Oriska Insurance Company

Statutory Financial Statements and Schedules

December 31, 2011 and 2010

Oriska Insurance Company
December 31, 2011 and 2010

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Independent Auditor's Report

Board of Directors
Oriska Insurance Company
Oriskany, New York

We have audited the accompanying statements of admitted assets, liabilities and surplus-statutory basis of Oriska Insurance Company as of December 31, 2011 and 2010, and the related statements of income and changes in surplus and cash flows-statutory basis for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Company prepared these financial statements using accounting practices prescribed or permitted by the New York State Insurance Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The effects on the financial statements of the variances between the statutory accounting practices and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material.

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities and surplus of Oriska Insurance Company as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the Summary Investment Schedule and the Investment Risks Interrogatories is presented to comply with regulatory instructions and for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records to prepare the financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information to the accounting and other records used to prepare the financial statements or the financial statements themselves and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors and management of Oriska Insurance Company and the insurance departments whose jurisdiction the Company is subject and is not intended to be and should not be used by anyone other than these specified parties.

TaylorChandler LLC

TaylorChandler, LLC
Certified Public Accountants

May 29, 2012

ORISKA INSURANCE COMPANY
STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ADMITTED ASSETS		
Investments		
Bonds	$ 3,154,679	$ 3,930,968
Equity securities	479,700	1,015,410
Total investments	3,634,379	4,946,378
Cash and short-term investments	386,620	1,515,405
Accrued interest	20,731	27,114
Premium and agents' balances	10,023,073	4,090,367
Reinsurance receivable on paid losses	480,597	571,014
Net deferred tax asset	125,506	91,648
Federal income tax recoverable	211,000	186,179
Receivable from parent, subsidiaries and affiliates	229,612	325,612
Receivable under high deductibles	504,181	736,266
Other receivable	664,954	73,250
TOTAL ADMITTED ASSETS	$ 16,280,653	$ 12,563,233
LIABILITIES AND SURPLUS		
Liabilities		
Unpaid losses	$ 4,605,907	$ 2,325,019
Loss adjustment expenses	868,028	1,419,216
Commissions payable	3,865	68,658
Other expenses	-	35,117
Taxes, licenses and fees (excluding federal income taxes)	339,732	200,000
Unearned premiums	402,461	23,805
Ceded reinsurance payable	6,733,515	3,900,568
Payable to parent, subsidiaries and affiliates	-	130
Amounts retained on the account of others	35,000	-
Total liabilities	12,988,508	7,972,513
Surplus		
Common capital stock	1,500,000	1,500,000
Paid-in and contributed surplus	8,559,068	8,559,068
Unassigned surplus	(6,766,923)	(5,468,348)
Surplus	3,292,145	4,590,720
TOTAL LIABILITIES AND SURPLUS	$ 16,280,653	$ 12,563,233

ORISKA INSURANCE COMPANY
STATEMENTS OF INCOME AND CHANGES IN SURPLUS - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
UNDERWRITING INCOME		
Premiums earned	**$ 485,126**	$ 38,020
Deductions		
Losses	**3,399,508**	(369,815)
Loss adjustment expenses	**(69,345)**	827,990
Other underwriting expenses	**(1,579,377)**	(899,709)
Net underwriting income (loss)	**(1,265,660)**	479,554
INVESTMENT INCOME		
Investment income (net of fees)	**244,903**	119,882
Net realized gain on investments	**(58,412)**	(28,893)
Net investment income	**186,491**	90,989
OTHER INCOME		
Other income - settlement	**664,954**	-
Miscellaneous income	**49**	-
Total other income	**665,003**	-
NET INCOME BEFORE FEDERAL INCOME TAXES	**(414,166)**	570,543
Federal income taxes incurred	**63,883**	3,062
NET INCOME	**$ (478,049)**	$ 567,481
CAPITAL AND SURPLUS ACCOUNT		
Surplus as regards policyholders, December 31 prior year	**$ 4,590,720**	$ 3,234,283
GAINS AND (LOSSES) IN SURPLUS		
Net income	**(478,049)**	567,481
Change in net unrealized gain or loss	**(82,279)**	192,395
Change in net deferred income tax	**112,898**	(96,012)
Change in nonadmitted assets	**(851,145)**	692,573
Change in surplus as regards policyholders for the year	**(1,298,575)**	1,356,437
Surplus as regards policyholders, December 31 current year	**$ 3,292,145**	$ 4,590,720

See accompanying notes to financial statements

ORISKA INSURANCE COMPANY
STATEMENTS OF CASH FLOWS - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FROM OPERATIONS		
Premiums collected net of reinsurance	**$ (1,435,618)**	$ (158,528)
Net investment income	**246,511**	140,767
Miscellaneous income	**718,557**	-
Benefits and loss related payments	**(1,028,202)**	(767,103)
Commissions, expenses paid and aggregate write-ins for deductions	**961,767**	759,671
Federal and foreign income taxes paid	**-**	(61,296)
Net cash from operations	**(536,985)**	(86,489)
CASH FROM INVESTMENTS		
Proceeds from investments sold, matured or repaid:		
Bonds	**1,038,135**	1,714,510
Stocks	**589,388**	415,971
Total investment proceeds	**1,627,523**	2,130,481
Cost of investments acquired		
Bonds	**195,600**	407,518
Stocks	**47,227**	6,741
Total investments acquired	**242,827**	414,259
Net cash from investments	**1,384,696**	1,716,222
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
Other applications	**(1,976,496)**	(519,528)
Net cash from financing and miscellaneous sources	**(1,976,496)**	(519,528)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
Net change in cash and short-term investments	**(1,128,785)**	1,110,205
Cash and short-term investments:		
Beginning of year	**1,515,405**	405,200
End of period	**$ 386,620**	$ 1,515,405

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See accompanying notes to financial statements

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

This summary of significant accounting policies of Oriska Insurance Company, (the Company), is presented to assist in understanding the Company's financial statements. The financial statements and notes are the representations of the Company's management, who is responsible for their integrity and objectivity. These accounting polices conform to statutory accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of operations

The Company is a New York corporation licensed as a property and casualty insurer. The Company is licensed to provide insurance coverage for surety, disability, group health and accident and workers' compensation. The Company is owned 100% by Oriska Corporation (a New York corporation). Oriska Corporation is an 82% owned subsidiary of IPA Acquisitions, Inc. (a California corporation). The former President of the Company is the principal stockholder of IPA Acquisitions, Inc. The Company is licensed in New York, Pennsylvania, Georgia, West Virginia, Tennessee, North Carolina and the District of Columbia.

During 2002, the Company began writing workers' compensation insurance for the professional employer organization (PEO) industry. As a result of the PEO market, the Company significantly reduced the writings in other lines of business beginning in 2003. All workers' compensation policies were cancelled by policyholders or the Company in 2008. In 2010, the Company began writing standard worker's compensation again.

The significant accounting policies followed by the Company are summarized as follows:

Use of estimates

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, liabilities, disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include premiums earned and unpaid losses and loss adjustment expenses reserves. Each of these estimates may differ from ultimate amounts.

Basis of presentation

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the New York Insurance Department. Prescribed statutory accounting practices include state laws, regulations, and general administrative rules, as well as a variety of publications of the National Association of Insurance Commissioners (NAIC). Permitted statutory accounting practices encompass all accounting practices that are not prescribed. The New York Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of New York for determining and reporting the financial condition and results of an insurance company and for determining its solvency under the New York Insurance Law. The NAIC Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of New York.

The Codification of statutory accounting principles was approved with a provision allowing for commissioner discretion in determining appropriate statutory accounting for insurers. Accordingly, such discretion will continue

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

Basis of presentation (Continued)

to allow prescribed or permitted accounting practices that may differ from state to state. The Company's adoption date for the Codification was January 1, 2001, and is consistent with state adoption.

The preparation of the statutory basis financial statements in accordance with the NAIC SAP, as modified, differ in some respects from accounting principles generally accepted in the United States of America ("GAAP"). Such differences include:

Investments

NAIC SAP requires investments in bonds be reported at amortized cost or market value in accordance with the requirements of the NAIC. For GAAP, such fixed maturity investments are designated at purchase as held-to-maturity, trading or available-for-sale. Held-to-maturity fixed investments are reported at amortized cost, and the remaining fixed maturity investments are reported at fair value with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of shareholders' equity for those designated as available-for-sale.

Policy acquisition costs

NAIC SAP requires the costs of acquiring and renewing business to be expensed when incurred. Under GAAP, such costs, to the extent recoverable, would be deferred and amortized over the effective period of the related insurance policies.

Non-admitted assets

NAIC SAP excludes certain assets not available for the payment of claims such as past due agents' balances, prepaid expenses and furniture and equipment. GAAP records all assets owned by the Company at cost or recoverable amounts.

Reinsurance

NAIC SAP requires that a liability for reinsurance balances be provided for unsecured unearned premiums and unpaid losses ceded to reinsurers unauthorized to assume such business and for certain overdue reinsurance balances. Changes to those amounts are credited or charged directly to unassigned surplus. Under GAAP, an allowance for amounts deemed uncollectible would be established through a charge to earnings.

NAIC SAP requires ceded reserves for losses, loss adjustment expenses and unearned premiums be reported as reductions of the related direct and assumed reserves rather than as assets as required by GAAP.

Commissions allowed by reinsurers on business ceded are reported as income when written rather than being deferred and amortized with deferred policy acquisition costs, as required by GAAP.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (continued)

Cash and short-term investments

For the purpose of presentation in the Company's statements of cash flow, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Investments

Investment grade United States government securities and other fixed income securities are reported at amortized cost, and premiums or discounts to the par value are amortized under the effective interest method. Non-investment grade bonds are carried at the lower of cost or fair value. Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of the securities sold, using the specific identification method. Realized capital losses include write downs for impairments considered to be other than temporary. Unrealized gains and losses are based on the difference between book value and fair value of each security. Gains and losses on equities are credited or charged to surplus, whereas realized gains and losses flow through the Company's annual operations.

Fair value for cash, short-term investments, receivables, and payables approximate their carrying value. For investments in perpetual preferred stocks and common stocks, fair values are based on values provided by the Securities Valuation Office of the NAIC or by broker/dealer market quotes. Investments in redeemable preferred stocks are carried at cost.

Net investment income earned consists primarily of interest and dividends less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis.

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

The Company does not anticipate investment income as a factor in premium deficiency calculations.

Recognition of premium revenues and related expenses

Premiums and reinsurance contracts are generally recognized on a pro rata basis over the policy term. The unearned premium reserve is established to cover the portion of premiums not yet earned.

Expense incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

Insurance liabilities

The liability for losses and loss adjustment expenses includes an amount determined from loss reports, individual cases, and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (Continued)

Insurance Liabilities (Continued)

resulting liability are continually reviewed and any adjustments are reflected in earnings currently. The reserve for losses and loss adjustment expenses is reported net of receivables for salvage and subrogation.

Unpaid losses and loss adjustment expenses are reported at undiscounted value for the years ended December 31, 2011 and 2010.

Reinsurance

In the normal course of business, the Company seeks to reduce the losses that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy.

Estimated reinsurance recoveries from reinsurance carriers are netted with unpaid losses and loss adjustment expenses. At December 31, 2011 and 2010, these amounts totaled $2,347,00 and $1,909,000, respectively. Recoveries are estimated on the assumption that all claims reserves will be exhausted through the payment of claims.

Contingent liability exists with respect to reinsurance that would become an actual liability in the event the reinsuring companies might be unable to meet their obligations to the Company under existing reinsurance agreements. The provision for reinsurance was $0 and $0 as of December 31, 2011 and 2010, respectively, and any increase or decrease between years is recorded directly to surplus.

Amounts paid for reinsurance contracts are expensed over the period during which insured events are covered by the reinsurance contracts. The Company has no reinsurance in force for workers' compensation from April 30, 2006 until June 10, 2010. The Company does not have reinsurance for surety, health, fidelity, and disability.

Income taxes

The Company is a taxable entity under IRS Section 831.

Deferred income tax provisions are based on the asset and liability method. Deferred federal taxes have been provided for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Such differences are related principally to the discounting of loss reserves, unrealized gains and losses on equity securities and the unearned premium reserve.

The Company is charged various state assessments and premium tax.

Subsequent events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through May 29, 2012, the date at which the financial statements were available for issuance.

Oriska Insurance Company
Notes to Financial Statements
December 31, 2011 and 2010

Note 2 – Investments in Marketable Securities, Cash and Short-Term Investments

Investments are presented in the financial statements at amortized cost as follows:

	2011			
	Amortized/Actual Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
U.S. treasury securities and obligations government corporations and agencies	**$ 2,919,303**	**$ 85,498**	**$ 0**	**$ 3,004,801**
Special revenue	**34,943**	**2,618**	**0**	**37,561**
Industrial and miscellaneous	**200,433**	**0**	**(11,447)**	**188,986**
Common stocks	**963,687**	**0**	**(483,987)**	**479,700**
Total	**$ 4,118,366**	**$ 88,116**	**$ (495,434)**	**$ 3,711,048**

	2010			
	Amortized/Actual Cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury securities and obligations government corporations and agencies	$ 2,870,825	$ 104,467	$ (766)	$ 2,974,526
States, territories and possessions	274,612	6,997	0	281,609
Special revenue	585,000	29,496	0	614,496
Industrial and miscellaneous	200,531	2,547	0	203,078
Common stocks	1,547,001	9,033	(540,624)	1,015,410
Total	$ 5,477,969	$ 152,540	$ (541,390)	$ 5,089,119

Investments of no single issuer, except for investments in U.S. government and U.S. government agencies were greater than 10% of capital and surplus as December 31, 2011 and 2010.

Gross realized gains on sales of securities were:

	2011	2010
Gross realized gains:		
U.S. government securities and obligations	**$ 13,297**	$ 15,926
U.S. political subdivision of states	**13,142**	
Special revenue	**26,470**	5,789
Common stocks	**14,193**	7,433
Total	**$ 67,102**	$ 29,148

Note 2 – Investments in Marketable Securities, Cash and Short-Term Investments (Continued)

	2011	2010
Gross realized losses:		
U.S. government securities and obligations	$ 9	$ 4,776
Common stocks	125,505	53,265
Total	$ 125,514	$ 58,041

One investment held by the Company at December 31, 2011 has been in a loss position less than twelve months. There are fourteen investments held by the Company that have been in a loss position in excess of twelve months. The following is a summary of these loss positions:

	2011			
	FMV of investments in loss in excess of 12 months	**Unrealized loss in excess of 12 months**	**FMV of investments in loss less than 12 months**	**Unrealized loss in less than 12 months**
Industrial and miscellaneous	$ 0	$ 0	$ 188,986	$ (11,447)
Equity securities	479,700	(483,987)	0	0
Total	$ 479,700	$ (483,987)	$ 188,986	$ (11,447)

Management has determined that these losses are temporary in nature.

FASB ASC topic regarding Fair Value Measurements and Disclosures establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in an active market for identical assets and have the highest priority, Level 2 inputs consist of inactive or less active markets due to transaction volume that is insufficient to produce reliable pricing information, and Level 3 inputs have the lowest priority. The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No level 2 or 3 level inputs were available to the Company.

Note 2 – Investments in Marketable Securities, Cash and Short-Term Investments (Continued)

	2011	
	Fair Value	**(Level 1)**
U.S. Treasury securities and obligations of U.S. government corporations and agencies	**$ 3,004,801**	**$ 3,004,801**
Special revenue	**37,561**	**37,561**
Industrial and miscellaneous loans	**188,986**	**188,986**
Equity securities	**479,700**	**479,700**
Total	**$ 3,711,048**	**$ 3,711,048**

	2010	
	Fair Value	(Level 1)
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 2,974,526	$ 2,974,526
States, territories and possessions	281,609	281,609
Special revenue	614,496	614,496
Industrial and miscellaneous loans	203,078	203,078
Equity securities	1,015,410	1,015,410
Total	$ 5,089,119	$ 5,089,119

Level 1 Fair Value Measurements

The fair value of U.S. government obligations, special revenue and special assessment obligations, industrial and miscellaneous bonds, and common stocks is based on quoted values of the shares held by the Company at year end.

Major categories of net investment income are summarized as follows:

Oriska Insurance Company
Notes to Financial Statements
December 31, 2011 and 2010

Note 2 – Investments in Marketable Securities, Cash and Short-Term Investments (Continued)

	2011	2010
Fixed maturities	**$ 87,756**	$ 124,334
Common stocks	**217,855**	28,117
Cash and short-term investments	**18**	39
Gross investment income	**305,629**	152,490
Less: Management fees	**(60,671)**	(31,665)
Investment taxes, licenses & fees, excluding federal income taxes	**(55)**	(943)
Investment income (net of expenses)	**$ 244,903**	$ 119,882

The amortized cost and estimated fair value of bonds at December 31, 2011 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized cost	**Fair Value**
Due in one year or less	**$ 921,884**	**$ 929,100**
Due after one year through five years	**2,232,049**	**2,299,472**
Due after five years through ten year	**0**	**0**
Due greater than ten years	**746**	**2,776**
Total	**$ 3,154,679**	**$ 3,231,348**

Cash, cash equivalents and short-term investments of the Company at December 31, 2011 and 2010 consist of the following:

	2011	2010
Checking accounts and certificates of deposit	**$ 311,321**	$ 1,200,296
Money market funds	**75,299**	315,109
Total	**$ 386,620**	$ 1,515,405

Under insurance regulations, the Company is required to deposit high quality investments with the various regulatory authorities to secure its obligations to policyholders. These invested assets cannot be sold without the

Note 2 – Investments in Marketable Securities, Cash and Short-Term Investments (Continued)

prior approval of insurance regulators. As of December 31, 2011 and 2010, the carrying value of these invested assets totaled $2,700,582 and $2,701,128, respectively.

Note 3 – Reinsurance Activity

The Company limits the maximum net loss which can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of risks to other insurers or reinsurers by entering into excess of loss and quota share reinsurance contracts. Excess of loss reinsurance contracts cede a portion of retained losses over minimum amounts ranging from $100,000 to $1,000,000, depending upon the line of business. Ceded reinsurance is treated as the risk and liability of the assuming companies.

In conjunction with the purchase of ICA by IPA, there was a 100% quota share treaty with ICA, a former affiliate, on business written.

The Company entered into excess of loss reinsurance agreements effective December 31, 2004 to December 31, 2005, covering all workers' compensation losses in excess of $1,000,000 per occurrence up to a limit of $10,000,000 per occurrence. These agreements are with various Lloyd's syndicates. This policy was extended through April 30, 2006.

There are no reinsurance policies covering periods April 30, 2006 to June 10, 2010.

Effective June 10, 2010, the Company entered into a 100% quota share reinsurance agreement with R&A Quest (SAC) Ltd on behalf of the Broad Coverage Service segregated account. The reinsurer's limit is $1,000,000 per claim for workers' compensation and $1,000,000 per occurrence for employers' liability. The aggregate limit is 100% of the cumulative amount of premiums ceded plus collateral provided. The Company receives a ceding commission of 27.4% plus taxes and assessments.

The Company has five reinsurers that are not rated. Two reinsurers are rated B+ by AM Best.

The effect of the Company's reinsurance on premiums written and premiums earned in 2011 and 2010 are as follows:

	2011	2010
Premiums written:		
Direct	**$ 13,236,596**	$ 7,816,419
Ceded	**(12,372,815)**	(7,793,190)
Net premiums written	**$ 863,781**	$ 23,229
Premiums earned:		
Direct	**$ 9,945,439**	$ 3,840,468
Ceded	**(9,460,313)**	(3,802,448)
Net premiums earned	**$ 485,126**	$ 38,020

Note 3 - Reinsurance Activity (Continued)

Amounts recoverable from reinsurers at December 31, 2011 and 2010 consist of the following:

	2011	2010
Dornico Rein. Co.	**$ 145,000**	$ 101,000
Everest Rein. Co.	**97,000**	197,000
Folks America Rein. Co.	**82,000**	59,000
GE Reinsurance Corp.	**241,000**	271,000
General Security National Insurance Co.	**152,000**	104,000
Houston Cas. Co.	**718,000**	460,000
TIG Reinsurance Co.	**97,000**	85,000
Lumbermens Mut. Cas. Co.	**112,000**	131,000
Odyssey American Rein. Co.	**295,000**	192,000
USF Reinsurance Co.	**5,000**	4,000
Transatlanic Rein. Co.	**118,000**	82,000
Trenwick Amer. Rein. Corp.	**82,000**	63,000
Praetorian Ins. Co.	**57,000**	46,000
Scor Reinsurance Co.	**129,000**	100,000
American Healthcare Ind. Co.	**17,000**	14,000
	$ 2,347,000	$ 1,909,000

The reinsurance contracts do not relieve the Company from its obligations to policyholders. In the event that any or all of the reinsuring companies might be unable to meet their obligations under existing reinsurance agreements, the Company would be liable for defaulted amounts.

As of December 31, 2011 and 2010, the Company did not accrue any additional or return premium, predicated on loss experience or on any other form of profit sharing arrangements in the financial statements as a result of existing contractual arrangements.

Note 4 – Losses and Loss Adjustment Expenses

Activity in the liability for unpaid losses and loss adjustment expense is summarized as follows (in thousands):

	2011	2010
Balance, beginning of year	**$ 5,077,235**	$ 5,480,836
Less reinsurance recoverables on unpaid losses	**1,333,000**	1,298,000
Net balance, beginning of year	**3,744,235**	4,182,836
Incurred related to:		
Current year	**1,106,000**	590,000
Prior years	**2,224,163**	(130,601)
Total incurred	**3,330,163**	459,399
Paid related to:		
Current year	**38,000**	64,000
Prior years	**1,562,463**	834,000
Total paid	**1,600,463**	898,000
Net balance, end of year	**5,473,935**	3,744,235
Plus reinsurance recoverables on unpaid losses	**1,695,000**	1,333,000
Balance, end of year	**$ 7,168,935**	$ 5,077,235

Note 5 – Income Taxes

The U.S. Federal statutory income tax rate applicable to ordinary income is 34% for 2011 and 2010. The tax effects of temporary differences that give rise to the net deferred tax asset at December 31, 2011 and 2010 consist of

December 31,		2011		2010
Deferred tax assets:				
Unrealized gains (losses) on equity securities	**$**	**169,787**	$	186,057
Discounting of unearned premium reserve		**28,172**		1,666
Realized loss on equity securities		**30,558**		0
Discounting of loss reserves		**270,370**		198,266
Other		**0**		0
Total deferred tax assets		**498,887**		385,989
Nonadmitted deferred tax assets		**(373,381)**		(294,341)
Net admitted deferred tax asset	**$**	**125,506**	$	91,648

The Company incurred Federal income taxes of $63,883 and in $3,062 in 2011 and 2010, respectively.

The following provides a reconciliation of 2011 taxable income to financial statement income:

		2011		2010
Financial statement net income (loss)	**$**	**(478,049)**	$	567,481
Federal income tax		**63,883**		3,062
Change in discount on loss reserves		**207,844**		(619,347)
20% change in unearned premium reserve		**75,731**		(2,958)
50% travel and entertainment		**30,973**		16,081
Tax exempt interest		**0**		(37,223)
Dividends received deduction		**(64,000)**		(19,682)
85% tax exempt interest and dividend received deduction		**9,600**		8,536
Other		**0**		(5,574)
Taxable income (loss)	**$**	**(154,018)**	$	(89,624)

As of December 31, 2011 and 2010, there were no positions for which management believe it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within twelve months.

The Company has no material undisclosed interest or penalties for income taxes for the years ended December 31, 2011 and 2010. Tax years 2007 through 2011 remain subject to examination by the Internal Revenue Service and respective state revenue departments.

Note 6 – Other Receivables

Other receivables for the year ended December 31, 2011 include a receivable of $664,954 from a settlement with an insured. This amount is the difference in the total settlement of $1,500,000 less $835,046 which is included in premium receivable. See note 10. Other receivables at December 31, 2010 include a receivable from a reinsurer for a letter of credit fee paid for $73,250.

Note 7 – Capital Common Stock

The capital stock of the Company is comprised of common stock that is voting, $15,000 par value, and 100 shares are authorized, issued, and outstanding.

The maximum amount of dividends that may be paid by property and casualty insurance companies without prior approval by the State of New York Insurance Commissioner is subject to restrictions related to statutory surplus and net income.

The Company did not declare or pay any dividends in 2011 or 2010.

Note 8 – Risk Based Capital

Property and casualty insurance companies are subject to certain Risk-Based Capital (RBC) requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by the insurance company is to be determined based on the various risk factors related to it. At December 31, 2011 and 2010, the Company met the RBC requirements. No action is required by the Company.

Note 9 – Affiliate and Related Party Transactions

The Company is a wholly owned subsidiary of Oriska Corporation; a New York corporation. Oriska Corporation is 82% owned by IPA Acquisition, Inc., a privately held California corporation owned 100% by James Kernan. IPA is the majority owner of Oriska Corporation (Oriska Corp.) and the former owner of Insurance Company of the Americas (ICA). In addition, James Kernan is 100% owner of Nor-Eastern Holdings, Inc. (Nor-Eastern), a Delaware corporation. Nor-Eastern is the 100% owner of Reinsurance Company of America, Inc. (RCA) (NAIC No. 26549), an Illinois corporation (Financial Benenfits Insurance Company (FBI) was merged into RCA on April 1, 2010).

Beginning January 1, 2005, the Company entered into an expense sharing agreement with Oriska Corporation, ICA, IPA, RCA, FBI, and Nor-Eastern. Under this agreement, Oriska Corporation provides all services necessary for the day-to-day operation of the other companies. Expenses for each company are allocated based on a time-study conducted by Oriska Corporation. Under the expense sharing agreement the Company paid $2,296,916 and $997,834 during 2011 and 2010, respectively. At December 31, 2011 and 2010, amounts totaling $229,612 and $325,612 were due from Oriska Corporation, respectively.

In 2003, OIC assumed reinsurance from ICA. OIC assumed this coverage by replacing an existing unrelated reinsurer. At December 31, 2011 and 2010, no amounts for reinsurance recoverables were due to ICA. In relation to these amounts recoverable, OIC provided a trust account in the amount of $229,000 and $219,000 for 2011 and 2010, respectively. No provision for reinsurance was recorded at December 31, 2011 and 2010.

During 2011 and 2010, the Company incurred legal fees of $76,770 and $197,812, respectively, for services provided by a law firm in which the Company's former President is a creditor.

Note 10 – Contingencies

In the normal course of its operations, the Company is involved in litigation related to certain claims and subject to assessments from certain required underwriting and guaranty associations. In the opinion of management, the disposition of these matters will not have a material adverse effect on the Company's financial position.

The former President of the Company resigned on February 4, 2008. Mr. Kernan accepted responsibility for one count of violation of 18 USC 1033(e)(1)(B) for permitting a known felon to be engaged in the insurance business. In the disposition of the charges, the Court found neither The Company, its insurers nor its claimants sustained any damage. All fines assessed against Mr. Kernan have been paid in full, all requirements for community service have been performed. Mr. Kernan has applied to regulatory authorities to resume his engagement in the business of insurance.

Effective December 7, 2009, Irving Hurdle assumed the role of President.

In July 2011, the Department served Mr. Kernan a "citation" alleging that Mr. Kernan as a "controlling person" of the Company had demonstrated "untrustworthiness" under New York law in his guilty plea of allowing a convicted felon to conduct business in the insurance industry, a violation under Section 1033, in Title 18 of the United States Code not transferring his stock ownership to a voting trust or otherwise divested himself of it. A hearing was held in November and December 2011, where Mr. Kernan defended his position. Management's assessment is that there is no loss exposure regarding this issue.

During 2010, the Company demanded payment and filed suit against ICA regarding reinsurance treaty with the ICA from 2002. No provision has been made in these financial statements for any possible recovery.

Of the premium receivable amount of $10,023,073 and $4,090,367 included on the statement of admitted assets, liabilities, and surplus – statutory basis at December 31, 2011 and 2010, respectively, a total of $835,046 and $908,120, respectively, is in litigation. As of the date of this report, $835,046 of the amount in litigation has been collected. The amount was settled for $1,500,000. The difference in the entire settlement is included in other receivables at December 31, 2011. See Note 6.

The Company, along with ICA and RCA, was a claimant in litigation to recover unearned fees, overpayments and damages caused by wrongful termination of a third-party claims administration agreement. The matter was settled in February 2010. The Company was awarded $169,802 from the third party administrator.

Note 11 – Concentration of Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash, premiums and agents' balances in the course of collection, deductible receivables on paid losses and reinsurance receivable on paid losses. In 2011 and 2010, all workers' compensation was written through one agency. A Board member serves as an officer of the agency and is considered a related party.

The Company maintains its cash balances in statewide financial institutions. The Company consistently maintains cash balances over the FDIC limit of $250,000 in interest bearing accounts. At December 31, 2011 and 2010, the Company had $0 and $964,045, respectively, in amounts excess of FDIC limits. Certain money market funds included in cash and cash equivalents are not insured by FDIC.

Over 99% of all premium written in 2011 was workers' compensation.

Note 12 – High Deductible Policies

The Company wrote insurance policies from 2003 through 2008 that generally include high deductibles up to $1,000,000 and is exposed to credit risk arising from such policies. The known reserves for these deductibles were reviewed by the Company's independent actuary. At December 31, 2011 and 2010, the amount of reserve credits taken by the Company for high deductibles on known claim reserves was $8,118,221 and $4,040,635, respectively, and the amount billed and recoverable on paid claims (net of nonadmitted amounts) was $504,181 and $736,266, respectively.

The Company reviews financial viability of its policyholders, collectibility of reimbursements for deductibles and the suitability of deductible plans to its policyholders. Reimbursement of deductible payments is uncollectible if the policyholder fails to meet its financial commitments. Management is of the opinion that this contingency will not have a near-term impact on the Company's financial condition. Management has provided financial flexibility for the payment of the deductible obligation over the long-term.

IPA received funds from the issuance of surplus notes and preferred stock of the Company. IPA received $2,495,762 plus interest of $785,582, in surplus notes and loans with no notes from the Company's policyholders.

The issuance of these notes by IPA potentially has the effect of shifting credit risk exposure from the policyholder to IPA in the event of a default by the policyholder to the extent of the surplus note, loan balance, or value of preferred stock. A significant amount of IPA's assets are represented by investments in privately held insurance companies, including OIC and its affiliates. The principal and interest, while due on demand, can only be paid out of dividends paid by the insurance subsidiaries. The repayment of this debt and all dividends are subject to approval by the applicable Departments of Insurance. The Company is not directly obligated or a guarantor of these surplus notes or other obligations of IPA or affiliated companies.

At December 31, 2011 and 2010, the Company held directly, or in trust, amounts totaling $9,651,960 and $8,755,532, respectively, as collateral. The Company also held, as additional collateral, the assignment of surplus notes issued by its ultimate parent, IPA. No consideration was given for this as part of establishment of reserve credits.

Management believes that the Company has sufficient liquidity and financial flexibility so that the possibility of a future lack of liquidity to meet credit exposure is not probable. Accordingly, no provision for any liability that may result from this situation has been made in the financial statements.

The following is a summary of the amounts on deposit from and billed to the policyholders for reserve and loss funds at December 31, 2011:

	2011
Amounts billed for known claims reserves	**$ 3,441,670**
Amounts held in a trust for the benefit of the Company	**9,651,960**
Amounts due from (to) policyholders for known claims reserves	**(6,210,290)**
Amounts due from policyholders for unknown claims reserves	**8,118,221**
Amounts due from policyholders for all claims reserves	**$ 1,907,931**
Total reserve credit taken against loss reserves	**$ 11,559,891**

Note 12 – High Deductible Policies (Continued)

Two policies for certain former insureds require collateral for case reserves and IBNR for years 2002-2004 and 2008. Case reserves were required to be collateralized according to the policy during years 2005-2007. There was no analysis performed on these balances at December 31, 2011 or 2010. The amount held by the Company to cover the loss reserves is $8,773,907 and $6,959,035, respectively, as of December 31, 2011 and 2010.

Note 13 – Reconciliation to Annual Statement

The following is a reconciliation of surplus reported in these financial statements to surplus reported in the Company's Annual Statement:

	2011	2010
Total surplus per Annual Statement	**$ 3,400,733**	$ 4,615,923
Increase (decrease) in non-admit deferred tax asset	**(108,337)**	(24,786)
Increase (decrease) in federal income tax recoverable	**211,000**	(88,708)
Increase (decrease) in gross deferred tax asset	**34,887**	30,791
Increase (decrease) in federal income tax recoverable	**(102,481)**	0
Increase (decrease) in receivable to PSA	**(96,000)**	0
Increase (decrease) to premiums and agents balances admitted	**(47,657)**	0
Increase (decrease) in state income tax recoverable	**0**	57,500
Net increase (decrease) in surplus	**(108,588)**	(25,203)
Total surplus per audited financial statements	**$ 3,292,145**	$ 4,590,720

	2011	2010
Net income (loss) per Annual Statement	**$ (727,594)**	$ 656,056
(Increase) decrease in other underwriting expenses	**(109,720)**	(66,387)
Increase (decrease) in investment income earned	**205,765**	0
(Increase) decrease in state income tax expense	**(57,500)**	(49,726)
(Increase) decrease in federal income tax expense	**211,000**	27,538
Net increase (decrease) in net income	**249,545**	(88,575)
Net income per audited financial statements	**$ (478,049)**	$ 567,481

Supplementary Information

TAYLORCHANDLER LLC

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INDEPENDENT AUDITOR'S QUALIFICATION LETTER

Board of Directors
Oriska Insurance Company

We have audited the statutory financial statements of the Oriska Insurance Company for the years ended December 31, 2011 and 2010 and have issued our report dated May 29, 2012. In connection therewith, we advise you as follows:

1. We are independent with respect to the Oriska Insurance Company and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants and the Rules of Professional Conduct of the State Boards of Public Accountancy in which we are registered.

2. The personnel assigned to the audit of the financial statements of Oriska Insurance Company have the competence, as required by Section 201 of the Code of Professional Conduct of the American Institute of Certified Public Accountants, to perform such audits. The engagement partner is experienced in auditing insurance entities. Staff personnel, whom have had experience in auditing financial statements of insurance entities, were assigned to perform tasks commensurate with their experience. The engagement partner is a Certified Public Accountant.

3. We consent to the filing of this letter and of our opinion referred to in the above statutory basis financial statements with the New York State Insurance Department, and that the Commissioner will be relying on this information in the monitoring and regulation of the financial position of the insurers.

4. The working papers prepared in the course of the audit of the financial statements will be retained by us for at least seven years and upon instruction from the Company, will be made available for review by the New York State Insurance Department.

5. We are properly licensed by the New York Board of Accountancy and all members of our firm who are CPAs are members in good standing with the American Institute of Certified Public Accountants.

6. We are in compliance with the requirements of Section 7 of the NAIC's Annual Financial Reporting Model Regulation regarding qualifications of independent Certified Public Accountants.

TaylorChandler LLC

TaylorChandler, LLC
Certified Public Accountants

May 29, 2012
Montgomery, Alabama

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	2,916,863	78.6	2,916,863		2,916,863	72.5
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)		0.0			0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations		0.0			0	0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations		0.0			0	0.0
1.43 Revenue and assessment obligations	34,943	0.9	34,943		34,943	0.9
1.44 Industrial development and similar obligations		0.0			0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA	2,440	0.1	2,440		2,440	0.1
1.512 Issued or guaranteed by FNMA and FHLMC		0.0			0	0.0
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.0			0	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other		0.0			0	0.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	200,433	5.4	200,433		200,433	5.0
2.2 Unaffiliated non-U.S. securities (including Canada)		0.0			0	0.0
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds	291,972	7.9	291,972		291,972	7.3
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated		0.0			0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated	187,728	5.1	187,728		187,728	4.7
3.4 Other equity securities:						
3.41 Affiliated		0.0			0	0.0
3.42 Unaffiliated		0.0			0	0.0
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0			0	0.0
5.2 Property held for production of income (including $..........0 of property acquired in satisfaction of debt)		0.0			0	0.0
5.3 Property held for sale (including $.........0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	75,300	2.0	386,620		386,620	9.6
11. Other invested assets		0.0			0	0.0
12. Total invested assets	3,709,678	100.0	4,020,999	0	4,020,999	100.0

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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended December 31, 2011

(To be filed by April 1)

Of Oriska Insurance Company

Address (City, State, Zip Code): Oriskany NY 13424

NAIC Group Code.....3384 NAIC Company Code.....30175 Employer's ID Number.....16-1418092

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $........16,280,653

2. Ten largest exposures to a single issuer/borrower/investment.

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01	Washington Mutual Fund	Unaffiliated Common Stock	$...........291,972	..............1.793 %
2.02	Bank of America	Unaffiliated Bond	$...........200,433	..............1.231 %
2.03	Pitney Bowes, Inc.	Unaffiliated Common Stock	$.............61,182	..............0.376 %
2.04	Motorola Mobility Holdings	Unaffiliated Common Stock	$.............47,530	..............0.292 %
2.05	Metropolitan Transn Auth NY	Unaffiliated Bond	$.............34,943	..............0.215 %
2.06	Hartford Finl	Unaffiliated Common Stock	$.............32,500	..............0.200 %
2.07	NRG Energy, Inc.	Unaffiliated Common Stock	$.............30,804	..............0.189 %
2.08	Bank of America	Unaffiliated Common Stock	$...............8,896	..............0.055 %
2.09	Citigroup Inc.	Unaffiliated Common Stock	$...............5,525	..............0.034 %
2.10	American International Group Inc.	Unaffiliated Common Stock	$...............1,144	..............0.007 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2
3.01	NAIC-1	$........3,029,544	............18.608 %
3.02	NAIC-2	$...........200,433	..............1.231 %
3.03	NAIC-3	$.........................	..............0.000 %
3.04	NAIC-4	$.........................	..............0.000 %
3.05	NAIC-5	$.........................	..............0.000 %
3.06	NAIC-6	$.........................	..............0.000 %
	Preferred Stocks	3	4
3.07	P/RP-1	$.........................	..............0.000 %
3.08	P/RP-2	$.........................	..............0.000 %
3.09	P/RP-3	$.........................	..............0.000 %
3.10	P/RP-4	$.........................	..............0.000 %
3.11	P/RP-5	$.........................	..............0.000 %
3.12	P/RP-6	$.........................	..............0.000 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 4.01 above is yes, responses are not required for interrogatories 5-10.

4.02	Total admitted assets held in foreign investments	$.........................	................0.000 %
4.03	Foreign-currency-denominated investments	$.........................	................0.000 %
4.04	Insurance liabilities denominated in that same foreign currency	$.........................	................0.000 %

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

		1	2
5.01	Countries rated NAIC-1	$.........................	..............0.000 %
5.02	Countries rated NAIC-2	$.........................	..............0.000 %
5.03	Countries rated NAIC-3 or below	$.........................	..............0.000 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

		1	2
	Countries rated NAIC-1:		
6.01	Country 1:	$.........................	..............0.000 %
6.02	Country 2:	$.........................	..............0.000 %
	Countries rated NAIC-2:		
6.03	Country 1:	$.........................	..............0.000 %
6.04	Country 2:	$.........................	..............0.000 %
	Countries rated NAIC-3 or below:		
6.05	Country 1:	$.........................	..............0.000 %
6.06	Country 2:	$.........................	..............0.000 %

		1	2
7.	Aggregate unhedged foreign currency exposure:	$.........................	..............0.000 %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:

		1	2
8.01	Countries rated NAIC-1	$	0.000 %
8.02	Countries rated NAIC-2	$	0.000 %
8.03	Countries rated NAIC-3 or below	$	0.000 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign rating:

		1	2
	Countries rated NAIC-1:		
9.01	Country 1:	$	0.000 %
9.02	Country 2:	$	0.000 %
	Countries rated NAIC-2:		
9.03	Country 1:	$	0.000 %
9.04	Country 2:	$	0.000 %
	Countries rated NAIC-3 or below:		
9.05	Country 1:	$	0.000 %
9.06	Country 2:	$	0.000 %

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	1 Issuer	2 NAIC Rating	3	4
10.01			$	0.000 %
10.02			$	0.000 %
10.03			$	0.000 %
10.04			$	0.000 %
10.05			$	0.000 %
10.06			$	0.000 %
10.07			$	0.000 %
10.08			$	0.000 %
10.09			$	0.000 %
10.10			$	0.000 %

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

11.02	Total admitted assets held in Canadian Investments	$	0.000 %
11.03	Canadian currency-denominated investments	$	0.000 %
11.04	Canadian-denominated insurance liabilities	$	0.000 %
11.05	Unhedged Canadian currency exposure	$	0.000 %

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions:	$	0.000 %
	Largest three investments with contractual sales restrictions:		
12.03		$	0.000 %
12.04		$	0.000 %
12.05		$	0.000 %

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer	2	3
13.02		$	0.000 %
13.03		$	0.000 %
13.04		$	0.000 %
13.05		$	0.000 %
13.06		$	0.000 %
13.07		$	0.000 %
13.08		$	0.000 %
13.09		$	0.000 %
13.10		$	0.000 %
13.11		$	0.000 %

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities:	$	0.000 %
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03		$	0.000 %
14.04		$	0.000 %
14.05		$	0.000 %

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3
15.02	Aggregate statement value of investments held in general partnership interests:	$	0.000 %
	Largest three investments in general partnership interests:		
15.03		$	0.000 %
15.04		$	0.000 %
15.05		$	0.000 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2	3
16.02		$	0.000 %
16.03		$	0.000 %
16.04		$	0.000 %
16.05		$	0.000 %
16.06		$	0.000 %
16.07		$	0.000 %
16.08		$	0.000 %
16.09		$	0.000 %
16.10		$	0.000 %
16.11		$	0.000 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans	
16.12	Construction loans	$	0.000 %
16.13	Mortgage loans over 90 days past due	$	0.000 %
16.14	Mortgage loans in the process of foreclosure	$	0.000 %
16.15	Mortgage loans foreclosed	$	0.000 %
16.16	Restructured mortgage loans	$	0.000 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

Loan-to-Value	Residential		Commercial		Agricultural	
	1	2	3	4	5	6
17.01 above 95%	$	0.000 %	$	0.000 %	$	0.000 %
17.02 91% to 95%	$	0.000 %	$	0.000 %	$	0.000 %
17.03 81% to 90%	$	0.000 %	$	0.000 %	$	0.000 %
17.04 71% to 80%	$	0.000 %	$	0.000 %	$	0.000 %
17.05 below 70%	$	0.000 %	$	0.000 %	$	0.000 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [X] No [ ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description	2	3
18.02		$	0.000 %
18.03		$	0.000 %
18.04		$	0.000 %
18.05		$	0.000 %
18.06		$	0.000 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans.

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's admitted assets? Yes [X] No [ ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans:	$	0.000 %
	Largest three investments held in mezzanine real estate loans.		
19.03		$	0.000 %
19.04		$	0.000 %
19.05		$	0.000 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year-End		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	$	0.000 %	$	$	$
20.02 Repurchase agreements	$	0.000 %	$	$	$
20.03 Reverse repurchase agreements	$	0.000 %	$	$	$
20.04 Dollar repurchase agreements	$	0.000 %	$	$	$
20.05 Dollar reverse repurchase agreements	$	0.000 %	$	$	$

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps and floors:

	Owned		Written	
	1	2	3	4
21.01 Hedging	$	0.000 %	$	0.000 %
21.02 Income generation	$	0.000 %	$	0.000 %
21.03 Other	$	0.000 %	$	0.000 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-End		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$	0.000 %	$	$	$
22.02 Income generation	$	0.000 %	$	$	$
22.03 Replications	$	0.000 %	$	$	$
22.04 Other	$	0.000 %	$	$	$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	At Year-End		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
23.01 Hedging	$	0.000 %	$	$	$
23.02 Income generation	$	0.000 %	$	$	$
23.03 Replications	$	0.000 %	$	$	$
23.04 Other	$	0.000 %	$	$	$