STATE OF MAINE

BUREAU OF INSURANCE

IT IS HEREBY CERTIFIED THAT THE ANNEXED REPORT OF EXAMINATION FOR

MEDICAL MUTUAL INSURANCE COMPANY OF MAINE

has been compared with the original on file in this bureau and that it is a correct transcript therefrom and of the whole of said original.

IN WITNESS WHEREOF,

I have hereunto set my hand and affixed the official seal of this Office at the City of Gardiner this

fourth day of April, 2013

Eric A. Cioppa
Superintendent

Paul R. LePage
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
SUPERINTENDENT

March 5, 2013

Eric A. Cioppa, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S.A. §221 and in conformity with your instructions, a financial examination has been made of

Medical Mutual Insurance Company of Maine

The following report is respectfully submitted.

REPORT OF EXAMINATION

MEDICAL MUTUAL INSURANCE COMPANY OF MAINE

AS OF

DECEMBER 31, 2011

ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of Medical Mutual Insurance Company of Maine dated March 5, 2013, was delivered to that insurer on March 22, 2013, and

WHEREAS Medical Mutual Insurance Company of Maine and Bureau of Insurance staff have agreed to certain modifications with respect to the Report of Examination, and

WHEREAS I find such modifications proper, and

WHEREAS no hearing with respect to the Report of Examination has been requested by Medical Mutual Insurance Company of Maine

NOW THEREFORE, I accept the Report of Examination as modified and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S.A. §226(3).

Dated: 4/4/13

Eric A. Cioppa, Superintendent

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SCOPE OF EXAMINATION

This examination of Medical Mutual Insurance Company of Maine (hereinafter, the "Company") was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (hereinafter, "NAIC") and consisted of a review of the Company's operations, administrative practices, valuation of assets, and determination of liabilities at December 31, 2011. This examination covers the period of January 1, 2009 through December 31, 2011. The last examination was completed as of December 31, 2008. The examination considered statutory accounting principles, NAIC guidelines including the 2012 Financial Condition Examiners Handbook (hereinafter "FCEH"), and the laws, rules, and regulations prescribed or permitted by the State of Maine.

Areas reviewed in this examination included governance, board of director meeting minutes, claims administration, loss reserves, underwriting, premiums, reinsurance, investments, expense accruals, related party transactions, taxes, and risk-based-capital requirements. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

The results of this examination present the financial condition of the Company as of December 31, 2011. Comments on various balance sheet items, for purposes of this report, may be limited to matters involving clarification, departures from laws, rules and regulations, and/or significant changes in amounts.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION

Comment:
The Company's engagement letter does not meet the criteria for such agreements pursuant to 24-A M.R.S.A. §221 (1) as set forth in the FCEH. Specifically, the engagement letter for the 2008 audit contained the following indemnification clause: "The Company hereby indemnifies [unnamed Certified Public Accountant] and its principals and employees and holds them harmless for all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by members of the Company's management, regardless of whether such person was acting in the Company's interest. This indemnification will survive termination of this letter."

Recommendation:
An Engagement Letter, related to future audits, that complies with the FCEH, should be drafted and executed. Reference page 2-80 of the FCEH.

Status:
The Company responded that on March 24, 2010, at the Company's request, the auditors provided a letter to the Company indicating they will not include an indemnification clause in future engagement letters and that they withdraw enforceability of the clause included in past

engagement letters. The exam team verified that the engagement letter related to the December 31, 2011, audit, dated October 4, 2011, did not contain an indemnification clause.

CURRENT EXAMINATION

None noted.

SUBSEQUENT EVENTS

The Company became licensed to write physicians medical professional liability insurance and hospital medical professional liability insurance in Massachusetts on February 1, 2012 and June 1, 2012, respectively.

In 2012, the Company sponsored a risk retention group formed as an industrial insured captive insurance company, BeaconHarbor Mutual Risk Retention Group (hereinafter, "RRG"). The RRG was licensed August 9, 2012, by the Maine Bureau of Insurance (hereinafter, "Bureau") and will permit the Company to cover clients with ancillary operations in states where the Company is not licensed. The Company has entered into a surplus note agreement in order to lend the RRG up to $5 million.

THE COMPANY

HISTORY

The Company was organized as a mutual insurance company under the general laws of the State of Maine on March 20, 1978, and was licensed to transact business on September 1, 1978, by the Superintendent of Insurance. In 1992, the Company became licensed to write medical malpractice insurance in New Hampshire and Vermont, and began to actively write business in New Hampshire during 1992, and in Vermont during 1995.

In 1997, the Company formed MMIC Services Company, LLC (hereinafter, "MMICSC"), a wholly owned subsidiary, to provide accounting and data processing services to the Company. MMICSC formed a wholly owned subsidiary, Medical Provider Management Company (hereinafter, "MPMC") in 1997, to provide managerial, planning, financial, and other services to health care practices in New England.

In 2002, MMICSC formed a wholly owned subsidiary, Specialty Insurance Placement Services, LLC (hereinafter, "SIPS") to provide placement of insurance products other than medical malpractice for the Company's policyholders.

Operations of MPMC were discontinued on June 30, 2003. Assets of MPMC were distributed to MMICSC and the Company. In 2004, the Company's board of directors voted to discontinue operations of Technology Services Division of MMICSC effective December 31, 2005.

Surplus Note

The Company is the debtor in a surplus note issued on March 1, 2006 in exchange for cash. The term of the note is 30 years with a final maturity date of March 15, 2036. The rate is fixed at 8.82% for the first five years. Thereafter, the rate is variable based on the 3 Month LIBOR rate plus 375 basis points.

Dividends

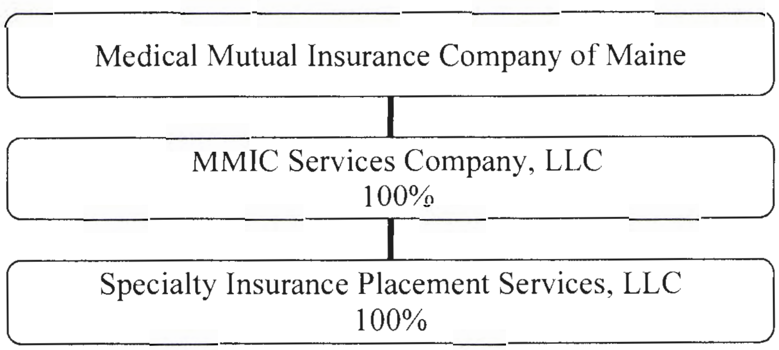
Dividends are paid to policyholders as declared by the Company's board of directors. The Company's board of directors declared dividends to policyholders of $0, $1,811,579 and $1,298,890 in 2009, 2010, and 2011, respectively. Unpaid dividends (see balance sheet account "Dividends (policyholders)") at December 31, 2009, 2010, and 2011 were $0, $149,535 and $77,999, respectively.

Corporate Records

The Company's articles of incorporation, bylaws, and minutes of the meetings of the board of directors held during the period under examination were reviewed.

Corporate Ownership

The Company's subsidiary ownership structure at December 31, 2011 is as follows:



CORPORATE GOVERNANCE

The Company is governed and overseen by its board of directors and the management team of the Company.

As of December 31, 2011, the board of directors of the Company consisted of the following members:

Name	Title
William L. Medd, M.D.	Chairman
William F. D'Angelo, M.D.	Vice Chairman
Peter W. Bates, M.D.	Director
Scott B. Bullock	Director
Cynthia A. DeSoi, M.D.	Director
Thomas D. Hayward, M.D.	Director
Frank W. Lavoie, M.D.	Director
John A. Marzinzik	Director
Jeremy R. Morton, M.D.	Director
Katherine Stoddard Pope, M.D.	Director
Domenic J. Restuccia	Director
John P. Sauter, M.D.	Director
Terrance J. Sheehan, M.D.	Director
O. Robert Stevens, M.D.	Director
James M. Totten	Director

As of December 31, 2011, the officers of the Company consisted of the following individuals:

Name	Title
Terrance J. Sheehan, M.D.	President
O. Robert Stevens, M.D.	Treasurer
William L. Medd, M.D.	Chairman
Cynthia A. DeSoi, M.D.	Secretary
William F. D'Angelo, M.D.	Vice Chairman
Domenic J. Restuccia	EVP/CFO
Michael L. McCall *	SVP Insurance Services
John P. Doyle	VP Marketing/Corp Communications
Stephen D. Hodgkin	VP/CIO
Mary Elizabeth Knox	VP Claims
Cheryl L. Peaslee	VP Risk Management
David L. Johnson	VP Underwriting

*Michael L. McCall terminated employment on March 2, 2012.

Code of Conduct and Conflict of Interest

Title 24-A M.R.S.A. §3413 identifies potential conflict of interest areas. In conformance with 24-A M.R.S.A. §3413, the Company has a conflict of interest policy whereby directors and officers complete a conflict of interest statement annually to disclose material interests or affiliations which conflict with his/her official duties and responsibilities. The conflict of interest statements were reviewed for compliance.

Fidelity Bond Insurance

The Company is indemnified up to $1,000,000 by a financial institution bond issued by an insurance company licensed by the State of Maine. The bond was reviewed for compliance with NAIC recommended coverage. The Company also maintains other commercial and professional insurance policies.

Pension and Other Benefit 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 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 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 of the plan are general creditors of the Company.

Territory & Plan of Operation

The Company was formed to transact the business of medical professional liability insurance for health care providers including health care facilities and institutions, physicians licensed to practice medicine and other medical personnel, and to transact the business of liability insurance, generally, for such persons, facilities, and institutions. The Company is licensed and writes business in Maine, New Hampshire, and Vermont.

Growth of Company

The following table presents certain statistics related to the growth of the Company:

	2011	2010	2009	2008
Direct written premium	$ 45,947,911	$ 50,127,005	$ 50,079,005	$ 51,520,836
Total admitted assets	$ 244,677,125	$ 236,067,240	$ 223,129,612	$ 209,827,775
Policyholders surplus	$ 110,332,656	$ 97,699,822	$ 90,158,854	$ 79,763,921
Net premium to surplus	32.85%	39.94%	42.96%	50.94%
Combined ratio	78.50%	104.28%	97.38%	100.25%
Risk based capital ratio	1179.14%	1037.29%	1040.92%	1013.27%

REINSURANCE

The Company has an excess of loss agreement with various reinsurers wherein the Company's net retention is $750,000 with coverage up to $11,250,000 in excess of its net retention. The table below describes the layers of the Company's reinsurance agreement in place at December 31, 2011:

Professional Liability, Primary Liability, and Umbrella Excess Liability		
Description	Company Retention	Reinsured Amount
First Layer	$750,000 per claim	$1,250,000 per claim
Second Layer	-	Up to $10,000,000 per insured
Clash (abates the risk of a malpractice claim involving multiple insureds)	$1,500,000 per loss event	$3,500,000 per loss event
LAE	$1,000,000 per loss event	Maximum all loss events $4,000,000

Managed Health Care Liability and Business Errors and Omissions Liability		
Description	Company Retention	Reinsured Amount
First & Only Layer	$100,000 per claim or insured	$900,000 per claim or insured

ACCOUNTS AND RECORDS

Accounts and records were reviewed and tested in order to assess the impact on financial condition and conformity with related laws.

STATUTORY DEPOSITS

The Company reported the following security deposit, pursuant to 24-A M.R.S.A. §412, as of December 31, 2011:

Asset Description		Fair Value
US Treasury Note 5/15/2019	$	128,962

LITIGATION

The Company is not aware of potential lawsuits or legal action beyond the ordinary course of business which would be considered material in relation to the financial position of the Company.

FINANCIAL STATEMENTS

The accompanying financial statements fairly present, in all material respects, the Company's statutory financial position as of December 31, 2011, and statutory results of operations for the period then ended. The financial statements as of December 31, 2010 and December 31, 2009 are unexamined and are presented for comparative purposes only.

STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS AS OF DECEMBER 31, 2011, 2010 AND 2009

	2011	2010	2009
Assets		(unexamined)	(unexamined)
Bonds	$ 192,679,476	$ 183,845,359	$ 168,474,051
Common stocks	26,382,636	23,632,411	20,236,086
Cash, cash equivalents and short-term investments	3,248,952	6,935,071	16,628,952
Other invested assets	1,000	1,000	1,000
Receivables for securities	1,177	117,929	97,872
Investment income due and accrued	1,969,646	1,864,245	1,567,764
Premiums receivable	15,225,508	15,942,466	14,893,740
Reinsurance recoverable	1,520,057	159,608	(2,469,167)
Net deferred tax asset	2,799,692	2,888,738	2,936,643
EDP equipment and software	384,169	385,509	281,022
Receivables from subsidiaries and affiliates	24,648	18,502	10,069
Aggregate write-ins	440,164	276,402	471,580
Total assets	$ 244,677,125	$ 236,067,240	$ 223,129,612
Liabilities			
Losses	$ 66,095,911	$ 78,161,390	$ 72,934,132
Loss adjustment expenses	32,874,947	24,130,466	25,024,139
Commissions payable	33,856	197,345	128,200
Other expenses	695,605	577,836	575,433
Taxes, licenses and fees	167,773	180,038	192,232
Current federal income taxes	4,687,602	822,135	1,231,890
Unearned premiums	21,580,691	25,606,484	25,264,441
Advance premiums	223,868	523,415	122,343
Dividends declared and unpaid	77,999	149,535	-
Reinsurance premiums payable	4,700,383	4,934,336	4,626,831
Payable for securities	32,394	-	-
Aggregate write-ins	3,173,440	3,084,438	2,871,117
Total liabilities	134,344,469	138,367,418	132,970,758
Surplus			
Surplus notes	10,000,000	10,000,000	10,000,000
Unassigned funds	100,332,656	87,699,822	80,158,854
Surplus	110,332,656	97,699,822	90,158,854
Liabilities and surplus	$ 244,677,125	$ 236,067,240	$ 223,129,612

STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009

	2011	2010 (unexamined)	2009 (unexamined)
Premiums earned	$ 40,268,416	$ 38,680,435	$ 39,488,940
Underwriting deductions	29,209,742	38,617,831	38,262,171
Net underwriting gain/(loss)	11,058,674	62,604	1,226,769
Net investment income earned	7,096,261	6,181,473	6,443,935
Net realized capital gains /(losses)	901,437	1,187,802	882,721
Net investment gain/(loss)	7,997,698	7,369,275	7,326,656
Other income	56,865	68,706	68,716
Net income before dividends & federal income taxes	19,113,237	7,500,585	8,622,141
Dividends to policyholders	1,298,890	1,811,579	(1,317)
Net income before federal income taxes	17,814,347	5,689,006	8,623,458
Federal income taxes	4,688,136	950,790	2,402,894
Net income	$ 13,126,211	$ 4,738,216	$ 6,220,564

Statement of Capital and Surplus
Years Ended December 31, 2011, 2010 and 2009

	2011	2010	2009
		(unexamined)	(unexamined)
Surplus, December 31 prior year	$ 97,699,822	$ 90,158,854	$ 79,763,921
Net income	13,126,211	4,738,216	6,220,564
Change in net unrealized capital gains/(losses)	(444,996)	2,632,775	4,253,068
Change in net deferred income tax	(164,493)	(1,147,011)	(938,693)
Change in nonadmitted assets	108,966	1,325,188	841,079
Aggregate write-ins	7,146	(8,200)	18,915
Change in surplus for the year	12,632,834	7,540,968	10,394,933
Surplus, December 31 current year	$ 110,332,656	$ 97,699,822	$ 90,158,854

FINANCIAL STATEMENT COMMENT - RESERVES

The Bureau's employed actuary, Michael G. Blake, a PhD, ACAS, and MAAA, performed an actuarial review and certain actuarial analyses on the reserves reported by the Company at December 31, 2011. The actuarial opinion is included as an attachment to this report. Please see Appendix A.

CONCLUSION

The Company's financial condition, as reported by management, is reflected in the statements and supporting exhibits contained in this report. The basis of preparation of such statements conforms to laws, rules, and regulations prescribed and/or permitted by the Bureau.

Acknowledgement of cooperation and assistance extended to the examiners by all Company personnel is hereby expressed.

STATE OF MAINE
COUNTY OF KENNEBEC, SS

Stuart E. Turney, being duly sworn according to law deposes and says that, in accordance with authority vested in him by Eric A. Cioppa, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, he has made an examination of the condition and affairs of the

MEDICAL MUTUAL INSURANCE COMPANY OF MAINE

located in Portland, Maine as of December 31, 2011, and that the foregoing report of examination subscribed to by him is true to the best of his knowledge and belief. The following examiners from the Bureau of Insurance assisted:

Vanessa J. Leon, CFE
Graham S. Payne
Audrey L. Wade, CFE, AIE, CISA
Arias Wan, CFE

____
Stuart E. Turney, CPA, CFE

Subscribed and sworn to before me
This 4 day of April, 2013

____
Notary Public
My Commission Expires:

KARMA Y. LOMBARD
Notary Public, Maine
My Commission Expires June 12, 2016

Appendix A
Statement of Actuarial Opinion
Medical Mutual Insurance Company of Maine
For the Year Ending December 31, 2011

STATEMENT OF ACTUARIAL OPINION

MEDICAL MUTUAL INSURANCE COMPANY OF MAINE

FOR THE YEAR ENDING DECEMBER 31, 2011

Identification

I, Michael G. Blake, am the P&C actuary at the Maine Bureau of Insurance ("MBI"). I am a Member of the American Academy of Actuaries and meet its qualification standards to render this Statement of Actuarial Opinion. I am also an Associate of the Casualty Actuarial Society. I was requested by the MBI on September 14, 2012 to render this opinion.

Scope

I have reviewed the reserves shown in the Annual Statement of Medical Mutual Insurance Company of Maine ("MMIC" or "the Company") as prepared for filing with state regulatory officials, as of December 31, 2011. This opinion relates to items in Exhibit A. The items, upon which I am expressing an opinion as shown in Exhibit A, reflect the disclosures shown in Exhibit B.

The Company provides automatic extended reporting endorsements in the event of an insured's death, disability, or retirement. The Company is required to establish a reserve for future claims incurred under this coverage provision. I have included this reserve within the scope of my opinion. The Company includes this reserve as part of its unearned premium reserve.

In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by responsible officers and employees of the Company. In this regard, I relied primarily upon the data gathered and examined by the examination division of the MBI. I evaluated the data for reasonableness and consistency. I also reconciled the data to Schedule P – Part 1 of the Company's 2011 annual statement. In other respects, my review included the use of such actuarial assumptions and methods used and such tests of the calculations as I considered necessary.

My review was limited to items in Exhibit A and did not include an analysis of any other balance sheet items. I have not examined the assets of the Company and I have formed no opinion as to the validity or values of these assets. My opinion on the reserves is based upon the assumption that all reserves are backed by valid assets, which have suitably scheduled maturities and/or adequate liquidity to meet the cash flow requirements.

Opinion

This is a reasonable opinion.

In my opinion, the amounts carried in Exhibit A on account of the items identified:

1. Meet the requirement of the insurance laws of Maine;
2. Are consistent with reserves computed in accordance with accepted loss reserving standards and principles;
3. Make a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its contracts and agreements; and
4. Make a reasonable provision for the unearned premium reserve of the Company for its future claims incurred under death, disability and retirement policy provision, under the terms of its contracts and agreements.

This opinion applies to loss and loss expenses on a combined basis.

Relevant Comments

Risk of Material Adverse Deviation

There is risk of material adverse deviation for the Company's reserves as of December 31, 2011.

I have used 10% of MMIC's statutory surplus, $11.0 million, as a benchmark in determining the risk of material adverse deviation. The selection of this materiality standard was based on the fact that this opinion is prepared for the regulatory solvency of the Company and the amount of adverse deviation that would be expected to result in a decline in MMIC's financial rating. Other measures of materiality might be used for reserves that are being evaluated in a different context.

There are a variety of risk factors that expose MMIC's reserves to significant variability. The major risk factors are: (i) the extended reporting and settlement patterns of coverages provided, (ii) potential for large claims, (iii) changes in payment pattern, (iv) changes in laws, judicial interpretations and other economic and social factors affecting claim costs, and (v) uncertainty surrounding the implementation of health care reform. The absence of other risk factors from this list does not imply that additional risk factors may be identified in the future as having significant influences on MMIC's reserves.

The extended settlement and reporting patterns for medical professional liability coverage result in significant variability around the ultimate settlement values of these claims. These extended reporting patterns are particularly pronounced for the Company's automatic extended reporting endorsements in the event of an insured's death, disability, or retirement. The Company's net retention for a loss is $750,000 per claim plus pro-rata defense costs. Therefore, the emergence of several claims at or close to the retention could materially impact the Company's reserves. Furthermore, the Company offers policies with limits in excess of $10 million per claim. In the event one of the Company's reinsurers is unable or unwilling to fulfill its obligation to indemnify the Company against excess loss, a full policy claim would significantly impact the Company's reserves.

There is a risk that a single judicial decision could affect many of its policyholders at the same time. Finally, it is uncertain what impact federal health care reform will have on the medical professional liability line of insurance. It is possible that the implementation of this legislation could adversely impact the Company's ability to settle claims.

Based on the above risk factors, combined with the variability that is inherent in any estimate of unpaid loss and loss adjustment expense, it is my opinion that there is a risk of material adverse deviation from the MMIC's carried net reserves amount as of December 31, 2011. By this, I mean that the probability of such a deviation occurring is not so low as to be remote.

Other Disclosure in Exhibit B

The data underlying my review, and resulting estimates, are net of salvage and subrogation. The Company reduces its loss reserves for anticipated salvage and subrogation recoverables as of December 31, 2011. The Company does not discount its loss and loss adjustment expense reserves. I have reviewed the Company's exposure to asbestos and environmental claims. In my opinion, there is a remote chance of material liability from asbestos and environmental claims. Company does write policies which would result in the need for extended reporting reserves. The Company reserves for this liability in its unearned premium reserve. The Company has minimal exposure to involuntary pool arrangements.

Reinsurance

Based on a review of the reinsurance contracts provided by the Company, I am not aware of any reinsurance contract that either has been or should have been accounted for as loss portfolio transfer, retroactive reinsurance, or financial reinsurance. I have reviewed Part 2 – Property and Casualty Interrogatory No. 9 of the annual statement regarding the risk transfer elements of the Company's reinsurance contracts.

The treaties have been reviewed for any terms or conditions that would limit risk transfer, whether the limitation included limits on underwriting and timing or risk. These contracts have no such limitations.

My opinion on the loss and loss adjustment expense reserves net of ceded reinsurance assumes that all ceded reinsurance is valid and collectible.

IRIS Ratios

I reviewed the results of the three NAIC IRIS tests, which are relevant to loss reserves. The related IRIS tests follow:

a. One-Year Reserve Development to Policyholders' Surplus
b. Two-Year Reserve Development to Policyholders' Surplus
c. Estimated Current Reserve Deficiency to Policyholders' Surplus

No exceptional values resulted for tests, a, b, or c.

Variability

In evaluating whether the reserves make a reasonable provision for unpaid losses and loss adjustment expense, it is necessary to project future loss and loss adjustment expense payments. It is certain that actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, my projections make no provision for extraordinary future emergence of new classes of losses or types of losses not sufficiently represented in the Company's historical data base or which are not yet quantifiable.

Actuarial Report

An actuarial report and any underlying actuarial papers supporting the findings expressed in this Statement of Actuarial Opinion have been provided to the MBI in conjunction with its regulatory examination of the Company.

This statement of opinion is solely for the use of, and only to be relied upon by, the MBI and the various state departments with which the company files its annual statement.

Michael G Blake

Michael G Blake, Ph.D., ACAS, MAAA
P&C Actuary
Maine Bureau of Insurance
76 Northern Ave.
Gardiner, ME 04345
(207)-624-8427
February 21, 2013

Exhibit A: Scope

Loss Reserves:	**Amount**
A. Reserves for Unpaid Losses (Liabilities, Surplus and Other Funds page, Line 1)	$ 66,095,911
B. Reserve for Unpaid Loss Adjustment Expense (Liabilities, Surplus and Other Funds page, Line 3)	$ 32,874,947
C. Reserves of Unpaid Losses – Direct and Assumed (Schedule P, part 1, Total from columns 13 and 15)	$ 84,282,000
D. Reserve for Unpaid Loss Adjustment – Direct and Assumed (Schedule P, part 1, Total from columns 17, 19, and 21)	$ 33,868,000
E. Page 3, write-in item reserve, "Retroactive Reinsurance Reserve Assumed"	$ -
F. Other Loss Reserve items on which the Appointed Actuary is Expressing on Opinion (Extended Reporting Loss Reserves)	$ -
Premium Reserves:	
G. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts	$ -
H. Reserve for Net Unearned Premiums for Long Duration Contracts	$ -
I. Extended Loss & Expense Reserve: Reserve for Future Claims Incurred Under Death, Disability, and Retirement Policy Provision Direct and Assumed equals Net (Schedule P Interrogatories)	$ 1,629,464

Exhibit B: Disclosures

Description		Amount
1. Materiality Standard	$	11,000,000
2. Statutory Surplus	$	110,332,656
3. Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P	$	-
4. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P		
(a) Nontabular Discount	$	-
(b) Tabular Discount	$	-
5. The net reserves for losses and expenses for the Company's share of voluntary and involuntary underwriting pools and associations' unpaid losses and expenses that are included in reserves shown on the liabilities, surplus and other funds page, losses and loss adjustment expenses lines	$	-
6. The net reserves for losses and loss adjustment expenses that the Company carries for the following liability included on the liabilities, surplus, and other funds page, losses and loss adjustment expense lines, as disclosed in the notes to the annual statement.		
(a) Asbestos	$	-
(b) Environmental	$	-
7. The total claims made extended loss and expense reserve (schedule P interrogatories)		
(a) Amount reported as loss reserves	$	-
(b) Amount reported as unearned premium reserves	$	1,629,464
8. Other items on which the Appointed Actuary is providing Relevant comment (list separately)	$	-