



# ANNUAL STATEMENT

For the Year Ended December 31, 2014  
of the Condition and Affairs of the

## Medical Mutual Insurance Company of Maine

NAIC Group Code.....4775, 4775 (Current Period) (Prior Period)	NAIC Company Code..... 36277	Employer's ID Number..... 01-0355669
Organized under the Laws of Maine	State of Domicile or Port of Entry Maine	Country of Domicile US
Incorporated/Organized..... March 20, 1978	Commenced Business..... September 1, 1978	
Statutory Home Office	One City Center..... Portland ..... ME ..... 04101-4009 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	One City Center..... Portland ..... ME ..... 04101-4009 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	207-775-2791 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 15275..... Portland ..... ME ..... 04112-5275 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	One City Center..... Portland ..... ME ..... 04101-4009 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	207-775-2791 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.medicalmutual.com	
Statutory Statement Contact	Barbara T. Sinclair <i>(Name)</i> bsinclair@medicalmutual.com <i>(E-Mail Address)</i>	207-775-2791 <i>(Area Code) (Telephone Number) (Extension)</i> 207-523-8380 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. Frank W. Lavoie M.D. #	President	2. O. Robert Stevens M.D.	Treasurer
3. William L. Medd M.D.	Chairman	4. Cynthia A. DeSoi M.D.	Secretary

### OTHER

William F. D'Angelo M.D.	Vice Chairman	Barbara T. Sinclair	VP/CFO
John P. Doyle	VP Marketing/Administration	Stephen D. Hodgkin	VP/CIO
David L. Johnson	VP Underwriting	Mary Elizabeth Knox	VP Claims
Cheryl L. Peaslee	VP Risk Management		

### DIRECTORS OR TRUSTEES

Rebecca L. Arsenault	Peter W. Bates M.D.	William F. D'Angelo M.D.	Cynthia A. DeSoi M.D.
Matthew C. Dugan D.O. #	Sean T. Hanley M.D. #	Frank W. Lavoie M.D.	John A. Marzinzik
David B. McDermott M.D. #	William L. Medd M.D.	Jeremy R. Morton M.D.	Robert D. Sansonetti M.D.
John P. Sauter M.D.	Lois N. Skillings #	O. Robert Stevens M.D.	James M. Totten

State of..... MAINE  
County of..... CUMBERLAND

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

_____ (Signature) Frank W. Lavoie M.D.	_____ (Signature) O. Robert Stevens M.D.	_____ (Signature) William L. Medd M.D.
1. (Printed Name) President	2. (Printed Name) Treasurer	3. (Printed Name) Chairman
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [ X ] No [ ]
This _____ day of _____ 2015	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 (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	178,829,893		178,829,893	188,318,416
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	39,281,968		39,281,968	36,293,474
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....12,454,534, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....14,798,133, Schedule DA).....	27,252,667		27,252,667	21,840,607
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	1,000		1,000	1,000
9. Receivables for securities.....	18,264		18,264	20,461
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	245,383,792	0	245,383,792	246,473,958
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,552,316		1,552,316	1,796,586
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	207,989		207,989	178,342
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	14,066,610		14,066,610	14,380,355
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	239,370		239,370	91,995
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	251,897	58,800	193,097	253,697
21. Furniture and equipment, including health care delivery assets (\$.....0).....	39,385	39,385	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	69,276		69,276	75,375
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	2,664,739	212,121	2,452,618	2,625,129
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	264,475,374	310,306	264,165,068	265,875,437
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	264,475,374	310,306	264,165,068	265,875,437
<b>DETAILS OF WRITE-INS</b>				
1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. OTHER RECEIVABLES.....	731,278	212,121	519,157	695,360
2502. RMA ESCROW ACCOUNT.....	1,933,461		1,933,461	1,929,769
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,664,739	212,121	2,452,618	2,625,129

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	48,366,573	54,563,562
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).....	28,798,580	29,089,782
4. Commissions payable, contingent commissions and other similar charges.....	68,968	190,872
5. Other expenses (excluding taxes, licenses and fees).....	759,266	746,869
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	137,437	128,102
7.1 Current federal and foreign income taxes (including \$.....357,555 on realized capital gains (losses)).....	3,481,547	3,857,790
7.2 Net deferred tax liability.....	953,472	114,454
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....5,709,589 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	19,170,975	19,775,905
10. Advance premium.....	351,513	208,190
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	216,069	172,135
12. Ceded reinsurance premiums payable (net of ceding commissions).....	4,490,225	4,549,505
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.....	1,840,057	1,928,501
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	4,358,179	3,791,929
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	112,992,861	119,117,596
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	112,992,861	119,117,596
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....		
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		10,000,000
34. Gross paid in and contributed surplus.....		
35. Unassigned funds (surplus).....	151,172,207	136,757,841
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	151,172,207	146,757,841
38. TOTALS (Page 2, Line 28, Col. 3).....	264,165,068	265,875,437

**DETAILS OF WRITE-INS**

2501. OTHER PAYABLES.....	4,358,179	3,791,929
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	4,358,179	3,791,929
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## Medical Mutual Insurance Company of Maine STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	34,578,671	35,365,744
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	2,713,102	3,043,636
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	7,205,419	2,216,195
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	10,038,080	10,285,001
5. Aggregate write-ins for underwriting deductions.....	867	45
6. Total underwriting deductions (Lines 2 through 5).....	19,957,468	15,544,877
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	14,621,203	19,820,867
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	7,315,781	7,004,677
10. Net realized capital gains (losses) less capital gains tax of \$.....577,749 (Exhibit of Capital Gains (Losses)).....	879,029	1,354,425
11. Net investment gain (loss) (Lines 9 + 10).....	8,194,810	8,359,102
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....	39,290	40,195
14. Aggregate write-ins for miscellaneous income.....	7,385	674
15. Total other income (Lines 12 through 14).....	46,675	40,869
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	22,862,688	28,220,838
17. Dividends to policyholders.....	5,008,462	3,467,551
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).....	17,854,226	24,753,287
19. Federal and foreign income taxes incurred.....	5,048,718	6,574,358
20. Net income (Line 18 minus Line 19) (to Line 22).....	12,805,508	18,178,929
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	146,757,841	124,638,714
22. Net income (from Line 20).....	12,805,508	18,178,929
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	2,209,745	6,981,012
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(839,018)	(3,371,661)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	221,272	359,918
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29. Change in surplus notes.....	(10,000,000)	
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	16,859	(29,071)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	4,414,366	22,119,127
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	151,172,207	146,757,841
<b>DETAILS OF WRITE-INS</b>		
0501. BAD DEBT EXPENSE.....	867	
0502. MISCELLANEOUS.....		45
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	867	45
1401. TPA SERVICE FEE.....	3,467	
1402. MISCELLANEOUS.....	3,918	674
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	7,385	674
3701. NON VESTED PENSION BENEFITS.....	16,859	(29,071)
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	16,859	(29,071)

## Medical Mutual Insurance Company of Maine CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	34,341,882	34,232,140
2. Net investment income.....	7,767,608	8,072,962
3. Miscellaneous income.....	46,675	40,869
4. Total (Lines 1 through 3).....	42,156,165	42,345,971
5. Benefit and loss related payments.....	9,057,466	11,275,098
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	17,639,902	18,699,160
8. Dividends paid to policyholders.....	4,964,528	3,497,517
9. Federal and foreign income taxes paid (recovered) net of \$.....576,654 tax on capital gains (losses).....	6,002,710	5,333,855
10. Total (Lines 5 through 9).....	37,664,606	38,805,630
11. Net cash from operations (Line 4 minus Line 10).....	4,491,559	3,540,341
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	67,073,977	48,095,259
12.2 Stocks.....	1,404,990	2,743,796
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.....	246	275
12.7 Miscellaneous proceeds.....	91,619	25,641
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	68,570,832	50,864,971
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	56,956,281	43,600,731
13.2 Stocks.....	1,632,338	645,637
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		84,539
13.7 Total investments acquired (Lines 13.1 to 13.6).....	58,588,619	44,330,907
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	9,982,213	6,534,065
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	(10,000,000)	
16.2 Capital and paid in surplus, less treasury stock.....		
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).....	938,288	515,986
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(9,061,712)	515,986
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	5,412,060	10,590,391
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	21,840,607	11,250,216
19.2 End of year (Line 18 plus Line 19.1).....	27,252,667	21,840,607

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

20.0001		
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**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....				.0
2.	Allied lines.....				.0
3.	Farmowners multiple peril.....				.0
4.	Homeowners multiple peril.....				.0
5.	Commercial multiple peril.....				.0
6.	Mortgage guaranty.....				.0
8.	Ocean marine.....				.0
9.	Inland marine.....				.0
10.	Financial guaranty.....				.0
11.1	Medical professional liability - occurrence.....	2,118,958	1,296,878	1,285,128	2,130,708
11.2	Medical professional liability - claims-made.....	31,327,671	18,211,757	17,584,136	31,955,292
12.	Earthquake.....				.0
13.	Group accident and health.....				.0
14.	Credit accident and health (group and individual).....				.0
15.	Other accident and health.....				.0
16.	Workers' compensation.....				.0
17.1	Other liability - occurrence.....	859,166	410,371	489,616	779,921
17.2	Other liability - claims-made.....	(332,054)	(143,101)	(187,905)	(287,250)
17.3	Excess workers' compensation.....				.0
18.1	Products liability - occurrence.....				.0
18.2	Products liability - claims-made.....				.0
19.1, 19.2	Private passenger auto liability.....				.0
19.3, 19.4	Commercial auto liability.....				.0
21.	Auto physical damage.....				.0
22.	Aircraft (all perils).....				.0
23.	Fidelity.....				.0
24.	Surety.....				.0
26.	Burglary and theft.....				.0
27.	Boiler and machinery.....				.0
28.	Credit.....				.0
29.	International.....				.0
30.	Warranty.....				.0
31.	Reinsurance - nonproportional assumed property.....				.0
32.	Reinsurance - nonproportional assumed liability.....				.0
33.	Reinsurance - nonproportional assumed financial lines.....				.0
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35.	<b>TOTALS.....</b>	<b>33,973,741</b>	<b>19,775,905</b>	<b>19,170,975</b>	<b>34,578,671</b>

**DETAILS OF WRITE-INS**

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....					0
2.	Allied lines.....					0
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....					0
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....		1,285,128			1,285,128
11.2	Medical professional liability - claims-made.....	17,584,136				17,584,136
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....	489,616				489,616
17.2	Other liability - claims-made.....	(187,905)				(187,905)
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	17,885,847	1,285,128	0	0	19,170,975
36.	Accrued retrospective premiums based on experience.....					0
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					19,170,975

**DETAILS OF WRITE-INS**

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

(a) State here basis of computation used in each case: Col 1 Basis: Daily pro rata; Col 2 Basis: Extended reporting endorsements - Actuarially determined

# Medical Mutual Insurance Company of Maine UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....						.0
2. Allied lines.....						.0
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....						.0
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....						.0
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....	2,471,680				352,722	2,118,958
11.2 Medical professional liability - claims-made.....	39,051,107	3,481			7,726,917	31,327,671
12. Earthquake.....						.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....	968,258				109,092	859,166
17.2 Other liability - claims-made.....	40,142				372,196	(332,054)
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....						.0
21. Auto physical damage.....						.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX					.0
32. Reinsurance - nonproportional assumed liability.....	XXX					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	42,531,187	3,481	.0	.0	8,560,927	33,973,741

### DETAILS OF WRITE-INS

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

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

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

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....				0		0	0.0	
2. Allied lines.....				0		0	0.0	
3. Farmowners multiple peril.....				0		0	0.0	
4. Homeowners multiple peril.....				0		0	0.0	
5. Commercial multiple peril.....				0		0	0.0	
6. Mortgage guaranty.....				0		0	0.0	
8. Ocean marine.....				0		0	0.0	
9. Inland marine.....				0		0	0.0	
10. Financial guaranty.....				0		0	0.0	
11.1 Medical professional liability - occurrence.....	2,147,500			2,147,500	2,754,949	6,775,210	(87.9)	
11.2 Medical professional liability - claims-made.....	8,441,663		1,700,000	6,741,663	44,472,373	4,641,535	14.5	
12. Earthquake.....				0		0	0.0	
13. Group accident and health.....				0		0	0.0	
14. Credit accident and health (group and individual).....				0		0	0.0	
15. Other accident and health.....				0		0	0.0	
16. Workers' compensation.....				0		0	0.0	
17.1 Other liability - occurrence.....	20,928			20,928	1,136,796	1,215,851	(7.5)	
17.2 Other liability - claims-made.....	37,261		37,261	0	2,455	2,455	(0.9)	
17.3 Excess workers' compensation.....				0		0	0.0	
18.1 Products liability - occurrence.....				0		0	0.0	
18.2 Products liability - claims-made.....				0		0	0.0	
19.1, 19.2 Private passenger auto liability.....				0		0	0.0	
19.3, 19.4 Commercial auto liability.....				0		0	0.0	
21. Auto physical damage.....				0		0	0.0	
22. Aircraft (all perils).....				0		0	0.0	
23. Fidelity.....				0		0	0.0	
24. Surety.....				0		0	0.0	
26. Burglary and theft.....				0		0	0.0	
27. Boiler and machinery.....				0		0	0.0	
28. Credit.....				0		0	0.0	
29. International.....				0		0	0.0	
30. Warranty.....				0		0	0.0	
31. Reinsurance - nonproportional assumed property.....	XXX			0		0	0.0	
32. Reinsurance - nonproportional assumed liability.....	XXX			0		0	0.0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0		0	0.0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0.0	
35. TOTALS.....	10,647,352	0	1,737,261	8,910,091	48,366,573	54,563,562	7.8	

**DETAILS OF WRITE-INS**

3401. ....				0		0	0.0
3402. ....				0		0	0.0
3403. ....				0		0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....				0				0	
2. Allied lines.....				0				0	
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....				0				0	
5. Commercial multiple peril.....				0				0	
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....				0				0	
9. Inland marine.....				0				0	
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....	1,003,000			1,003,000	1,922,757	170,808		2,754,949	2,483,567
11.2 Medical professional liability - claims-made.....	27,534,040		500,000	27,034,040	26,147,148	8,708,815		44,472,373	25,527,040
12. Earthquake.....				0				0	
13. Group accident and health.....				0				0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				0	
16. Workers' compensation.....				0				0	
17.1 Other liability - occurrence.....	700,756			700,756	436,040			1,136,796	455,094
17.2 Other liability - claims-made.....	4,739		4,739	0	2,455			2,455	332,879
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....				0				0	
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....				0				0	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....				0				0	
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....				0				0	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	29,242,535	0	504,739	28,737,796	28,508,400	8,879,623		48,366,573	28,798,580

**DETAILS OF WRITE-INS**

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

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

## 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.....	4,656,091			4,656,091
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	148,247			148,247
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	4,507,844	0	0	4,507,844
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		2,448,387		2,448,387
2.2 Reinsurance assumed, excluding contingent.....		910		910
2.3 Reinsurance ceded, excluding contingent.....		1,198,948		1,198,948
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	1,250,349	0	1,250,349
3. Allowances to manager and agents.....				0
4. Advertising.....		85,082		85,082
5. Boards, bureaus and associations.....		134,079		134,079
6. Surveys and underwriting reports.....		34,203		34,203
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	1,498,250	4,004,638	79,266	5,582,154
8.2 Payroll taxes.....	89,472	239,147	4,734	333,353
9. Employee relations and welfare.....	333,465	891,310	17,642	1,242,417
10. Insurance.....	82,676	220,982	4,374	308,032
11. Directors' fees.....	54,468	145,587	2,882	202,937
12. Travel and travel items.....	50,696	154,640	3,497	208,833
13. Rent and rent items.....	216,061	577,504	11,431	804,996
14. Equipment.....	14,645	39,145	775	54,565
15. Cost or depreciation of EDP equipment and software.....	291,238	778,442	15,408	1,085,088
16. Printing and stationery.....	9,604	25,670	508	35,782
17. Postage, telephone and telegraph, exchange and express.....	12,373	33,073	655	46,101
18. Legal and auditing.....	20,146	91,162	434,943	546,251
19. Totals (Lines 3 to 18).....	2,673,094	7,454,664	576,115	10,703,873
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		757,043		757,043
20.2 Insurance department licenses and fees.....		33,048		33,048
20.3 Gross guaranty association assessments.....		(79)		(79)
20.4 All other (excluding federal and foreign income and real estate).....		39,874		39,874
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	829,886	0	829,886
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	24,481	503,181	5,836	533,498
25. Total expenses incurred.....	7,205,419	10,038,080	581,951	(a).....17,825,450
26. Less unpaid expenses - current year.....	28,798,581	591,841	113,021	29,503,443
27. Add unpaid expenses - prior year.....	29,089,782	578,737	108,859	29,777,378
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	7,496,620	10,024,976	577,789	18,099,385

## DETAILS OF WRITE-INS

2401. Miscellaneous Expense.....	24,481	503,181	5,836	533,498
2402. ....				0
2403. ....				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	24,481	503,181	5,836	533,498

(a) Includes management fees of \$.....0 to affiliates and \$.....908 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....340,313	.....306,602
1.1 Bonds exempt from U.S. tax.....	(a).....2,257,281	.....2,301,684
1.2 Other bonds (unaffiliated).....	(a).....5,204,957	.....4,946,132
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....725,920	.....729,782
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....16,483	.....16,483
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....8,544,954	.....8,300,683
11. Investment expenses.....	.....	(g).....581,951
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....402,951
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....984,902
17. Net investment income (Line 10 minus Line 16).....	.....	.....7,315,781

**DETAILS OF WRITE-INS**

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

- (a) Includes \$.....579,868 accrual of discount less \$.....783,263 amortization of premium and less \$.....187,832 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....16,481 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....402,951 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(44,596)	.....	.....(44,596)	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....379,580	.....	.....379,580	.....	.....
1.2 Other bonds (unaffiliated).....	.....732,818	.....	.....732,818	.....(235,235)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....301,836	.....80,815	.....382,651	.....2,444,980	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....246	.....	.....246	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....6,078	.....6,078	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....1,369,884	.....86,893	.....1,456,777	.....2,209,745	.....0

**DETAILS OF WRITE-INS**

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

**Medical Mutual Insurance Company of Maine  
EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	58,800	237,366	178,566
21. Furniture and equipment, including health care delivery assets.....	39,385	142,531	103,146
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other than invested assets.....	212,121	151,681	(60,440)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	310,306	531,578	221,272
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	310,306	531,578	221,272

**DETAILS OF WRITE-INS**

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0
2501. OTHER RECEIVABLES.....	84,079	40,498	(43,581)
2502. NON VESTED PENSION BENEFITS.....	128,042	111,183	(16,859)
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	212,121	151,681	(60,440)

**NOTES TO FINANCIAL STATEMENTS****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

The accompanying financial statements of Medical Mutual Insurance Company of Maine (Company) are presented on the basis of accounting practices prescribed or permitted by the Maine Bureau of Insurance.

The State of Maine requires insurance companies domiciled in the state to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual.

There are no differences between Maine prescribed practices and NAIC statutory accounting practices (NAIC SAP) that affect the company.

	State of Domicile	2014	2013
<b>NET INCOME</b>			
(1) Medical Mutual Insurance Company of Maine state basis (Page 4, Line 20, Columns 1 & 2)	ME	12,805,508	18,178,929
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	ME	12,805,508	18,178,929
<b>SURPLUS</b>			
(5) Medical Mutual Insurance Company of Maine state basis (Page 3, line 37, Columns 1 & 2)	ME	151,172,207	146,757,841
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	ME	151,172,207	146,757,841

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities. It also requires estimates in the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenue and expenses during the period. The most significant estimates affecting the Company's financial statements involve the estimation of future indemnity losses and loss adjustment expenses to be incurred by the Company and the level of reserves required to adequately cover the estimate. Actual results could differ from these estimates.

**C. Accounting Policy**

Direct and ceded premiums are earned over the terms of related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest and dividend income, less investment related expense and interest expense on surplus notes. Interest income is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Investment income is reported net of interest expense on surplus notes, which is \$402,951 and \$407,347 for the current and prior years, respectively. Interest expense on surplus notes is recognized to the extent that payment of interest has been approved by the Maine Bureau of Insurance. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed, or otherwise disposed of. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- (1) Investments with maturities of less than one year at the time of acquisition are considered short-term investments and are stated at amortized cost using the interest method. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized cost or fair value. Declines in market values that are determined to be other than temporary are recorded as realized losses. The new cost basis is not changed for subsequent recoveries.
- (3) Common stocks, other than investments in subsidiaries and affiliates, are stated at fair value. Declines in market values that are determined to be other than temporary are recorded as realized losses. The new cost basis is not changed for subsequent recoveries.
- (4) Stated Basis of Preferred Stock  
Not Applicable
- (5) Valuation of Mortgage Loans  
Not Applicable
- (6) Investment grade loan-backed securities are stated at amortized cost. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.

The carrying value and final NAIC designation for non-agency residential mortgage-backed securities are determined using a special two-step NAIC process. Those assigned an NAIC designation in the first step of 1 or 2 are stated at amortized cost and those assigned a 3 through 6 designation are stated at the lower of amortized cost or fair value. The NAIC designation assigned under the second step of the process is reported for these securities in Schedule D and is used in the risk-based capital calculation.

**NOTES TO FINANCIAL STATEMENTS**

- (7) Investments in subsidiaries (all non-insurance) are stated at GAAP equity value.
- (8) Investments in joint ventures and partnerships  
Not Applicable
- (9) Derivatives  
Not Applicable
- (10) The Company anticipates investment income as a factor when evaluating the need for premium deficiency reserves (see Note 30).
- (11) Reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience (adjusted for expected changes in factors potentially affecting future losses), for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes reported reserves are adequate, the ultimate liability may be in excess of, or less than, the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has a written capitalization policy for prepaid expenses and purchases of fixed assets. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) Method to Estimate Pharmaceutical Rebate Receivables  
Not Applicable

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

Not Applicable

**NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL**

Not Applicable

**NOTE 4 – DISCONTINUED OPERATIONS**

Not Applicable

**NOTE 5 – INVESTMENTS****A. Mortgage Loans, including Mezzanine Real Estate Loans**

Not Applicable

**B. Debt Restructuring**

Not Applicable

**C. Reverse Mortgages**

Not Applicable

**D. Loan-Backed Securities**

- (1) Prepayment assumptions for loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.
- (2) The Company did not recognize any other-than-temporary impairments (OTTI) on loan-backed or structured securities during the period.
- (3) The Company did not hold any loan-backed or structured securities with OTTI at the end of the current period.
- (4) The following table summarizes unrealized losses on loan-backed securities and structured securities by the length of time that the securities have continuously been in unrealized loss positions:

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	23,352
		2.	12 Months or Longer	102,590
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than 12 Months	9,692,179
		2.	12 Months or Longer	5,098,962

**NOTES TO FINANCIAL STATEMENTS**

- (5) All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an OTTI should be recognized. For those securities in an unrealized loss position as of the end of the current period, the Company has not made a decision to sell any such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of the end of the current period, the Company can assert that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are supported by a detailed analysis of the underlying credit and cash flows on each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize OTTI in the future on some of the securities held at the end of the current period if future events, information and the passage of time cause it to conclude that declines in value are other than temporary.

## E. Repurchase Agreements and/or Securities Lending Transactions

Not Applicable

## F. Real Estate

Not Applicable

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

Not Applicable

## H. Other Disclosures and Unusual Items

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross Restricted							8 Total Current Period Admitted Restricted	Percentage	
	Current Period					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Restricted Assets (a)	3 Total Protected Cell Restricted Assets	4 Protected Cell Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
a. Subject to contractual obligation for which liability is not shown								0.000	0.000	
b. Collateral held under security lending arrangements								0.000	0.000	
c. Subject to repurchase agreements								0.000	0.000	
d. Subject to reverse repurchase agreements								0.000	0.000	
e. Subject to dollar repurchase agreements								0.000	0.000	
f. Subject to dollar reverse repurchase agreements								0.000	0.000	
g. Placed under option contracts								0.000	0.000	
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock								0.000	0.000	
i. FHLB capital stock								0.000	0.000	
j. On deposit with state	208,311				208,311	207,174	1,137	208,311	0.079	0.079
k. On deposit with other regulatory bodies								0.000	0.000	
l. Pledged as collateral to FHLB (including assets backing funding agreements)								0.000	0.000	
m. Pledged as collateral not captured in other categories								0.000	0.000	
n. Other restricted assets								0.000	0.000	
o. Total Restricted Assets	208,311				208,311	207,174	1,137	208,311	0.079	0.079

(a) Subset of column 1

(b) Subset of column 3

**NOTES TO FINANCIAL STATEMENTS**

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

	Gross Restricted						8	Percentage		
	Current Year					6		7	9	10
	1	2	3	4	5					
Other Restricted Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
0									0.000	0.000
Total									0.000	0.000

(a) Subset of column 1

(b) Subset of column 3

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

	Gross Restricted						8	Percentage		
	Current Year					6		7	9	10
	1	2	3	4	5					
Collateral Agreement	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
0									0.000	0.000
Total									0.000	0.000

(a) Subset of column 1

(b) Subset of column 3

## I. Working Capital Finance Investments

Not Applicable

## J. Offsetting and Netting of Assets and Liabilities

Not Applicable

## K. Structured Notes

Not Applicable

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

## A. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

## B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs

Not Applicable

**NOTE 7 – INVESTMENT INCOME**

## A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans).

## B. Amounts Nonadmitted

Not Applicable

**NOTE 8 – DERIVATIVE INSTRUMENTS**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****NOTE 9 – INCOME TAXES****A. Deferred Tax Assets/(Liabilities)****(1) Components of Net Deferred Tax Asset/(Liability)**

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	4,285,158	450,023	4,735,181	4,418,738	456,511	4,875,249	(133,580)	(6,488)	(140,068)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	4,285,158	450,023	4,735,181	4,418,738	456,511	4,875,249	(133,580)	(6,488)	(140,068)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	4,285,158	450,023	4,735,181	4,418,738	456,511	4,875,249	(133,580)	(6,488)	(140,068)
f. Deferred tax liabilities	298,828	5,389,825	5,688,653	328,667	4,661,036	4,989,703	(29,839)	728,789	698,950
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	3,986,330	(4,939,802)	(953,472)	4,090,071	(4,204,525)	(114,454)	(103,741)	(735,277)	(839,018)

**(2) Admission Calculation Components**

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	2,464,187	463,094	2,927,281	3,099,021		3,099,021	(634,834)	463,094	(171,740)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	200,935		200,935	51,270		51,270	149,665		149,665
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	200,935		200,935	51,270		51,270	149,665		149,665
Adjusted gross deferred tax assets allowed per limitation threshold			22,646,867			21,975,622			671,245
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	1,620,036	(13,071)	1,606,965	1,268,447	456,511	1,724,958	351,589	(469,582)	(117,993)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)	4,285,158	450,023	4,735,181	4,418,738	456,511	4,875,249	(133,580)	(6,488)	(140,068)

**(3) Other Admissibility Criteria**

	2014	2013
a. Ratio percentage used to determine recovery period and threshold limitation amount	1,913.000	1,731.000
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	150,979,110	146,504,144

**(4) Impact of Tax Planning Strategies****(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.**

	12/31/14		12/31/13		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	4,285,158	450,023	4,418,738	456,511	(133,580)	(6,488)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000	100.000	0.000	100.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	4,285,158	450,023	4,418,738	456,511	(133,580)	(6,488)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000	100.000	0.000	100.000	0.000	0.000

**(b) Does the company's tax planning strategies include the use of reinsurance? No****B. Deferred Tax Liabilities Not Recognized**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Current and Deferred Income Taxes

## (1) Current Income Tax

	1	2	3
	2014	2013	(Col 1-2) Change
a. Federal	5,048,718	6,574,358	(1,525,640)
b. Foreign			
c. Subtotal	5,048,718	6,574,358	(1,525,640)
d. Federal income tax on net capital gains	577,749	669,030	(91,281)
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	5,626,467	7,243,388	(1,616,921)

## (2) Deferred Tax Assets

	1	2	3
	2014	2013	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	1,470,247	1,687,940	(217,693)
2. Unearned premium reserve	1,327,529	1,358,918	(31,389)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual	1,252,049	1,246,903	5,146
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)	235,333	124,977	110,356
99. Subtotal	4,285,158	4,418,738	(133,580)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	4,285,158	4,418,738	(133,580)
e. Capital:			
1. Investments	450,023	456,511	(6,488)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal	450,023	456,511	(6,488)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	450,023	456,511	(6,488)
i. Admitted deferred tax assets (2d+2h)	4,735,181	4,875,249	(140,068)

## (3) Deferred Tax Liabilities

	1	2	3
	2014	2013	(Col 1-2) Change
a. Ordinary:			
1. Investments	271,679	208,530	63,149
2. Fixed assets	27,149	120,137	(92,988)
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)			
99. Subtotal	298,828	328,667	(29,839)
b. Capital:			
1. Investments	5,389,825	4,661,036	728,789
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal	5,389,825	4,661,036	728,789
c. Deferred tax liabilities (3a99+3b99)	5,688,653	4,989,703	698,950

(4) Net Deferred Tax Assets (2i - 3c) (953,472) (114,454) (839,018)

**NOTES TO FINANCIAL STATEMENTS****D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

Among the more significant book to tax adjustments were the following:

	2014	
	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	6,264,804	34.0
Proration of tax exempt investment income	115,983	0.6
Tax exempt income deduction	(630,788)	(3.4)
Dividends received deduction	(142,431)	(0.8)
Disallowed travel and entertainment	5,699	0.0
Other permanent differences	7,246	0.0
<b>Temporary Differences:</b>		
Total ordinary DTAs		
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs	(37,394)	(0.2)
<b>Other:</b>		
Statutory valuation allowance adjustment		
Accrual adjustment – prior year	(7,261)	0.0
Other	100,919	0.6
Totals	5,751,565	31.2
Federal and foreign income taxes incurred	5,048,718	27.4
Realized capital gains (losses) tax	577,749	3.1
Change in net deferred income taxes	125,098	0.7
Total statutory income taxes	5,751,565	31.2

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

At December 31, 2014, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2014 and 2013 that is available for recoupment in the event of future net losses:

Year	Amount
2014	5,633,728
2013	7,257,357

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

**F. Consolidated Federal Income Tax Return**

- The Company's federal income tax return is consolidated with the following entities:  
Specialty Insurance Placement Services, LLC
- The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled periodically.

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

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

**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES****A. Nature of Relationships**

The Company owns 100% of its noninsurance subsidiary, MMIC Services Company, LLC. MMIC Services Company, LLC owns 100% of its subsidiary, Specialty Insurance Placement Services, LLC.

The Company sponsored the creation of a risk retention group named BeaconHarbor Mutual Risk Retention Group ("BeaconHarbor") and received a surplus note from BeaconHarbor for a maximum amount of \$5,000,000, to be funded as needed. The Company initially capitalized BeaconHarbor for \$1,000,000 during 2012.

**B. Detail of Transactions Greater than ½% of Admitted Assets**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****C. Changes in Terms of Intercompany Arrangements**

The Company entered into a reinsurance contract with its affiliate, BeaconHarbor, and agreed to provide certain management and administration services to BeaconHarbor.

**D. Amounts Due to or from Related Parties**

The Company reported the following as amounts due from its subsidiaries in the current and prior year:

<b>Related Parties</b>	<b>2014</b>	<b>2013</b>
MMIC Services Company, LLC	660	660
Specialty Insurance Placement Services, LLC	17,481	24,715
BeaconHarbor Mutual Risk Retention Group	51,136	50,000
Total	69,277	75,375

MMIC Services Company, LLC and BeaconHarbor Mutual Risk Retention Group have no written settlement agreement. Specialty Insurance Placement Services, LLC is subject to a written agreement requiring intercompany balances at year end to be settled within 60 days.

**E. Guarantees on Contingencies for Related Companies**

The Company issued a surplus note to its sponsored RRG, BeaconHarbor, which is funded based on the operating needs of BeaconHarbor. Also see Note 14A.

**F. Management Service Contracts, Cost Sharing Arrangements**

The Company provides certain management services to subsidiary and affiliated companies under management agreements entered into with each Company.

**G. Nature of Relationships that Could Affect Operations**

The Company owns 100% of all subsidiary companies. The Company reinsures its sponsored RRG, BeaconHarbor, and is obligated to fund surplus for BeaconHarbor, up to a maximum amount of \$5,000,000. The Company initially capitalized BeaconHarbor for \$1,000,000 during 2012.

**H. Amount Deducted for Investment in Upstream Company**

Not Applicable

**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

Not Applicable

**J. Write down for Impairments of Investments in Affiliates**

The Company did not recognize any impairment for its investment in its subsidiaries during the statement period.

**K. Investment in Foreign Insurance Subsidiaries Valued using CARNM**

Not Applicable

**L. Investment in Downstream Noninsurance Holding Company Valued Using Look-Through Method**

Not Applicable

**NOTE 11 – DEBT****A. On March 1, 2006, the Company issued a surplus note in the amount of \$10,000,000. On December 12, 2014, the Company paid off the \$10,000,000 surplus note. See Note 13K for details.**

The Company maintains an unsecured \$2,000,000 line of credit with a local bank. There was no outstanding balance on the line of credit at the end of the current year. Interest on any outstanding balance is charged at Prime. The effective interest rate is equivalent to the stated rate. There was interest expense of \$1,313 incurred relative to the line of credit during the current year. The Company is required to carry a zero balance on the line of credit for 30 days within each year.

**B. Funding Agreements with Federal Home Loan Banks (FHLB)**

Not Applicable

**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS****A. Defined Benefit Plan**

Not Applicable

**B.-D. Investment Policies, Fair Value of Plan Assets and Rate of Return Assumptions**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****E. Defined Contribution Plans**

The Company sponsors a 401(k) plan covering substantially all employees of the Company and affiliated companies. See Note 12G for further information.

**F. Multiemployer Plans**

Not Applicable

**G. Consolidated/Holding Company Plans**

The Company sponsors a 401(k) plan covering substantially all employees of the Company and affiliated companies. The plan has two components, employee funding and employer discretionary contributions. The employer discretionary portion is 100% funded by the Company at 9% of the first \$15,000 salary and 13.3% for salary in excess of \$15,000, up to maximum allowable earnings prescribed under Federal regulations. Contributions are made to the plan quarterly. In 2014 and 2013, the Company expensed \$584,121 and \$516,805, respectively, for required funding. The Company has no legal obligation to pay benefits under the employer discretionary part of the plan.

The Company sponsors a non-qualified supplemental pension plan for employees who have earnings in excess of federally allowed limits for contributions to the defined contribution plan. Participants in the plan are general creditors of the Company. The Company pays participants interest at a rate tracking mutual fund returns as selected by the participants, or at Prime rate as published in the Wall Street Journal on the first business day of the calendar year, based on participants' written elections. Contributions are made quarterly, and are computed at the same rate applicable to the employer discretionary part of the plan. In 2014 and 2013, the Company expensed \$10,208 and \$67,331, respectively, to fund the plan.

The Company sponsors a non-qualified deferred compensation plan for employees and directors. The plan allows participants to defer receipt of compensation until a future date. Participants in the plan are general creditors of the Company. The Company pays participants interest at a rate tracking mutual fund returns as selected by the participants, or at Prime rate as published in the Wall Street Journal on the first business day of the calendar year, based on participants' written elections. In 2014 and 2013, the Company credited interest to participants totaling \$94,930 and \$98,909, respectively.

**H. Postemployment Benefits and Compensated Absences**

The Company has no obligations to current or former employees for benefits after termination of their employment, but before their retirement, other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued.

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

The Company has no obligations to former employees for benefits after their retirement.

**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS****(1) Outstanding Shares**

Not Applicable

**(2) Dividend Rate of Preferred Stock**

Not Applicable

**(3) Dividend Restrictions**

There are no restrictions for dividends paid or credited to policy holders.

**(4) Dates and Amounts of Dividends Paid**

Dividends are paid to policyholders as declared by the Company's Board of Directors. Dividends of \$5,012,261 and \$3,467,551 were declared in 2014 and 2013, respectively.

**(5) Amount of Ordinary Dividends That May Be Paid to Stockholders**

Not Applicable

**(6) Restrictions on Unassigned Funds**

There are no restrictions on the unassigned funds of the Company other than those described in paragraphs (3) and (5) and these unassigned funds are held for the benefit of the policyholders.

**(7) Mutual Surplus Advances**

Not Applicable

**(8) Company Stock Held for Special Purposes**

Not Applicable

**(9) Changes in Special Surplus Funds**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## (10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is \$15,962,408.

## (11) Surplus Notes

Date Issued	Interest Rate**	Par Value (Face Amount of Notes)	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity***
03/01/2006	4.000			10,402,951	15,995,341		03/15/2036
Total	XXX		*	10,402,951	15,995,341		XXX

\* Total should agree with Page 3, Line 33.

\*\* The rate at which interest accrues was fixed at 8.82% for the first five years, and then is variable based on the 3 Month LIBOR rate, plus 3.75%.

\*\*\* The term of the note is 30 years, with a final maturity date of March 15, 2036. After an initial five year term, the Company may elect to redeem any principal amount, in multiples of \$1,000, on each interest payment due date. Redemption of the note will be at par, plus accrued unpaid interest.

A surplus note in the amount of \$10,000,000 was issued March 1, 2006 in exchange for cash, net of issuance costs of \$302,000. The note was underwritten by First Tennessee Bank, N.A., and is administered by Wilmington Trust Company as trustee.

Each payment of principal and interest may be made only with the prior approval of the Maine Bureau of Insurance and only to the extent the Company has sufficient policyholders' surplus to make such payment. In the event of a liquidation proceeding, policy claims and all amounts due on senior indebtedness shall first be paid in full before any payment is made on account of the surplus note. The payment of principal and interest on the note is subordinate in right of payment to the prior payment in full of all policy claims and senior indebtedness of the Company. The payments are not subordinate to the claims of any other holder of a surplus note. The Company paid off the \$10,000,000 surplus note on December 12, 2014.

## (12) Impact of Quasi-reorganizations

Not Applicable

## (13) Dates of Quasi-reorganizations

Not Applicable

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

## A. Contingent Commitments

## (1) Capital commitments

The Company received a surplus note from its sponsored RRG, BeaconHarbor, which is to be funded based on the operating needs of BeaconHarbor, up to a maximum amount of \$5,000,000. The Company initially capitalized BeaconHarbor for \$1,000,000 during 2012 and funded them with \$50,000 operating cash. As of the end of the current year, the Company had a contingent commitment balance of \$4,950,000.

## (2) Detail of other contingent commitments

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee, (Including Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R)	Ultimate Financial Statement Impact if Action under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted	Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted
		None		
Total		XXX		XXX

## (3) Summary of detail in 14.A.2:

a.	Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal the total of column 4 for (2) above.)	<b>None</b>
b.	Current liability recognized in F/S	<b>None</b>
1.	Noncontingent liabilities	
2.	Contingent liabilities	
c.	Ultimate financial statement impact if action under the guarantee is required	<b>None</b>
1.	Investments in SCA	
2.	Joint Venture	
3.	Dividends to stockholders (capital contribution)	
4.	Expense	
5.	Other	
6.	Total (should equal (3)a)	

**NOTES TO FINANCIAL STATEMENTS****B. Assessments****(1) Liability and related asset**

The Company is subject to guaranty fund and other assessments by the states in which it writes business (Maine, Massachusetts, New Hampshire, and Vermont). The Company has not accrued a liability for guaranty fund assessments since the assessments/benefits are paid/received concurrent with notice by the states. Guaranty fund assessments are accrued by the states at the time of insolvencies. The Company recorded a benefit of \$79 and \$5,876 for guaranty fund assessments in 2014 and 2013, respectively.

The Company has no significant liability for other assessments.

**(2) Rollforward of related asset**

Not Applicable

**C. Gain Contingencies**

Not Applicable

**D. Extra Contractual Obligation and Bad Faith Losses**

Not Applicable

**E. Product Warranties**

Not Applicable

**F. Joint and Several Liabilities**

Not Applicable

**G. All Other Contingencies**

At the end of the current and prior year, the Company had admitted assets of \$14,274,598 and \$14,558,697, respectively, in premiums receivable due from policyholders. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of the end of the current year are not expected to exceed the non-admitted amount of \$0 and, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

Lawsuits against the Company can arise in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no contingent liability under certain structured settlement agreements (see Note 27A).

**NOTE 15 – LEASES****A. Lessee Operating Lease**

- (1) The Company signed a new lease effective July 1, 2013 for office space under a non-cancelable operating lease ending on December 31, 2025. Rental expense for of 2014 and 2013 was 681,561 and \$772,137, respectively.

As an incentive to sign the lease, the landlord reduced the rental rates and square footage rented prior to the expiration of the existing lease. The savings in rent expense was deferred beginning July 1, 2013, and will be amortized over the remaining lease term. There is \$646,697 and \$98,841 deferred rental savings included on the Company's balance sheet at the end of the current and prior year, respectively.

**(2)**

At January 1, 2015 the minimum aggregate rental commitments are as follows:		
a		
	Year Ending December 31	Operating Leases
1.	2015	333,123
2.	2016	333,123
3.	2017	333,123
4.	2018	333,123
5.	2019	333,123
6.	Total	3,664,353

- (3) The Company has not entered into any sale and leaseback arrangements.

**B. Lessor Leasing Arrangements**

Not Applicable

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

Not Applicable

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

- A. Transfers of Receivables Reported as Sales  
Not Applicable
- B. Transfer and Servicing of Financial Assets  
Not Applicable
- C. Wash Sales  
Not Applicable

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

Not Applicable

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

Not Applicable

**NOTE 20 – FAIR VALUE MEASUREMENTS**

- A. Inputs Used for Assets and Liabilities Measured at Fair Value

- (1) Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 – Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks. The estimated fair value of the equity securities and derivatives within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 – Significant Other Observable Inputs: The Company has no assets or liabilities measured at fair value in this category.

Level 3 – Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Common Stocks - Industrial and miscellaneous	37,574,318			37,574,318
Common Stocks - Mutual funds	1,707,650			1,707,650
Total	39,281,968			39,281,968

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

- (2) Rollforward for Level 3 Items

The Company has no assets or liabilities measured at fair value in the level 3 category so the following table does not apply.

	Beginning Balance at 1/1/2014	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
a. Assets										
Total										

	Beginning Balance at 1/1/2014	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2014
b. Liabilities										
Total										

- (3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

- (4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 or Level 3 categories.

**NOTES TO FINANCIAL STATEMENTS**

(5) Derivative Fair Value  
Not Applicable

B. Other Fair Value Disclosures  
Not Applicable

C. Fair Value for All Financial Instruments by Levels 1, 2 and 3

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	189,888,182	178,829,893	164,535,339	25,352,843		
Common stocks	39,281,968	39,281,968	39,281,968			
Cash, cash equivalents, and short term investments	27,252,667	27,252,667	27,252,667			
Total	256,422,817	245,364,528	231,069,974	25,352,843		

D. Not Practicable to Estimate Fair Value  
Not Applicable

**NOTE 21 – OTHER ITEMS**

A. Extraordinary Items  
Not Applicable

B. Troubled Debt Restructuring Debtors  
Not Applicable

C. Other Disclosures  
Not Applicable

D. Business Interruption Insurance Recoveries  
Not Applicable

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

F. Subprime Mortgage Related Risk Exposure

(1) Subprime Mortgage Exposures

The Company invests in several asset classes that could be adversely impacted by subprime mortgage exposure including mortgage-backed securities and equity investments in financial institutions. In addition, all investment classes are impacted by market exposure to adverse news in the economy. Conservative investment guidelines limit the Company's exposure to such losses.

The Company identifies non-agency mortgage and asset-backed securities as "subprime" if the underlying collateral consists of residential mortgage or home-equity loans with an average credit score of 660 or lower at the time of origination. Securitized products, such as CDO's (Collateralized Debt Obligations), where a significant fraction of the collateral consists of "subprime" ABS, CMOs or other "subprime" CDOs, would also be considered "subprime."

Subprime risk is measured in terms of both potential mark-to-market losses as well as principal writedowns, with current "exposure" being best defined as the total face amount outstanding on mortgage-backed issues deemed to be "subprime" using the definition above.

Top-down risk management strategies include strict limits in dollar and/or percentage terms on the total amount invested in any single issue, limits on the aggregate amount invested in the "subprime" sector and monitoring of the total interest-rate and credit spread-exposure to the "subprime" sector. Bottom-up surveillance includes monitoring of collateral performance, stress testing of the safety of principal and establishing pricing levels based on primary and secondary market activity in identical or similar bonds. Should either effort reveal sector or issue-level concerns, the investment manager's credit committee will investigate the situation and decide whether to reduce the exposure.

This reduction may be accomplished either through selling the security or by hedging the economic risk using credit derivatives or other instruments, if such prerogative exist under the then current investment guidelines governing the portfolio.

Changes in asset values are adjusted and reflected on the Company's income statement to the extent such changes reflect other-than-temporary declines in market value, or if there is intent to sell such securities at a loss either to meet cash needs or to restructure the investment portfolio.

(2) Direct Exposure - Mortgage Loans  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## (3) Direct Exposure - Other Investment Classes

The Company invests in several other asset classes that could have subprime mortgage exposure including:

- Residential mortgage-backed securities
- Structured loan-backed securities
- Debt obligations and equity securities of financial institutions participating in subprime lending practices
- Equity and debt investments in companies affiliated with institutions adversely impacted due to participation in holdings of subprime investments

The Company has reviewed its investments in debt obligations to determine that they are investment grade quality, are current for interest payments due, and, in the case of mortgage-backed securities, that such investments are in tranches that have minimal default risk. Default risk on bonds appears to be minimal at present; however, the credit crisis could worsen in the future, negatively impacting the status of obligations held. An estimate of potential future losses has been provided in the financial statements. In the case of equity securities, market values that are less than the cost of securities have been deducted from surplus to the extent such differences do not reflect other-than-temporary declines in market value.

There is no subprime residential mortgage exposure as of the end of the current year.

## (4) Underwriting Exposure

Not Applicable

**NOTE 22 – EVENTS SUBSEQUENT**

Subsequent events have been considered through February 26, 2015, the date of issuance of these statutory financial statements. There were no events occurring subsequent to the end of the current year that merited disclosure in these statements.

The Company is not subject to an annual ACA assessment under section 9010 of the Affordable Care Act since it does not write health insurance.

**NOTE 23 – REINSURANCE**

## A. Unsecured Reinsurance Recoverables

The Company does not have any unsecured aggregate reinsurance recoverables for paid and unpaid losses, loss adjustment expenses and unearned premiums for individual reinsurers, authorized or unauthorized, that exceed 3% of policyholders' surplus

## B. Reinsurance Recoverable in Dispute

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Notification	Arbitration	Litigation
		<b>None</b>		

## C. Reinsurance Assumed and Ceded

(1) The following table summarizes assumed and ceded unearned premiums and the related commission equity at the end of the current year:

		Assumed Reinsurance				Ceded Reinsurance	Net
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	1,729				1,729	
b.	All Other			5,709,589		(5,709,589)	
c.	Total	1,729		5,709,589		(5,707,860)	
d.	Direct Unearned Premium Reserves			24,878,834			

(2) The Company does not have any reinsurance contracts that provide for additional or return commissions based on the actual loss experience of the reinsurance contracts.

(3) The Company does not use protected cells as an alternative to traditional reinsurance.

## D. Uncollectible Reinsurance

Not Applicable

## E. Commutation of Ceded Reinsurance

Not Applicable

## F. Retroactive Reinsurance

Not Applicable

## G. Reinsurance Accounted for as a Deposit

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## H. Run-off Agreements

Not Applicable

## I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

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

Not Applicable

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES (000's omitted)**

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current year losses and LAE reflected on the Statement of Income \$9,918 were lower by \$17,132 due to favorable development of prior year estimates. This favorable development was approximately 20.5% of the prior year reserves for unpaid losses and LAE reflected on the Balance Sheet of \$83,653.

The first two columns in the table below reflect by line of business the expense on the Statement of Income and what that expense would have been without prior year development (from Schedule P – Part 1). The third column is the difference between the first two columns and reflects the favorable development of \$17,131. The decrease was primarily due to improved experience in the 2008 through 2013 report years. Increases or decreases of this nature occur as a result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves.

The last two columns reconcile the redundancy shown in the third column to the information shown in Schedule P – Part 2, which includes losses and the defense and cost containment (DCC) portion of LAE, but excludes the adjusting and other (AO) portion of LAE.

(000's omitted)	Current Calendar Year Losses and LAE Incurred	Current Loss Year Losses and LAE Incurred Schedule P - Part 1	Total Shortage (Redundancy)	Loss and DCC Shortage (Redundancy) Schedule P - Part 2	Impact of AO on Total Shortage (Redundancy)
Schedule P Lines of Business					
MPL - Occurrence	(4,625)	1,269	(5,894)	(2,497)	(3,397)
MPL - Claims Made	13,830	24,516	(10,686)	(12,725)	2,039
Other Liability - Occurrence	128	609	(481)	(415)	(66)
Other Liability - Claims Made	585	656	(71)	(270)	199
Total	9,918	27,050	(17,132)	(15,907)	(1,225)

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

Not Applicable

**NOTE 27 – STRUCTURED SETTLEMENTS**

## A. Reserves Released Due to Purchase of Annuities

The Company purchased annuities from life insurers under which the claimants are payees (see Note 14E). The Company has no contingent liability should the issuers of these annuities fail to perform under the terms of the annuities.

## B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not Applicable

**NOTE 28 – HEALTH CARE RECEIVABLES**

Not Applicable

**NOTE 29 – PARTICIPATING POLICIES**

Not Applicable

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

The Company is not required to record a premium deficiency reserve at the end to the current year. The most recent evaluation utilized anticipated investment income and was completed January 20, 2015.

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 31 – HIGH DEDUCTIBLES**

At the end of the current year, the amount of reserve credit for high deductibles on unpaid losses and defense and containment expenses was \$2,700,165. The amount billed and recoverable at the end of the current year totaled \$240,278. None of the recoverable was nonadmitted since all balances were current.

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

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

### **NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

The Company is not exposed to asbestos and/or environmental claims.

### **NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

Not Applicable

### **NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

Not Applicable

### **NOTE 36 – FINANCIAL GUARANTY INSURANCE**

Not Applicable

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes  No   
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State regulating? 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
- 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 that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011
- 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). 03/22/2013
- 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Co. Code | 3<br>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
- 6.2 If yes, give full information:
- 
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control .....%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes  No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes  No
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
BAKER NEWMAN & NOYES, LLC 280 FORE STREET PORTLAND, ME 04101
- 
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes  No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes  No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

# Medical Mutual Insurance Company of Maine GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES - GENERAL

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  N/A
- 10.6 If the answer 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?  
 CHAD C. KARLS, PRINCIPAL & CONSULTING ACTUARY MILLIMAN, INC. BROOKFIELD, WI

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 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

- 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  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

- 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

- 14.3 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

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

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

## 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  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  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  No

## PART 1 - COMMON INTERROGATORIES - 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

- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....0
  - 20.12 To stockholders not officers \$.....0
  - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0

- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....0
  - 20.22 To stockholders not officers \$.....0
  - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0

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

- 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 .....

**PART 1 - COMMON INTERROGATORIES - FINANCIAL**

- 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. \$.....0

**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 [X] No [ ]
- 24.02 If no, give full and complete information relating thereto.

- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).  
The Company does not participate in securities lending programs

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [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 securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]
- 24.08 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 reinvested 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 \$.....0
- 25.22 Subject to reverse repurchase agreements \$.....0
- 25.23 Subject to dollar repurchase agreements \$.....0
- 25.24 Subject to reverse dollar repurchase agreements \$.....0
- 25.25 Placed under option agreements \$.....0
- 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$.....0
- 25.27 FHLB Capital Stock \$.....0
- 25.28 On deposit with states \$.....208,311
- 25.29 On deposit with other regulatory bodies \$.....0
- 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$.....0
- 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$.....0
- 25.32 Other \$.....0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 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 [ ]  
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
Brown Brothers Harriman & Co.	140 Broadway New York, NY 10005-11001

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)

- 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, brokers/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
104487	Brown Brothers Harriman & Co.	140 Broadway New York, NY 10005-11001

- 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 [ ]

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
316071 10 9	Fidelity Contrafund	514,117
316389 40 9	Fidelity Dividend Growth	1,206
316464 10 6	Fidelity Value Fund	64,631
29.2999. TOTAL		579,954

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation
Fidelity Contrafund	Berkshire Hathaway, Inc. Class A	25,706	12/31/2014
Fidelity Contrafund	Wells Fargo & Co.	17,994	12/31/2014
Fidelity Contrafund	Apple, Inc.	17,480	12/31/2014
Fidelity Contrafund	Facebook, Inc. Class A	16,966	12/31/2014
Fidelity Contrafund	Google, Inc. Class A	14,395	12/31/2014
Fidelity Dividend Growth	Apple, Inc.	49	12/31/2014
Fidelity Dividend Growth	Microsoft Corp.	34	12/31/2014
Fidelity Dividend Growth	Johnson & Johnson	29	12/31/2014
Fidelity Dividend Growth	Wells Fargo & Co.	29	12/31/2014
Fidelity Dividend Growth	JP Morgan Chase & Co.	28	12/31/2014
Fidelity Value Fund	Sempra Energy	1,099	12/31/2014
Fidelity Value Fund	Edison International	1,034	12/31/2014
Fidelity Value Fund	PPL Corp.	969	12/31/2014
Fidelity Value Fund	NiSource, Inc.	905	12/31/2014
Fidelity Value Fund	Berkshire Hathaway, Inc. Class B	840	12/31/2014

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	193,628,026	204,686,315	11,058,289
30.2 Preferred stocks.....			0
30.3 Totals.....	193,628,026	204,686,315	11,058,289

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

SVO prices were used to determine the fair value for bonds if the prices were available. For those bonds that didn't have SVO prices, fair values were obtained from the broker, Brown Brothers Harriman & Co.

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:

**PART 1 - COMMON INTERROGATORIES - OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....133,241

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	2
Name	Amount Paid
Insurance Services Office, Inc.	77,851
PIAA	35,290

34.1 Amount of payments for legal expenses, if any? \$.....31,304

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	2
Name	Amount Paid
Verrill & Dana, LLP	9,980
Pierce Atwood, LLP	12,167

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....21,312

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	2
Name	Amount Paid
Charles C. Soltan, LLC	16,533



**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$.....0
- 1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....
- 1.31 Reason for excluding: .....

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0

- 1.6 Individual policies:
  - Most current three years:
    - 1.61 Total premium earned .....
    - 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.....	\$.....34,578,671	.....35,365,744
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	.....	.....
2.5 Reserve Denominator.....	\$.....96,336,128	.....103,429,249
2.6 Reserve Ratio (2.4/2.5).....	.....0.0	.....0.0

  - 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 EXCHANGES ONLY:
  - 4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]
  - 4.2 Does the reporting entity issue non-assessable policies? Yes [X] No [ ]
  - 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%
  - 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$.....0

- 5. FOR RECIPROCAL EXCHANGES ONLY:
  - 5.1 Does the exchange appoint local agents? Yes [ ] No [ ]
  - 5.2 If yes, is the commission paid:
    - 5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]
    - 5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]
  - 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact? .....

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

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? .....

Not Applicable - The Company does not issue workers' compensation policies.

- 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: .....

Maximum loss exposure per claim is limited by loss retention limitations and Clash coverage. Medical Professional Liability coverage in ME, MA, NH and VT comprise the most significant risk of loss. Ultimate losses are estimated in cooperation with the Company's actuary, Milliman, Inc.

- 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? .....

Losses in excess of contractually established retention limits are reinsured and Clash coverage limits potential losses on related claims.

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss: .....

The Company writes only Medical Professional Liability policies with related coverage. Catastrophe insurance is not applicable to this line of business.

- 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 [ ]

## GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]
- 8.2 If yes, give full information:
- 
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]
- 11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]
- 11.2 If yes, give full information:
- 
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.1 Unpaid losses \$.....0
- 12.1 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$.....0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.4 From .....%
- 12.4 To .....%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No [ ]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.6 Letters of credit \$.....250,000
- 12.6 Collateral and other funds \$.....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....750,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....13

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]  
 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

---

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]  
 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:  
 \_\_\_\_\_  
 \_\_\_\_\_

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

---

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

	1 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]  
 Incurred 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 account? 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 2014	2 2013	3 2012	4 2011	5 2010
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	42,534,668	42,041,033	44,763,909	45,947,911	50,127,005
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	42,534,668	42,041,033	44,763,909	45,947,911	50,127,005
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	33,973,741	33,882,033	35,551,031	36,242,329	39,022,478
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	33,973,741	33,882,033	35,551,031	36,242,329	39,022,478
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	14,621,203	19,820,867	5,787,584	11,058,674	62,604
14. Net investment gain (loss) (Line 11).....	8,194,810	8,359,102	10,665,183	7,997,698	7,369,275
15. Total other income (Line 15).....	46,675	40,869	54,991	56,865	68,706
16. Dividends to policyholders (Line 17).....	5,008,462	3,467,551	3,584,840	1,298,890	1,811,579
17. Federal and foreign income taxes incurred (Line 19).....	5,048,718	6,574,358	3,031,446	4,688,136	950,790
18. Net income (Line 20).....	12,805,508	18,178,929	9,891,472	13,126,211	4,738,216
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	264,165,068	265,875,437	257,406,399	244,677,125	236,067,240
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	207,989	178,342	144,071	3,676	130,851
20.2 Deferred and not yet due (Line 15.2).....	14,066,610	14,380,355	14,866,609	15,221,832	15,811,615
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	112,992,861	119,117,596	132,767,685	134,344,469	138,367,418
22. Losses (Page 3, Line 1).....	48,366,573	54,563,562	62,900,883	66,095,911	78,161,390
23. Loss adjustment expenses (Page 3, Line 3).....	28,798,580	29,089,782	35,703,456	32,874,947	24,130,466
24. Unearned premiums (Page 3, Line 9).....	19,170,975	19,775,905	21,259,616	21,580,691	25,606,484
25. Capital paid up (Page 3, Lines 30 & 31).....					
26. Surplus as regards policyholders (Page 3, Line 37).....	151,172,207	146,757,841	124,638,714	110,332,656	97,699,822
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	4,491,559	3,540,341	4,101,267	7,769,080	8,138,909
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	151,172,207	146,757,841	124,638,714	110,332,656	97,699,822
29. Authorized control level risk-based capital.....	7,901,319	8,480,025	9,439,233	9,357,067	9,418,767
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	72.9	76.4	81.4	86.7	85.7
31. Stocks (Lines 2.1 & 2.2).....	16.0	14.7	13.0	11.9	11.0
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	11.1	8.9	5.5	1.5	3.2
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	0.0				
38. Receivable for securities (Line 9).....	0.0	0.0	0.0	0.0	0.1
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....	1,000	1,000	1,000	1,000	1,000
48. Total of above lines 42 to 47.....	1,000	1,000	1,000	1,000	1,000
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0	0.0	0.0	0.0	0.0

**Medical Mutual Insurance Company of Maine**  
**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1	2	3	4	5
	2014	2013	2012	2011	2010
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	2,209,745	6,981,012	3,638,194	(444,996)	2,632,775
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	4,414,366	22,119,127	14,306,058	12,632,834	7,540,968
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	10,647,352	13,005,957	12,814,942	17,875,111	21,408,835
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	10,647,352	13,005,957	12,814,942	17,875,111	21,408,835
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	8,910,091	11,380,957	11,040,084	14,150,111	15,085,304
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	8,910,091	11,380,957	11,040,084	14,150,111	15,085,304
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	7.8	8.6	21.9	5.2	52.5
68. Loss expenses incurred (Line 3).....	20.8	6.3	33.8	42.7	20.8
69. Other underwriting expenses incurred (Line 4).....	29.0	29.1	28.2	24.7	26.5
70. Net underwriting gain (loss) (Line 8).....	42.3	56.0	16.1	27.5	0.2
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	29.4	30.2	28.3	27.3	26.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	28.7	14.9	55.6	47.9	73.3
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	22.5	23.1	28.5	32.8	39.9
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(15,907)	(20,851)	(11,062)	(19,168)	(8,504)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(10.8)	(16.7)	(10.0)	(19.6)	(9.4)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(32,482)	(26,637)	(27,949)	(23,391)	(12,646)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(26.1)	(24.1)	(28.6)	(25.9)	(15.9)

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

Yes [ ] No [ ]

If no, please explain:

---

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	XXX.....	XXX.....	XXX.....			7		2			9	XXX.....	
2. 2005.....	54,075	13,397	40,678	20,733	5,979	5,790	487	2,395			22,452	XXX.....	
3. 2006.....	56,985	13,989	42,996	20,228	5,361	6,215	285	2,445			23,242	XXX.....	
4. 2007.....	54,688	13,682	41,006	14,957	2,577	4,971	267	1,951			19,035	XXX.....	
5. 2008.....	53,660	11,896	41,764	16,689	3,324	6,531	151	2,796			22,541	XXX.....	
6. 2009.....	50,665	11,176	39,489	14,187	2,769	5,364	88	2,548			19,242	XXX.....	
7. 2010.....	49,730	11,049	38,681	13,206	1,600	6,177	102	2,619			20,300	XXX.....	
8. 2011.....	50,183	9,915	40,268	5,641	1,150	4,159	34	2,490			11,106	XXX.....	
9. 2012.....	45,343	9,471	35,872	3,834	100	2,975	22	2,204			8,891	XXX.....	
10. 2013.....	43,641	8,276	35,365	1,112	25	1,769	1	1,792			4,647	XXX.....	
11. 2014.....	42,523	7,944	34,579	191	12	559	2	1,215			1,951	XXX.....	
12. Totals.....	XXX.....	XXX.....	XXX.....	110,778	22,897	44,517	1,439	22,457	0	0	153,416	XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....											0	XXX.....	
2. 2005.....					148	17			11		142	XXX.....	
3. 2006.....					43		9	1	5		56	XXX.....	
4. 2007.....	165		15	1	52		33	2	22		284	XXX.....	
5. 2008.....	201		3	3	16		159	3	39		412	XXX.....	
6. 2009.....	1,023		21	21	87		189	9	110		1,400	XXX.....	
7. 2010.....	1,174		343	40	169		675	27	245		2,539	XXX.....	
8. 2011.....	6,535		2,452	926	1,249		1,494	6	1,138		11,936	XXX.....	
9. 2012.....	7,910	500	4,618	1,415	1,118	19	2,433	85	1,677		15,737	XXX.....	
10. 2013.....	7,725		8,435	2,814	997	14	3,101	175	2,305		19,560	XXX.....	
11. 2014.....	4,510	5	12,622	3,660	1,219		7,407	313	3,319		25,099	XXX.....	
12. Totals.....	29,243	505	28,509	8,880	5,098	50	15,500	621	8,871	0	77,165	XXX.....	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....			XXX.....	0	0
2. 2005.....	29,077	6,483	22,594	53.8	48.4	55.5				0	142
3. 2006.....	28,945	5,647	23,298	50.8	40.4	54.2				0	56
4. 2007.....	22,166	2,847	19,319	40.5	20.8	47.1				179	105
5. 2008.....	26,434	3,481	22,953	49.3	29.3	55.0				201	211
6. 2009.....	23,529	2,887	20,642	46.4	25.8	52.3				1,023	377
7. 2010.....	24,608	1,769	22,839	49.5	16.0	59.0				1,477	1,062
8. 2011.....	25,158	2,116	23,042	50.1	21.3	57.2				8,061	3,875
9. 2012.....	26,769	2,141	24,628	59.0	22.6	68.7				10,613	5,124
10. 2013.....	27,236	3,029	24,207	62.4	36.6	68.4				13,346	6,214
11. 2014.....	31,042	3,992	27,050	73.0	50.3	78.2				13,467	11,632
12. Totals.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	48,367	28,798

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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 One Year	12 Two Year
1. Prior.....	56,589	55,379	51,513	52,928	51,767	50,378	49,476	49,631	48,534	48,535	1	(1,096)
2. 2005.....	29,156	24,990	21,710	20,640	21,480	19,842	19,847	20,515	20,456	20,188	(268)	(327)
3. 2006.....	XXX	30,648	26,966	24,989	24,991	23,147	21,796	21,620	20,954	20,848	(106)	(772)
4. 2007.....	XXX	XXX	29,021	27,020	23,009	20,261	18,120	17,572	17,479	17,346	(133)	(226)
5. 2008.....	XXX	XXX	XXX	31,439	29,551	30,827	26,410	22,150	20,890	20,118	(772)	(2,032)
6. 2009.....	XXX	XXX	XXX	XXX	32,338	29,947	24,243	22,347	19,316	17,984	(1,332)	(4,363)
7. 2010.....	XXX	XXX	XXX	XXX	XXX	34,338	29,491	26,956	23,389	19,975	(3,414)	(6,981)
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	30,664	28,194	22,392	19,414	(2,978)	(8,780)
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,652	23,376	20,747	(2,629)	(7,905)
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,386	20,110	(4,276)	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,516	XXX	XXX
12. Totals.....											(15,907)	(32,482)

### 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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior.....	000	18,061	31,229	39,609	43,605	46,174	48,028	48,421	48,528	48,535	XXX	XXX
2. 2005.....	906	3,447	7,540	11,064	15,261	18,955	19,028	19,234	19,308	20,057	XXX	XXX
3. 2006.....	XXX	679	3,914	11,677	15,200	18,846	19,592	20,627	20,738	20,797	XXX	XXX
4. 2007.....	XXX	XXX	477	2,688	8,217	11,420	12,892	14,923	16,671	17,084	XXX	XXX
5. 2008.....	XXX	XXX	XXX	1,500	6,306	11,295	13,786	18,460	19,603	19,745	XXX	XXX
6. 2009.....	XXX	XXX	XXX	XXX	863	2,363	10,230	12,799	14,902	16,694	XXX	XXX
7. 2010.....	XXX	XXX	XXX	XXX	XXX	1,385	6,262	9,231	13,865	17,681	XXX	XXX
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	578	3,965	7,797	8,616	XXX	XXX
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	602	4,013	6,687	XXX	XXX
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	599	2,855	XXX	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	736	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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014
1. Prior.....	13,016	10,350	6,010	2,262	1,851	641	64			
2. 2005.....	18,820	13,015	7,313	2,033	1,250	681	131	26	4	
3. 2006.....	XXX	21,544	12,395	7,666	4,303	1,885	535	324	18	8
4. 2007.....	XXX	XXX	23,510	13,739	7,557	4,503	1,360	765	216	45
5. 2008.....	XXX	XXX	XXX	22,526	15,709	11,855	3,932	1,368	419	156
6. 2009.....	XXX	XXX	XXX	XXX	24,862	16,728	8,046	3,415	1,257	180
7. 2010.....	XXX	XXX	XXX	XXX	XXX	23,265	15,292	8,216	2,961	951
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	23,817	15,160	8,022	3,014
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,526	10,770	5,551
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,366	8,547
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,056

# Medical Mutual Insurance Company of Maine SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	N								
2. Alaska.....AK	N								
3. Arizona.....AZ	N								
4. Arkansas.....AR	N								
5. California.....CA	N								
6. Colorado.....CO	N								
7. Connecticut.....CT	N								
8. Delaware.....DE	N								
9. District of Columbia.....DC	N								
10. Florida.....FL	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	27,650,126	27,605,500	3,228,398	8,957,159	532,339	33,706,801	30,575	
21. Maryland.....MD	N								
22. Massachusetts.....MA	L	16,682	1,683					70	
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	L	7,107,501	6,954,875	790,740	1,426,912	2,227,064	12,753,368	4,540	
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	L	7,756,878	7,959,381	945,390	263,281	1,485,703	11,290,766	4,105	
47. Virginia.....VA	N								
48. Washington.....WA	N								
49. West Virginia.....WV	N								
50. Wisconsin.....WI	N								
51. Wyoming.....WY	N								
52. American Samoa.....AS	N								
53. Guam.....GU	N								
54. Puerto Rico.....PR	N								
55. US Virgin Islands.....VI	N								
56. Northern Mariana Islands.....MP	N								
57. Canada.....CAN	N								
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a)	4	42,531,187	42,521,439	4,964,528	10,647,352	4,245,106	57,750,935	39,290	0

**DETAILS OF WRITE-INS**

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

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

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

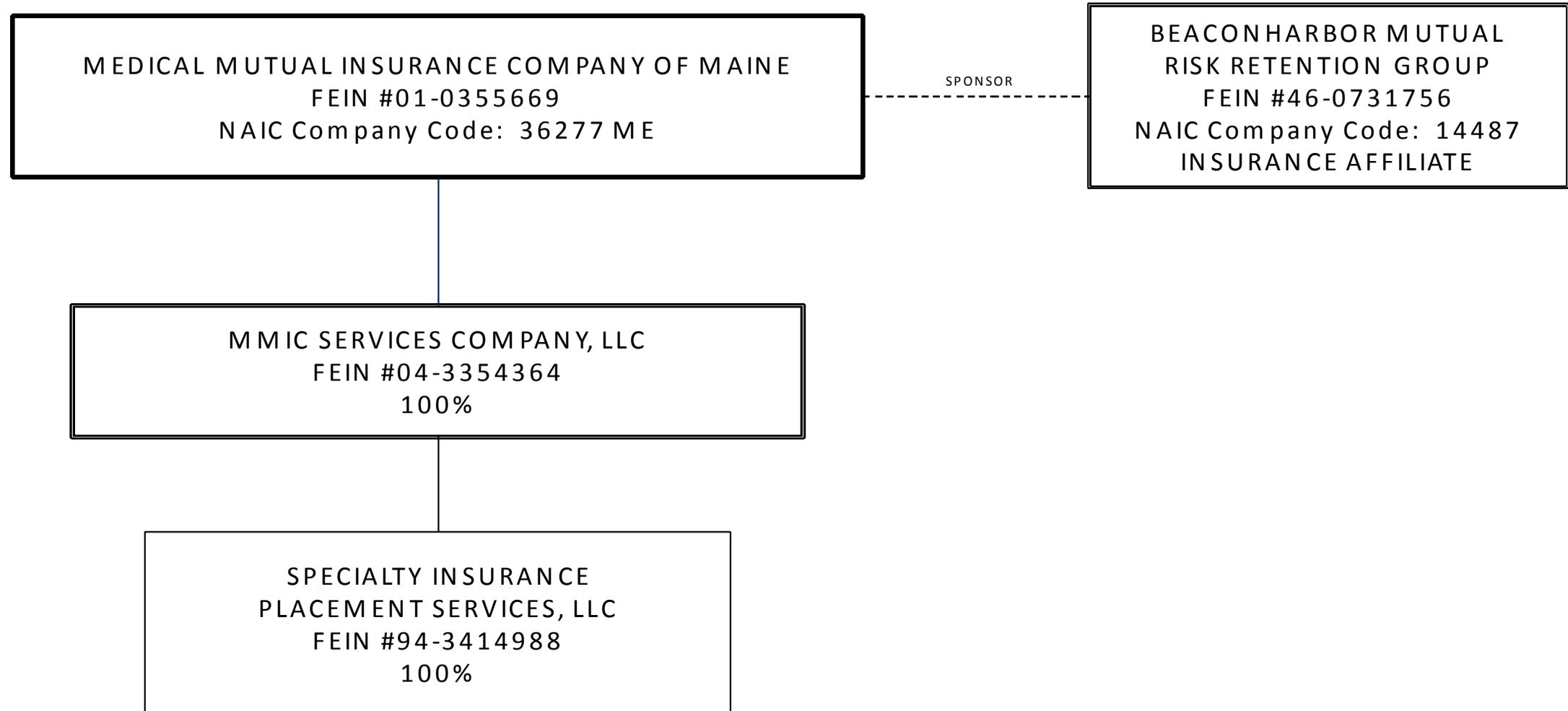
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

Premiums are allocated to those states where the insured risks are located.

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

### PART 1 – ORGANIZATIONAL CHART



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