



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2012
 OF THE CONDITION AND AFFAIRS OF THE
GREAT FALLS INS CO

NAIC Group Code 0000, _____, NAIC Company Code 14003 Employer's ID Number 27-4098108
(Current Period) (Prior Period)

Organized under the Laws of Maine, State of Domicile or Port of Entry Maine

Country of Domicile US

Incorporated/Organized December 1, 2010 Commenced Business December 30, 2010

Statutory Home Office One Great Falls Plaza, Suite 300, Auburn, Maine 04210
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office One Great Falls Plaza, Suite 300, Auburn, Maine 04210 (207) 333-3257
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 590, Auburn, Maine 04212-0590
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Great Falls Plaza, Suite 300, Auburn, Maine 04210
(Street and Number, City or Town, State, Country and Zip Code)
(207) 333-3257
(Area Code) (Telephone Number)

Internet Website Address gfcins.com

Statutory Statement Contact Stephen T List (973) 628-6060
(Name) (Area Code) (Telephone Number) (Extension)
slist@aminsure.com (908) 450-7101
(E-Mail Address) (Fax Number)

OFFICERS

Gary Hall (President & CEO)
 Scott C. Penwell (Secretary)
 John M. Ignatowitz (Treasurer)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Scott C. Penwell
 Anthony Weller
 Arthur P. Coleman
 Robert L. Murch
 James E. Clemons
 John M. Ignatowitz

State of _____ }
 County of _____ } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

 Gary Hall
 President & CEO
 Subscribed and sworn to before me this _____
 day of _____ 2013

 Scott C. Penwell
 Secretary

 John M. Ignatowitz
 Treasurer

- a. Is this an original filing? Yes (X) No ()
- b. If no: 1. State the amendment number _____
- 2. Date filed _____
- 3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,371,727		1,371,727	1,427,390
2. Stocks (Schedule D):				
2.1 Preferred stocks	466,643		466,643	519,798
2.2 Common stocks	806,766		806,766	825,023
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 320,459 , Schedule E - Part 1), cash equivalents (\$ 76,116 , Schedule E - Part 2) and short-term investments (\$, Schedule DA)	396,575		396,575	334,956
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	3,041,711		3,041,711	3,107,167
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	15,195		15,195	11,239
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,462,223		1,462,223	618,121
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	67,143		67,143	6,856
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	94,202		94,202	300,667
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	34,035	6,900	27,135	(18,455)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	4,714,509	6,900	4,707,609	4,025,595
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	4,714,509	6,900	4,707,609	4,025,595
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Loss Fund	17,506		17,506	(23,060)
2502. Security Deposit	6,900	6,900		
2503. Miscellaneous Receivables	9,629		9,629	4,605
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	34,035	6,900	27,135	(18,455)

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GREAT FALLS INS CO
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	300,674	98,572
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	111,470	18,000
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	91,963	132,253
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	90,028	61,342
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 1,402,665 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	459,835	190,310
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,091,083	460,913
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	32,741	16,323
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	2,177,794	977,713
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	2,177,794	977,713
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	1,500,000	1,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	3,000,000	2,700,000
35. Unassigned funds (surplus)	(1,970,186)	(1,152,118)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39)	2,529,814	3,047,882
38. Totals (Page 2, Line 28, Column 3)	4,707,608	4,025,595
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)	487,276	106,329
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	330,469	115,848
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	194,817	76,500
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,079,644	829,022
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	1,604,930	1,021,370
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,117,654)	(915,041)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	160,014	116,406
10. Net realized capital gains (losses) less capital gains tax of \$	15,948	(66,984)
11. Net investment gain (loss) (Line 9 plus Line 10)	175,962	49,422
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$, amount charged off \$)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Line 12 through Line 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(941,692)	(865,619)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(941,692)	(865,619)
19. Federal and foreign income taxes incurred		70,974
20. Net income (Line 18 minus Line 19) (to Line 22)	(941,692)	(936,593)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	3,047,882	3,807,024
22. Net income (from Line 20)	(941,692)	(936,593)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	103,090	(50,317)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	20,534	27,768
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		1,499,000
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in	300,000	(1,299,000)
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	(518,068)	(759,142)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	2,529,814	3,047,882
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	542,869	139,432
2. Net investment income	159,075	124,220
3. Miscellaneous income		
4. Total (Line 1 through Line 3)	701,944	263,652
5. Benefit and loss related payments	188,652	24,132
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,197,512	603,347
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	1,386,164	627,479
11. Net cash from operations (Line 4 minus Line 10)	(684,220)	(363,827)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	204,141	353,961
12.2 Stocks	557,451	1,558,150
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	761,592	1,912,111
13. Cost of investments acquired (long-term only):		
13.1 Bonds	146,762	1,777,086
13.2 Stocks	368,991	3,025,106
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	515,753	4,802,192
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	245,839	(2,890,081)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	500,000	
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	500,000	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	61,619	(3,253,908)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	334,956	3,588,864
19.2 End of year (Line 18 plus Line 19.1)	396,575	334,956

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	756,801	190,310	459,835	487,276
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	756,801	190,310	459,835	487,276
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	459,835				459,835
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	459,835				459,835
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					459,835
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	3,505,525			2,318,402	430,322	756,801
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability						
19.3, 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	X X X					
32. Reinsurance - Nonproportional Assumed Liability	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	3,505,525			2,318,402	430,322	756,801
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)
 If yes: 1. The amount of such installment premiums \$
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GREAT FALLS INS CO

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	513,459		385,094	128,365	300,675	98,571	330,469	67.8
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance- Nonproportional Assumed Property	XXX							
32. Reinsurance- Nonproportional Assumed Liability	XXX							
33. Reinsurance- Nonproportional Assumed Financial Lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	513,459		385,094	128,365	300,675	98,571	330,469	67.8
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GREAT FALLS INS CO

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation	256,442		192,331	64,111	946,255		709,691	300,675	111,470
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance- Nonproportional Assumed Property	XXX				XXX				
32. Reinsurance- Nonproportional Assumed Liability	XXX				XXX				
33. Reinsurance- Nonproportional Assumed Financial Lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	256,442		192,331	64,111	946,255		709,691	300,675	111,470
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	339,916			339,916
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	236,599			236,599
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	103,317			103,317
2. Commission and brokerage:				
2.1 Direct excluding contingent		263,020		263,020
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		733,040		733,040
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		(470,020)		(470,020)
3. Allowances to manager and agents				
4. Advertising		50,809		50,809
5. Boards, bureaus and associations		57,274		57,274
6. Surveys and underwriting reports				
7. Audit of assureds' records		8,260		8,260
8. Salary and related items:				
8.1 Salaries		529,229		529,229
8.2 Payroll taxes		44,802		44,802
9. Employee relations and welfare		52,968		52,968
10. Insurance		86,291		86,291
11. Directors' fees				
12. Travel and travel items		47,925		47,925
13. Rent and rent items		117,656		117,656
14. Equipment		4,847		4,847
15. Cost or depreciation of EDP equipment and software		140,785		140,785
16. Printing and stationery		672		672
17. Postage, telephone and telegraph, exchange and express		18,046		18,046
18. Legal and auditing	91,500	224,630		316,130
19. Totals (Line 3 through Line 18)	91,500	1,384,194		1,475,694
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		70,111		70,111
20.2 Insurance department licenses and fees		22,384		22,384
20.3 Gross guaranty association assessments		70,111		70,111
20.4 All other (excluding federal and foreign income and real estate)		1,455		1,455
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		164,061		164,061
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		1,409	15,058	16,467
25. Total expenses incurred	194,817	1,079,644	15,058	1,289,519
26. Less unpaid expenses - current year	111,470	181,991		293,461
27. Add unpaid expenses - prior year	18,000	193,595		211,595
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	101,347	1,091,248	15,058	1,207,653
DETAILS OF WRITE-INS				
2401. Miscellaneous Expense		1,409		1,409
2402. Investment Fees			15,058	15,058
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		1,409	15,058	16,467

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 1,389	1,766
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 75,553	76,115
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 42,451	42,451
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	54,683	54,683
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 47	47
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	174,123	175,062
11. Investment expenses		(g) 15,048
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		15,048
17. Net investment income (Line 10 minus Line 16)		160,014

DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		

<p>(a) Includes \$ (3,017) accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.</p> <p>(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.</p> <p>(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.</p> <p>(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.</p> <p>(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.</p>	<p>(f) Includes \$ accrual of discount less \$ amortization of premium.</p> <p>(g) Includes \$ 17,302 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.</p> <p>(h) Includes \$ interest on surplus notes and \$ interest on capital notes.</p> <p>(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.</p>
---	---

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	4,734		4,734		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	10,618		10,618	62,752	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	396		396	40,338	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	15,748		15,748	103,090	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	6,900	27,434	20,534
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	6,900	27,434	20,534
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	6,900	27,434	20,534
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Pre-Paid Expenses		27,434	27,434
2502. Security Deposit	6,900		(6,900)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	6,900	27,434	20,534

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The accompanying financial statements of the company have been presented in conformity with the NAIC annual statement instructions and accounting practices

		State of Domicile		
<u>NET INCOME</u>		<u>Maine</u>	<u>2012</u>	<u>2011</u>
(1)	Great Falls Ins. Co. state basis		(\$941,693)	(\$936,593)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP		0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP		0	0
(4)	NAIC SAP		<u>(\$941,693)</u>	<u>(\$936,593)</u>
<u>SURPLUS</u>		<u>Maine</u>	<u>2012</u>	<u>2011</u>
(1)	Great Falls Ins. Co. state basis		\$2,529,814	\$3,047,882
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP		0	0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP		0	0
(4)	NAIC SAP		<u>\$2,529,814</u>	<u>\$3,047,882</u>

manuals as well as accounting practices as prescribed by the State of Maine.

B. As required by Statutory Accounting Principles, management has made estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from these estimates. At the date of the financial statements, no contingent assets or liabilities have been included, nor has any revenue or expense impact been included.

C. Accounting Policy - Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and ceded business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable under ceded reinsurance contracts.

In addition, the company uses the following accounting policies:

1. Short-term investments would be stated at Amortized Cost if there were any.
2. Long-term bonds are stated at Amortized Cost using the scientific interest method.
3. Common Stocks are stated at Fair Market Value.
4. Preferred Stocks are stated at Fair Market Value.
5. Mortgage Loans – None
6. Asset backed – None
7. The Company has no insurance or non-insurance subsidiaries and has no minority ownership interests.
8. The Company has no investments in joint ventures, partnerships or limited liability companies.
9. Derivatives – None
10. The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss expenses reported and an amount, based on experience, for loss and loss expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may differ from the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical Rebates - None

NOTES TO FINANCIAL STATEMENTS

2. ACCOUNTING CHANGES

None

3. BUSINESS COMBINATIONS AND GOODWILL

None

4. DISCONTINUED OPERATIONS

None

5. INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans - None

B. Debt Restructuring - None

C. Reverse Mortgages - None

D. Loan-Backed Securities - The Company does not use prepayments to value its loan-backed bonds.

E. Repayment Agreements - None

F. Real Estate - None

G. Low-Income Tax Credit - None

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None

7. INVESTMENT INCOME

No investment income due and accrued was excluded.

8. DERIVATIVE INSTRUMENTS

None

9. INCOME TAXES

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

	12/31/2012			12/31/2011			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 1 + 2) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$700,133	\$17,419	\$717,552	\$368,405	\$39,882	\$408,287	\$331,728	(\$22,463)	\$309,265
(b) Statutory Valuation Allowance Adjustment	\$699,609		\$699,609	\$366,545	\$39,882	\$406,427	\$333,064	(\$39,882)	\$293,182
(c) Adjusted Gross Deferred Tax Asset	\$524	\$17,419	\$17,943	\$1,860	\$0	\$1,860	(\$1,336)	\$17,419	\$16,083
(d) Deferred Tax Assets Nonadmitted									
(e) Subtotal Net Admitted Deferred Tax Assets	\$524	\$17,419	\$17,943	\$1,860	\$0	\$1,860	(\$1,336)	\$17,419	\$16,083
(f) Deferred Tax Liabilities		\$17,943	\$17,943	\$1,860	\$0	\$1,860		\$17,943	\$16,083
(g) Net Admitted Deferred Tax Assets.	\$524	(\$524)	\$0	\$0	\$0	\$0	\$524	(\$524)	\$0

2. Admission Calculation Components SSAP No. 101

	12/31/2012			12/31/2011			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 1 + 2) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$0		\$0	\$0		\$0	\$0		\$0
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (The Lessor of 2(b)1 and 2(b) 2 Below	\$0		\$0	\$0		\$0	\$0		\$0
1. Adjusted Gross Deferred Tax Assets Expected to be realized Following the Balance Sheet Date.	\$0		\$0	\$0		\$0	\$0		\$0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	\$0	XXX	XXX	\$0	XXX	XXX	\$0
(c) Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	\$524	\$17,419	\$17,943	\$1,860		\$1,860	(\$1,336)	\$17,419	\$16,083
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.	\$524	\$17,419	\$17,943	\$1,860		\$0	(\$1,336)	\$17,419	\$16,083

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE GREAT FALLS INS CO
NOTES TO FINANCIAL STATEMENTS

3. Not Applicable.

4. Not Applicable.

B. No Deferred Tax Liabilities have been excluded.

C. Current Income taxes consist of the following components:

1. Current Income Taxes

	(1)	(2)	(3)
	12/31/2012	12/31/2011	(Col. 1 - 2) Change
(a) Federal	\$0	\$0	\$0
(b) Foreign			
(c) Subtotal	\$0	\$0	\$0
(d) Federal income tax on net capital gains	\$0	\$0	\$0
(e) Utilization of capital loss carry-forwards	\$0	\$0	\$0
(f) Other - Prior year underaccrual	\$0	\$11,805	(\$11,805)
(g) Federal and foreign income taxes incurred	\$0	\$11,805	(\$11,805)

2. Deferred Tax Asset

(a) Ordinary			
1. Discounting unpaid losses	\$17,644	\$4,849	\$12,795
2. Unearned premium reserve	\$31,269	\$12,941	\$18,328
3. Policy holder reserves			
4. Investments			
5. Organizational Cost	\$51,236	\$55,203	
6. Policyholder dividend accrual			
7. Fixed assets		\$14,831	
8. Compensation and benefit accrual			
9. Pension accrual			
10. Receivables - nonadmitted		\$9,328	
11. Net operation loss carry-forward	\$599,984	\$271,253	\$328,731
12. Tax credit carry-forward			
13. Other			
99. Subtotal	\$700,133	\$368,405	\$359,854
(b) Statutory valuation allowance	\$699,609	\$366,545	\$333,064
(c) Nonadmitted			
(d) Admitted ordinary deferred tax asset	\$524	\$1,860	(\$1,336)
(e) Capital	\$17,419	\$39,882	(\$22,463)
(f) Statutory valuation allowance		\$39,882	(\$39,882)
(g) Nonadmitted		\$0	
(h) Admitted capital deferred tax asset			
(i) Admitted deferred tax asset	\$17,943	\$1,860	\$16,083

3. Deferred tax liabilities

(a) Ordinary	\$0	\$1,860	(\$1,860)
(b) Capital	\$17,943	\$0	\$17,943
(c) Deferred tax liabilities	\$17,943	\$1,860	\$16,083

4. Net deferred tax assets/liabilities	\$0	\$0	\$0
--	-----	-----	-----

D. Federal tax rates have been used in determining the deferred tax assets and liabilities.

E. At December 31, 2012 the Company had net operating loss carryforwards expiring through the year 2032 of \$1,764,658

At December 31, 2012 the Company had capital loss carryforwards expiring through the year 2017 of \$51,236.

F. The Company has no liability related to any federal or foreign tax loss contingencies as of December 31, 2012

G. The Company's federal income tax return is consolidated with Great Falls Holding Company

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES.
The Company is 100% owned by Great Falls Holding Company.

The Company has a receivable from Great Fall Holding Company in the amount of \$94,202 relating to operating expenses paid on behalf of the Holding Company.

NOTES TO FINANCIAL STATEMENTS

11. DEBT
None

12. RETIREMENT PLANS DEFERRED COMPENSATION AND OTHER RETIREMENT
BENEFIT PLANS
None

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATION

- A. The company has 2,666 shares of common stock authorized and outstanding.
- B. The company has 3,930 shares of Preferred A and 1,500 shares of Preferred B stock outstanding.
- C. The Company is subject to regulatory limitations with respect to statutory surplus levels and dividends. Under these restrictions, annual dividends cannot exceed the greater of 10% of insurer's surplus as of the prior year end or the net gain from operations for the twelve month period ended the prior year. Dividends are paid at the discretion of the Board of Directors.
- D. The Company has paid no dividends.
- E. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains is \$53,393.

14. CONTINGENCIES
None

15. LEASES
The Company leases office space under a noncancelable operating lease agreement that expires on December 31, 2015. Rental Expense for 2012 was \$117,657

16. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL
INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK
None

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT
OF LIABILITIES
None

18. GAIN OR LOSS TO THE REPORTING ENTITY UNINSURED PLANS AND THE UNISURED
PORTION OF PARTIALLY INSURED PLANS
None

19. DIRECT PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD
PARTY ADMINISTRATORS
None

NOTES TO FINANCIAL STATEMENTS

20. FAIR VALUE MEASUREMENTS

Fair Value Measurements at Reporting

A. (1) Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at Fair Value				
Perpetual Preferred Stock				
Industrial & Misc.	\$466,643	\$0	\$0	\$466,643
Parent, Subsidiaries & Affiliates				
Total Perpetual Preferred Stocks	\$466,643	\$0	\$0	\$466,643
Bonds				
U.S. Governments	\$103,983			\$103,983
Industrial & Misc.	1,336,863	0	0	1,336,863
Hybrid Securities				
Parent, Subsidiaries & Affiliates				
Total Bonds	\$1,440,846	\$0	\$0	\$1,440,846
Common Stock				
Industrial & Misc.	\$806,766			\$806,766
Parent, Subsidiaries & Affiliates				
Total Common Stocks	\$806,766			\$806,766
Derivative Assets				
Interest Rate Contracts				
Foreign Exchange Contracts				
Credit Contracts				
Commodity Futures Contracts				
Commodity Forward Contracts				
Total Derivatives				
Separate Account Assets				
Total Assets at Fair Value	\$2,714,255	\$0	\$0	\$2,714,255
b. Liabilities at Fair Value				
Derivative Liabilities				
Total Liabilities At Fair Value				

(2) Fair Value Measurements in (Level 3) of the Fair Value - Not applicable.

(3) Not Applicable

21. OTHER ITEMS

None

22. EVENTS SUBSEQUENT

None

23. REINSURANCE

A. Unsecured Reinsurance Recoverables in excess of 3% of surplus.

Fed Tax ID	NAIC Code	Name	Net Recoverable
AA-3190148		Citadel Reins. Co., LTD	\$1,588,383

B. Reinsurance Recoverable in Dispute – None

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

1. The maximum amount of return commission that would have been due reinsurers if they or the company had cancelled all reinsurance at the end of this reporting period is \$389,290.

	Assumed		Ceded		Net	
	Reinsurance		Reinsurance			
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$0	\$0	\$1,377,975	\$385,833	(\$1,377,975)	(\$385,833)
b. All Other	0	0	24,690	3,457	(24,690)	(3,457)
c. TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$1,402,665</u>	<u>\$389,290</u>	<u>(\$1,402,665)</u>	<u>(\$389,290)</u>
d. Direct Unearned Premium Reserve			<u>\$1,862,500</u>			

2. Additional commissions payable at December 31, 2012 – None
 3. Protected Cells – None

D. Uncollectible Reinsurance – None

E. Commutation of Ceded reinsurance - None

F. Retroactive reinsurance - None

G. Reinsurance Accounted for as a Deposit – None

H. Property/Casualty Run-off Agreements - None

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION
 None

25. CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves as of December 31, 2011 were \$116,572. As of December 31, 2012, \$81,331 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$77,643 as a result of re-estimation of unpaid claims and claim adjusting expenses on workers' compensation insurance. Therefore, there has been a \$42,402 unfavorable prior-year development from December 31, 2011 to December 31, 2012. The increase is generally the result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

None of the development relates to retrospectively rated policies so surplus has been positively affected

26. INTERCOMPANY POOLING ARRANGEMENTS
 None

27. STRUCTURED SETTLEMENTS
 None

28. HEALTH CARE RECEIVABLES
 None

29. PARTICIPATING POLICIES
 None

30. PREMIUM DEFICIENCY RESERVES
 1. Liability Carried for Premium Deficiency Reserve - None
 2. Liability was evaluated at 12/31/2012
 3. Investment Income was not utilized.

31. HIGH DEDUCTIBLES
 None

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSE
 No liabilities for unpaid losses or unpaid loss adjustment expense have been discounted.

NOTES TO FINANCIAL STATEMENTS

- 33. ASBESTOS/ENVIRONMENTAL RESERVE
Not applicable.
- 34. SUBSCRIBER SAVINGS ACCOUNT
Not applicable.
- 35. MULTIPLE PERIL CROP INSURANCE
None
- 36. FINANCIAL GUARANTY INSURANCE
None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()
- 1.3 State Regulating? Maine
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
Maine Bureau of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No () N/A ()
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
- 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
- 4.22 renewals? Yes () No (X)

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
---------------------	------------------------	------------------------

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No (X)

6.2 If yes, give full information:
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes (X) No ()

7.2 If yes, 7.21 State the percentage of foreign control; 52.2 %

7.22 State the nationality(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
------------------	---------------------

Bermuda Reinsurance Company

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PreteBeard, LLC, 1650 Market Street, suite 4500, Philadelphia, PA 19103
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes () No (X)
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes () No (X)
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws? Yes (X) No () N/A ()
- 10.6 If the response to 10.5 is no or n/a, please explain:
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Andrea Sweeney, FCAS, President, Casualty Actuarial Assistance, LLC, 86 Alexander Dr., Meriden, CT 06450
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- 12.11 Name of real estate holding company
.....
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If yes, provide explanation
.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes () No ()
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No ()
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ()
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 14.21 If the response to 14.2 is Yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
- 14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).
.....
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes () No (X)
- 15.2 If the response to 15.1 is yes, indicated the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

- | | |
|--|----------------|
| 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? | Yes (X) No () |
| 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? | Yes (X) No () |
| 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? | Yes (X) No () |

FINANCIAL

- | | |
|---|-----------------|
| 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? | Yes () No (X) |
| 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): | |
| 20.11 To directors or other officers | \$ |
| 20.12 To stockholders not officers | \$ |
| 20.13 Trustees, supreme or grand (Fraternal only) | \$ |
| 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans): | |
| 20.21 To directors or other officers | \$ |
| 20.22 To stockholders not officers | \$ |
| 20.23 Trustees, supreme or grand (Fraternal only) | \$ |
| 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? | Yes () No (X) |
| 21.2 If yes, state the amount thereof at December 31 of the current year: | |
| 21.21 Rented from others | \$ |
| 21.22 Borrowed from others | \$ |
| 21.23 Leased from others | \$ |
| 21.24 Other | \$ |
| 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? | Yes () No (X) |
| 22.2 If answer is yes: | |
| 22.21 Amount paid as losses or risk adjustment | \$ |
| 22.22 Amount paid as expenses | \$ |
| 22.23 Other amounts paid | \$ |
| 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? | Yes (X) No () |
| 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: | \$ 94,202 |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes () No (X)
- 24.02 If no, give full and complete information relating thereto:
.....
.....
- 24.03 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
.....
.....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes () No () N/A (X)
- 24.05 If answer to 24.04 is YES, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is NO, report amount of collateral for other programs. \$
- 24.07 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes () No () N/A (X)
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes () No () N/A (X)
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes () No () N/A (X)
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.103 Total payable for securities lending reported on the liability page \$
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes (X) No ()
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|--|------------------|
| | 25.21 Subject to repurchase agreements | \$ |
| | 25.22 Subject to reverse repurchase agreements | \$ |
| | 25.23 Subject to dollar repurchase agreements | \$ |
| | 25.24 Subject to reverse dollar repurchase agreements | \$ |
| | 25.25 Pledged as collateral | \$ |
| | 25.26 Placed under option agreements | \$ |
| | 25.27 Letter stock or securities restricted as to sale | \$ |
| | 25.28 On deposit with state or other regulatory body | \$ 112,264 |
| | 25.29 Other | \$ |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes () No (X)
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No () N/A (X)
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes () No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

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

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

Investors Capital 230 Broadway, Lynnfield, MA 01940-2320

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes () No (X)

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

2704573 Michael Anderson 46C FirstPark Drive, Oakland, ME 01963

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes (X) No ()

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

353496-84-7	Franklin Income Fund Advisor Class	117,402
353612-78-1	Franklin Floating Rate Daily Access	106,868
354713-73-7	Franklin Strategic Income Fund	113,575
858268-60-0	Steelpath MLP Income Fund Class A	68,656
880208-40-0	Templeton Global Bond Fund	75,065
885215-46-7	Thornburg Investment Income	38,851
29.2999 - Total		520,417

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

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

Franklin Income Fund Advisor Class	First Data Corp	5,843	12/31/2012
Franklin Floating Rate Daily Access	Cumulus Media Holdings	1,582	12/31/2012
Franklin Strategic Income Fund	Government of Sweden	2,590	12/31/2012
Steelpath MLP Income Fund Class A	Energy Transfer Partners	9,680	12/31/2012
Templeton Global Bond Fund	Republic of Ireland	2,214	12/31/2012
Thornburg Investment Income	Telephonica Brazil ADR	1,010	12/31/2012

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 1,371,727	\$ 1,440,846	\$ 69,119
30.2 Preferred stocks	\$ 466,644	\$ 466,644	\$
30.3 Totals	\$ 1,838,371	\$ 1,907,490	\$ 69,119

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are taken from custodial statements at year-end.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes (X) No ()

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

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

32.2 If no, list exceptions:
.....
.....

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 40,452

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
NCCI	\$ 37,264
.....	\$
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 18,376

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Verrill Dana	\$ 16,779
.....	\$
.....	\$
.....	\$

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

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

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
- 1.2 If yes, indicate premium earned on U.S. business only. \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned \$
 - 1.62 Total incurred claims \$
 - 1.63 Number of covered lives
 - All years prior to most current three years:
 - 1.64 Total premium earned \$
 - 1.65 Total incurred claims \$
 - 1.66 Number of covered lives

- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned \$
 - 1.72 Total incurred claims \$
 - 1.73 Number of covered lives
 - All years prior to most current three years:
 - 1.74 Total premium earned \$
 - 1.75 Total incurred claims \$
 - 1.76 Number of covered lives

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$	\$
2.2 Premium Denominator	\$	\$
2.3 Premium Ratio (Line 2.1/Line 2.2)	\$	\$
2.4 Reserve Numerator	\$	\$
2.5 Reserve Denominator	\$	\$
2.6 Reserve Ratio (Line 2.4/Line 2.5)	\$	\$

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes () No (X)
- 3.2 If yes, state the amount of calendar year premiums written on:
 - 3.21 Participating policies \$
 - 3.22 Non-participating policies \$

- 4. For Mutual reporting entities and Reciprocal Exchange only:
 - 4.1 Does the reporting entity issue assessable policies? Yes () No ()
 - 4.2 Does the reporting entity issue non-assessable policies? Yes () No ()
 - 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?%
 - 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$

- 5. For Reciprocal Exchanges only:
 - 5.1 Does the exchange appoint local agents? Yes () No ()
 - 5.2 If yes, is the commission paid:
 - 5.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)
 - 5.22 As a direct expense of the exchange Yes () No () N/A (X)

- 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes () No ()
- 5.5 If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 The Company has an excess reinsurance program at Lloyd's led by the Catlin Syndicate to provide \$4 million excess of \$1 million.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 The Company does not write property business.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 The Company does not write property business.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes () No (X)
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes () No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes () No (X)
- 8.2 If yes, give full information.

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes () No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes () No (X)
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes () No (X)
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or Yes () No (X)
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or, Yes () No (X)
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes () No (X)

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes () No () N/A (X)
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes () No (X)
- 11.2 If yes, give full information.

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | | |
|---|--|----------|
| 12.11 Unpaid losses | | \$ |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | | \$ |
- 12.2 Of the amount on Line 15.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No () N/A (X)
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | | |
|------------|--|--------|
| 12.41 From | |% |
| 12.42 To | |% |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|----------------------------------|--|----------|
| 12.61 Letters of credit | | \$ |
| 12.62 Collateral and other funds | | \$ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes () No (X)
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes () No (X)
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes () No (X)
- 14.5 If the answer to 14.4 is no, please explain:

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

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

16.1 Does the reporting entity write any warranty business? Yes () No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

.....

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes () No (X)

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5.

Provide the following information for this exemption:

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

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

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

18.1 Do you act as a custodian for health savings accounts? Yes () No (X)

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

18.3 Do you act as an administrator for health savings accounts? Yes () No (X)

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

FIVE-YEAR HISTORICAL DATA

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

	1 2012	2 2011	3 2010	4 2009	5 2008
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	3,505,525	1,533,558			
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	3,505,525	1,533,558			
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	756,801	296,639			
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	756,801	296,639			
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,117,654)	(915,041)			
14. Net investment gain (loss) (Line 11)	175,962	49,422			
15. Total other income (Line 15)					
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)		70,974			
18. Net income (Line 20)	(941,692)	(936,593)			
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	4,707,609	4,025,595	3,807,024		
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	1,462,223	618,121			
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,177,794	977,713			
22. Losses (Page 3, Line 1)	300,674	98,572			
23. Loss adjustment expenses (Page 3, Line 3)	111,470	18,000			
24. Unearned premiums (Page 3, Line 9)	459,835	190,310			
25. Capital paid up (Page 3, Line 30 and Line 31)	1,500,000	1,500,000	1,000		
26. Surplus as regards policyholders (Page 3, Line 37)	2,529,814	3,047,882	3,807,024		
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(684,220)	(363,827)	(308,748)		
Risk-Based Capital Analysis					
28. Total adjusted capital	2,529,814	3,047,882	3,807,024		
29. Authorized control level risk-based capital	538,956	429,887	6,717		
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	45.1	45.9			
31. Stocks (Line 2.1 and Line 2.2)	41.9	43.3			
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	13.0	10.8	100.0		
35. Contact loans (Line 6)					
36. Derivatives (Line 7)				X X X	X X X
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)				X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47					
49. Total investment in parent included in Line 42 through Line 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2012	2 2011	3 2010	4 2009	5 2008
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	103,090	(50,317)			
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(518,068)	(759,142)	3,807,024		
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	513,459	69,102			
55. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
58. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
59. Total (Line 35)	513,459	69,102			
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	128,365	17,275			
61. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
64. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
65. Total (Line 35)	128,365	17,275			
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	67.8	109.0			
68. Loss expenses incurred (Line 3)	40.0	71.9			
69. Other underwriting expenses incurred (Line 4)	221.6	779.7			
70. Net underwriting gain (loss) (Line 8)	(229.4)	(860.6)			
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	142.7	279.5			
72. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	107.8	180.9			
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	29.9	9.7			
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	44				
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0)	1.4				
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)					
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)					

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

Yes () No ()

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2003												XXX
3. 2004												XXX
4. 2005												XXX
5. 2006												XXX
6. 2007												XXX
7. 2008												XXX
8. 2009												XXX
9. 2010												XXX
10. 2011	772	666	106	370	277	25	18	29			129	XXX
11. 2012	2,404	1,917	487	213	160	15	11	62			119	XXX
12. Totals	XXX	XXX	XXX	583	437	40	29	91			248	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.													XXX
9.													XXX
10.	103	77	83	62	29	22	24	18	18			78	XXX
11.	154	115	863	647	34	25	189	142	24			335	XXX
12.	257	192	946	709	63	47	213	160	42			413	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.	681	474	207	88.2	71.2	195.3				47	31
11.	1,554	1,100	454	64.6	57.4	93.2				255	80
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	302	111

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	11 One Year	12 Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	116	160	44	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	368	XXX	XXX
12. Totals											44	

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000										XXX	XXX
2. 2003											XXX	XXX
3. 2004	XXX										XXX	XXX
4. 2005	XXX	XXX									XXX	XXX
5. 2006	XXX	XXX	XXX								XXX	XXX
6. 2007	XXX	XXX	XXX	XXX							XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17	100	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	57	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22	27
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	263

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

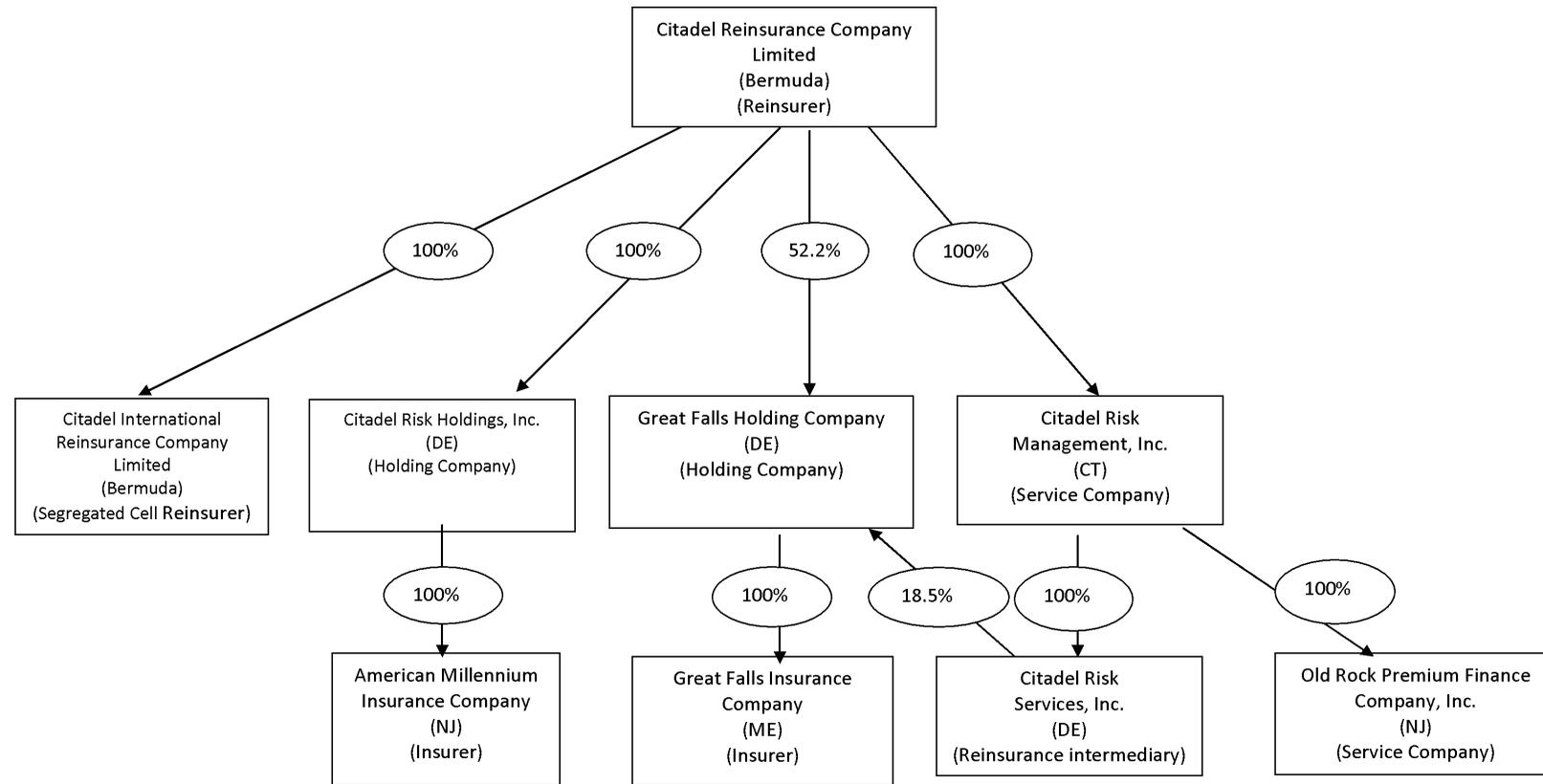
States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. Dist. Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	L	3,505,525	2,404,264	513,459	1,321,867	1,202,697		
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Totals	(a) 1		3,505,525	2,404,264	513,459	1,321,867	1,202,697		
DETAILS OF WRITE-INS									
58001.		X X X							
58002.		X X X							
58003.		X X X							
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X							
58999. Totals (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		X X X							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

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

**CITADEL GROUP OF COMPANIES
 CORPORATE STRUCTURE**



Property and Casualty

Annual Statement Blank Alphabetical Index

Assets	2	Schedule H - Parts 2, 3, and 4	32
Cash Flow	5	Schedule H - Part 5 - Health Claims	33
Exhibit of Capital Gains (Losses)	12	Schedule P - Part 1 - Summary	34
Exhibit of Net Investment Income	12	Schedule P - Part 1A - Homeowners/ Farmowners	36
Exhibit of Nonadmitted Assets	13	Schedule P - Part 1B - Private Passenger Auto Liability/Medical	37
Exhibit of Premiums and Losses (State Page)	19	Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	38
Five-Year Historical Data	17	Schedule P - Part 1D - Workers' Compensation	39
General Interrogatories	15	Schedule P - Part 1E - Commercial Multiple Peril	40
Jurat Page	1	Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	41
Liabilities, Surplus and Other Funds	3	Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	42
Notes To Financial Statements	14	Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery)	43
Overflow Page For Write-ins	101	Schedule P - Part 1H - Section 1 - Other Liability - Occurrence	44
Schedule A - Part 1	E01	Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	45
Schedule A - Part 2	E02	Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	46
Schedule A - Part 3	E03	Schedule P - Part 1J - Auto Physical Damage	47
Schedule A - Verification Between Years	SI02	Schedule P - Part 1K - Fidelity/Surety	48
Schedule B - Part 1	E04	Schedule P - Part 1L - Other (Including Credit, Accident and Health)	49
Schedule B - Part 2	E05	Schedule P - Part 1M - International	50
Schedule B - Part 3	E06	Schedule P - Part 1N - Reinsurance	51
Schedule B - Verification Between Years	SI02	Schedule P - Part 1O - Reinsurance	52
Schedule BA - Part 1	E07	Schedule P - Part 1P - Reinsurance	53
Schedule BA - Part 2	E08	Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	54
Schedule BA - Part 3	E09	Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	55
Schedule BA - Verification Between Years	SI03	Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	56
Schedule D - Part 1	E10	Schedule P - Part 1T - Warranty	57
Schedule D - Part 1A - Section 1	SI05	Schedule P - Parts 2, 3, and 4 - Summary	35
Schedule D - Part 1A - Section 2	SI08	Schedule P - Part 2A - Homeowners/ Farmowners	58
Schedule D - Part 2 - Section 1	E11	Schedule P - Part 2B - Private Passenger Auto Liability/Medical	58
Schedule D - Part 2 - Section 2	E12	Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	58
Schedule D - Part 3	E13	Schedule P - Part 2D - Workers' Compensation	58
Schedule D - Part 4	E14	Schedule P - Part 2E - Commercial Multiple Peril	58
Schedule D - Part 5	E15	Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	59
Schedule D - Part 6 - Section 1	E16	Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	59
Schedule D - Part 6 - Section 2	E16	Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	59
Schedule D - Summary By Country	SI04	Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	59
Schedule D - Verification Between Years	SI03	Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made	59
Schedule DA - Part 1	E17	Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	60
Schedule DA - Verification Between Years	SI10	Schedule P - Part 2J - Auto Physical Damage	60
Schedule DB - Part A - Section 1	E18	Schedule P - Part 2K - Fidelity/Surety	60
Schedule DB - Part A - Section 2	E19	Schedule P - Part 2L - Other (Including Credit, Accident and Health)	60
Schedule DB - Part A - Verification Between Years	SI11	Schedule P - Part 2M - International	60
Schedule DB - Part B - Section 1	E20	Schedule P - Part 2N - Reinsurance	61
Schedule DB - Part B - Section 2	E21	Schedule P - Part 2O - Reinsurance	61
Schedule DB - Part B - Verification Between Years	SI11	Schedule P - Part 2P - Reinsurance	61
Schedule DB - Part C - Section 1	SI12	Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	62
Schedule DB - Part C - Section 2	SI13	Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	62
Schedule DB - Part D	E22	Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	62
Schedule DB - Verification	SI14	Schedule P - Part 2T - Warranty	62
Schedule DL - Part 1	E23	Schedule P - Part 3A - Homeowners/ Farmowners	63
Schedule DL - Part 2	E24	Schedule P - Part 3B - Private Passenger Auto Liability/Medical	63
Schedule E - Part 1 - Cash	E25	Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	63
Schedule E - Part 2 - Cash Equivalents	E26	Schedule P - Part 3D - Workers' Compensation	63
Schedule E - Part 3 - Special Deposits	E27	Schedule P - Part 3E - Commercial Multiple Peril	63
Schedule E - Verification Between Years	SI15	Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	64
Schedule F - Part 1	20	Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	64
Schedule F - Part 2	21	Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	64
Schedule F - Part 3	22	Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	64
Schedule F - Part 4	23	Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	64
Schedule F - Part 5	24	Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	65
Schedule F - Part 6 - Section 1	25	Schedule P - Part 3J - Auto Physical Damage	65
Schedule F - Part 6 - Section 2	27	Schedule P - Part 3K - Fidelity/Surety	65
Schedule F - Part 7	28		
Schedule F - Part 8	29		
Schedule F - Part 9	30		
Schedule H - Accident and Health Exhibit - Part 1	31		

Property and Casualty

Annual Statement Blank Alphabetical Index (cont.)

Schedule P - Part 3L - Other (Including Credit, Accident and Health)	65	Supplemental Exhibits and Schedules Interrogatories	100
Schedule P - Part 3M - International	65	Underwriting and Investment Exhibit Part 1	6
Schedule P - Part 3N - Reinsurance	66	Underwriting and Investment Exhibit Part 1A	7
Schedule P - Part 3O - Reinsurance	66	Underwriting and Investment Exhibit Part 1B	8
Schedule P - Part 3P - Reinsurance	66	Underwriting and Investment Exhibit Part 2	9
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	67	Underwriting and Investment Exhibit Part 2A	10
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	67	Underwriting and Investment Exhibit Part 3	11
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	67		
Schedule P - Part 3T - Warranty	67		
Schedule P - Part 4A - Homeowners/Farmowners	68		
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	68		
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	68		
Schedule P - Part 4D - Workers' Compensation	68		
Schedule P - Part 4E - Commercial Multiple Peril	68		
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	69		
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	69		
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	69		
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	69		
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	69		
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	70		
Schedule P - Part 4J - Auto Physical Damage	70		
Schedule P - Part 4K - Fidelity/Surety	70		
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	70		
Schedule P - Part 4M - International	70		
Schedule P - Part 4N - Reinsurance	71		
Schedule P - Part 4O - Reinsurance	71		
Schedule P - Part 4P - Reinsurance	71		
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	72		
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	72		
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	72		
Schedule P - Part 4T - Warranty	72		
Schedule P - Part 5A - Homeowners/Farmowners	73		
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	74		
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	75		
Schedule P - Part 5D - Workers' Compensation	76		
Schedule P - Part 5E - Commercial Multiple Peril	77		
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	79		
Schedule P - Part 5F - Medical Professional Liability - Occurrence	78		
Schedule P - Part 5H - Other Liability - Claims-Made	81		
Schedule P - Part 5H - Other Liability - Occurrence	80		
Schedule P - Part 5R - Products Liability - Claims-Made	83		
Schedule P - Part 5R - Products Liability - Occurrence	82		
Schedule P - Part 5T - Warranty	84		
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	85		
Schedule P - Part 6D - Workers' Compensation	85		
Schedule P - Part 6E - Commercial Multiple Peril	86		
Schedule P - Part 6H - Other Liability - Claims-Made	87		
Schedule P - Part 6H - Other Liability - Occurrence	86		
Schedule P - Part 6M - International	87		
Schedule P - Part 6N - Reinsurance	88		
Schedule P - Part 6O - Reinsurance	88		
Schedule P - Part 6R - Products Liability - Claims-Made	89		
Schedule P - Part 6R - Products Liability - Occurrence	89		
Schedule P - Part 7A - Primary Loss Sensitive Contracts	90		
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	92		
Schedule P Interrogatories	94		
Schedule T - Exhibit of Premiums Written	95		
Schedule T - Part 2 - Interstate Compact	96		
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	97		
Schedule Y - Part 1A - Detail of Insurance Holding Company System	98		
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	99		
Statement of Income	4		
Summary Investment Schedule	SI01		