Oriska Insurance Company

Statutory Financial Statements and Schedules

December 31, 2014 and 2013

Oriska Insurance Company
December 31, 2014 and 2013

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TAYLORCHANDLER LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

5151 HAMPSTEAD HIGH STREET, SUITE 200
MONTGOMERY, ALABAMA 36116
PHONE: 334-260-7774
FAX: 334-387-2033
WWW.TAYLORCHANDLER.COM

Independent Auditors' Report

Board of Directors
Oriska Insurance Company
Oriskany, New York

We have audited the accompanying financial statements of Oriska Insurance Company (the "Company") which comprise the statements of admitted assets, liabilities, and surplus and other funds - statutory basis as of December 31, 2014 and 2013, and the related statutory basis statements of income, changes in surplus, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the statutory basis of accounting as required by the New York State Department of Financial Services (the "Department"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in these circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on 2014 and our qualified audit opinion on 2013.

Basis for 2013 Qualified Opinion

As discussed in Note 10 to the financial statement, the Department issued a report that set forth the New York State Department of Financial Services assessment of the Company's position and condition as of December 31, 2010, that includes certain subsequent events as well. The Department concluded that the Company's capital and surplus was significantly impaired. The Company brought litigation in New York State Supreme court to contest the Department's conclusion and obtained a preliminary injunction prohibiting the department from taking an action against the Company during the pendency of the litigation. The Company has addressed the impairment by a surplus note investment. The actuary did not opine net reserves as of December 31, 2013 due to the report issued by the New York State Department of Financial Services as of December 31, 2010. See Note 4.

Unmodified Opinion on 2014 and Qualified Opinion on 2013

In our opinion, except for the possible effects on the 2013 financial statements of the matters discussed in the Basis on Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Oriska Insurance Company as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information includes Summary Investment Schedule and Investment Risk Interrogatories which 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 used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the New York State Department of Financial Services. Our opinion is not modified with respect to that matter.

Restriction of Use

This report is intended solely for the information and use of the board of directors and management of Oriska Insurance Company and the state insurance departments to 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 30, 2015

ORISKA INSURANCE COMPANY
STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND SURPLUS - STATUTORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	2014	2013
ADMITTED ASSETS		
Investments		
Bonds	**$ 3,489,845**	$ 2,608,506
Equity securities	**4,454,980**	237,086
Total investments	**7,944,825**	2,845,592
Cash and short-term investments	**5,781,451**	6,196,275
Accrued interest	**8,333**	7,421
Premiums and considerations (net of deferred premiums of $6,593,390 and accrued retrospective premiums $0)	**7,515,893**	45,904,776
Reinsurance receivable on paid losses	**786,017**	525,333
Net deferred tax asset	**120,000**	39,000
Federal income tax recoverable	**217,805**	189,179
Receivable from parent, subsidiaries and affiliates	**-**	88,259
Receivable under high deductibles	**8,137,441**	1,446,054
TOTAL ADMITTED ASSETS	**$ 30,511,765**	$ 57,241,889
LIABILITIES AND SURPLUS		
Liabilities		
Unpaid losses	**$ 13,501,037**	$ 12,918,361
Loss adjustment expenses	**985,874**	794,314
Commissions payable	**117,215**	768,236
Other expenses	**78,020**	45,286
Taxes, licenses and fees (excluding federal income taxes)	**227,710**	512,634
Unearned premiums	**4,512,683**	300,073
Ceded reinsurance payable	**656,000**	35,130,069
Payable to parent, subsidiaries and affiliates	**(84,940)**	-
Provision for reinsurance	**40,800**	34,400
Amounts retained on the account of others	**-**	-
Total liabilities	**20,034,399**	50,503,373
Surplus		
Common capital stock	**1,500,000**	1,500,000
Paid-in and contributed surplus	**8,559,068**	8,559,068
Surplus notes	**8,489,800**	-
Unassigned surplus	**(8,071,502)**	(3,320,552)
Surplus	**10,477,366**	6,738,516
TOTAL LIABILITIES AND SURPLUS	**$ 30,511,765**	$ 57,241,889

See accompanying notes to the financial statements

ORISKA INSURANCE COMPANY
STATEMENTS OF INCOME AND CHANGES IN SURPLUS - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
UNDERWRITING INCOME		
Premiums earned	**9,614,842**	$ 549,196
Deductions		
Losses	**8,475,843**	5,543,704
Loss adjustment expenses	**413,943**	231,766
Other underwriting expenses	**5,534,542**	(5,026,445)
Write off of other receivables nonaffiliates	**-**	-
Net underwriting income (loss)	**(4,809,486)**	(199,829)
INVESTMENT INCOME		
Investment income (net of fees)	**(75,612)**	(47,250)
Net realized gain on investments	**(10)**	(11,835)
Net investment income	**(75,622)**	(59,085)
OTHER INCOME		
Bad debt expense	**643,915**	-
Miscellaneous income	**-**	36,104
Court proceeding settlement	**(1,728,364)**	-
Total other income	**(1,084,449)**	36,104
NET INCOME BEFORE FEDERAL INCOME TAXES	**(5,969,557)**	(222,810)
Federal income taxes incurred	**(28,626)**	23,758
NET INCOME	**$ (5,940,931)**	$ (246,568)
CAPITAL AND SURPLUS ACCOUNT		
Surplus as regards policyholders, December 31 prior year	**$ 6,738,516**	$ 4,200,546
GAINS AND (LOSSES) IN SURPLUS		
Net income	**(5,940,931)**	(246,568)
Change in net unrealized gain or loss	**(922)**	89,019
Change in surplus notes	**8,489,800**	-
Change in provision for reinsurance	**(6,400)**	(34,400)
Change in net deferred income tax	**(60,850)**	(115,869)
Change in nonadmitted assets	**1,258,153**	2,845,788
Change in surplus as regards policyholders for the year	**3,738,850**	2,537,970
Surplus as regards policyholders, December 31 current year	**$ 10,477,366**	$ 6,738,516

See accompanying notes to the financial statements

ORISKA INSURANCE COMPANY
STATEMENTS OF CASH FLOWS - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FROM OPERATIONS		
Premiums collected net of reinsurance	**$ 18,945,570**	$ (2,932,657)
Net investment income	**(74,627)**	(42,681)
Miscellaneous income	**36,104**	339,569
Benefits and loss related payments	**(8,185,810)**	(810,251)
Commissions, expenses paid and aggregate write-ins for deductions	**(7,744,587)**	4,623,954
Federal and foreign income taxes paid	**-**	-
Net cash from operations	**2,976,650**	1,177,934
CASH FROM INVESTMENTS		
Proceeds from investments sold, matured or repaid:		
Bonds	**795,205**	1,298,712
Stocks	**-**	-
Total investment proceeds	**795,205**	1,298,712
Cost of investments acquired		
Bonds	**1,678,452**	1,011,600
Stocks	**4,218,815**	-
Miscellaneous applications	**-**	-
Total investments acquired	**5,897,267**	1,011,600
Net cash from investments	**(5,102,062)**	287,112
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
Surplus notes	**8,489,800**	-
Other applications	**(6,779,212)**	3,535,972
Net cash from financing and miscellaneous sources	**1,710,588**	3,535,972
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
Net change in cash and short-term investments	**(414,824)**	5,001,018
Cash and short-term investments:		
Beginning of year	**6,196,275**	1,195,257
End of period	**$ 5,781,451**	$ 6,196,275

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See accompanying notes to the 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). James Kernan 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 canceled by policyholders or the Company in 2008. In 2010, the Company began writing 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 Department of Financial Services (the 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). The 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, 2014 and 2013.

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, 2014 and 2013, these amounts totaled $3,310,000 and $8,859,000, 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 $40,800 and $34,400 as of December 31, 2014 and 2013, 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 December 30, 2014. 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 30, 2015, the date at which the financial statements were available for issuance.

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

Reclassification

Certain amounts have been reclassified to conform to current year presentation.

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

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

	2014			
	Amortized/Actual Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
U.S. treasury securities and obligations government corporations and agencies	**$ 2,923,605**	**$ 8,002**	**$ (9,129)**	**$ 2,922,478**
U.S. special revenue and assessments	**366,131**	**165**	**(2,721)**	**363,575**
Industrial and miscellaneous	**200,109**	**7,079**	**0**	**207,188**
Common stocks	**4,789,498**	**25,270**	**(359,788)**	**4,454,980**
Total	**$ 8,279,343**	**$ 40,516**	**$ (371,638)**	**$ 7,948,221**

	2013			
	Amortized/Actual Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities and obligations government corporations and agencies	$ 2,408,283	$ 13,350	$ (7,346)	$ 2,414,287
U.S. special revenue and assessments	0	0	0	0
Industrial and miscellaneous	200,223	14,309	0	214,532
Common stocks	570,683	0	(333,597)	237,086
Total	$ 3,179,189	$ 27,659	$ (340,943)	$ 2,865,905

Investments of Royal Dutch Shell PLC Sponsored and investments in U.S. government and U.S. government agencies were greater than 10% of capital and surplus as December 31, 2014 and 2013.

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

Gross realized gains on sales of securities were:

	2014	2013
Gross realized gains:		
U.S. government securities and obligations	$ -	$ 20
U.S. special revenue assessments	-	-
Industrial and Miscellaneous	-	-
Common stocks	-	-
Total	$ 0	$ 20

	2014	2013
Gross realized losses:		
U.S. government securities and obligations	$ 10	$ 11,855
U.S. special revenue and assessment	-	-
Industrial and Miscellaneous	-	-
Common stocks	-	-
Total	$ 10	$ 11,855

There are fourteen investments held by the Company at December 31, 2014 that have been in a loss position less than twelve months. There are four 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:

	2014			
	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**
U.S. government securities and obligations	**$ 934,176**	**$ 2,284**	**$ 754,845**	**$ 6,845**
U.S. special revenue and assessment	**-**	**-**	**213,410**	**2,721**
Industrial and miscellaneous	**-**	**-**	**-**	**-**
Equity securities	**253,021**	**317,663**	**1,453,752**	**42,125**
Total	**$ 1,187,197**	**$ 319,947**	**$ 2,422,007**	**$ 51,691**

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

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

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.

	2014	
	Fair Value	(Level 1)
U.S. Treasury securities and obligations of U.S. government corporations and agencies	**$ 2,922,478**	**$ 2,922,478**
U.S. special revenue and assessments	**363,575**	**363,575**
Industrial and miscellaneous loans	**207,188**	**207,188**
Common stocks	**4,454,980**	**4,454,980**
Total	**$ 7,948,221**	**$ 7,948,221**

	2013	
	Fair Value	(Level 1)
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 2,414,287	$ 2,414,287
U.S. special revenue and assessments	0	0
Industrial and miscellaneous loans	214,532	214,532
Common stocks	237,086	237,086
	$ 2,865,905	$ 2,865,905

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.

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

Major categories of net investment income are summarized as follows:

	2014	2013
Fixed maturities	**$ 38,055**	$ 59,478
Common stocks	**6,862**	5,341
Cash and short-term investments	**132**	71
Gross investment income	**45,049**	64,890
Less: Management fees	**(120,661)**	(112,140)
Investment taxes, licenses & fees, excluding federal income taxes	**0**	0
Investment income (net of expenses)	**$ (75,612)**	$ (47,250)

The amortized cost and estimated fair value of bonds at December 31, 2014 and 2013 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.

2014	**Amortized Cost**	**Fair Value**
Due in one year or less	**$ 1,244,912**	**$ 1,248,566**
Due after one year through five years	**2,025,432**	**2,025,784**
Due after five years through ten year	**218,568**	**217,830**
Due greater than ten years	**933**	**1,061**
Total	**$ 3,489,845**	**$ 3,493,241**

2013	Amortized Cost	Fair Value
Due in one year or less	$ 795,173	$ 800,555
Due after one year through five years	1,812,186	1,827,039
Due after five years through ten year	0	0
Due greater than ten years	1,147	1,225
Total	$ 2,608,506	$ 2,628,819

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

Cash, cash equivalents and short-term investments of the Company at December 31, 2014 and 2013 consist of the following:

		2014		2013
Checking accounts and certificates of deposit	**$**	**1,066,381**	$	5,126,163
Money market funds	**$**	**4,715,070**	$	1,070,112
Total	**$**	**5,781,451**	$	6,196,275

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 prior approval of insurance regulators. As of December 31, 2014 and 2013, the carrying value of these invested assets totaled $2,704,104 and $2,707,136, respectively.

Note 3 – Reinsurance Activity

The Company wrote multi-coordinated insurance policies from 2003 through 2014 that generally include high deductibles up to $1,000,000 and is exposed to credit risk arising from such coverage.

Prior to 2006:

The Company limits the maximum net loss which can arise from large 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.

There was a 100% quota share ready with ICA, on business written prior to becoming an affiliated company. See Note 10.

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 limited $10,000,000 per occurrence. These agreements are with various Lloyd's syndicates. This policy was extended through April 30, 2006.

2006 to 2010:

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

2010 to present

Effective June 10, 2010, the Company entered into an agreement to transfer all risk under the loss sensitive program covering statutory workers' compensation and employers liability policies as set forth that is not reimbursed under the loss sensitive program deductible up to a limit of $1 (one) million of Ultimate Net Loss for each and every Loss Occurrence and an aggregate limit of 125% of Standard Premium (as defined by the loss

Note 3 – Reinsurance Activity (continued)

sensitive program endorsements) in accordance with the large deductible loss sensitive program and SSAP No. 65. During 2014, this agreement was reclassified back to June 10, 2010 per a court proceeding regarding the 2010 exam report by the NYSDFS that reclassified the agreement and per a settlement agreement with insureds. The net effect to the Company's surplus was $1,728,364. The change to the other financial statement amounts were as follows:

Assets	$44,768,026
Liabilities	($46,496,390)
Net Income	$1,728,364

Effective through December 31, 2014:

On December 31, 2014, the Rashbi Management Inc. Segregated Account of R&Q Quest SAC Limited had a loss portfolio transfer to Hampton Investment Fund I Segregated Account of R&Q Quest SAC Limited for all Rashbi Management Inc. Segregated Account of R&Q Quest SAC Limited policies. Effective December 31, 2014, the Company cedes credit risk up to $1,000,000 per occurrence. The Company also cedes losses of 125% to 200% of standard premium in aggregate.

The Company has four reinsurers that are not rated. One reinsurer was rated "B++" by AM Best.

The effect of the Company's reinsurance on premiums written and premiums earned in 2014 and 2013 are as follows:

	2014	2013
Premiums written:		
Direct	**$ 14,483,453**	$ 28,104,368
Ceded	**(656,000)**	(27,529,383)
Net premiums written	**$ 13,827,453**	$ 574,985
Premiums earned:		
Direct	**$ 16,193,589**	$ 26,694,861
Ceded	**(6,578,747)**	(26,145,664)
Net premiums earned	**$ 9,614,842**	$ 549,197

Note 3 – Reinsurance Activity (continued)

Amounts recoverable from reinsurers at December 31, 2014 and 2013 consist of the following:

	2014	2013
Dornico Rein. Co.	**$ 77,000**	$ 69,000
Continental Cas. Co.	**748,000**	232,000
Everest Rein. Co.	**(14,000)**	(16,000)
Folks America Rein. Co.	**60,000**	67,000
GE Reinsurance Corp.	**259,000**	96,000
General Security National Insurance Co.	**87,000**	77,000
Houston Cas. Co.	**512,000**	390,000
TIG Reinsurance Co.	**0**	0
Lumbermens Mut. Cas. Co.	**204,000**	172,000
Odyssey American Rein. Co.	**205,000**	172,000
USF Reinsurance Co.	**0**	0
Transatlanic Rein. Co.	**72,000**	67,000
Trenwick Amer. Rein. Corp.	**41,000**	61,000
Praetorian Ins. Co.	**21,000**	32,000
Scor Reinsurance Co.	**23,000**	26,000
American Healthcare Ind. Co.	**671,000**	165,000
R&Q Quest Sac Limited	**344,000**	7,249,000
	$ 3,310,000	$ 8,859,000

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, 2014 and 2013, 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:

	2014	2013
Balance, beginning of year	**$ 42,705,675**	$ 34,847,947
Less reinsurance recoverables on unpaid losses	**28,993,000**	25,819,000
Net balance, beginning of year	**13,712,675**	9,028,947
Incurred related to:		
Current year	**5,812,000**	3,046,000
Prior years	**3,068,236**	2,730,728
Total incurred	**8,880,236**	5,776,728
Paid related to:		
Current year	**2,709,000**	26,000
Prior years	**5,397,000**	1,067,000
Total paid	**8,106,000**	1,093,000
Net balance, end of year	**14,486,911**	13,712,675
Plus reinsurance recoverables on unpaid losses	**3,138,000**	28,993,000
Balance, end of year	**$ 17,624,911**	$ 42,705,675

In 2013, the Company's actuary did not qualify its opinion on the gross reserves, but did not opine on the net reserves.

Note 5- Amounts retained on the Account of Others

On occasion, the Company receives deposits as collateral for workers' compensation policies. The Company did not receive any deposits during 2014 or 2013.

Note 6 – Income Taxes

The Company has adopted Statement of Statutory Accounting Principles No. 101, which became effective as of December 31, 2012.

The U.S. Federal statutory income tax rate applicable to ordinary income is 34% for 2014 and 2013. The tax effects of temporary differences that give rise to the net deferred tax asset at December 31, 2014 and 2013 consist of the following:

December 31,		**2014**		2013
Deferred tax assets:				
Unrealized gains (losses) on equity securities	**$**	**(39,922)**	$	117,096
Discounting of unearned premium reserve		**107,416**		21,006
Realized loss on equity securities		**0**		0
Discounting of loss reserves		**52,506**		42,748
Other		**0**		0
Total deferred tax assets		**120,000**		180,850
Nonadmitted deferred tax assets		**0**		(219,850)
Net admitted deferred tax asset	**$**	**120,000**	$	(39,000)

The Company incurred Federal income taxes of $(28,626) and in $23,758 in 2014 and 2013, respectively.

The following provides a reconciliation of 2014 and 2013 taxable income to financial statement income:

		2013		2013
Financial statement net income (loss)	**$**	**(5,940,931)**	$	(246,568)
Federal income tax		**(28,626)**		23,758
Change in discount on loss reserves		**146,168**		(68,796)
20% change in unearned premium reserve		**842,641**		5,158
50% travel and entertainment		**5,764**		108,456
Tax exempt interest		**(9,395)**		0
Dividends received deduction		**(4,803)**		0
85% tax exempt interest and dividend received deduction		**720**		0
Realized loss		**10**		11,835
Other		**0**		0
Taxable income (loss)	**$**	**(4,988,452)**	$	(166,157)

Note 6 – Income Taxes (continued)

As of December 31, 2014 and 2013, there were no positions for which management believes 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, 2014 and 2013. Tax years 2011 through 2014 remain subject to examination by the Internal Revenue Service and respective state revenue departments. The Company was under an examination for the 2010 year. The examination was finalized during 2014 and the net operating loss carry back and refund was allowed.

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 2014 or 2013.

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, 2014 and 2013, the Company's capital and surplus was above the required 200% of authorized control level capital.

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. Oriska Jobs and Career Corporation (Oriska Jobs) is related through management.

The Company entered into an expense sharing agreement with Oriska Corporation, IPA and Nor-Eastern. Under this agreement, Oriska Corporation provides all services necessary for the day-to-day operations 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 $3,888,366 and $2,433,871 during 2014 and 2013, respectively. At December 31, 2014 and 2013, amounts totaling ($84,940) and $88,259 were due from (to) Oriska Corporation, respectively.

Note 9 – Affiliate and Related Party Transactions (continued)

In 2014, the Company issued a surplus note to IPA in the amount $8,489,800. The accrued interest is $34,853 as of December 31, 2014.

In 2003, the Company assumed reinsurance from ICA. The Company assumed this coverage by replacing an existing unrelated reinsurer. At December 31, 2014 and 2013, no amounts for reinsurance recoverables were due to ICA. In relation to these amounts recoverable, OIC provided a trust account in the amount of $254,000 and $254,000 for 2014 and 2013, respectively.

During 2014 and 2013, the Company incurred legal fees of $40,274 and $136,324, 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). In the disposition of the charges, the Court found neither The Company, its insurers nor its claimants sustained any damage. All fines and all other requirements of the judgment against Mr. Kernan have been satisfied.

Sarah Oddi was appointed President of the Company in 2013.

On February 4, 2013 the Department issued an order demanding the owner, Jim Kernan, divest his ownership and control of Oriska Insurance Company. The issue is currently in litigation.

The exam report issued on June 4, 2012 by the Department as of December 31, 2010 was finalized during 2014. The Company has addressed the impairment in that report by issuing a surplus note in the amount of $8,489,800.

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

An insured brought suit against the Company. No provision has been made in the financial statements for this contingency, as the outcome of this suit cannot be determined at this time.

Note 10 – Contingencies (continued)

A third party administrator, (TPA) brought suit against the Company claiming unpaid claims management fees. The Company is vigorously defending and has made no provision in the financial statements for this contingency, as the outcome of this suit cannot be determined at this time.

Note 11 – Concentration of Risk

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, 2014 and 2013, the Company had $10,123,425 and $6,882,275 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 2014 and 2013 was workers' compensation.

Note 12 – High Deductible Policies

The Company wrote multi-coordinated insurance policies from 2003 through 2014 that generally include high deductibles up to $1,000,000 and is exposed to credit risk arising from such coverage. The known reserves for these deductibles were reviewed by the Company's independent actuary. At December 31, 2014 and 2013, the amount of reserve credits taken by the Company for high deductibles on known claim reserves was $7,968,346 and $7,780,559, respectively, and the amount billed and recoverable on paid claims (net of nonadmitted amounts) was $8,137,441 and $1,446,054, 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.

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.

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:

	2014	2013
Total surplus per Annual Statement	**$ 10,237,052**	$ 6,877,072
Increase (decrease) in non-admit deferred tax asset	**194,709**	(233,658)
Increase (decrease) in cash	**(159,904)**	0
Increase (decrease) in gross deferred tax asset	**(170,850)**	0
(Increase) decrease in federal income tax expense	**0**	59,000
(Increase) decrease in losses	**(8,840)**	0
Increase (decrease) to premiums and agents balances admitted	**0**	0
(Increase) decrease miscellaneous expenses	**(14,753)**	36,102
Increase (decrease) in surplus notes	**399,952**	0
Net increase (decrease) in surplus	**240,314**	(138,556)
Total surplus per audited financial statements	**$ 10,477,366**	$ 6,738,516

	2014	2013
Net income (loss) per Annual Statement	**$ (5,895,990)**	$ (549,523)
(Increase) decrease in other underwriting expenses	**0**	326,713
Increase (decrease) in investment income earned	**(8,840)**	0
(Increase) decrease in losses	**(36,101)**	0
Increase (decrease) in other income		0
(Increase) decrease in federal income tax expense	**0**	(23,758)
Net increase (decrease) in net income	**(44,941)**	302,955
Net income per audited financial statements	**$ (5,940,931)**	$ (246,568)

Supplementary Information

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	2,704,104	19.5	2,704,104		2,704,104	19.5
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 and possessions and political subdivisions general obligations	218,568	1.6	218,568		218,568	1.6
1.43 Revenue and assessment obligations	366,131	2.6	366,131		366,131	2.6
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	932	0.0	932		932	0.0
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-based 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)	200,109	1.4	200,109		200,109	1.4
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		0.0			0	0.0
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	4,454,980	32.1	4,454,980		4,454,980	32.1
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	5,950,196	42.8	5,950,196		5,950,196	42.8
11. Other invested assets		0.0			0	0.0
12. Total invested assets	13,895,021	100.0	13,895,020	0	13,895,020	100.0

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended December 31, 2014

(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. $........30,831,309

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	ROYAL DUTCH SHELL PLC SOPNSORED	Unaffiliated Common Stock	$........1,453,752	..............4.715 %
2.02	COLGATE PALMOLIVE CO COME	Unaffiliated Common Stock	$...........971,012	..............3.149 %
2.03	PROCTER & GAMBLE CO	Unaffiliated Common Stock	$...........736,736	..............2.390 %
2.04	UNILEVER N V NY SHS NEW	Unaffiliated Common Stock	$...........715,955	..............2.322 %
2.05	SEMPRA ENERGY INC	Unaffiliated Common Stock	$...........324,503	..............1.053 %
2.06	BANK AMERICA CORP	Unaffiliated Bond	$...........200,109	..............0.649 %
2.07	NY ST TWY AUTH	Unaffiliated Bond	$...........150,000	..............0.487 %
2.08	MONROE CNTY NY	Unaffiliated Bond	$...........111,300	..............0.361 %
2.09	PORT AUTH NY & NJ	Unaffiliated Bond	$...........109,374	..............0.355 %
2.10	STARPOINT CENT NY	Unaffiliated Bond	$...........107,268	..............0.348 %

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

	Bonds	1	2
3.01	NAIC-1	$........3,335,373	............10.818 %
3.02	NAIC-2	$...........200,109	..............0.649 %
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 designation:

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

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

		1	2
	Countries designated NAIC-1:		
6.01	Country 1:	$.........................	..............0.000 %
6.02	Country 2:	$.........................	..............0.000 %
	Countries designated NAIC-2:		
6.03	Country 1:	$.........................	..............0.000 %
6.04	Country 2:	$.........................	..............0.000 %
	Countries designated 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 designation:

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

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

		1	2
	Countries designated NAIC-1:		
9.01	Country 1:	$	0.000 %
9.02	Country 2:	$	0.000 %
	Countries designated NAIC-2:		
9.03	Country 1:	$	0.000 %
9.04	Country 2:	$	0.000 %
	Countries designated 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 Designation	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 %	$	$	$