F. Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with the following entities:

None

- The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled monthly.

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

A. Nature of Relationship

The Company is a wholly owned subsidiary of MedMal Direct Insurance Group, LLC ("MDIG")

**NOTES TO FINANCIAL STATEMENTS****B. Detail of transactions greater than 1/2% of admitted assets**

During the month of December, The Company made several transfers to MDIG for expenses related to the parent company (Physicians Trust) capital raise. The entire balance was repaid to The Company on December 31, 2015.

**C. Change in terms of intercompany arrangements**

No significant changes.

**D. Amounts due to or from related parties**

As of December 31, 2015, The Company had an Intercompany Payable Due to MDIG for \$528,676. The payable is for expenses related to the Service Agreement and is satisfied by the end of the following month. Also, The Company had an Intercompany Receivable Due from CorePRO Insurance, LLC for \$4,116.86. This receivable is an advertising expense for CorePRO Insurance, LLC that was paid by The Company in error.

**E. Guarantees or undertakings for related parties**

None

**F. Management, service contracts, cost sharing arrangements**

The Company entered into a Service Agreement on June 11, 2010 with MDIG. Pursuant to the agreement, MedMal Direct Insurance Group (MDIG) provides personnel to perform certain services for the benefit of The Company including but not limited to sales and marketing, accounting and financial reporting, operations and regulatory responsibilities. The Company pays a fee equal to one hundred and fifteen percent of the actual compensation and related personnel costs incurred by MDIG as a result of providing these services to the Company.

**G. Nature of relationships that could affect operations**

None

**H. Amount deducted for investment in upstream company**

None

**I. Detail of investments in affiliates greater than 10% of admitted assets**

None

**J. Writedown for impairments of investments in affiliates**

None

**K. Foreign insurance subsidiary valued using CARVM**

None

**L. Downstream holding company valued using look-through method**

None

**M. Non-insurance subsidiary, controlled and affiliated (SCA) entity valuations**

None

**N. Insurance SCA Entities utilizing prescribed or permitted practices**

None

**NOTE 11 – DEBT****A. None****NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS****A. Defined Benefit Plan - None**

(1)	Change in Benefit Obligation		Overfunded		Underfunded	
	a.	Pension Benefits	2015	2014	2015	2014
	1.	Benefit obligation at beginning of year	\$	\$	\$	\$
	2.	Service cost				
	3.	Interest cost				
	4.	Continuation by plan participants				
	5.	Actuarial gain (loss)				
	6.	Foreign currency exchange rate changes				
	7.	Benefits paid				

**NOTES TO FINANCIAL STATEMENTS**

	8.	Plan amendments				
	9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
	10.	Benefit obligation at end of year	\$	\$	\$	\$
			Overfunded		Underfunded	
b.		Postretirement Benefits	2015	2014	2015	2014
	1.	Benefit obligation at beginning of year	\$	\$	\$	\$
	2.	Service cost				
	3.	Interest cost				
	4.	Continuation by plan participants				
	5.	Actuarial gain (loss)				
	6.	Foreign currency exchange rate changes				
	7.	Benefits paid				
	8.	Plan amendments				
	9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
	10.	Benefit obligation at end of year	\$	\$	\$	\$
			Overfunded		Underfunded	
c.		Special or Contractual Benefits per SSAP No. 11	2015	2014	2015	2014
	1.	Benefit obligation at beginning of year	\$	\$	\$	\$
	2.	Service cost				
	3.	Interest cost				
	4.	Continuation by plan participants				
	5.	Actuarial gain (loss)				
	6.	Foreign currency exchange rate changes				
	7.	Benefits paid				
	8.	Plan amendments				
	9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
	10.	Benefit obligation at end of year	\$	\$	\$	\$

(2)	Change in plan assets	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2015	2014	2015	2014	2015	2014
a.	Fair value of plan assets at beginning of year	\$	\$	\$	\$	\$	\$
b.	Actual return on plan assets						
c.	Foreign currency exchange rate changes						
d.	Reporting entity contribution						
e.	Plan participants' contributions						
f.	Benefits paid						
g.	Business combinations, divestitures and settlements						
h.	Fair value of plan assets at end of year	\$	\$	\$	\$	\$	\$

(3)	Funded status	Pension Benefits		Postretirement Benefits	
	Overfunded:	2015	2014	2015	2014
a.	Assets (nonadmitted)				
	1. Prepaid benefit costs	\$	\$	\$	\$
	2. Overfunded plans assets				
	3. Total assets (nonadmitted)	\$	\$	\$	\$
	Underfunded:				
b.	Liabilities recognized				
	1. Accrued benefits costs	\$	\$	\$	\$
	2. Liability for pension benefits				
	3. Total liabilities recognized	\$	\$	\$	\$
c.	Unrecognized liabilities	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

(4)	Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
		2015	2014	2015	2014	2015	2014
a.	Service cost	\$	\$	\$	\$	\$	\$
b.	Interest cost						
c.	Expected return on plan assets						
d.	Transition asset or obligation						
e.	Gains and losses						
f.	Prior service cost or credit						
g.	Gain or loss recognized due to a settlements curtailment						
h.	Total net periodic benefit cost	\$	\$	\$	\$	\$	\$

(5)	Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Items not yet recognized as a component of net periodic cost – prior year	\$	\$	\$	\$
b.	Net transition asset or obligation recognized				
c.	Net prior service cost or credit arising during the period				
d.	Net prior service cost or credit recognized				
e.	Net gain and loss arising during the period				
f.	Net gain and loss recognized				
g.	Items not yet recognized as a component of net periodic cost – current year	\$	\$	\$	\$

(6)	Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Net transition asset or obligations	\$	\$	\$	\$
b.	Net prior service cost or credit				
c.	Net recognized gains and losses	\$	\$	\$	\$

(7)	Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2015	2014	2015	2014
a.	Net transition asset or obligations	\$	\$	\$	\$
b.	Net prior service cost or credit				
c.	Net recognized gains and losses	\$	\$	\$	\$

(8)	Weighted-average assumptions used to determine net periodic benefit cost as of December 31	2015	2014
a.	Weighted-average discount rate	%	%
b.	Expected long-term rate of return on plan assets	%	%
c.	Rate of compensation increase	%	%
Weighted-average assumptions used to determine projected benefit obligations as of December 31			
d.	Weighted-average discount rate	%	%
e.	Rate of compensation increase	%	%

(9) The amount of the accumulated benefit obligation for defined benefit pension plans was \$ \_\_\_\_\_ for the current year and \$ \_\_\_\_\_ for the prior year.

(10)

(11)	Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:	1 Percentage Point Increase	1 Percentage Point Decrease
a.	Effect on total of service and interest cost components	\$	\$
b.	Effect on postretirement benefit obligation	\$	\$

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

	Year(s)	Amount
a.	2016	\$
b.	2017	\$
c.	2018	\$

**NOTES TO FINANCIAL STATEMENTS**

d.	2019	\$
e.	2020	\$
f.	2021 through 20__	\$

## B. Investment Policies and Strategies

Not applicable

## C. Fair Value of Plan Assets

## (1) Fair Value Measurements of Plans Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
	\$	\$	\$	\$
Total Plan Assets	\$	\$	\$	\$

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

Description for each class of plan assets	Beginning Balance at 1/1/2015	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Plan Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

## (3)

## D. Basis Used to Determine Expected Long-Term Rate-of-Return

Not applicable

## E. Defined Contribution Plans

Not applicable

## F. Multiemployer Plans

Not applicable

## G. Consolidated/Holding Company Plans

Not applicable

## H. Postemployment Benefits and Compensated Absences

Not applicable

## I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable

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

Not applicable

**NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS**

## A. Contingent Commitments

None

## B. Assessments

None

## C. Gain Contingencies

None

## D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None

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

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

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

(a) 0-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims

Indicate whether claim count information is disclosed per claim or per claimant:

(f) Per Claim [ ] (g) Per Claimant [ ]

## E. Product Warranties

None



**NOTES TO FINANCIAL STATEMENTS**

## F. Joint and Several Liabilities

None

## G. All Other Contingencies

None

**NOTE 15 – LEASES**

## A. Lessee Operating Lease

(1) The Company entered into a 5 year Lease Agreement with Pky Realty II, Jacksonville I, LLC on August 1, 2012 for office space and facilities. An \$18,000 Security Deposit was required and is recorded as a nonadmitted asset on the Balance Sheet. The agreement includes an increase in rent each year, as well as, incentives providing that no default of payment occurs. The incentive includes monthly installments of base rent be abated by fifty percent for specified months throughout the lease agreement for a total of fifteen months and discounts totaling \$105,528. SSAP No. 22 states, "These incentives shall be recognized over the lease term on a straight-line basis..." Assuming no default of payment occurs, rent expense of \$11,934.79 is recognized each month plus sales tax and any change in Maintenance Fees.

(2)

a. At January 1, 2016 the minimum aggregate rental commitments are as follows:		
	Year Ending December 31	Operating Leases
1.	2016	\$ 143,217,143,217
2.	2017	\$ 83,544
3.	2018	\$
4.	2019	\$
5.	2020	\$
6.	Total	\$

(3)

## B. Revenue, Net Income or Assets with Respect to Leases

(1) For operating leases:

a. None

b.

c. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31 are as follows:		
	Year Ending December 31	Operating Leases
1.	2016	\$
2.	2017	\$
3.	2018	\$
4.	2019	\$
5.	2020	\$
6.	Total	\$

(d)

(2) For leveraged leases:

(a) None

(b)

		2015	2014
1.	Income from leveraged leases before income tax including investment tax credit	\$	\$
2.	Less current income tax		
3.	Net income from leveraged leases	\$	\$

(c) The components of the investment in leveraged leases at December 31, 2015 and 2014 were as shown below:

		2015	2014
1.	Lease contracts receivable (net of principal and interest on non-recourse financing)	\$	\$
2.	Estimated residual value of leased assets		
3.	Unearned and deferred income		
4.	Investment in leveraged leases		
5.	Deferred income taxes related to leveraged leases		
6.	Net investment in leveraged leases	\$	\$

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

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

	Assets		Liabilities	
	2015	2014	2015	2014
a. Swaps	\$	\$	\$	\$
b. Futures				
c. Options				
d. Total	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS****NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

## A. Transfers of Receivables Reported as Sales

Not applicable

## B. Transfer and Servicing of Financial Assets

Not applicable

## C. Wash Sales

(1) None

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2015 and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
			\$	\$	\$

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

## A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2015:

		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	\$	\$
b.	Total net other income or expenses (including interest paid to or receive from plans)			
c.	Net gain or (loss) from operations			
d.	Total claim payment volume	\$	\$	\$

## B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2015:

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a.	Gross reimbursement for medical cost incurred	\$	\$	\$
b.	Gross administrative fees accrued			
c.	Other income or expenses (including interest paid to or received from plans)			
d.	Gross expenses incurred (claims and administrative)			
e.	Total net gain or loss from operations	\$	\$	\$

## C. Medicare or Similarly Structured Cost Based Reimbursement Contract

None

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

Not applicable

**NOTE 20 – FAIR VALUE MEASUREMENTS**

## A.

## (1) Fair Value Measurements at Reporting Date

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Bonds - Issuer Obligations	\$ 17,470,697	\$	\$	\$ 17,470,697
Preferred Stock - Industrial & Miscellaneous	800,583			800,583
Common Stock	2,379,710			2,379,710
Total	\$ 20,650,990	\$	\$	\$ 20,650,990

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Total	\$	\$	\$	\$

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

	Beginning Balance at 1/1/2015	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
a. Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
b. Liabilities	Beginning Balance at 1/1/2015	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2015
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

B. None

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
	\$	\$	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$	%		

**NOTE 21 – OTHER ITEMS**

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring Debtors

None

C. Other Disclosures

No significant change

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-Transferable Tax Credits

None

F. Subprime Mortgage Related Risk Exposure

(1) None

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Value of Land and Buildings	Other-Than-Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	\$	\$	\$	\$	%
b. Mortgages in good standing					%
c. Mortgages with restored terms					%
d. Total	\$	\$	\$	\$	XXX

(3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$	\$	\$	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$	\$	\$	\$

\* These investments comprise % of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at end of Current Period	IBNR Reserves at End of Current Period
a. Mortgage guaranty coverage	\$	\$	\$	\$
b. Financial guaranty coverage				
c. Other lines (specify):				
d. Total	\$	\$	\$	\$

**NOTE 22 – EVENTS SUBSEQUENT**

**NOTES TO FINANCIAL STATEMENTS**

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ ] No [XX]

B.	ACA fee assessment payable for the upcoming year	\$	\$
C.	ACA fee assessment paid		
D.	Premium written subject to ACA 9010 assessment		
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)	21,341,901	
F.	Total adjusted capital (Five-Year Historical Line 30 minus 22B above)	21,341,901	
G.	Authorized control level after surplus adjustment (Five-Year Historical Line 31)	\$ 2,680,342	

H. Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)? Yes [ ] No [ ]

**NOTE 23 – REINSURANCE**

A. Unsecured Reinsurance Recoverables

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All Other			4,841,114	720,936	(4,841,114)	(720,936)
c. Total	\$	\$	\$ 4,841,114	\$ 720,936	\$ (4,841,114)	\$ (720,936)
d. Direct Unearned Premium Reserves			\$			

(2)

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$	\$	\$	\$
b. Sliding scale adjustments				
c. Other profit commission arrangements				
d. Total	\$	\$	\$	\$

(3)

Protected Cell Name	Covered Exposure	Ultimate Exposure Amount	Fair Value of Assets as of December 31	Initial Contact Date of Securitization Instrument	Maturity Date of Securitized Instrument
Total	XXX	\$	\$	XXX	XXX

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

(1)	Losses incurred	\$	
(2)	Loss adjustment expenses incurred	\$	
(3)	Premiums earned	\$	3,076,218
(4)	Other	\$	
(5)	Company		Amount
		\$	

F. Retroactive Reinsurance

(1) None

As:		Reported Company	
		Assumed	Ceded
a.	Reserves Transferred:		
1.	Initial Reserves	\$	\$
2.	Adjustments – Prior Year(s)		
3.	Adjustments – Current Year		
4.	Current Total	\$	\$
b.	Consideration Paid or Received:		
1.	Initial Consideration	\$	\$
2.	Adjustments – Prior Year(s)		
3.	Adjustments – Current Year		
4.	Current Total	\$	\$
c.	Paid Losses Reimbursed or Recovered:		
1.	Prior Year(s)	\$	\$
2.	Current Year		

**NOTES TO FINANCIAL STATEMENTS**

	3.	Current Total	\$	\$	
d.	Special Surplus from Retroactive Reinsurance:				
	1.	Initial Gain or Loss	\$	\$	
	2.	Adjustments – Prior Year(s)			
	3.	Adjustments – Current Year			
	4.	Current Year Restricted Surplus			
	5.	Cumulative Total Transferred to Unassigned Funds	\$	\$	
e.	All cedents and reinsurers involved in all transactions included in summary totals above.				
	Company		Assumed Amount	Ceded Amount	
			\$	\$	
	Total		\$	\$	
f.	1.	Authorized Reinsurers			
		Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	
			\$	\$	
		Total	\$	\$	
	2.	Unauthorized Reinsurers			
		Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
			\$	\$	\$
		Total	\$	\$	\$
	3.	Certified Reinsurers			
		Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
			\$	\$	\$
		Total	\$	\$	\$

G. Reinsurance Accounted for as a Deposit

None

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

None

**NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

Not applicable

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Loss and Loss Adjustment Expenses ("LAE") payments of \$1,115,000 and \$646,215, respectively, were paid during the Third Quarter of 2015. Current year changes in estimates of the costs of prior year claims affect the current year Statement of Income by \$1,560,976.

	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>Change</u>	<u>Percentage</u>
Losses Incurred:				
Losses Paid	\$ 2,710,000	\$ 3,611,168	\$ 901,168	33%
Change in Loss Reserves	\$ 2,792,795	\$ 1,768,524	(\$ 1,024,271)	-37%
LAE Incurred:				
ALAE Paid	\$ 1,436,289	\$ 1,857,586	\$ 421,297	29%
ULAE Paid	\$ 425,660	\$ 572,291	\$ 146,631	34%
Change in LAE Reserves	\$ 573,499	\$ 36,794	(\$ 536,705)	-94%

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

Not applicable

**NOTE 27 – STRUCTURED SETTLEMENTS**

Not applicable

**NOTE 28 – HEALTH CARE RECEIVABLES**

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
	\$	\$	\$	\$	\$

B. Risk Sharing Receivables

Calendar Year	Evaluation Period	Risk Sharing Receivable as	Risk Sharing Receivable as	Risk Sharing Receivable	Risk Sharing Receivable Not	Actual Risk Sharing	Actual Risk Sharing	Actual Risk Sharing	Actual Risk Sharing

**NOTES TO FINANCIAL STATEMENTS**

	Year Ending	Estimated in the Prior Year	Estimated in the Current Year	Billed	Yet Billed	Amounts Received in Year Billed	Amounts Received First Year Subsequent	Amounts Received Second Year Subsequent	Amounts Received - All Other
	0	0	\$	\$	\$	\$	\$	\$	\$

**NOTE 29 – PARTICIPATING POLICIES**

None

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

**NOTE 31 – HIGH DEDUCTIBLES**

None

**NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**

A. Tabular Discount

		Tabular Discount Included in Schedule P, Part 1	
		Case	IBNR
1.	Homeowners/Farmowners	\$	\$
2.	Private Passenger Auto Liability/Medical		
3.	Commercial Auto/Truck Liability/Medical		
4.	Workers' Compensation		
5.	Commercial Multiple Peril		
6.	Medical Professional Liability-Occurrence		
7.	Medical Professional Liability-Claims-Made		
8.	Special Liability		
9.	Other Liability-Occurrence		
10.	Other Liability-Claims Made		
11.	Special Property		
12.	Auto Physical Damage		
13.	Fidelity, Surety		
14.	Other (including credit, A&H)		
15.	International		
16.	Reinsurance Nonproportional Assumed Property		
17.	Reinsurance Nonproportional Assumed Liability		
18.	Reinsurance Nonproportional Assumed Financial Lines		
19.	Products Liability-Occurrence		
20.	Products Liability-Claims-Made		
21.	Financial Guaranty/Mortgage Guaranty		
22.	Warranty		
23.	Total	\$	\$

B. Nontabular Discount

		Case	IBNR	Defense and Cost Containment Expense	Adjusting and Other Expense
1.	Homeowners/Farmowners	\$	\$	\$	\$
2.	Private Passenger Auto Liability/Medical				
3.	Commercial Auto/Truck Liability/Medical				
4.	Workers' Compensation				
5.	Commercial Multiple Peril				
6.	Medical Professional Liability-Occurrence				
7.	Medical Professional Liability-Claims-Made				
8.	Special Liability				
9.	Other Liability-Occurrence				
10.	Other Liability-Claims Made				
11.	Special Property				
12.	Auto Physical Damage				
13.	Fidelity, Surety				
14.	Other (including credit, A&H)				
15.	International				
16.	Reinsurance Nonproportional Assumed Property				
17.	Reinsurance Nonproportional Assumed Liability				
18.	Reinsurance Nonproportional Assumed Financial Lines				
19.	Products Liability-Occurrence				
20.	Products Liability-Claims-Made				
21.	Financial Guaranty/Mortgage Guaranty				
22.	Warranty				
23.	Total	\$	\$	\$	\$

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

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## NOTES TO FINANCIAL STATEMENTS

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- 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?  
Not applicable
- B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE)  
Not applicable
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and 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. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE)  
Not applicable
- F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR)  
Not applicable

**NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

Not applicable

**NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

Not applicable

**NOTE 36 – FINANCIAL GUARANTY INSURANCE**

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 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  No   
 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  No  N/A
- 1.3 State regulating? Florida
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 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. 12/31/2013
- 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). 05/28/2015
- 3.4 By what department or departments?  
Florida Office of Insurance Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC<br>Company<br>Code | 3<br>State of<br>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  No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control \_\_\_\_\_ %
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes  No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes  No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Johnson Lambert & Co. LLP, One Independent Drive, Suite 2202, Jacksonville, Florida 32202
- 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
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes  No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Simon K. Wong, FCAS, ASA, MAAA, Consulting Actuary - Milliman, 3424 Peachtree Road, NE, Suite 1900, Atlanta, Georgia 30326
- 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
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation

**13. FOR UNITED STATES BRANCES OF ALIEN REPORTING ENTITIES ONLY:**

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ 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:
- 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).
- 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).

- 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

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator 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 or is likely to 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 reporting 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 [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

- 24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes  No
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off balance sheet (an alternative is to reference Note 17 where this information is also provided).
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes  No  N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes  No  N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes  No  N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes  No
- 25.2 If yes, state the amount thereof at December of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 3,329,725
- 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<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  | \$          |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes  No
- 27.2 If yes, state the amount thereof at December of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  No
- 28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1<br>Name of Custodian(s)                   | 2<br>Custodian Address                          |
|---|---|
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 50 N. Laura St Ste 3700, Jacksonville, FL 32202 |
- 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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes  No
- 28.04 If yes, give full and complete information relating thereto:
- | 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |
- 28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:
- | 1<br>Central Registration Depository | 2<br>Name(s)                                | 3<br>Address                                    |
|--------------------------------------|---|---|
| 7691                                 | Merrill Lynch, Pierce, Fenner & Smith, Inc. | 50 N. Laura St Ste 3700, Jacksonville, FL 32202 |
- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes  No
- 29.2 If yes, complete the following schedule:

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

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 Holdings	4 Date of Valuation

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	17,325,290	17,470,697	145,406
30.2	Preferred Stocks	800,583	800,583	0
30.3	Totals	18,125,873	18,271,280	145,406

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

The fair value of the bond securities bond is based on the broker/dealer pricing and the long term Certificates of Deposit are based on the principal balance.

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 [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance pricing source for purposes of disclosure of fair value for Schedule D:

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:

#### OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

33.2 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
	\$

34.1 Amount of payments for legal expenses, if any? \$ 0

34.2 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
	\$

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

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

1 Name	2 Amount Paid
	\$

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes [ ]	No [ X ]
1.2	If yes, indicate premium earned on U.S. business only.	\$			0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$			0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$			0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$			0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned	\$			0
1.62	Total incurred claims	\$			0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned	\$			0
1.65	Total incurred claims	\$			0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned	\$			0
1.72	Total incurred claims	\$			0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned	\$			0
1.75	Total incurred claims	\$			0
1.76	Number of covered lives				0
2.	Health Test:				
			1	2	
			Current Year	Prior Year	
2.1	Premium Numerator	\$	0	0	
2.2	Premium Denominator	\$	12,116,189	0	
2.3	Premium Ratio (2.1/2.2)				
2.4	Reserve Numerator	\$	0	0	
2.5	Reserve Denominator	\$	17,723,572	0	
2.6	Reserve Ratio (2.4/2.5)				
3.1	Does the reporting entity issue both participating and non-participating policies?				Yes [ ] No [ X ]
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies	\$			0
3.22	Non-participating policies	\$			0
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?				Yes [ ] No [ ]
4.2	Does the reporting entity issue non-assessable policies?				Yes [ ] No [ ]
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$			0
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?				Yes [ ] No [ ]
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation				Yes [ ] No [ ] N/A [ ]
5.22	As a direct expense of the exchange				Yes [ ] No [ ] N/A [ ]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?				Yes [ ] No [ ]
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?				
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:				
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?				
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 [ ] No [ X ]
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 uninsured catastrophic loss:				
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?				Yes [ ] No [ X ]

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

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 [ ] 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 [ ] No [X]
8.2	If yes, give full information	
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 31 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 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [ ] No [X] Yes [ ] No [X] Yes [ ] No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [ ] No [ ] N/A [X]
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	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$ 0 \$ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ 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 [ ] N/A [X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To	% %
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 [ ] No [X]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	\$ 0 \$ 0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 0
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.	_____

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]
- 15.2 If yes, give full information

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

\* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Incurring but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption: Yes [ ] No [X]

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.12	Unfunded portion of Interrogatory 17.11	\$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14	Case reserves portion of Interrogatory 17.11	\$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16	Unearned premium portion of Interrogatory 17.11	\$ 0
17.17	Contingent commission portion of Interrogatory 17.11	\$ 0

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

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ 0
17.19	Unfunded portion of Interrogatory 17.18	\$ 0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ 0
17.21	Case reserves portion of Interrogatory 17.18	\$ 0
17.22	Incurred but not reported portion of Interrogatory 17.18	\$ 0
17.23	Unearned premium portion of Interrogatory 17.18	\$ 0
17.24	Contingent commission portion of Interrogatory 17.18	\$ 0

- 18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [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 the funds administered as of the reporting date. \$ 0

**FIVE-YEAR HISTORICAL DATA**

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

	1 2015	2 2014	3 2013	4 2012	5 2011
<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).....	16,306,613	14,326,720	10,940,474	8,120,879	3,667,475
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	16,306,613	14,326,720	10,940,474	8,120,879	3,667,475
<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).....	11,465,499	13,591,147	10,512,224	7,819,506	3,417,475
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	11,465,499	13,591,147	10,512,224	7,819,506	3,417,475
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	36,550	376,271	107,120	(1,142,281)	(1,436,562)
14. Net investment gain (loss) (Line 11).....	325,006	368,769	681,335	546,298	118,140
15. Total other income (Line 15).....				18,215	31,227
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	19,064	189,507	15,409		
18. Net income (Line 20).....	342,492	555,532	773,046	(577,768)	(1,287,195)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	39,830,616	27,312,091	22,934,956	17,468,994	9,114,314
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	3,216,808	3,798,892	2,746,301	1,883,164	400,400
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	18,488,715	16,132,843	12,484,473	8,547,915	3,600,787
22. Losses (Page 3, Line 1).....	10,329,963	8,399,383	5,972,774	3,032,863	1,104,647
23. Loss adjustment expenses (Page 3, Line 3).....	1,861,048	2,556,960	1,615,757	896,208	293,662
24. Unearned premiums (Page 3, Line 9).....	5,532,561	5,830,618	4,708,968	3,729,733	2,179,048
25. Capital paid up (Page 3, Lines 30 & 31).....	4,750,620	4,750,180	4,750,180	9,500,120	7,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	21,341,901	11,179,248	10,450,483	8,921,079	5,513,527
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	3,339,797	2,957,515	4,595,494	1,433,336	1,047,468
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	21,341,901	11,179,248	10,450,483	8,921,079	5,513,527
29. Authorized control level risk-based capital.....	2,680,342	2,560,222	2,081,327	1,733,379	1,056,995
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	48.6	69.0	73.1	65.0	50.6
31. Stocks (Lines 2.1 & 2.2).....	8.9	12.6	11.7	11.3	9.8
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	41.7	18.4	15.2	23.7	39.5
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....	0.7				
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2015	2014	2013	2012	2011
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	(118,359)	165,676	(233,472)	(28,515)	14,948
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	10,162,653	728,766	1,529,403	3,407,552	512,322
<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).....	3,611,168	2,710,000	729,000	893,000	
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	3,611,168	2,710,000	729,000	893,000	0
<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).....	3,611,168	2,710,000	729,000	893,000	
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	3,611,168	2,710,000	729,000	893,000	0
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	40.7	41.2	38.5	45.0	46.6
68. Loss expenses incurred (Line 3).....	19.3	22.5	21.1	20.0	20.7
69. Other underwriting expenses incurred (Line 4).....	39.7	33.3	39.3	53.2	99.6
70. Net underwriting gain (loss) (Line 8).....	0.3	3.0	1.1	(18.2)	(66.9)
<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).....	42.0	30.6	35.7	42.4	61.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	60.0	63.7	59.5	65.0	67.3
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).....	53.7	121.6	100.6	87.7	62.0
<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).....	56	(92)	(622)	(38)	5
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).....	0.5	(0.9)	(7.0)	(0.7)	0.1
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(312)	(683)	(482)	(3)	
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).....	(3.0)	(7.7)	(8.7)	(0.1)	

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

Yes [ ] No [ ]

If no, please explain:

---



## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 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								0	XXX
2. 2006.....			0								0	XXX
3. 2007.....			0								0	XXX
4. 2008.....			0								0	XXX
5. 2009.....			0								0	XXX
6. 2010.....	231		231			132		19			151	XXX
7. 2011.....	2,398	250	2,148	275		463		80			818	XXX
8. 2012.....	6,570	301	6,269	2,308		1,070		286			3,664	XXX
9. 2013.....	9,961	428	9,533	2,128		1,423		441			3,993	XXX
10. 2014.....	13,205	736	12,469	2,672		1,300		380			4,352	XXX
11. 2015.....	15,203	3,087	12,116	560		635		196			1,391	XXX
12. Totals.....	XXX	XXX	XXX	7,943	0	5,023	0	1,402	0	0	14,369	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		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....											0	XXX	
2. 2006.....											0	XXX	
3. 2007.....											0	XXX	
4. 2008.....											0	XXX	
5. 2009.....											0	XXX	
6. 2010.....							0	0			0	XXX	
7. 2011.....	150		13		51		2		2		218	XXX	
8. 2012.....	530		196		56		14		10		806	XXX	
9. 2013.....	1,085		406	61	130		69	41	15		1,602	XXX	
10. 2014.....	1,780		1,810	298	426		418	198	50		3,988	XXX	
11. 2015.....	1,327	138	4,614	1,083	492	58	1,072	722	74		5,577	XXX	
12. Totals.....	4,872	138	7,038	1,442	1,155	58	1,576	961	149	0	12,191	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
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 2006.....	0	0	0	0.0	0.0	0.0				0	0
3. 2007.....	0	0	0	0.0	0.0	0.0				0	0
4. 2008.....	0	0	0	0.0	0.0	0.0				0	0
5. 2009.....	0	0	0	0.0	0.0	0.0				0	0
6. 2010.....	151	0	151	65.5	0.0	65.5				0	0
7. 2011.....	1,036	0	1,036	43.2	0.0	48.2				163	55
8. 2012.....	4,469	0	4,469	68.0	0.0	71.3				726	80
9. 2013.....	5,697	102	5,595	57.2	23.8	58.7				1,429	173
10. 2014.....	8,836	496	8,340	66.9	67.4	66.9				3,292	696
11. 2015.....	8,969	2,001	6,968	59.0	64.8	57.5				4,720	858
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	10,330	1,861

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

### SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior.....											.0	0
2. 2006.....											.0	0
3. 2007.....	XXX										.0	0
4. 2008.....	XXX	XXX									.0	0
5. 2009.....	XXX	XXX	XXX								.0	0
6. 2010.....	XXX	XXX	XXX	XXX	147	152	144	132	132	132	.0	0
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,422	1,392	960	954	954	.0	(6)
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	3,959	3,781	3,727	4,174	.447	.393
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,838	5,807	5,139	(668)	(699)
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,635	7,910	.275	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,699	XXX	XXX
12. Totals.....											.56	(312)

### SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior.....	.000										XXX	XXX
2. 2006.....											XXX	XXX
3. 2007.....	XXX										XXX	XXX
4. 2008.....	XXX	XXX									XXX	XXX
5. 2009.....	XXX	XXX	XXX								XXX	XXX
6. 2010.....	XXX	XXX	XXX	XXX	.54	.78	.132	.132	.132	.132	XXX	XXX
7. 2011.....	XXX	XXX	XXX	XXX	XXX	143	.324	.673	.686	.738	XXX	XXX
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,235	1,759	3,052	3,378	XXX	XXX
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.789	2,622	3,552	XXX	XXX
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,005	3,972	XXX	XXX
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,195	XXX	XXX

### SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior.....										
2. 2006.....										
3. 2007.....	XXX									
4. 2008.....	XXX	XXX								
5. 2009.....	XXX	XXX	XXX							
6. 2010.....	XXX	XXX	XXX	XXX	137	.92	.64			.0
7. 2011.....	XXX	XXX	XXX	XXX	XXX	1,162	.590	.124	.87	.15
8. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	1,958	.826	.109	.210
9. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,220	1,718	.373
10. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,562	1,732
11. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,881

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Active Status	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 (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	N								
2. Alaska.....AK	N								
3. Arizona.....AZ	N								
4. Arkansas.....AR	N								
5. California.....CA	N								
6. Colorado.....CO	N								
7. Connecticut.....CT	N								
8. Delaware.....DE	N								
9. District of Columbia.....DC	N								
10. Florida.....FL	L	13,266,621	10,188,734		3,261,168	4,145,822	9,454,603		
11. Georgia.....GA	L	1,946,436	1,287,151		350,000	523,742	551,709		
12. Hawaii.....HI	N								
13. Idaho.....ID	N								
14. Illinois.....IL	L	702,213	477,612			194,340	238,282		
15. Indiana.....IN	N								
16. Iowa.....IA	N								
17. Kansas.....KS	N								
18. Kentucky.....KY	N								
19. Louisiana.....LA	N								
20. Maine.....ME	N								
21. Maryland.....MD	N								
22. Massachusetts.....MA	N								
23. Michigan.....MI	N								
24. Minnesota.....MN	N								
25. Mississippi.....MS	N								
26. Missouri.....MO	L								
27. Montana.....MT	N								
28. Nebraska.....NE	N								
29. Nevada.....NV	N								
30. New Hampshire.....NH	N								
31. New Jersey.....NJ	N								
32. New Mexico.....NM	N								
33. New York.....NY	N								
34. North Carolina.....NC	L	250,316	91,017			37,035	44,046		
35. North Dakota.....ND	N								
36. Ohio.....OH	L	21,320	12,071			4,912	4,967		
37. Oklahoma.....OK	N								
38. Oregon.....OR	N								
39. Pennsylvania.....PA	L								
40. Rhode Island.....RI	N								
41. South Carolina.....SC	N								
42. South Dakota.....SD	N								
43. Tennessee.....TN	N								
44. Texas.....TX	L	119,707	59,604			24,253	36,356		
45. Utah.....UT	N								
46. Vermont.....VT	N								
47. Virginia.....VA	N								
48. Washington.....WA	N								
49. West Virginia.....WV	N								
50. Wisconsin.....WI	N								
51. Wyoming.....WY	N								
52. American Samoa.....AS	N								
53. Guam.....GU	N								
54. Puerto Rico.....PR	N								
55. US Virgin Islands.....VI	N								
56. Northern Mariana Islands.....MP	N								
57. Canada.....CAN	N								
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a).....8		16,306,613	12,116,189	0	3,611,168	4,930,103	10,329,963	0	0

**DETAILS OF WRITE-INS**

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

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

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

PART 1 – ORGANIZATIONAL CHART

---

Physicians Trust, Inc.

FEIN: 26-4410870

owns 100% of

MedMal Direct Insurance Group, LLC

FEIN: 26-2010975

owns 100%

MedMal Direct Insurance Company

and

CorePRO Insurance, LLC

FEIN: 27-2813188  
NAIC Company Code: 13793  
State of Domicile: FL

FEIN: 26-201110

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