

**EXHIBIT 8 to FORM A**

**MPIE  
Annual Financial Statements  
and  
Audited Financial Statements**



# ANNUAL STATEMENT

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

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

|  |   |  |
|--|---|--|
| NAIC Group Code..... 0, 0<br><small>(Current Period) (Prior Period)</small>      | NAIC Company Code..... 31429  | Employer's ID Number..... 38-2838578   |
| Organized under the Laws of Michigan<br>Incorporated/Organized..... May 24, 1988 | State of Domicile or Port of Entry Michigan<br>Commenced Business..... October 1, 1988  | Country of Domicile US   |
| Statutory Home Office  | 221 Michigan NE, Suite 403..... Grand Rapids ..... MI ..... US ..... 49503<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>              |  |
| Main Administrative Office   | 221 Michigan NE, Suite 403..... Grand Rapids ..... MI ..... US..... 49503<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>               | 616-391-7988<br><small>(Area Code) (Telephone Number)</small>  |
| Mail Address   | 221 Michigan NE, Suite 403..... Grand Rapids ..... MI ..... US ..... 49503<br><small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small> |  |
| Primary Location of Books and Records  | 221 Michigan NE, Suite 403..... Grand Rapids ..... MI ..... US ..... 49503<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>              | 616-391-2512<br><small>(Area Code) (Telephone Number)</small>  |
| Internet Web Site Address  | www.mpie.org  |  |
| Statutory Statement Contact  | Cathryn Joy Peterson<br><small>(Name)</small><br>kpeterson@mpie.org<br><small>(E-Mail Address)</small>  | 616-391-2512<br><small>(Area Code) (Telephone Number) (Extension)</small><br>616-391-1999<br><small>(Fax Number)</small> |

### OFFICERS

| Name                        | Title         | Name                        | Title                   |
|-----------------------------|---------------|-----------------------------|-------------------------|
| 1. Michelle Marie Hoppes #  | President     | 2. Cathryn Joy Peterson     | Chief Financial Officer |
| 3. Ralph Nelson Rogers M.D. | Vice-Chairman | 4. Domenic R. Federico M.D. | Chairman                |

### OTHER

### DIRECTORS OR TRUSTEES

|                      |                      |                         |                       |
|----------------------|----------------------|-------------------------|-----------------------|
| Domenic R. Federico  | John M. Koetsier     | Donald H. Jones         | Ralph Nelson Rogers   |
| Kimberly Kay McCoy # | Terrence John Endres | Arthur Robert VanTuinen | Ronald Joseph Knaus   |
| Craig Thomas Alguire | Joseph John Junewick | John Craig Persson      | Samuel Ernest Logan # |
| John Clifton Throop  | Paul Henry Karsten   | William Robert Jewell   | Shelleye Jene Yaklin  |

State of MICHIGAN  
County of KENT

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.

|  |   |   |
|--|---|---|
| _____<br>(Signature)<br>Michelle Marie Hoppes<br>_____<br>1. (Printed Name)<br>President<br>_____<br>(Title) | _____<br>(Signature)<br>Cathryn Joy Peterson<br>_____<br>2. (Printed Name)<br>Chief Financial Officer<br>_____<br>(Title) | _____<br>(Signature)<br>Ralph Nelson Rogers M.D.<br>_____<br>3. (Printed Name)<br>Vice-Chairman<br>_____<br>(Title) |
|--|---|---|

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2015

a. Is this an original filing? Yes [X] No [ ]  
b. If no

|                               |       |
|-------------------------------|-------|
| 1. State the amendment number | _____ |
| 2. Date filed                 | _____ |
| 3. Number of pages attached   | _____ |

## ASSETS

|  | Current Year |                            |  | Prior Year                  |
|--|--------------|----------------------------|--|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....   | 79,172,670   | 0                          | 79,172,670                                   | 80,977,803                  |
| 2. Stocks (Schedule D):  |              |                            |  |                             |
| 2.1 Preferred stocks.....  | 86,202       | 0                          | 86,202                                       | 87,205                      |
| 2.2 Common stocks.....   | 13,242,972   | 0                          | 13,242,972                                   | 15,464,061                  |
| 3. Mortgage loans on real estate (Schedule B):   |              |                            |  |                             |
| 3.1 First liens.....   | 0            | 0                          | 0  | 0                           |
| 3.2 Other than first liens.....  | 0            | 0                          | 0  | 0                           |
| 4. Real estate (Schedule A):   |              |                            |  |                             |
| 4.1 Properties occupied by the company (less \$.....0<br>encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....   | 0            | 0                          | 0  | 0                           |
| 5. Cash (\$.....5,982,480, Schedule E-Part 1), cash equivalents (\$.....0,<br>Schedule E-Part 2) and short-term investments (\$.....5,143,052, Schedule DA)..... | 11,125,532   | 0                          | 11,125,532                                   | 3,249,126                   |
| 6. Contract loans (including \$.....0 premium notes).....  | 0            | 0                          | 0  | 0                           |
| 7. Derivatives (Schedule DB).....  | 0            | 0                          | 0  | 0                           |
| 8. Other invested assets (Schedule BA).....  | 0            | 0                          | 0  | 0                           |
| 9. Receivables for securities.....   | 0            | 0                          | 0  | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   | 0            | 0                          | 0  | 0                           |
| 11. Aggregate write-ins for invested assets.....   | 0            | 0                          | 0  | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....   | 103,627,376  | 0                          | 103,627,376                                  | 99,778,195                  |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....  | 0            | 0                          | 0  | 0                           |
| 14. Investment income due and accrued.....   | 621,828      | 0                          | 621,828                                      | 610,939                     |
| 15. Premiums and considerations:   |              |                            |  |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....  | 563,141      | 26,360                     | 536,781                                      | 796,158                     |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due (including \$.....0 earned but unbilled premiums).....          | 1,441,789    | 0                          | 1,441,789                                    | 1,238,763                   |
| 15.3 Accrued retrospective premiums.....   | 0            | 0                          | 0  | 0                           |
| 16. Reinsurance:   |              |                            |  |                             |
| 16.1 Amounts recoverable from reinsurers.....  | 0            | 0                          | 0  | 0                           |
| 16.2 Funds held by or deposited with reinsured companies.....  | 0            | 0                          | 0  | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts.....   | 0            | 0                          | 0  | 0                           |
| 17. Amounts receivable relating to uninsured plans.....  | 0            | 0                          | 0  | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....  | 0            | 0                          | 0  | 140,747                     |
| 18.2 Net deferred tax asset.....   | 393,371      | 0                          | 393,371                                      | 552,822                     |
| 19. Guaranty funds receivable or on deposit.....   | 0            | 0                          | 0  | 0                           |
| 20. Electronic data processing equipment and software.....   | 0            | 0                          | 0  | 0                           |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....   | 0            | 0                          | 0  | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....  | 0            | 0                          | 0  | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates.....  | 0            | 0                          | 0  | 0                           |
| 24. Health care (\$.....0) and other amounts receivable.....   | 0            | 0                          | 0  | 0                           |
| 25. Aggregate write-ins for other than invested assets.....  | 470,000      | 470,000                    | 0  | 0                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 to 25).....   | 107,117,505  | 496,360                    | 106,621,145                                  | 103,117,624                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   | 0            | 0                          | 0  | 0                           |
| 28. TOTALS (Lines 26 and 27).....  | 107,117,505  | 496,360                    | 106,621,145                                  | 103,117,624                 |

## DETAILS OF WRITE-INS

|  |         |         |   |   |
|--|---------|---------|---|---|
| 1101.....  | 0       | 0       | 0 | 0 |
| 1102.....  | 0       | 0       | 0 | 0 |
| 1103.....  | 0       | 0       | 0 | 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 Receivable.....  | 470,000 | 470,000 | 0 | 0 |
| 2502.....  | 0       | 0       | 0 | 0 |
| 2503.....  | 0       | 0       | 0 | 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).....       | 470,000 | 470,000 | 0 | 0 |

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....   | 21,386,668        | 22,644,793      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....  | 0                 | 0               |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....   | 16,371,837        | 17,515,219      |
| 4. Commissions payable, contingent commissions and other similar charges.....   | 0                 | 0               |
| 5. Other expenses (excluding taxes, licenses and fees).....   | 316,895           | 318,560         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....   | (4,235)           | 9,765           |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....   | 9,800             | 0               |
| 7.2 Net deferred tax liability.....   | 0                 | 0               |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....   | 0                 | 165             |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....139,391 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)..... | 3,589,731         | 4,146,440       |
| 10. Advance premium.....  | 940,743           | 1,305,672       |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders.....  | 0                 | 0               |
| 11.2 Policyholders.....   | 0                 | 0               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....   | (242,952)         | (50,681)        |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....   | 0                 | 0               |
| 14. Amounts withheld or retained by company for account of others.....  | 0                 | 0               |
| 15. Remittances and items not allocated.....  | 0                 | 0               |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....  | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....  | 0                 | 0               |
| 18. Drafts outstanding.....   | 0                 | 0               |
| 19. Payable to parent, subsidiaries and affiliates.....   | 0                 | 0               |
| 20. Derivatives.....  | 0                 | 0               |
| 21. Payable for securities.....   | 0                 | 0               |
| 22. Payable for securities lending.....   | 0                 | 0               |
| 23. Liability for amounts held under uninsured plans.....   | 0                 | 0               |
| 24. Capital notes \$.....0 and interest thereon \$.....0.....   | 0                 | 0               |
| 25. Aggregate write-ins for liabilities.....  | 9,479,569         | 4,614,286       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....  | 51,848,056        | 50,504,219      |
| 27. Protected cell liabilities.....   | 0                 | 0               |
| 28. Total liabilities (Lines 26 and 27).....  | 51,848,056        | 50,504,219      |
| 29. Aggregate write-ins for special surplus funds.....  | 0                 | 0               |
| 30. Common capital stock.....   | 0                 | 0               |
| 31. Preferred capital stock.....  | 0                 | 0               |
| 32. Aggregate write-ins for other than special surplus funds.....   | 0                 | 0               |
| 33. Surplus notes.....  | 2,000,000         | 3,740,000       |
| 34. Gross paid in and contributed surplus.....  | 0                 | 0               |
| 35. Unassigned funds (surplus).....   | 52,773,089        | 48,873,404      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....   | 0                 | 0               |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....  | 0                 | 0               |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....   | 54,773,089        | 52,613,404      |
| 38. TOTALS (Page 2, Line 28, Col. 3).....   | 106,621,145       | 103,117,623     |

### DETAILS OF WRITE-INS

|  |           |           |
|--|-----------|-----------|
| 2501. Subscriber savings accounts payable to terminated policyholders..... | 3,257,000 | 2,820,000 |
| 2502. Self Insurance funds held.....                                       | 6,222,569 | 732,542   |
| 2503. Self Insurance Admin.....  | 0         | 1,061,744 |
| 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).....         | 9,479,569 | 4,614,286 |
| 2901. ....   | 0         | 0         |
| 2902. ....   | 0         | 0         |
| 2903. ....   | 0         | 0         |
| 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. ....   | 0         | 0         |
| 3202. ....   | 0         | 0         |
| 3203. ....   | 0         | 0         |
| 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         |

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE STATEMENT OF INCOME

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 11,804,532        | 12,884,351      |
| DEDUCTIONS   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 2,582,222         | 3,706,583       |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 3,420,947         | 4,183,105       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 2,662,759         | 2,804,800       |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 8,665,928         | 10,694,488      |
| 7. Net income of protected cells.....  | 0                 | 0               |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....   | 3,138,604         | 2,189,863       |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 2,025,815         | 2,745,682       |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....577,820 (Exhibit of Capital Gains (Losses)).....                                    | 1,121,650         | 1,594,749       |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 3,147,465         | 4,340,431       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....                                | 0                 | 0               |
| 13. Finance and service charges not included in premiums.....  | 0                 | 0               |
| 14. Aggregate write-ins for miscellaneous income.....  | 2,350,869         | 521,976         |
| 15. Total other income (Lines 12 through 14).....  | 2,350,869         | 521,976         |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 8,636,938         | 7,052,270       |
| 17. Dividends to policyholders.....  | 0                 | 0               |
| 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)..... | 8,636,938         | 7,052,270       |
| 19. Federal and foreign income taxes incurred.....   | (22,776)          | (157,353)       |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....   | 8,659,714         | 7,209,623       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 52,613,406        | 50,887,833      |
| 22. Net income (from Line 20).....   | 8,659,714         | 7,209,623       |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                 | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(25,949).....  | 224,842           | 1,026,521       |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                 | 0               |
| 26. Change in net deferred income tax.....   | (368,787)         | 154,500         |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....   | (72,526)          | (105,018)       |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | 0                 | 0               |
| 29. Change in surplus notes.....   | (1,740,000)       | (2,300,000)     |
| 30. Surplus (contributed to) withdrawn from protected cells.....   | 0                 | 0               |
| 31. Cumulative effect of changes in accounting principles.....   | 0                 | 0               |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  | 0                 | 0               |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 32.3 Transferred to surplus.....   | 0                 | 0               |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  | 0                 | 0               |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                 | 0               |
| 33.3. Transferred from capital.....  | 0                 | 0               |
| 34. Net remittances from or (to) Home Office.....  | 0                 | 0               |
| 35. Dividends to stockholders.....   | 0                 | 0               |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus.....   | (4,543,560)       | (4,260,053)     |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | 2,159,683         | 1,725,573       |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 54,773,089        | 52,613,406      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   | 0                 | 0               |
| 0502. ....   | 0                 | 0               |
| 0503. ....   | 0                 | 0               |
| 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).....  | 0                 | 0               |
| 1401. Self Insurance Admin Income.....   | 3,016,640         | 1,328,548       |
| 1402. Self Insurance Admin Expense.....  | (660,271)         | (405,557)       |
| 1403. Interest on Self Insurance funds held.....   | (5,500)           | (114,115)       |
| 1498. Summary of remaining write-ins for Line 14 from overflow page.....   | 0                 | (286,900)       |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....   | 2,350,869         | 521,976         |
| 3701. Subscriber savings accounts due to terminated policyholders.....   | (3,257,000)       | (2,820,000)     |
| 3702. Distribution of Subscriber's Savings Accounts.....   | (1,285,060)       | (1,440,053)     |
| 3703. Adjustment to balance investment software conversion.....  | (1,500)           | 0               |
| 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).....   | (4,543,560)       | (4,260,053)     |

## CASH FLOW

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 10,723,061        | 13,576,932      |
| 2. Net investment income.....  | 2,578,848         | 3,258,307       |
| 3. Miscellaneous income.....   | 2,350,869         | 521,976         |
| 4. Total (Lines 1 through 3).....  | 15,652,778        | 17,357,215      |
| 5. Benefit and loss related payments.....  | 3,840,347         | 5,432,502       |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    | 0                 | 0               |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 7,242,753         | 6,881,921       |
| 8. Dividends paid to policyholders.....  | 0                 | 0               |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....577,820 tax on capital gains (losses).....  | 404,497           | 595,167         |
| 10. Total (Lines 5 through 9).....   | 11,487,597        | 12,909,590      |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 4,165,181         | 4,447,625       |
| <b>CASH FROM INVESTMENTS</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 20,599,188        | 29,185,244      |
| 12.2 Stocks.....   | 9,721,929         | 4,854,090       |
| 12.3 Mortgage loans.....   | 0                 | 0               |
| 12.4 Real estate.....  | 0                 | 0               |
| 12.5 Other invested assets.....  | 0                 | 0               |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           | 21,404            | 28,364          |
| 12.7 Miscellaneous proceeds.....   | 0                 | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 30,342,522        | 34,067,698      |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 18,294,973        | 28,916,344      |
| 13.2 Stocks.....   | 6,686,048         | 946,570         |
| 13.3 Mortgage loans.....   | 0                 | 0               |
| 13.4 Real estate.....  | 0                 | 0               |
| 13.5 Other invested assets.....  | 0                 | 0               |
| 13.6 Miscellaneous applications.....   | 0                 | 0               |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 24,981,021        | 29,862,914      |
| 14. Net increase (decrease) in contract loans and premium notes.....   | 0                 | 0               |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | 5,361,501         | 4,204,784       |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>   |                   |                 |
| 16. Cash provided (applied):   |                   |                 |
| 16.1 Surplus notes, capital notes.....   | (1,740,000)       | (2,300,000)     |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                 | 0               |
| 16.3 Borrowed funds.....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               | 0                 | 0               |
| 16.5 Dividends to stockholders.....  | 0                 | 0               |
| 16.6 Other cash provided (applied).....  | 89,723            | (8,535,436)     |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (1,650,277)       | (10,835,436)    |
| <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).....   | 7,876,405         | (2,183,027)     |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 3,249,127         | 5,432,154       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 11,125,531        | 3,249,127       |
| Note: Supplemental disclosures of cash flow information for non-cash transactions:                             |                   |                 |
| 20.0001 .....  | 0                 | 0               |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

|  | 1   | 2  | 3   | 4  |
|--|---|--|---|--|
| Line of Business   | Net<br>Premiums<br>Written per<br>Column 6, Part 1B | Unearned Premiums<br>December 31<br>Prior Year-<br>per Col. 3,<br>Last Year's Part 1 | Unearned Premiums<br>December 31<br>Current Year-<br>per Col. 5,<br>Part 1A | Premiums<br>Earned<br>During Year<br>(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.....          | 6,959,341   | 931,354  | 636,951   | 7,253,744  |
| 11.2 Medical professional liability - claims-made.....         | 4,244,982   | 3,199,051  | 2,936,745   | 4,507,288  |
| 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.....                         | 27,000  | 11,967   | 11,967  | 27,000   |
| 17.2 Other liability - claims-made.....                        | 16,500  | 4,068  | 4,068   | 16,500   |
| 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.....        | .0  | .0   | .0  | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | .0  | .0   | .0  | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | .0  | .0   | .0  | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0  | .0   | .0  | .0   |
| 35. TOTALS.....  | 11,247,823  | 4,146,440  | 3,589,731   | 11,804,532   |

### 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 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....       | .0 | .0 | .0 | .0 |

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
UNDERWRITING AND INVESTMENT EXHIBIT**

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

| Line of Business |  | 1<br>Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | 2<br>Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | 3<br>Earned But<br>Unbilled Premium | 4<br>Reserve for<br>Rate Credits<br>and Retrospective<br>Adjustments Based<br>on Experience | 5<br>Total Reserve<br>for Unearned<br>Premiums<br>Cols. 1 + 2 + 3 + 4 |
|------------------|--|--|--|-------------------------------------|---|---|
| 1.               | Fire.....  | 0  | 0  | 0                                   | 0   | 0   |
| 2.               | Allied lines.....  | 0  | 0  | 0                                   | 0   | 0   |
| 3.               | Farmowners multiple peril.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 4.               | Homeowners multiple peril.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 5.               | Commercial multiple peril.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 6.               | Mortgage guaranty.....                                     | 0  | 0  | 0                                   | 0   | 0   |
| 8.               | Ocean marine.....  | 0  | 0  | 0                                   | 0   | 0   |
| 9.               | Inland marine.....   | 0  | 0  | 0                                   | 0   | 0   |
| 10.              | Financial guaranty.....                                    | 0  | 0  | 0                                   | 0   | 0   |
| 11.1             | Medical professional liability - occurrence.....           | 636,951  | 0  | 0                                   | 0   | 636,951   |
| 11.2             | Medical professional liability - claims-made.....          | 1,422,745  | 1,514,000  | 0                                   | 0   | 2,936,745   |
| 12.              | Earthquake.....  | 0  | 0  | 0                                   | 0   | 0   |
| 13.              | Group accident and health.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 14.              | Credit accident and health (group and individual).....     | 0  | 0  | 0                                   | 0   | 0   |
| 15.              | Other accident and health.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 16.              | Workers' compensation.....                                 | 0  | 0  | 0                                   | 0   | 0   |
| 17.1             | Other liability - occurrence.....                          | 11,967   | 0  | 0                                   | 0   | 11,967  |
| 17.2             | Other liability - claims-made.....                         | 4,068  | 0  | 0                                   | 0   | 4,068   |
| 17.3             | Excess workers' compensation.....                          | 0  | 0  | 0                                   | 0   | 0   |
| 18.1             | Products liability - occurrence.....                       | 0  | 0  | 0                                   | 0   | 0   |
| 18.2             | Products liability - claims-made.....                      | 0  | 0  | 0                                   | 0   | 0   |
| 19.1, 19.2       | Private passenger auto liability.....                      | 0  | 0  | 0                                   | 0   | 0   |
| 19.3, 19.4       | Commercial auto liability.....                             | 0  | 0  | 0                                   | 0   | 0   |
| 21.              | Auto physical damage.....                                  | 0  | 0  | 0                                   | 0   | 0   |
| 22.              | Aircraft (all perils).....                                 | 0  | 0  | 0                                   | 0   | 0   |
| 23.              | Fidelity.....  | 0  | 0  | 0                                   | 0   | 0   |
| 24.              | Surety.....  | 0  | 0  | 0                                   | 0   | 0   |
| 26.              | Burglary and theft.....                                    | 0  | 0  | 0                                   | 0   | 0   |
| 27.              | Boiler and machinery.....                                  | 0  | 0  | 0                                   | 0   | 0   |
| 28.              | Credit.....  | 0  | 0  | 0                                   | 0   | 0   |
| 29.              | International.....   | 0  | 0  | 0                                   | 0   | 0   |
| 30.              | Warranty.....  | 0  | 0  | 0                                   | 0   | 0   |
| 31.              | Reinsurance - nonproportional assumed property.....        | 0  | 0  | 0                                   | 0   | 0   |
| 32.              | Reinsurance - nonproportional assumed liability.....       | 0  | 0  | 0                                   | 0   | 0   |
| 33.              | Reinsurance - nonproportional assumed financial lines..... | 0  | 0  | 0                                   | 0   | 0   |
| 34.              | Aggregate write-ins for other lines of business.....       | 0  | 0  | 0                                   | 0   | 0   |
| 35.              | <b>TOTALS.....</b>   | <b>2,075,731</b>   | <b>1,514,000</b>   | <b>0</b>                            | <b>0</b>  | <b>3,589,731</b>  |
| 36.              | Accrued retrospective premiums based on experience.....    |  |  |                                     |   | 0   |
| 37.              | Earned but unbilled premiums.....                          |  |  |                                     |   | 0   |
| 38.              | Balance (sum of Lines 35 through 37).....                  |  |  |                                     |   | 3,589,731   |

**DETAILS OF WRITE-INS**

|       |  |   |   |   |   |   |
|-------|--|---|---|---|---|---|
| 3401. | .....  | 0 | 0 | 0 | 0 | 0 |
| 3402. | .....  | 0 | 0 | 0 | 0 | 0 |
| 3403. | .....  | 0 | 0 | 0 | 0 | 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 Daily Prorata; Col. 2 Actuarial Calculation



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| Line of Business   | 1                         | Reinsurance Assumed     |                             | Reinsurance Ceded     |                           | 6<br>Net Premiums<br>Written<br>(Cols. 1 + 2 + 3<br>- 4 - 5) |
|--|---------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|--|
|  | Direct<br>Business<br>(a) | 2<br>From<br>Affiliates | 3<br>From<br>Non-Affiliates | 4<br>To<br>Affiliates | 5<br>To<br>Non-Affiliates |  |
| 1. Fire.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 2. Allied lines.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 3. Farmowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 4. Homeowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 5. Commercial multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 6. Mortgage guaranty.....                                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 8. Ocean marine.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 9. Inland marine.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 10. Financial guaranty.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 11.1 Medical professional liability - occurrence.....          | 7,971,754                 | .0                      | .0                          | .0                    | 1,012,413                 | 6,959,341  |
| 11.2 Medical professional liability - claims-made.....         | 4,966,664                 | .0                      | .0                          | .0                    | 721,682                   | 4,244,982  |
| 12. Earthquake.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 13. Group accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 14. Credit accident and health (group and individual).....     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 15. Other accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 16. Workers' compensation.....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 17.1 Other liability - occurrence.....                         | 27,000                    | .0                      | .0                          | .0                    | .0                        | 27,000   |
| 17.2 Other liability - claims-made.....                        | 16,500                    | .0                      | .0                          | .0                    | .0                        | 16,500   |
| 17.3 Excess workers' compensation.....                         | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.1 Products liability - occurrence.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.2 Products liability - claims-made.....                     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.1, 19.2 Private passenger auto liability.....               | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.3, 19.4 Commercial auto liability.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 21. Auto physical damage.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 22. Aircraft (all perils).....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 23. Fidelity.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 24. Surety.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 26. Burglary and theft.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 27. Boiler and machinery.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 28. Credit.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 29. International.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 30. Warranty.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 35. TOTALS.....  | 12,981,918                | .0                      | .0                          | .0                    | 1,734,095                 | 11,247,823   |

### DETAILS OF WRITE-INS

|   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| 3401. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3402. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3403. ....  | .0 | .0 | .0 | .0 | .0 | .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<br>Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | 6<br>Net Losses<br>Unpaid<br>Prior Year | 7<br>Losses<br>Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--|--------------------------|-----------------------------|-------------------------------|--|--|---|--|---|
|  | 1<br>Direct<br>Business  | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |  |   |  |   |
| 1. Fire.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 2. Allied lines.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 3. Farmowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 4. Homeowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 5. Commercial multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 6. Mortgage guaranty.....                                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 8. Ocean marine.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 9. Inland marine.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 10. Financial guaranty.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 11.1 Medical professional liability - occurrence.....          | 2,130,219                | 0                           | 0                             | 2,130,219                              | 16,375,930   | 16,630,259                              | 1,875,890  | 25.9  |
| 11.2 Medical professional liability - claims-made.....         | 1,683,586                | 0                           | 0                             | 1,683,586                              | 4,951,710  | 5,895,764                               | 739,532  | 16.4  |
| 12. Earthquake.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 13. Group accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 14. Credit accident and health (group and individual).....     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 15. Other accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 16. Workers' compensation.....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 17.1 Other liability - occurrence.....                         | 21,000                   | 0                           | 0                             | 21,000                                 | 44,820   | 92,308                                  | (26,488)   | (98.1)  |
| 17.2 Other liability - claims-made.....                        | 5,542                    | 0                           | 0                             | 5,542                                  | 14,208   | 26,462                                  | (6,712)  | (40.7)  |
| 17.3 Excess workers' compensation.....                         | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.1 Products liability - occurrence.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.2 Products liability - claims-made.....                     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.1, 19.2 Private passenger auto liability.....               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.3, 19.4 Commercial auto liability.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 21. Auto physical damage.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 22. Aircraft (all perils).....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 23. Fidelity.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 24. Surety.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 26. Burglary and theft.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 27. Boiler and machinery.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 28. Credit.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 29. International.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 30. Warranty.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 34. Aggregate write-ins for other lines of business.....       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 35. TOTALS.....  | 3,840,347                | 0                           | 0                             | 3,840,347                              | 21,386,668   | 22,644,793                              | 2,582,222  | 21.9  |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |     |
|--|---|---|---|---|---|---|---|-----|
| 3401. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3402. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3403. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 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 | 0.0 |

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

| Line of Business   | Reported Losses |                          |                                     |   | Incurred But Not Reported |                          |                        | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|-------------------------------------|---|---------------------------|--------------------------|------------------------|---|--|
|  | 1<br>Direct     | 2<br>Reinsurance Assumed | 3<br>Deduct Reinsurance Recoverable | 4<br>Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance Assumed | 7<br>Reinsurance Ceded |   |  |
| 1. Fire.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 2. Allied lines.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3. Farmowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 4. Homeowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 5. Commercial multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 6. Mortgage guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 8. Ocean marine.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 9. Inland marine.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 10. Financial guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 11.1 Medical professional liability - occurrence.....                    | 4,725,239       | 0                        | 0                                   | 4,725,239   | 14,546,134                | 0                        | 2,895,443              | 16,375,930                                      | 12,530,964                               |
| 11.2 Medical professional liability - claims-made.....                   | 1,747,999       | 0                        | 0                                   | 1,747,999   | 4,709,891                 | 0                        | 1,506,180              | 4,951,710                                       | 3,775,179                                |
| 12. Earthquake.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 13. Group accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a) 0   | 0  |
| 14. Credit accident and health (group and individual).....               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 15. Other accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a) 0   | 0  |
| 16. Workers' compensation.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 17.1 Other liability - occurrence.....                                   | 0               | 0                        | 0                                   | 0   | 44,820                    | 0                        | 0                      | 44,820  | 35,756                                   |
| 17.2 Other liability - claims-made.....                                  | 5,000           | 0                        | 0                                   | 5,000   | 9,208                     | 0                        | 0                      | 14,208  | 29,938                                   |
| 17.3 Excess workers' compensation.....                                   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.1 Products liability - occurrence.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.2 Products liability - claims-made.....                               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability.....                         | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.3, 19.4 Commercial auto liability.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 21. Auto physical damage.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 22. Aircraft (all perils).....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 23. Fidelity.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 24. Surety.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 26. Burglary and theft.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 27. Boiler and machinery.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 28. Credit.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 29. International.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 30. Warranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property.....                  | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability.....                 | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines.....           | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 34. Aggregate write-ins for other lines of business.....                 | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 35. TOTALS.....  | 6,478,238       | 0                        | 0                                   | 6,478,238   | 19,310,053                | 0                        | 4,401,623              | 21,386,668                                      | 16,371,837                               |
| <b>DETAILS OF WRITE-INS</b>  |                 |                          |                                     |   |                           |                          |                        |   |  |
| 3401. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3402. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3403. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 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  |

10

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

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other<br>Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total        |
|---|----------------------------------|--|-----------------------------|-------------------|
| 1. Claim adjustment services:   |                                  |  |                             |                   |
| 1.1 Direct.....   | 2,959,571                        | 0                                      | 0                           | 2,959,571         |
| 1.2 Reinsurance assumed.....  | 0                                | 0                                      | 0                           | 0                 |
| 1.3 Reinsurance ceded.....  | 47,175                           | 0                                      | 0                           | 47,175            |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....  | 2,912,396                        | 0                                      | 0                           | 2,912,396         |
| 2. Commission and brokerage:  |                                  |  |                             |                   |
| 2.1 Direct, excluding contingent.....   | 0                                | 0                                      | 0                           | 0                 |
| 2.2 Reinsurance assumed, excluding contingent.....  | 0                                | 0                                      | 0                           | 0                 |
| 2.3 Reinsurance ceded, excluding contingent.....  | 0                                | 160,762                                | 0                           | 160,762           |
| 2.4 Contingent - direct.....  | 0                                | 0                                      | 0                           | 0                 |
| 2.5 Contingent - reinsurance assumed.....   | 0                                | 0                                      | 0                           | 0                 |
| 2.6 Contingent - reinsurance ceded.....   | 0                                | 0                                      | 0                           | 0                 |
| 2.7 Policy and membership fees.....   | 0                                | 0                                      | 0                           | 0                 |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....                 | 0                                | (160,762)                              | 0                           | (160,762)         |
| 3. Allowances to manager and agents.....  | 0                                | 0                                      | 0                           | 0                 |
| 4. Advertising.....   | 0                                | 0                                      | 0                           | 0                 |
| 5. Boards, bureaus and associations.....  | 0                                | 0                                      | 0                           | 0                 |
| 6. Surveys and underwriting reports.....  | 0                                | 0                                      | 0                           | 0                 |
| 7. Audit of assureds' records.....  | 0                                | 0                                      | 0                           | 0                 |
| 8. Salary and related items:  |                                  |  |                             |                   |
| 8.1 Salaries.....   | 0                                | 0                                      | 0                           | 0                 |
| 8.2 Payroll taxes.....  | 0                                | 0                                      | 0                           | 0                 |
| 9. Employee relations and welfare.....  | 0                                | 0                                      | 0                           | 0                 |
| 10. Insurance.....  | 12,933                           | 50,449                                 | 3,874                       | 67,256            |
| 11. Directors' fees.....  | 0                                | 0                                      | 0                           | 0                 |
| 12. Travel and travel items.....  | 0                                | 408,441                                | 0                           | 408,441           |
| 13. Rent and rent items.....  | 28,004                           | 109,010                                | 8,372                       | 145,386           |
| 14. Equipment.....  | 4,355                            | 16,896                                 | 1,297                       | 22,548            |
| 15. Cost or depreciation of EDP equipment and software.....                                     | 55,874                           | 217,565                                | 16,709                      | 290,148           |
| 16. Printing and stationery.....  | 30,321                           | 118,187                                | 9,076                       | 157,584           |
| 17. Postage, telephone and telegraph, exchange and express.....                                 | 2,680                            | 10,471                                 | 804                         | 13,955            |
| 18. Legal and auditing.....   | 0                                | 264,389                                | 340,342                     | 604,731           |
| 19. Totals (Lines 3 to 18).....   | 134,167                          | 1,195,408                              | 380,474                     | 1,710,049         |
| 20. Taxes, licenses and fees:   |                                  |  |                             |                   |
| 20.1 State and local insurance taxes deducting guaranty association credits<br>of \$.....0..... | 0                                | 163,633                                | 0                           | 163,633           |
| 20.2 Insurance department licenses and fees.....  | 0                                | 6,169                                  | 0                           | 6,169             |
| 20.3 Gross guaranty association assessments.....  | 0                                | 0                                      | 0                           | 0                 |
| 20.4 All other (excluding federal and foreign income and real estate).....                      | 0                                | 0                                      | 0                           | 0                 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                            | 0                                | 169,802                                | 0                           | 169,802           |
| 21. Real estate expenses.....   | 0                                | 0                                      | 0                           | 0                 |
| 22. Real estate taxes.....  | 0                                | 0                                      | 0                           | 0                 |
| 23. Reimbursements by uninsured plans.....  | 0                                | 0                                      | 0                           | 0                 |
| 24. Aggregate write-ins for miscellaneous expenses.....   | 374,384                          | 1,458,311                              | 111,994                     | 1,944,689         |
| 25. Total expenses incurred.....  | 3,420,947                        | 2,662,759                              | 492,468                     | (a).....6,576,174 |
| 26. Less unpaid expenses - current year.....  | 16,371,837                       | 312,660                                | 0                           | 16,684,497        |
| 27. Add unpaid expenses - prior year.....   | 17,515,218                       | 328,490                                | 0                           | 17,843,708        |
| 28. Amounts receivable relating to uninsured plans, prior year.....                             | 0                                | 0                                      | 0                           | 0                 |
| 29. Amounts receivable relating to uninsured plans, current year.....                           | 0                                | 0                                      | 0                           | 0                 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                     | 4,564,328                        | 2,678,589                              | 492,468                     | 7,735,385         |

### DETAILS OF WRITE-INS

|  |         |           |         |           |
|--|---------|-----------|---------|-----------|
| 2401. Purchased Services.....  | 374,384 | 1,458,311 | 111,994 | 1,944,689 |
| 2402. ....   | 0       | 0         | 0       | 0         |
| 2403. ....   | 0       | 0         | 0       | 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).....       | 374,384 | 1,458,311 | 111,994 | 1,944,689 |

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

**EXHIBIT OF NET INVESTMENT INCOME**

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds.....  | (a).....181,486               | .....195,204               |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....64,407                | .....45,351                |
| 1.2 Other bonds (unaffiliated).....  | (a).....2,082,130             | .....2,097,032             |
| 1.3 Bonds of affiliates.....   | (a).....0                     | .....0                     |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....147,921               | .....147,921               |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....0                     | .....0                     |
| 2.2 Common stocks (unaffiliated).....  | .....338,280                  | .....341,985               |
| 2.21 Common stocks of affiliates.....  | .....0                        | .....0                     |
| 3. Mortgage loans.....   | (c).....0                     | .....0                     |
| 4. Real estate.....  | (d).....0                     | .....0                     |
| 5. Contract loans.....   | .....0                        | .....0                     |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....(85,152)              | .....(82,877)              |
| 7. Derivative instruments.....   | (f).....0                     | .....0                     |
| 8. Other invested assets.....  | .....0                        | .....0                     |
| 9. Aggregate write-ins for investment income.....                            | .....400                      | .....400                   |
| 10. Total gross investment income.....                                       | 2,729,471                     | 2,745,016                  |
| 11. Investment expenses.....   |                               | (g).....492,468            |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... |                               | (g).....0                  |
| 13. Interest expense.....  |                               | (h).....226,733            |
| 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).....                              |                               | 719,201                    |
| 17. Net investment income (Line 10 minus Line 16).....                       |                               | 2,025,815                  |

**DETAILS OF WRITE-INS**

|  |     |     |
|--|-----|-----|
| 0901. Adjustment to balance investment software conversion.....          | 400 | 400 |
| 0902. ....   | 0   | 0   |
| 0903. ....   | 0   | 0   |
| 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).....        | 400 | 400 |
| 1501. ....   |     | 0   |
| 1502. ....   |     | 0   |
| 1503. ....   |     | 0   |
| 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 \$.....79,822 accrual of discount less \$.....791,830 amortization of premium and less \$.....81,929 paid for accrued interest on purchases.
- (b) Includes \$.....147,921 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 \$.....0 accrual of discount less \$.....97,406 amortization of premium and less \$.....7,809 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 \$.....226,733 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<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. government bonds.....                             | 5,087   | 0                                     | 5,087   | 1   | 0   |
| 1.1 Bonds exempt from U.S. tax.....                       | 129,815   | 0                                     | 129,815   | 0   | 0   |
| 1.2 Other bonds (unaffiliated).....                       | 995,877   | 0                                     | 995,877   | 80,309  | 0   |
| 1.3 Bonds of affiliates.....                              | 0   | 0                                     | 0   | 0   | 0   |
| 2.1 Preferred stocks (unaffiliated).....                  | 0   | 0                                     | 0   | (148,923)   | 0   |
| 2.11 Preferred stocks of affiliates.....                  | 0   | 0                                     | 0   | 0   | 0   |
| 2.2 Common stocks (unaffiliated).....                     | 547,287   | 0                                     | 547,287   | 267,506   | 0   |
| 2.21 Common stocks of affiliates.....                     | 0   | 0                                     | 0   | 0   | 0   |
| 3. Mortgage loans.....                                    | 0   | 0                                     | 0   | 0   | 0   |
| 4. Real estate.....                                       | 0   | 0                                     | 0   | 0   | 0   |
| 5. Contract loans.....                                    | 0   | 0                                     | 0   | 0   | 0   |
| 6. Cash, cash equivalents and short-term investments..... | 21,404  | 0                                     | 21,404  | 0   | 0   |
| 7. Derivative instruments.....                            | 0   | 0                                     | 0   | 0   | 0   |
| 8. Other invested assets.....                             | 0   | 0                                     | 0   | 0   | 0   |
| 9. Aggregate write-ins for capital gains (losses).....    | 0   | 0                                     | 0   | 0   | 0   |
| 10. Total capital gains (losses).....                     | 1,699,470   | 0                                     | 1,699,470   | 198,893   | 0   |

**DETAILS OF WRITE-INS**

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| 0901. ....  | 0 | 0 | 0 | 0 | 0 |
| 0902. ....  | 0 | 0 | 0 | 0 | 0 |
| 0903. ....  | 0 | 0 | 0 | 0 | 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 |

**EXHIBIT OF NONADMITTED ASSETS**

|   | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D).....  | 0  | 0  | 0   |
| 2. Stocks (Schedule D):   |  |  |   |
| 2.1 Preferred stocks.....   | 0  | 0  | 0   |
| 2.2 Common stocks.....  | 0  | 0  | 0   |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |   |
| 3.1 First liens.....  | 0  | 0  | 0   |
| 3.2 Other than first liens.....   | 0  | 0  | 0   |
| 4. Real estate (Schedule A):  |  |  |   |
| 4.1 Properties occupied by the company.....   | 0  | 0  | 0   |
| 4.2 Properties held for the production of income.....   | 0  | 0  | 0   |
| 4.3 Properties held for sale.....   | 0  | 0  | 0   |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          | 0  | 0  | 0   |
| 6. Contract loans.....  | 0  | 0  | 0   |
| 7. Derivatives (Schedule DB).....   | 0  | 0  | 0   |
| 8. Other invested assets (Schedule BA).....   | 0  | 0  | 0   |
| 9. Receivables for securities.....  | 0  | 0  | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  | 0  | 0  | 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  | 0  | 0   |
| 14. Investment income due and accrued.....  | 0  | 0  | 0   |
| 15. Premiums and considerations:  |  |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 26,360   | 2,447  | (23,913)  |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       | 0  | 0  | 0   |
| 15.3 Accrued retrospective premiums.....  | 0  | 0  | 0   |
| 16. Reinsurance:  |  |  |   |
| 16.1 Amounts recoverable from reinsurers.....   | 0  | 0  | 0   |
| 16.2 Funds held by or deposited with reinsured companies.....   | 0  | 0  | 0   |
| 16.3 Other amounts receivable under reinsurance contracts.....  | 0  | 0  | 0   |
| 17. Amounts receivable relating to uninsured plans.....   | 0  | 0  | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | 0  | 0  | 0   |
| 18.2 Net deferred tax asset.....  | 0  | 183,387  | 183,387   |
| 19. Guaranty funds receivable or on deposit.....  | 0  | 0  | 0   |
| 20. Electronic data processing equipment and software.....  | 0  | 0  | 0   |
| 21. Furniture and equipment, including health care delivery assets.....   | 0  | 0  | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | 0  | 0  | 0   |
| 23. Receivables from parent, subsidiaries and affiliates.....   | 0  | 0  | 0   |
| 24. Health care and other amounts receivable.....   | 0  | 0  | 0   |
| 25. Aggregate write-ins for other than invested assets.....   | 470,000  | 238,000  | (232,000)   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | 496,360  | 423,834  | (72,526)  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | 0  | 0  | 0   |
| 28. TOTALS (Lines 26 and 27).....   | 496,360  | 423,834  | (72,526)  |

**DETAILS OF WRITE-INS**

|  |         |         |           |
|--|---------|---------|-----------|
| 1101.....  | 0       | 0       | 0         |
| 1102.....  | 0       | 0       | 0         |
| 1103.....  | 0       | 0       | 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 Receivable.....  | 470,000 | 238,000 | (232,000) |
| 2502.....  | 0       | 0       | 0         |
| 2503.....  | 0       | 0       | 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).....       | 470,000 | 238,000 | (232,000) |

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

The accompanying financial statements of the Michigan Professional Insurance Exchange (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP), and the State of Michigan. The Michigan prescribed and permitted accounting practices used in the preparation of the accompanying financial statements did not differ from NAIC SAP.

|   | State of Domicile | 2014       | 2013       |
|---|-------------------|------------|------------|
| <b>NET INCOME</b>   |                   |            |            |
| (1) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis (Page 4, Line 20, Columns 1 & 2) | MI                | 8,659,714  | 7,209,623  |
| (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)  | MI                | 8,659,714  | 7,209,623  |
| <b>SURPLUS</b>  |                   |            |            |
| (5) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis (Page 3, line 37, Columns 1 & 2) | MI                | 54,773,089 | 52,613,404 |
| (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)  | MI                | 54,773,089 | 52,613,404 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

**C. Accounting Policy**

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate: N/A
- (6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) The Company does not have any investments in subsidiaries.
- (8) The Company does not have any investments in joint ventures or partnerships.
- (9) The Company does not hold any derivatives.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount 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 not modified its capitalization policy from the prior period.
- (13) The company does not anticipate any pharmaceutical rebate receivables.

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

During the current year, the self-insurance policy managed by the company was endorsed retroactively to July 1, 2013 to amend language regarding management of claims in case of termination of the policy. This language eliminates the company's obligation to manage claims after policy termination.

The company had a liability of \$1,061,744 for self-insurance administration (Page 3, Line 2503) at 12/31/13 and \$926,617 at 12/31/12. This liability was incorporated into current year self-insurance admin income (Page 4, Line 1401). This change resulted in a \$1,061,744 increase in Page 4, Line 14

**NOTES TO FINANCIAL STATEMENTS**

miscellaneous income, an increase of \$126,580 in federal income tax (Page 4, Line 19) and an increase in net income (Line 20) of \$935,164. This change also resulted in a decrease in deferred tax assets of \$234,413 in the current year (Page 2, Line 18.2).

**NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL**

- A. Statutory Purchase Method: Not applicable  
 B. Statutory Merger: Not applicable  
 C. Impairment Loss: Not applicable

**NOTE 4 – DISCONTINUED OPERATIONS**

The Company has not discontinued any operations in the current or prior years.

- (1) Not applicable  
 (2) Not applicable  
 (3) Not applicable  
 (4) Not applicable  
 (5) Not applicable

**NOTE 5 – INVESTMENTS**

## A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for mortgage loans during 2014 were: Not applicable  
 (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was \_\_\_\_%. Not applicable  
 (3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total: Not applicable  
 (4) Age Analysis of Mortgage Loans: Not applicable  
 (5) Investment Impaired Loans With or Without Allowance for Credit Losses: Not applicable  
 (6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and amount of Interest Income Recognized Using a Cash-Basis Method of Accounting: Not applicable  
 (7) Allowance for credit losses: Not applicable  
 (8) Not applicable

## B. Debt Restructuring

- (1) The total recorded investment in restructured loans, as of year-end: Not applicable  
 (2) The realized capital losses related to these loans: Not applicable  
 (3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings: Not applicable  
 (4) Not applicable

## C. Reverse Mortgages

- (2) Not applicable  
 (3) Not applicable  
 (4) Not applicable  
 (5) Not applicable

## D. Loan-Backed Securities

- (2) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.  
 (3) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the Company had either the intent to sell the securities or the inability or lack of intent to retain.  
 (4) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the present value of cash flows expected to be collected is less than the amortized cost basis of the securities.  
 (5) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

|    |  |    |                     |           |
|----|--|----|---------------------|-----------|
| a. | The aggregate amount of unrealized losses:                             | 1. | Less than 12 Months | 522,600   |
|    |  | 2. | 12 Months or Longer | 513,420   |
| b. | The aggregate related fair value of securities with unrealized losses: | 1. | Less than 12 Months | 1,900,587 |
|    |  | 2. | 12 Months or Longer | 9,033,912 |

- (6) None



**NOTES TO FINANCIAL STATEMENTS****E. Repurchase Agreements and/or Securities Lending Transactions**

- (5) Not applicable  
(6) Not applicable  
(7) Not applicable  
(8) Not applicable  
(9) Not applicable  
(10) Not applicable  
(11) Not applicable

**F. Real Estate**

- (12) Not applicable  
(13) Not applicable  
(14) Not applicable  
(15) Not applicable  
(16) Not applicable  
(17) Not applicable  
(18) Not applicable  
(19) Not applicable

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

- (1) Not applicable  
(2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable

**H. Other Disclosures and Unusual Items: None****I. Working Capital Finance Investments: None****J. Offsetting and Netting of Assets and Liabilities: None****K. Structured Notes: None****NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

- A. Not applicable  
B. Not applicable

**NOTE 7 – INVESTMENT INCOME****A. Accrued Investment Income**

The Company non-admits investment income due and accrued if amounts are over 90 days past due.

**B. Amounts non-admitted: None****NOTE 8 – DERIVATIVE INSTRUMENTS**

- A. Not applicable  
B. Not applicable  
C. Not applicable  
D. Not applicable  
E. Not applicable  
F. Not applicable

- (1) Not applicable  
(2) None

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

|   | 2014          |              |                         | 2013          |              |                         | Change                     |                           |                         |
|---|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|   | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets                | 1,295,636     | 104,778      | 1,400,414               | 1,664,423     | 104,778      | 1,769,201               | (368,787)                  |                           | (368,787)               |
| b. Statutory valuation allowance adjustment |               |              |                         |               |              |                         |                            |                           |                         |

## NOTES TO FINANCIAL STATEMENTS

|  |           |           |           |           |           |           |           |          |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| c. Adjusted gross deferred tax assets (1a-1b)                            | 1,295,636 | 104,778   | 1,400,414 | 1,664,423 | 104,778   | 1,769,201 | (368,787) |          | (368,787) |
| d. Deferred tax assets nonadmitted                                       |           |           |           | 183,387   |           | 183,387   | (183,387) |          | (183,387) |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | 1,295,636 | 104,778   | 1,400,414 | 1,481,036 | 104,778   | 1,585,814 | (185,400) |          | (185,400) |
| f. Deferred tax liabilities  |           | 1,007,043 | 1,007,043 |           | 1,032,992 | 1,032,992 |           | (25,949) | (25,949)  |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | 1,295,636 | (902,265) | 393,371   | 1,481,036 | (928,214) | 552,822   | (185,400) | 25,949   | (159,451) |

## 2. Admission Calculation Components

|  | 2014          |              |                         | 2013          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Federal income taxes paid in prior years recoverable through loss carrybacks  | 799,672       |              | 799,672                 | 552,822       |              | 552,822                 | 246,850                    |                           | 246,850                 |
| 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: | 144,270       |              | 144,270                 |               |              |                         | 144,270                    |                           | 144,270                 |
| Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 144,270       |              | 144,270                 |               |              |                         | 144,270                    |                           | 144,270                 |
| Adjusted gross deferred tax assets allowed per limitation threshold  |               |              |                         |               |              |                         |                            |                           |                         |
| 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  | 351,694       | 104,778      | 456,472                 | 928,214       | 104,778      | 1,032,992               | (576,520)                  |                           | (576,520)               |
| d. Deferred tax assets admitted as the result of application of SSAP 101. Total 2(a)+2(b)+2(c)   | 1,295,636     | 104,778      | 1,400,414               | 1,481,036     | 104,778      | 1,585,814               | (185,400)                  |                           | (185,400)               |

## 3. Other Admissibility Criteria

|   | 2014       | 2013       |
|---|------------|------------|
| a. Ratio percentage used to determine recovery period and threshold limitation amount                               | 12.070     | 10.950     |
| b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | 52,936,395 | 52,609,606 |

## 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<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col. 1-3)<br>Ordinary | 6<br>(Col. 2-4)<br>Capital |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | 1,295,636     | 104,778      | 1,664,423     | 104,778      | (368,787)                   |                            |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0.000         | 0.000        | 0.000         | 0.000        | 0.000                       | 0.000                      |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)  | 1,295,636     | 104,778      | 1,481,036     | 104,778      | (185,400)                   |                            |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.000         | 0.000        | 0.000         | 0.000        | 0.000                       | 0.000                      |

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized: None

C. Current and Deferred Income Taxes

## 1. Current Income Tax

|   | 1<br>2014 | 2<br>2013 | 3<br>(Col 1-2)<br>Change |
|---|-----------|-----------|--------------------------|
| a. Federal                                    | (22,776)  | (157,353) | 134,577                  |
| b. Foreign                                    |           |           |                          |
| c. Subtotal                                   | (22,776)  | (157,353) | 134,577                  |
| d. Federal income tax on net capital gains    | 577,820   | 821,538   | (243,718)                |
| e. Utilization of capital loss carry-forwards |           |           |                          |
| f. Other                                      |           |           |                          |
| g. Federal and Foreign income taxes incurred  | 555,044   | 664,185   | (109,141)                |

## 2. Deferred Tax Assets

|                                 | 1<br>2014 | 2<br>2013 | 3<br>(Col 1-2)<br>Change |
|---------------------------------|-----------|-----------|--------------------------|
| a. Ordinary:                    |           |           |                          |
| 1. Discounting of unpaid losses | 987,564   | 1,059,267 | (71,703)                 |
| 2. Unearned premium reserve     | 308,072   | 370,743   | (62,671)                 |
| 3. Policyholder reserves        |           |           |                          |
| 4. Investments                  |           |           |                          |

## NOTES TO FINANCIAL STATEMENTS

|  | 1<br>2014 | 2<br>2013 | 3<br>(Col 1-2)<br>Change |
|--|-----------|-----------|--------------------------|
| 5. Deferred acquisition costs                                |           |           |                          |
| 6. Policyholder dividends accrual                            |           |           |                          |
| 7. Fixed assets  |           |           |                          |
| 8. Compensation and benefits accrual                         |           |           |                          |
| 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) |           | 234,413   | (234,413)                |
| 99. Subtotal   | 1,295,636 | 1,664,423 | (368,787)                |
| b. Statutory valuation allowance adjustment                  |           |           |                          |
| c. Nonadmitted   |           | 183,387   | (183,387)                |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)        | 1,295,636 | 1,481,036 | (185,400)                |
| e. Capital:  |           |           |                          |
| 1. Investments   | 104,778   | 104,778   |                          |
| 2. Net capital loss carry-forward                            |           |           |                          |
| 3. Real estate   |           |           |                          |
| 4. Other (including items <5% of total capital tax assets)   |           |           |                          |
| 99. Subtotal   | 104,778   | 104,778   |                          |
| f. Statutory valuation allowance adjustment                  |           |           |                          |
| g. Nonadmitted   |           |           |                          |
| h. Admitted capital deferred tax assets (2e99-2f-2g)         | 104,778   | 104,778   |                          |
| i. Admitted deferred tax assets (2d+2h)                      | 1,400,414 | 1,585,814 | (185,400)                |

## 3. Deferred Tax Liabilities

|   | 1<br>2014 | 2<br>2013 | 3<br>(Col 1-2)<br>Change |
|---|-----------|-----------|--------------------------|
| a. Ordinary:  |           |           |                          |
| 1. Investments  |           |           |                          |
| 2. Fixed assets   |           |           |                          |
| 3. Deferred and uncollected premium                         |           |           |                          |
| 4. Policyholder reserves                                    |           |           |                          |
| 5. Other (including items <5% of total ordinary tax assets) |           |           |                          |
| 99. Subtotal  |           |           |                          |
| b. Capital:   |           |           |                          |
| 1. Investments  |           |           |                          |
| 2. Real estate  |           |           |                          |
| 3. Other (including items <5% of total capital tax assets)  | 1,007,043 | 1,032,992 | (25,949)                 |
| 99. Subtotal  | 1,007,043 | 1,032,992 | (25,949)                 |
| c. Deferred tax liabilities (3a99+3b99)                     | 1,007,043 | 1,032,992 | (25,949)                 |

|                                      |         |         |           |
|--------------------------------------|---------|---------|-----------|
| 4. Net Deferred Tax Assets (2i - 3c) | 393,371 | 552,822 | (159,451) |
|--------------------------------------|---------|---------|-----------|

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      | 3,132,882   | 34.0                   |
| Proration of tax exempt investment income | 2,613       | 0.0                    |
| Tax exempt income deduction               | (15,419)    | (0.2)                  |
| Dividends received deduction              | (1,998)     | 0.0                    |
| Disallowed travel and entertainment       | 0           | 0.0                    |
| Other permanent differences               | (2,197,157) | (23.8)                 |
| <b>Temporary Differences:</b>             |             |                        |
| Total ordinary DTAs                       | 0           | 0.0                    |
| Total ordinary DTLs                       | 0           | 0.0                    |
| Total capital DTAs                        | 0           | 0.0                    |
| Total capital DTLs                        | 0           | 0.0                    |
| <b>Other:</b>                             |             |                        |
| Statutory valuation allowance adjustment  | 0           | 0.0                    |
| Accrual adjustment - prior year           | 2,910       | 0.0                    |
| Other                                     | 0           | 0.0                    |
| Totals                                    | 923,830     | 10.0                   |
| Federal and foreign income taxes incurred | (22,776)    | (0.2)                  |
| Realized capital gains (losses) tax       | 577,820     | 6.3                    |
| Change in net deferred income taxes       | 368,787     | 4.0                    |
| Total statutory income taxes              | 923,830     | 10.0                   |

## 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:

**NOTES TO FINANCIAL STATEMENTS**

| Year | Amount  |
|------|---------|
| 2014 | 550,044 |
| 2013 | 601,624 |

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

F. Consolidated Federal Income Tax Return

Not applicable

1. The company's tax return is not consolidated
2. Not applicable

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. Not applicable

B. Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

H. Not applicable

I. Not applicable

- (1) Not applicable
- (2) Not applicable

J. Not applicable

- (1) Not applicable
- (2) Not applicable

K. Not applicable

L. Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable

**NOTE 11 – DEBT**

A. Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable

## NOTES TO FINANCIAL STATEMENTS

- (8) Not applicable  
 (9) Not applicable  
 (10) Not applicable  
 (11) Not applicable  
 (12) Not applicable

### B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI). The Company does not have any outstanding cash advances as of 12/31/2014. The company has pledged securities as collateral to maintain a \$3,000,000 line of credit. It is part of the Company's strategy to have cash advances available for liquidity purposes. Any funds obtained from the FHLBI would be accounted for consistent with SSAP No. 15 - Debt and Holding Company Obligations as borrowed money. The table below indicates the amount of FHLBI stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBI.

#### (2) FHLB Capital Stock

##### a. Aggregate Totals

##### 1. Current Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | 153,500             | 153,500                 |                                 |
| (b) Membership Stock – Class B  |                     |                         |                                 |
| (c) Activity Stock  |                     |                         |                                 |
| (d) Excess Stock  |                     |                         |                                 |
| (e) Aggregate Total   | 153,500             | 153,500                 |                                 |
| (f) Actual or estimated borrowing capacity as determined by the insurer | 3,662,620           | XXX                     | XXX                             |

##### 2. Prior Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | 155,400             | 155,400                 |                                 |
| (b) Membership Stock – Class B  |                     |                         |                                 |
| (c) Activity Stock  |                     |                         |                                 |
| (d) Excess Stock  |                     |                         |                                 |
| (e) Aggregate Total   | 155,400             | 155,400                 |                                 |
| (f) Actual or estimated borrowing capacity as determined by the insurer |                     | XXX                     | XXX                             |

##### b. Membership Stock (Class A and B) Eligible for Redemption

| Membership Stock | Current Year Total | Not Eligible for Redemption | Less than 6 Months | 6 Months to Less than 1 Year | 1 to Less than 3 Years | 3 to 5 Years |
|------------------|--------------------|-----------------------------|--------------------|------------------------------|------------------------|--------------|
| 1. Class A       | 153,500            | 153,500                     |                    |                              |                        |              |
| 2. Class B       |                    |                             |                    |                              |                        |              |

#### (3) Collateral Pledged to FHLB

##### a. Amount Pledged as of Reporting Date

##### 1. Current Year Total General and Protected Cell Accounts

|                          | Fair Value | Carrying Value | Aggregate Total<br>Borrowing |
|--------------------------|------------|----------------|------------------------------|
| Total Collateral Pledged | 3,865,970  | 3,964,424      |                              |

##### 2. Current Year General Account

|                          | Fair Value | Carrying Value | Aggregate Total<br>Borrowing |
|--------------------------|------------|----------------|------------------------------|
| Total Collateral Pledged | 3,865,970  | 3,964,424      |                              |

##### 3. Current Year Protected Cell Accounts

|                          | Fair Value | Carrying Value | Aggregate Total<br>Borrowing |
|--------------------------|------------|----------------|------------------------------|
| Total Collateral Pledged |            |                |                              |

##### 4. Prior Year Total General and Protected Cell Accounts

|                          | Fair Value | Carrying Value | Aggregate Total<br>Borrowing |
|--------------------------|------------|----------------|------------------------------|
| Total Collateral Pledged | 3,626,066  | 3,977,177      |                              |

##### b. Maximum Amount Pledged During Reporting Period

**NOTES TO FINANCIAL STATEMENTS**

## 1. Current Year Total General and Protected Cell Accounts

|                          | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
|--------------------------|------------|----------------|---|
| Total Collateral Pledged | 3,865,970  | 3,964,424      | 2,000,000                                     |

## 2. Current Year General Account

|                          | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
|--------------------------|------------|----------------|---|
| Total Collateral Pledged | 3,865,970  | 3,964,424      | 2,000,000                                     |

## 3. Current Year Protected Cell Accounts

|                          | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
|--------------------------|------------|----------------|---|
| Total Collateral Pledged |            |                |   |

## 4. Prior Year Total General and Protected Cell Accounts

|                          | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
|--------------------------|------------|----------------|---|
| Total Collateral Pledged | 3,626,066  | 3,977,177      | 1,000,000                                     |

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

## 1. Current Year

|                        | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt               |                     |                         |                                | XXX   |
| (b) Funding Agreements |                     |                         |                                |   |
| (c) Other              |                     |                         |                                | XXX   |
| (d) Aggregate Total    |                     |                         |                                |   |

## 2. Prior Year

|                        | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt               |                     |                         |                                | XXX   |
| (b) Funding Agreements |                     |                         |                                |   |
| (c) Other              |                     |                         |                                | XXX   |
| (d) Aggregate Total    |                     |                         |                                |   |

## b. Maximum Amount During Reporting Period (Current Year)

|                       | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|-----------------------|---------------------|-------------------------|---------------------------------|
| 1. Debt               | 2,000,687           | 2,000,687               |                                 |
| 2. Funding Agreements |                     |                         |                                 |
| 3. Other              |                     |                         |                                 |
| 4. Aggregate Total    | 2,000,687           | 2,000,687               |                                 |

## c. FHLB – Prepayment Obligations

|                       | Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO) |
|-----------------------|--|
| 1. Debt               | No   |
| 2. Funding Agreements | No   |
| 3. Other              | No   |

**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

A. Defined Benefit Plan: The Company does not have a Defined Benefit Plan

B. Description of Defined Benefit Plan investment policies: Not applicable

C. Fair value of plan assets: Not applicable

D. Basis used for rate of return: Not applicable

## NOTES TO FINANCIAL STATEMENTS

- E. Defined Contribution Plans: The Company does not have a Defined Contribution Plan
- F. Multiemployer Plans: Not applicable
- G. Consolidated/Holding Company Plans: Not applicable
- H. Postemployment Benefits and Compensated Absences: Not applicable
- I. Impact of Medicare Modernization Act of Postretirement Benefits (INT 04-07): Not applicable

### NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- (1) The Company has no common or preferred stock authorized, issued or outstanding
- (2) The Company has no preferred stock outstanding
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: 2,961,891
- (11) The reporting entity issued the following surplus debentures or similar obligations:

| Date Issued | Interest Rate | Par Value<br>(Face Amount<br>of Notes) | Carrying Value<br>of Note | Principal<br>and/or Interest<br>Paid Current<br>Year | Total Principal<br>and/or<br>Interest Paid | Unapproved<br>Principal<br>and/or Interest | Date of<br>Maturity |
|-------------|---------------|--|---------------------------|--|--|--|---------------------|
| 06/30/2010  | 4.750         | 2,000,000                              | 2,000,000                 | 95,000   | 285,000                                    | 95,000                                     |                     |
| 01/01/2005  | 4.750         |  |                           | 1,871,733  | 6,792,847                                  | 41,325                                     |                     |
| Total       | XXX           | 2,000,000                              | *2,000,000                | 1,966,733  | 7,077,847                                  | 136,325                                    | XXX                 |

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

- (12) Not applicable
- (13) Not applicable

### NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

- A. Contingent Commitments: Not applicable
- B. Assessments
- (1) Where Amount is Unknown: None  
Where Amount is Known: None
- (2) The Company has not accrued a liability for guaranty fund assessments. No assessment is anticipated for 2014 at this time.

|    |  |  |
|----|--|--|
| a. | Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end   |  |
| b. | Decreases current year:  |  |
| c. | Increases current year:  |  |
| d. | Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end |  |

- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- MICHIGAN PROFESSIONAL INSURANCE EXCHANGE paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

|  | Direct |
|--|--------|
| Claims related ECO and bad faith losses paid during the reporting period |        |

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
|                    |                     |                      |                       |                             |

- E. Product Warranties: The Company does not insure for product warranties.
- F. Joint and Several Liabilities: None
- G. All Other Contingencies:

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 assets that it considers to be impaired.

**NOTES TO FINANCIAL STATEMENTS****NOTE 15 – LEASES**

- A. Lessee Operating Lease  
The Company does not have any leasing arrangements
- B. Revenue, Net Income or Assets with Respect to Leases: Not applicable

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

- (1) None
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

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

- A. Transfers of Receivables Reported as Sales: None
- (1) Not applicable
- (2) Not applicable
- B. Transfer and Servicing of Financial Assets: None
- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- C. Wash Sales:
- (1) The Company does not utilize wash sales to enhance the yield on its investment portfolio.

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

## A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2014:

|    |  | ASO<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASO |
|----|--|------------------------|---|--------------|
| a. | Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses | 1,230,951              |   | 1,230,951    |
| b. | Total net other income or expenses (including interest paid to or receive from plans)                      | (5,500)                |   | (5,500)      |
| c. | Net gain or (loss) from operations   | 1,225,451              |   | 1,225,451    |
| d. | Total claim payment volume   | 23,283,593             |   | 23,283,593   |

## B. ASC Plans: Not applicable

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2014:

|    |  | ASC<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASO |
|----|--|------------------------|---|--------------|
| a. | Gross reimbursement for medical cost incurred                                |                        |   |              |
| b. | Gross administrative fees accrued  |                        |   |              |
| c. | Other income or expenses (including interest paid to or received from plans) |                        |   |              |
| d. | Gross expenses incurred (claims and administrative)                          |                        |   |              |
| e. | Total net gain or loss from operations                                       |                        |   |              |

## C. Medicare or Similarly Structured Cost Based Reimbursement Contract: Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable



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

| Name and Address of Managing General Agent or Third Party Administrator | FEIN Number | Exclusive Contract | Types of Business Written | Types of Authority Granted | Total Direct Premiums Written/ Produced By |
|---|-------------|--------------------|---------------------------|----------------------------|--|
|   |             |                    |                           |                            |  |
| Total   | XXX         | XXX                | XXX                       | XXX                        |  |

**NOTE 20 – FAIR VALUE MEASUREMENTS**

- A. 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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: This category for items measured at fair value on a recurring basis includes bonds and preferred stocks which are not exchange-traded.

- (1) Fair Value Measurements at Reporting Date

| Assets at Fair Value       | Level 1    | Level 2   | Level 3 | Total      |
|----------------------------|------------|-----------|---------|------------|
| Bonds                      |            | 1,770,399 |         | 1,770,399  |
| Redeemable preferred stock |            | 86,202    |         | 86,202     |
| Common stock               | 13,089,472 | 153,500   |         | 13,242,972 |
| Total                      | 13,089,472 | 2,010,101 |         | 15,099,573 |

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

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy: None

|           | 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.

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted market prices for similar instruments in an inactive market were utilized or quoted market prices for similar instruments in an active market were utilized via matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held.

Bonds carried at fair value categorized as Level 3 were valued using an income approach. These valuations were determined to be Level 3 valuations as the price was based on unobservable market data because the bonds are trading in an inactive market. The bonds were valued using present value techniques. In 2014, no bonds were categorized as Level 3.

Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for similar instruments in an active market were utilized via matrix pricing as described above.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

- (5) Derivative assets and liabilities: None

- B. Not applicable

- C. Aggregate Fair Value by Hierarchical Level

**NOTES TO FINANCIAL STATEMENTS**

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)  | (Level 2)  | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|------------|------------|-----------|----------------------------------|
| Short term bonds             | 5,166,537            | 5,143,052       | 4,880,350  | 286,187    |           |                                  |
| Long term bonds              | 82,922,107           | 79,172,670      |            | 82,922,107 |           |                                  |
| Preferred stock              | 86,202               | 86,202          |            | 86,202     |           |                                  |
| Common stock                 | 13,242,972           | 13,242,972      | 13,089,472 | 153,500    |           |                                  |
| Total                        | 101,417,818          | 97,644,896      | 17,969,822 | 83,447,996 |           |                                  |

## D. Not Practicable to Estimate Fair Value: None

| Type of Class or Financial Instrument | Carrying Value | Effective Interest Rate | Maturity Date | Explanation |
|---------------------------------------|----------------|-------------------------|---------------|-------------|
|                                       |                | 0.000                   |               |             |
| Total                                 |                |                         |               |             |

**NOTE 21 – OTHER ITEMS**

## A. Extraordinary Items: None

## B. Troubled Debt Restructuring Debtors: Not applicable

## C. Other Disclosures and Unusual Items

On July 1, 2004, the company entered into a self-insurance agreement with Spectrum Health. Prior to 7/1/04 Spectrum Health accounted for about one third of the company net written premium. The company provides administrative services only, and pays 0.09% interest on the amount Spectrum Health has deposited with the company to pay claims. Since the company no longer bears any risk in this agreement, Spectrum Health's premium is not included in premiums earned, nor are any losses or loss adjustment expenses included in the Underwriting and Investment Exhibit. See Note 18.A. for additional related information.

## D. Business Interruption Insurance Recoveries: None

## E. State Transferable and Non-Transferable Tax Credits: None

- (1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total
- (2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits
- (3) Impairment Loss
- (4) State Tax Credits Admitted and Nonadmitted

## F. Subprime Mortgage Related Risk Exposure

## (1) The company identifies investments with subprime mortgage related risks as those securities primarily backed by pools with the following characteristics calculated on a weighted average basis:

- First lien mortgages where borrowers have FICO scores less than 650
- First lien mortgages with loan-to-value ratios greater than 95%
- Second lien mortgages where borrowers have FICO scores less than 675
- Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650

The company's investment policy limits the portion of the portfolio that can be allocated to MBS or ABS securities. It also limits the allocation to any one issuer. The fixed income manager is required to maintain a minimum weighted average credit rating, so to the extent that a specific security has a decline in its credit rating, then any new security added to the portfolio must be of higher than average credit rating to maintain or exceed the minimum rating.

## (2) Direct Exposure Through Investments in Subprime Mortgage Loans

|  | Book/Adjusted Carrying Value (Excluding Interest) | Fair Value | Value of Land and Buildings | Other-Than-Temporary Impairment Losses Recognized | Default Rate |
|--|---|------------|-----------------------------|---|--------------|
| a. Mortgages in the process of foreclosure |   |            |                             |   | 0.000        |
| b. Mortgages in good standing              |   |            |                             |   | 0.000        |
| c. Mortgages with restored terms           |   |            |                             |   | 0.000        |
| d. Total                                   |   |            |                             |   | XXX          |

## (3) Direct Exposure Through Other Investments

|   | Actual Cost | Book/Adjusted Carrying Value (Excluding Interest) | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|---|-------------|---|------------|---|
| a. Residential mortgage backed securities | 692,019     | 624,968   | 628,688    | 151,045   |
| b. Commercial mortgage backed securities  |             |   |            |   |
| c. Collateralized debt obligations        |             |   |            |   |
| d. Structured securities                  |             |   |            |   |
| e. Equity investments in SCAs*            |             |   |            |   |
| f. Other assets                           |             |   |            |   |
| g. Total                                  | 692,019     | 624,968   | 628,688    | 151,045   |

**NOTES TO FINANCIAL STATEMENTS**

\* These investments comprise 0.000% of the company's invested assets.

**(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage**

|    |                             | Losses Paid in the<br>Current Year | Losses Incurred in<br>the Current Year | Case Reserves at<br>end of Current<br>Period | IBNR Reserves at<br>End of Current<br>Period |
|----|-----------------------------|------------------------------------|--|--|--|
| a. | Mortgage guaranty coverage  |                                    |  |  |  |
| b. | Financial guaranty coverage |                                    |  |  |  |
| c. | Other lines (specify):      |                                    |  |  |  |
| d. | Total                       |                                    |  |  |  |

G. Joint and Several Liabilities: Not applicable

**NOTE 22 – EVENTS SUBSEQUENT**

|   | Current Year | Prior Year |
|---|--------------|------------|
| A. ACA fee assessment payable for the upcoming year   |              |            |
| B. ACA fee assessment paid  |              |            |
| C. Premium written subject to ACA 9010 assessment   |              |            |
| D. Total adjusted capital before surplus adjustment   |              |            |
| E. Authorized control level before surplus adjustment   |              |            |
| F. Total adjusted capital after surplus adjustment  |              |            |
| G. Authorized control level after surplus adjustment  |              |            |
| H. Would reporting the ACA assessment as of December 31, 2014 have triggered an RBC action level (YES/NO)? NO |              |            |

**NOTE 23 – REINSURANCE**

- A. Unsecured Reinsurance Recoverables: Not applicable  
 B. Reinsurance Recoverables in Dispute: Not applicable  
 C. Reinsurance Assumed and Ceded

**(1) Commissions**

|    |                                  | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|----|----------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|    |                                  | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. | Affiliates                       |                     |                   |                   |                   |                 |                   |
| b. | All Other                        |                     |                   | 139,391           | 2,244             | (139,391)       | (2,244)           |
| c. | Total                            |                     |                   | 139,391           | 2,244             | (139,391)       | (2,244)           |
| d. | Direct Unearned Premium Reserves |                     |                   | 3,729,122         |                   |                 |                   |

**(2) Contingent commissions: Not applicable**

|    |                                      | Direct | Assumed | Ceded | Net |
|----|--------------------------------------|--------|---------|-------|-----|
| a. | Contingent commission                |        |         |       |     |
| b. | Sliding scale adjustments            |        |         |       |     |
| c. | Other profit commission arrangements |        |         |       |     |
| d. | Total                                |        |         |       |     |

**(3) Protected Cells: Not applicable**

| Protected Cell Name | Covered Exposure | Ultimate Exposure Amount | Fair Value of Assets as of December 31 | Initial Contact Date of Securitization Instrument | Maturity Date of Securitized Instrument |
|---------------------|------------------|--------------------------|--|---|---|
| Total               | XXX              |                          |  | XXX   | XXX                                     |

- D. Uncollectible Reinsurance: None  
 E. Commutation of Ceded Reinsurance: None  
 F. Retroactive Reinsurance: None  
 G. Reinsurance Accounted for as a Deposit: None  
 H. Disclosures for the Transfer of Property and Casualty Run-off Agreements: Not applicable  
 I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

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

- A. The Company does not write retrospectively rated policies  
 B. Not applicable  
 C. Not applicable  
 D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act: Not applicable

**NOTES TO FINANCIAL STATEMENTS**

- E. Nonadmitted Retrospective Premium: Not applicable
- F. Risk Sharing Provisions of the Affordable Care Act: Not applicable
- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
- (1) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year: Not applicable
- (2) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance: Not applicable

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$5,217,000 in 2014 as a result of re-estimation of unpaid losses and loss adjustment expenses on medical professional and other liability lines of business. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not write retrospectively rated policies.

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable
- G. Not applicable

**NOTE 27 – STRUCTURED SETTLEMENTS**

- A. None
- B. None

**NOTE 28 – HEALTH CARE RECEIVABLES**

- A. Pharmaceutical Rebate Receivables: None
- B. Risk Sharing Receivables: None

**NOTE 29 – PARTICIPATING POLICIES**

Not applicable

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

- 1. Liability carried for premium deficiency reserve:
- 2. Date of most recent evaluation of this liability: December 31, 2014
- 3. Was anticipated investment income utilized in the calculation? NO

**NOTE 31 – HIGH DEDUCTIBLES**

Not applicable

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

- A. Tabular Discount: The company does not discount the liabilities for unpaid losses or LAE for Medical Professional Liability claims. The company does not write Workers Compensation.
- B. Nontabular Discount: Not applicable
- C. Not applicable

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? No
- (1) Direct: Not applicable
- (2) Assumed Reinsurance: Not applicable
- (3) Net of Ceded Reinsurance: Not applicable
- A. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE): Not applicable
- (1) Direct: Not applicable
- (2) Assumed Reinsurance: Not applicable
- (3) Net of Ceded Reinsurance: Not applicable

---

**NOTES TO FINANCIAL STATEMENTS**

---

- B. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR): Not applicable
- (1) Direct: Not applicable
  - (2) Assumed Reinsurance: Not applicable
  - (3) Net of Ceded Reinsurance: Not applicable
- D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? No
- (1) Direct: Not applicable
  - (2) Assumed Reinsurance: Not applicable
  - (3) Net of Ceded Reinsurance: Not applicable
- E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE)
- (1) Direct: Not applicable
  - (2) Assumed Reinsurance: Not applicable
  - (3) Net of Ceded Reinsurance: Not applicable
- E. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR)
- (1) Direct: Not applicable
  - (2) Assumed Reinsurance: Not applicable
  - (3) Net of Ceded Reinsurance: Not applicable

**NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

At December 31, 2014, the Company has \$36,363,491 identified to subscriber savings accounts, all from company operations. Of this amount, \$3,257,000 is reported in Aggregate write-ins for liabilities (page 3, line 25) for amounts due to terminated policyholders. The balance identified to subscriber savings accounts, \$33,106,491 is reported in Unassigned funds (surplus) (page 3, line 35). The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Company.

**NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

The company does not write multiple peril crop insurance.

**NOTE 36 – FINANCIAL GUARANTY INSURANCE**

- A. The company does not write financial guaranty insurance.

**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 [X]  
 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 [X]
- 1.3 State regulating? State of Michigan, Department of Insurance and Financial Services
- 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 [X] No [ ]
- 2.2 If yes, date of change: 10/21/2014
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 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. 12/31/2010
- 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). 04/27/2012
- 3.4 By what department or departments?  
State of Michigan, Department of Insurance and Financial Services

- 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 [X] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [X]
- 4.12 renewals? Yes [ ] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [X]
- 4.22 renewals? Yes [ ] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 5.2 If yes, provide the name of 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 [X]
- 6.2 If yes, give full information:

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control .....0.000 %
- 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 [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any 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?  
Andrews Hooper & Pavlik PLC, 3333 Deposit Dr NE, Suite 310, Grand Rapids, MI 49546
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

## 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?  
Jeremy Pecora, FCAS, Towers Watson, One Northwestern Plaza, Suite 500, 28411 Northwestern Highway, Southfield, MI 48034 Consulting Actuary

- 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 .....0
- 12.13 Total book/adjusted carrying value \$.....0
- 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
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No
- 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<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>Amount |
|--|--------------------------------------|--|-------------|
| 0  |                                      |  | 0           |

### 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 \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0

**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 \$.....0
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 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).

- 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. \$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....0
- 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. \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$.....0
- 24.103 Total payable for securities lending reported on the liability page. \$.....0

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 \$.....153,500
- 25.28 On deposit with states \$.....309,471
- 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 \$.....3,964,424
- 25.32 Other \$.....0

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  | 0           |

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
- If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

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<br>Name of Custodian(s)              | 2<br>Custodian's Address                              |
|--|---|
| Fifth Third Bank                       | 5050 Kingsley Dr, Cincinnati, OH 45263                |
| Federal Home Loan Bank of Indianapolis | 8250 Woodfield Crossing Blvdl, Indianapolis, IN 46240 |

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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository Number(s) | 2<br>Name                              | 3<br>Address                                 |
|--|--|--|
| 108975   | Asset Allocation & Management Co., LLC | 30 West Monroe St, 3rd Fl., Chicago IL 60603 |
| 104751   | Zazove/AAM Advisors                    | 30 West Monroe St, 3rd Fl., Chicago IL 60603 |



**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

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  No

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #   | 2<br>Name of Mutual Fund     | 3<br>Book/Adjusted Carrying Value |
|----------------|------------------------------|-----------------------------------|
| 256210 10 5    | DODGE & COX INCOME FUND      | 1,503,480                         |
| 4812C0 38 1    | JPMORGAN CORE BOND-SEL       | 1,504,979                         |
| 921943 80 9    | VANGUARD DEV MKT INDX-ADM    | 2,278,711                         |
| 922908 30 6    | VANGUARD TOT STK MKT IND-INV | 7,802,302                         |
| 29.2999. TOTAL |                              | 13,089,472                        |

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

| 1<br>Name of Mutual Fund<br>(from the above table) | 2<br>Name of Significant Holding<br>of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value<br>Attributable to Holding | 4<br>Date of Valuation |
|--|--|--|------------------------|
| DODGE & COX INCOME FUND                            | Bank of America Corp                                   | 30,070   | 12/31/2014             |
| DODGE & COX INCOME FUND                            | Verizon Communications Inc                             | 28,566   | 12/31/2014             |
| DODGE & COX INCOME FUND                            | Cox Enterprises Inc                                    | 27,063   | 12/31/2014             |
| DODGE & COX INCOME FUND                            | Time Warner Inc  | 24,056   | 12/31/2014             |
| DODGE & COX INCOME FUND                            | Citigroup Inc  | 21,049   | 12/31/2014             |
| JPMORGAN CORE BOND-SEL                             | US Treasury Coupon STRIPS                              | 16,555   | 12/31/2014             |
| JPMORGAN CORE BOND-SEL                             | US Treasury Coupon STRIPS                              | 16,555   | 12/31/2014             |
| JPMORGAN CORE BOND-SEL                             | Residual Funding Corp STRIPS                           | 10,535   | 12/31/2014             |
| JPMORGAN CORE BOND-SEL                             | US Treasury Notes                                      | 10,535   | 12/31/2014             |
| JPMORGAN CORE BOND-SEL                             | US Treasury Coupon STRIPS                              | 10,535   | 12/31/2014             |
| VANGUARD DEV MKT INDX-ADM                          | Nestle SA  | 38,966   | 12/31/2014             |
| VANGUARD DEV MKT INDX-ADM                          | Novartis AG  | 36,232   | 12/31/2014             |
| VANGUARD DEV MKT INDX-ADM                          | Roche Holding AG                                       | 31,902   | 12/31/2014             |
| VANGUARD DEV MKT INDX-ADM                          | HSBC Holdings plc                                      | 30,307   | 12/31/2014             |
| VANGUARD DEV MKT INDX-ADM                          | Toyota Motor Corp                                      | 27,800   | 12/31/2014             |
| VANGUARD TOT STK MKT IND-INV                       | Apple Inc  | 222,366  | 12/31/2014             |
| VANGUARD TOT STK MKT IND-INV                       | Exxon Mobil Corp                                       | 134,200  | 12/31/2014             |
| VANGUARD TOT STK MKT IND-INV                       | Microsoft Corp   | 118,595  | 12/31/2014             |
| VANGUARD TOT STK MKT IND-INV                       | Johnson & Johnson                                      | 100,650  | 12/31/2014             |
| VANGUARD TOT STK MKT IND-INV                       | Wells Fargo & Co                                       | 97,529   | 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<br>Statement<br>(Admitted)<br>Value | 2<br>Fair<br>Value | 3<br>Excess of Statement<br>over Fair Value (-),<br>or Fair Value over<br>Statement (+) |
|----------------------------|---------------------------------------|--------------------|---|
| 30.1 Bonds.....            | 84,315,721                            | 84,315,864         | 143   |
| 30.2 Preferred stocks..... | 86,202                                | 86,202             | (0)   |
| 30.3 Totals.....           | 84,401,923                            | 84,402,066         | 143   |

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

Most securities are priced using IDC or NAIC-SVO.

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  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  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  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? \$.....0

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | 0                |

34.1 Amount of payments for legal expenses, if any? \$.....128,197

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | 0                |

**PART 1 - COMMON INTERROGATORIES - OTHER**

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....5,866

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | 0                |

## 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? \$.....0  
 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. \$.....0  
 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 \$.....0  
 1.62 Total incurred claims \$.....0  
 1.63 Number of covered lives .....0  
 All years prior to most current three years:  
 1.64 Total premium earned \$.....0  
 1.65 Total incurred claims \$.....0  
 1.66 Number of covered lives .....0

- 1.7 Group policies:  
 Most current three years:  
 1.71 Total premium earned \$.....0  
 1.72 Total incurred claims \$.....0  
 1.73 Number of covered lives .....0  
 All years prior to most current three years:  
 1.74 Total premium earned \$.....0  
 1.75 Total incurred claims \$.....0  
 1.76 Number of covered lives .....0

2. Health test:

|                                  | 1<br>Current Year | 2<br>Prior Year |
|----------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator.....       | \$.....0          | .....0          |
| 2.2 Premium Denominator.....     | \$.....11,804,532 | .....12,884,351 |
| 2.3 Premium Ratio (2.1/2.2)..... | .....0.0          | .....0.0        |
| 2.4 Reserve Numerator.....       | \$.....0          | .....0          |
| 2.5 Reserve Denominator.....     | \$.....41,348,236 | .....44,306,452 |
| 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 \$.....0  
 3.22 Non-participating policies \$.....0

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? .....0.0 %  
 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 [X]  
 5.2 If yes, is the commission paid:  
 5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]  
 5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]  
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?  
Investment management expenses, regulatory fees and taxes  
 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]  
 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?  
The company does not insure for worker's compensation.

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
The company's actuary occasionally uses a stochastic simulation to estimate the amount of variability in the book of business.  
This information is used in setting the company's net retention.

- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The company does not insure for property loss.

- 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 uninsured catastrophic loss:  
The reinsurance treaty for physicians excess of loss coverage covers over a limit per occurrence, regardless of the number of insured defendants.

- 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. .....0

- 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
  - (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
  - (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 [ ] No [ ] N/A [X]
- 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:
- 12.11 Unpaid losses \$.....0
  - 12.12 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:
- 12.41 From .....0.0 %
  - 12.42 To .....0.0 %
- 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 [ ] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of credit \$.....0
  - 12.62 Collateral and other funds \$.....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....1,000,000
- 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. .....1

## 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<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|-----------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home.....       | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.12 Products.....   | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.13 Automobile..... | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.14 Other*.....     | 0                              | 0                            | 0                              | 0                               | 0                             |

\* Disclose type of coverage: .....

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

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

Provide the following information for this exemption:

|   |          |
|---|----------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 | \$.....0 |
| 17.12 Unfunded portion of Interrogatory 17.11   | \$.....0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11                       | \$.....0 |
| 17.14 Case reserves portion of Interrogatory 17.11  | \$.....0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11                                      | \$.....0 |
| 17.16 Unearned premium portion of Interrogatory 17.11   | \$.....0 |
| 17.17 Contingent commission portion of Interrogatory 17.11  | \$.....0 |

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 | \$.....0 |
| 17.19 Unfunded portion of Interrogatory 17.18   | \$.....0 |
| 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18                       | \$.....0 |
| 17.21 Case reserves portion of Interrogatory 17.18  | \$.....0 |
| 17.22 Incurred but not reported portion of Interrogatory 17.18                                      | \$.....0 |
| 17.23 Unearned premium portion of Interrogatory 17.18   | \$.....0 |
| 17.24 Contingent commission portion of Interrogatory 17.18  | \$.....0 |

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. \$.....0

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. \$.....0

## FIVE-YEAR HISTORICAL DATA

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

|   | 1<br>2014   | 2<br>2013   | 3<br>2012   | 4<br>2011   | 5<br>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).....   | 12,981,918  | 15,178,804  | 15,041,163  | 14,700,298  | 15,985,940  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0           | 0           | 0           | 0           | 0           |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0           | 0           | 0           | 0           | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....  | 0           | 0           | 0           | 0           | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....   | 0           | 0           | 0           | 0           | 0           |
| 6. Total (Line 35).....   | 12,981,918  | 15,178,804  | 15,041,163  | 14,700,298  | 15,985,940  |
| <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).....   | 11,247,823  | 12,952,832  | 12,961,411  | 12,660,757  | 13,791,630  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0           | 0           | 0           | 0           | 0           |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0           | 0           | 0           | 0           | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0           | 0           | 0           | 0           | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0           | 0           | 0           | 0           | 0           |
| 12. Total (Line 35).....  | 11,247,823  | 12,952,832  | 12,961,411  | 12,660,757  | 13,791,630  |
| <b>Statement of Income (Page 4)</b>   |             |             |             |             |             |
| 13. Net underwriting gain (loss) (Line 8).....  | 3,138,604   | 2,189,863   | 5,775,539   | 3,130,345   | 961,090     |
| 14. Net investment gain (loss) (Line 11).....   | 3,147,465   | 4,340,431   | 4,238,208   | 4,420,960   | 4,520,998   |
| 15. Total other income (Line 15).....   | 2,350,869   | 521,976     | 681,433     | 380,036     | 390,352     |
| 16. Dividends to policyholders (Line 17).....   | 0           | 0           | 0           | 0           | 0           |
| 17. Federal and foreign income taxes incurred (Line 19).....  | (22,776)    | (157,353)   | 242,392     | 471,828     | 284,925     |
| 18. Net income (Line 20).....   | 8,659,714   | 7,209,623   | 10,452,788  | 7,459,513   | 5,587,515   |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |             |             |             |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....  | 106,621,145 | 103,117,624 | 106,959,417 | 101,804,074 | 104,923,983 |
| 20. Premiums and considerations (Page 2, Col. 3):   |             |             |             |             |             |
| 20.1 In course of collection (Line 15.1).....   | 536,781     | 796,158     | 786,939     | 702,459     | 545,150     |
| 20.2 Deferred and not yet due (Line 15.2).....  | 1,441,789   | 1,238,763   | 1,534,408   | 1,446,821   | 1,359,696   |
| 20.3 Accrued retrospective premiums (Line 15.3).....  | 0           | 0           | 0           | 0           | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....  | 51,848,056  | 50,504,219  | 56,071,592  | 61,900,998  | 69,714,020  |
| 22. Losses (Page 3, Line 1).....  | 21,386,668  | 22,644,793  | 24,370,712  | 27,304,448  | 32,617,255  |
| 23. Loss adjustment expenses (Page 3, Line 3).....  | 16,371,837  | 17,515,219  | 17,381,898  | 18,259,561  | 18,332,966  |
| 24. Unearned premiums (Page 3, Line 9).....   | 3,589,731   | 4,146,440   | 4,086,397   | 3,890,777   | 3,718,858   |
| 25. Capital paid up (Page 3, Lines 30 & 31).....  | 0           | 0           | 0           | 0           | 0           |
| 26. Surplus as regards policyholders (Page 3, Line 37).....   | 54,773,089  | 52,613,404  | 50,887,829  | 39,903,079  | 35,209,963  |
| <b>Cash Flow (Page 5)</b>   |             |             |             |             |             |
| 27. Net cash from operations (Line 11).....   | 4,165,181   | 4,447,625   | 5,007,925   | 2,125,082   | 5,655,288   |
| <b>Risk-Based Capital Analysis</b>  |             |             |             |             |             |
| 28. Total adjusted capital.....   | 54,773,089  | 52,613,404  | 50,887,830  | 39,903,079  | 35,209,963  |
| 29. Authorized control level risk-based capital.....  | 4,385,830   | 4,752,592   | 4,919,799   | 5,115,908   | 5,285,986   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |             |             |             |             |             |
| 30. Bonds (Line 1).....   | 76.4        | 81.2        | 78.0        | 81.7        | 80.6        |
| 31. Stocks (Lines 2.1 & 2.2).....   | 12.9        | 15.6        | 16.7        | 16.2        | 16.1        |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....   | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5).....   | 10.7        | 3.3         | 5.3         | 2.1         | 3.3         |
| 35. Contract loans (Line 6).....  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 36. Derivatives (Line 7).....   | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 37. Other invested assets (Line 8).....   | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 38. Receivable for securities (Line 9).....   | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10).....  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11).....  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 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).....  | 0           | 0           | 0           | 0           | 0           |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....   | 0           | 0           | 0           | 0           | 0           |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....  | 0           | 0           | 0           | 0           | 0           |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....  | 0           | 0           | 0           | 0           | 0           |
| 46. Affiliated mortgage loans on real estate.....   | 0           | 0           | 0           | 0           | 0           |
| 47. All other affiliated.....   | 0           | 0           | 0           | 0           | 0           |
| 48. Total of above lines 42 to 47.....  | 0           | 0           | 0           | 0           | 0           |
| 49. Total investment in parent included in Lines 42 to 47 above.....  | 0           | 0           | 0           | 0           | 0           |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>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         |

## 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).....  | 224,842   | 1,026,521 | 1,157,041  | (558,655) | 829,490   |
| 52. Dividends to stockholders (Line 35).....  | 0         | 0         | 0          | 0         | 0         |
| 53. Change in surplus as regards policyholders for the year (Line 38).....  | 2,159,683 | 1,725,573 | 10,984,751 | 4,693,115 | 2,303,094 |
| <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).....  | 3,840,347 | 8,782,502 | 4,499,441  | 8,928,528 | 4,531,082 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0         | 0         | 0          | 0         | 0         |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0         | 0         | 0          | 0         | 0         |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0         | 0         | 0          | 0         | 0         |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0         | 0         | 0          | 0         | 0         |
| 59. Total (Line 35).....  | 3,840,347 | 8,782,502 | 4,499,441  | 8,928,528 | 4,531,082 |
| <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).....  | 3,840,347 | 5,432,502 | 4,099,441  | 8,503,528 | 4,531,082 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0         | 0         | 0          | 0         | 0         |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0         | 0         | 0          | 0         | 0         |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0         | 0         | 0          | 0         | 0         |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0         | 0         | 0          | 0         | 0         |
| 65. Total (Line 35).....  | 3,840,347 | 5,432,502 | 4,099,441  | 8,503,528 | 4,531,082 |
| <b>Operating Percentages</b><br>(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).....   | 21.9      | 28.8      | 9.1        | 25.5      | 50.2      |
| 68. Loss expenses incurred (Line 3).....  | 29.0      | 32.5      | 26.7       | 33.1      | 26.6      |
| 69. Other underwriting expenses incurred (Line 4).....  | 22.6      | 21.8      | 18.9       | 16.3      | 15.8      |
| 70. Net underwriting gain (loss) (Line 8).....  | 26.6      | 17.0      | 45.2       | 25.1      | 7.5       |
| <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).....   | 2.8       | 17.6      | 13.4       | 13.1      | 11.9      |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....   | 50.9      | 61.2      | 35.9       | 58.7      | 76.8      |
| 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).....  | 20.5      | 24.6      | 25.5       | 31.7      | 39.2      |
| <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).....  | (5,061)   | (4,522)   | (7,663)    | (4,608)   | (3,153)   |
| 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).....                   | (9.6)     | (8.9)     | (19.2)     | (13.1)    | (9.6)     |
| <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).....                           | (8,534)   | (12,618)  | (11,383)   | (6,941)   | (6,061)   |
| 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)..... | (16.8)    | (31.6)    | (32.3)     | (21.1)    | (25.7)    |

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:

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)**



NAIC Group Code.....0 NAIC Company Code....31429

BUSINESS IN GRAND TOTAL DURING THE YEAR

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.1 Allied lines.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.2 Multiple peril crop.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.3 Federal flood.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.4 Private crop.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 3. Farmowners multiple peril.....                                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 4. Homeowners multiple peril.....                                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.1 Commercial multiple peril (non-liability portion).....             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.2 Commercial multiple peril (liability portion).....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 6. Mortgage guaranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 8. Ocean marine.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 9. Inland marine.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 10. Financial guaranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 11. Medical professional liability.....                                | 12,938,418  | 13,539,860                  | .0  | 3,713,087                             | 3,813,806                                   | 2,349,409                   | 25,729,262                | 4,087,459   | 2,926,751   | 17,568,471   | .0                                       | 167,278                        |
| 12. Earthquake.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 13. Group accident and health (b).....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 14. Credit A&H (group and individual).....                             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.1 Collectively renewable A&H (b).....                               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.2 Non-cancelable A&H (b).....                                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.3 Guaranteed renewable A&H (b).....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.4 Non-renewable for stated reasons only (b).....                    | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.5 Other accident only.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.7 All other A&H (b).....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.8 Federal employees health benefits plan premium (b).....           | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 16. Workers' compensation.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 17.1 Other liability-occurrence.....                                   | 27,000  | 27,000                      | .0  | 11,967                                | 21,000                                      | (26,488)                    | 44,820                    | 1,827   | (11,433)  | 31,375   | .0                                       | 352                            |
| 17.2 Other liability-claims-made.....                                  | 16,500  | 16,500                      | .0  | 4,068                                 | 5,542                                       | (6,712)                     | 14,208                    | 31,581  | 44,254  | 28,267   | .0                                       | 218                            |
| 17.3 Excess workers' compensation.....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 18. Products liability.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.2 Other private passenger auto liability.....                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.3 Commercial auto no-fault (personal injury protection).....        | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.4 Other commercial auto liability.....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.1 Private passenger auto physical damage.....                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.2 Commercial auto physical damage.....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 22. Aircraft (all perils).....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 23. Fidelity.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 24. Surety.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 26. Burglary and theft.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 27. Boiler and machinery.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 28. Credit.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 30. Warranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 34. Aggregate write-ins for other lines of business.....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 35. TOTALS (a).....  | 12,981,918  | 13,583,360                  | .0  | 3,729,122                             | 3,840,348                                   | 2,316,209                   | 25,788,290                | 4,120,867   | 2,959,572   | 17,628,113   | .0                                       | 167,848                        |

**DETAILS OF WRITE-INS**

|  |    |    |    |    |    |    |    |    |    |    |    |    |
|--|----|----|----|----|----|----|----|----|----|----|----|----|
| 3401.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3402.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3403.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | .0 | .0 | .0 | .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 | .0 | .0 | .0 |

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)**



NAIC Group Code.....0 NAIC Company Code....31429

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.1 Allied lines.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.2 Multiple peril crop.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.3 Federal flood.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.4 Private crop.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 3. Farmowners multiple peril.....                                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 4. Homeowners multiple peril.....                                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.1 Commercial multiple peril (non-liability portion).....             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.2 Commercial multiple peril (liability portion).....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 6. Mortgage guaranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 8. Ocean marine.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 9. Inland marine.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 10. Financial guaranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 11. Medical professional liability.....                                | 12,938,418  | 13,539,860                  | .0  | 3,713,087                             | 3,813,806                                   | 2,349,409                   | 25,729,262                | 4,087,459   | 2,926,751   | 17,568,471   | .0                                       | 167,278                        |
| 12. Earthquake.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 13. Group accident and health (b).....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 14. Credit A&H (group and individual).....                             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.1 Collectively renewable A&H (b).....                               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.2 Non-cancelable A&H (b).....                                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.3 Guaranteed renewable A&H (b).....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.4 Non-renewable for stated reasons only (b).....                    | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.5 Other accident only.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.7 All other A&H (b).....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.8 Federal employees health benefits plan premium (b).....           | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 16. Workers' compensation.....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 17.1 Other liability-occurrence.....                                   | 27,000  | 27,000                      | .0  | 11,967                                | 21,000                                      | (26,488)                    | 44,820                    | 1,827   | (11,433)  | 31,375   | .0                                       | 352                            |
| 17.2 Other liability-claims-made.....                                  | 16,500  | 16,500                      | .0  | 4,068                                 | 5,542                                       | (6,712)                     | 14,208                    | 31,581  | 44,254  | 28,267   | .0                                       | 218                            |
| 17.3 Excess workers' compensation.....                                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 18. Products liability.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.2 Other private passenger auto liability.....                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.3 Commercial auto no-fault (personal injury protection).....        | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.4 Other commercial auto liability.....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.1 Private passenger auto physical damage.....                       | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.2 Commercial auto physical damage.....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 22. Aircraft (all perils).....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 23. Fidelity.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 24. Surety.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 26. Burglary and theft.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 27. Boiler and machinery.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 28. Credit.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 30. Warranty.....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 34. Aggregate write-ins for other lines of business.....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 35. TOTALS (a).....  | 12,981,918  | 13,583,360                  | .0  | 3,729,122                             | 3,840,348                                   | 2,316,209                   | 25,788,290                | 4,120,867   | 2,959,572   | 17,628,113   | .0                                       | 167,848                        |

**DETAILS OF WRITE-INS**

|  |    |    |    |    |    |    |    |    |    |    |    |    |
|--|----|----|----|----|----|----|----|----|----|----|----|----|
| 3401.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3402.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3403.....  | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | .0 | .0 | .0 | .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 | .0 | .0 | .0 |

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**Sch. F-Pt. 1**  
**NONE**

**Sch. F-Pt. 2**  
**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

| 1<br>ID<br>Number                                  | 2<br>NAIC<br>Company<br>Code                           | 3<br>Name of Reinsurer              | 4<br>Domiciliary<br>Jurisdiction | 5<br>Reinsurance<br>Contracts<br>Ceding 75% or<br>More of Direct<br>Premiums<br>Written | 6<br>Reinsurance<br>Premiums<br>Ceded | Reinsurance Recoverable on |                  |  |  |                                |                               |                            |                                 |                                    | Reinsurance Payable                |  | 18<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Col. 15-[16+17] | 19<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties |
|--|--|-------------------------------------|----------------------------------|---|---------------------------------------|----------------------------|------------------|--|--|--------------------------------|-------------------------------|----------------------------|---------------------------------|------------------------------------|------------------------------------|--|--|--|
|  |  |                                     |                                  |   |                                       | 7<br>Paid<br>Losses        | 8<br>Paid<br>LAE | 9<br>Known<br>Case<br>Loss<br>Reserves | 10<br>Known<br>Case<br>LAE<br>Reserves | 11<br>IBNR<br>Loss<br>Reserves | 12<br>IBNR<br>LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commissions | 15<br>Cols.<br>7 thru 14<br>Totals | 16<br>Ceded<br>Balances<br>Payable | 17<br>Other<br>Amounts<br>Due to<br>Reinsurers |  |  |
| <b>Authorized Other U.S. Unaffiliated Insurers</b> |  |                                     |                                  |   |                                       |                            |                  |  |  |                                |                               |                            |                                 |                                    |                                    |  |  |  |
| 48-0921045.  | 39845...   | Westport Insurance Corp.....        | MO.....                          | .....   | .....0                                | .....0                     | .....0           | .....0                                 | .....0                                 | .....131                       | .....91                       | .....0                     | .....0                          | .....222                           | .....0                             | .....0   | .....222   | .....0   |
| 95-2371728.  | 22667...   | Ace American Insurance Company..... | PA.....                          | .....   | .....442                              | .....0                     | .....0           | .....0                                 | .....0                                 | .....950                       | .....665                      | .....46                    | .....0                          | .....1,661                         | .....0                             | .....0   | .....1,661   | .....0   |
| 42-0635534.  | 15865...   | NCMIC Insurance Company.....        | IA.....                          | .....   | .....1,292                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....3,321                     | .....2,325                    | .....93                    | .....0                          | .....5,739                         | .....(243)                         | .....0   | .....5,982   | .....0   |
| 0999999.   | Total Authorized Other U.S. Unaffiliated Insurers..... |                                     |                                  |   | .....1,734                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,402                     | .....3,081                    | .....139                   | .....0                          | .....7,622                         | .....(243)                         | .....0   | .....7,865   | .....0   |
| 1399999.   | Total Authorized.....                                  |                                     |                                  |   | .....1,734                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,402                     | .....3,081                    | .....139                   | .....0                          | .....7,622                         | .....(243)                         | .....0   | .....7,865   | .....0   |
| 4099999.   | Total Authorized, Unauthorized and Certified.....      |                                     |                                  |   | .....1,734                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,402                     | .....3,081                    | .....139                   | .....0                          | .....7,622                         | .....(243)                         | .....0   | .....7,865   | .....0   |
| 9999999.   | Totals.....  |                                     |                                  |   | .....1,734                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,402                     | .....3,081                    | .....139                   | .....0                          | .....7,622                         | .....(243)                         | .....0   | .....7,865   | .....0   |

Note A: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

| 1<br>Name of Reinsurer | 2<br>Commission<br>Rate | 3<br>Ceded<br>Premium |
|------------------------|-------------------------|-----------------------|
| (1).....               | .....0.0                | .....0                |
| (2).....               | .....0.0                | .....0                |
| (3).....               | .....0.0                | .....0                |
| (4).....               | .....0.0                | .....0                |
| (5).....               | .....0.0                | .....0                |

Note B: Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

| 1<br>Name of Reinsurer | 2<br>Total<br>Recoverables | 3<br>Ceded<br>Premiums | 4<br>Affiliated |        |
|------------------------|----------------------------|------------------------|-----------------|--------|
| (1).....               | .....0                     | .....0                 | Yes [ ]         | No [ ] |
| (2).....               | .....0                     | .....0                 | Yes [ ]         | No [ ] |
| (3).....               | .....0                     | .....0                 | Yes [ ]         | No [ ] |
| (4).....               | .....0                     | .....0                 | Yes [ ]         | No [ ] |
| (5).....               | .....0                     | .....0                 | Yes [ ]         | No [ ] |

**Sch. F-Pt. 4  
NONE**

**Sch. F-Pt. 5  
NONE**

**Sch. F-Pt. 6-Section 1  
NONE**

**Sch. F-Pt. 6-Section 2  
NONE**

**Sch. F-Pt. 7  
NONE**

**Sch. F-Pt. 8  
NONE**

**SCHEDULE F - PART 9**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

|  | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|--|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>   |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 12).....   | 103,627,376                        | 0                               | 103,627,376                       |
| 2. Premiums and considerations (Line 15).....  | 1,978,570                          | 242,952                         | 2,221,522                         |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)..... | 0                                  | 0                               | 0                                 |
| 4. Funds held by or deposited with reinsured companies (Line 16.2).....                  | 0                                  | 0                               | 0                                 |
| 5. Other assets.....   | 1,015,199                          | 0                               | 1,015,199                         |
| 6. Net amount recoverable from reinsurers.....   | 0                                  | 7,622,391                       | 7,622,391                         |
| 7. Protected cell assets (Line 27).....  | 0                                  | 0                               | 0                                 |
| 8. Totals (Line 28).....   | 106,621,145                        | 7,865,343                       | 114,486,488                       |
| <b>LIABILITIES (Page 3)</b>  |                                    |                                 |                                   |
| 9. Losses and loss adjustment expenses (Lines 1 through 3).....                          | 37,758,505                         | 7,483,000                       | 45,241,505                        |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8).....                      | 322,460                            | 0                               | 322,460                           |
| 11. Unearned premiums (Line 9).....  | 3,589,731                          | 139,391                         | 3,729,122                         |
| 12. Advance premiums (Line 10).....  | 940,743                            | 0                               | 940,743                           |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2).....                              | 0                                  | 0                               | 0                                 |
| 14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12).....        | (242,952)                          | 242,952                         | 0                                 |
| 15. Funds held by company under reinsurance treaties (Line 13).....                      | 0                                  | 0                               | 0                                 |
| 16. Amounts withheld or retained by company for account of others (Line 14).....         | 0                                  | 0                               | 0                                 |
| 17. Provision for reinsurance (Line 16).....   | 0                                  | 0                               | 0                                 |
| 18. Other liabilities.....   | 9,479,569                          | 0                               | 9,479,569                         |
| 19. Total liabilities excluding protected cell business (Line 26).....                   | 51,848,056                         | 7,865,343                       | 59,713,399                        |
| 20. Protected cell liabilities (Line 27).....  | 0                                  | 0                               | 0                                 |
| 21. Surplus as regards policyholders (Line 37).....                                      | 54,773,089                         | XXX                             | 54,773,089                        |
| 22. Totals (Line 38).....  | 106,621,145                        | 7,865,343                       | 114,486,488                       |

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?..Yes [ ] No [ X ]

If yes, give full explanation:

---



---

**Sch. H-Pt. 1**  
**NONE**

**Sch. H-Pt. 2**  
**NONE**

**Sch. H-Pt. 3**  
**NONE**

**Sch. H-Pt. 4**  
**NONE**

**Sch. H-Pt. 5**  
**NONE**

**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<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | (146)                          | 0          | 119                                   | 0          | (1)                          | 0          | 0                                      | (28)   | XXX.....   |
| 2. 2005.....   | 16,165                  | 2,762      | 13,403                 | 6,911                          | 890        | 3,152                                 | 154        | 427                          | 0          | 0                                      | 9,446  | XXX.....   |
| 3. 2006.....   | 18,562                  | 3,073      | 15,489                 | 5,211                          | 0          | 4,449                                 | 0          | 460                          | 0          | 0                                      | 10,120   | XXX.....   |
| 4. 2007.....   | 19,763                  | 3,321      | 16,442                 | 5,188                          | 0          | 2,947                                 | 0          | 411                          | 0          | 0                                      | 8,546  | XXX.....   |
| 5. 2008.....   | 18,643                  | 2,920      | 15,723                 | 10,344                         | 3,750      | 4,569                                 | 304        | 610                          | 0          | 0                                      | 11,469   | XXX.....   |
| 6. 2009.....   | 19,865                  | 2,708      | 17,157                 | 6,458                          | 425        | 3,015                                 | 42         | 554                          | 0          | 14                                     | 9,560  | XXX.....   |
| 7. 2010.....   | 15,207                  | 2,350      | 12,857                 | 2,929                          | 0          | 3,855                                 | 0          | 368                          | 0          | 0                                      | 7,152  | XXX.....   |
| 8. 2011.....   | 14,535                  | 2,046      | 12,489                 | 1,807                          | 0          | 1,890                                 | 0          | 270                          | 0          | 0                                      | 3,967  | XXX.....   |
| 9. 2012.....   | 14,833                  | 2,067      | 12,766                 | 1,926                          | 0          | 1,430                                 | 0          | 230                          | 0          | 0                                      | 3,586  | XXX.....   |
| 10. 2013.....  | 15,166                  | 2,282      | 12,884                 | 698                            | 0          | 735                                   | 0          | 135                          | 0          | 0                                      | 1,568  | XXX.....   |
| 11. 2014.....  | 13,592                  | 1,789      | 11,803                 | 65                             | 0          | 199                                   | 0          | 83                           | 0          | 0                                      | 347  | XXX.....   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 41,391                         | 5,065      | 26,360                                | 500        | 3,547                        | 0          | 14                                     | 65,733   | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 350                      | 0           | 186                      | 135         | 41                                  | 0           | 170                      | 94          | 19                         | 0           | 0   | 537  | XXX.....  |
| 2. 2005.....    | 0                        | 0           | 108                      | 89          | 19                                  | 0           | 111                      | 63          | 4                          | 0           | 0   | 90   | XXX.....  |
| 3. 2006.....    | 0                        | 0           | 198                      | 165         | 0                                   | 0           | 230                      | 115         | 8                          | 0           | 0   | 156  | XXX.....  |
| 4. 2007.....    | 0                        | 0           | 299                      | 227         | 43                                  | 0           | 261                      | 159         | 11                         | 0           | 0   | 228  | XXX.....  |
| 5. 2008.....    | 500                      | 0           | 462                      | 244         | 29                                  | 0           | 495                      | 171         | 47                         | 0           | 0   | 1,118                                      | XXX.....  |
| 6. 2009.....    | 275                      | 0           | 532                      | 313         | 115                                 | 0           | 589                      | 219         | 45                         | 0           | 0   | 1,024                                      | XXX.....  |
| 7. 2010.....    | 1,175                    | 0           | 689                      | 346         | 340                                 | 0           | 908                      | 243         | 102                        | 0           | 0   | 2,625                                      | XXX.....  |
| 8. 2011.....    | 880                      | 0           | 1,580                    | 480         | 364                                 | 0           | 1,267                    | 336         | 153                        | 0           | 0   | 3,428                                      | XXX.....  |
| 9. 2012.....    | 1,575                    | 0           | 3,468                    | 683         | 343                                 | 0           | 2,931                    | 479         | 356                        | 0           | 0   | 7,511                                      | XXX.....  |
| 10. 2013.....   | 1,370                    | 0           | 5,288                    | 889         | 352                                 | 0           | 4,168                    | 623         | 507                        | 0           | 0   | 10,173                                     | XXX.....  |
| 11. 2014.....   | 353                      | 0           | 6,502                    | 828         | 269                                 | 0           | 4,582                    | 580         | 575                        | 0           | 0   | 10,873                                     | XXX.....  |
| 12. Totals..... | 6,478                    | 0           | 19,312                   | 4,399       | 1,915                               | 0           | 15,712                   | 3,082       | 1,827                      | 0           | 0   | 37,763                                     | XXX.....  |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....  | 0                   | 0                  | XXX.....   | 401                                       | 136                        |
| 2. 2005.   | 10,732                                  | 1,196       | 9,536     | 66.4  | 43.3        | 71.1      | 0                   | 0                  | 0.00   | 19  | 71                         |
| 3. 2006.   | 10,556                                  | 280         | 10,276    | 56.9  | 9.1         | 66.3      | 0                   | 0                  | 0.00   | 33  | 123                        |
| 4. 2007.   | 9,160                                   | 386         | 8,774     | 46.3  | 11.6        | 53.4      | 0                   | 0                  | 0.00   | 72  | 156                        |
| 5. 2008.   | 17,056                                  | 4,469       | 12,587    | 91.5  | 153.0       | 80.1      | 0                   | 0                  | 0.00   | 718                                       | 400                        |
| 6. 2009.   | 11,583                                  | 999         | 10,584    | 58.3  | 36.9        | 61.7      | 0                   | 0                  | 0.00   | 494                                       | 530                        |
| 7. 2010.   | 10,366                                  | 589         | 9,777     | 68.2  | 25.1        | 76.0      | 0                   | 0                  | 0.00   | 1,518                                     | 1,107                      |
| 8. 2011.   | 8,211                                   | 816         | 7,395     | 56.5  | 39.9        | 59.2      | 0                   | 0                  | 0.00   | 1,980                                     | 1,448                      |
| 9. 2012.   | 12,259                                  | 1,162       | 11,097    | 82.6  | 56.2        | 86.9      | 0                   | 0                  | 0.00   | 4,360                                     | 3,151                      |
| 10. 2013.  | 13,253                                  | 1,512       | 11,741    | 87.4  | 66.3        | 91.1      | 0                   | 0                  | 0.00   | 5,769                                     | 4,404                      |
| 11. 2014.  | 12,628                                  | 1,408       | 11,220    | 92.9  | 78.7        | 95.1      | 0                   | 0                  | 0.00   | 6,027                                     | 4,846                      |
| 12. Totals | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....  | 0                   | 0                  | XXX.....   | 21,391                                    | 16,372                     |

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  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |
|                                     | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | One Year    | Two Year |
| 1. Prior.....                       | 20,068   | 19,482 | 18,108 | 17,357 | 17,380 | 18,046 | 17,724 | 18,177 | 17,776 | 17,567 | (209)       | (610)    |
| 2. 2005.....                        | 13,015   | 12,112 | 10,932 | 10,476 | 10,006 | 9,335  | 9,576  | 9,229  | 9,150  | 9,105  | (45)        | (124)    |
| 3. 2006.....                        | XXX  | 14,659 | 13,234 | 12,276 | 10,204 | 10,024 | 9,604  | 9,464  | 9,562  | 9,808  | 246         | 344      |
| 4. 2007.....                        | XXX  | XXX    | 15,114 | 14,919 | 13,157 | 10,444 | 8,961  | 8,466  | 8,393  | 8,352  | (41)        | (114)    |
| 5. 2008.....                        | XXX  | XXX    | XXX    | 14,957 | 15,685 | 16,075 | 14,022 | 12,023 | 11,537 | 11,930 | 393         | (93)     |
| 6. 2009.....                        | XXX  | XXX    | XXX    | XXX    | 14,623 | 13,978 | 14,227 | 11,502 | 10,245 | 9,985  | (260)       | (1,517)  |
| 7. 2010.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 12,805 | 11,985 | 10,463 | 9,491  | 9,307  | (184)       | (1,156)  |
| 8. 2011.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 11,677 | 10,789 | 9,004  | 6,972  | (2,032)     | (3,817)  |
| 9. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 11,958 | 12,391 | 10,511 | (1,880)     | (1,447)  |
| 10. 2013.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 12,148 | 11,099 | (1,049)     | XXX      |
| 11. 2014.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,562 | XXX         | XXX      |
| 12. Totals.....                     |  |        |        |        |        |        |        |        |        |        | (5,061)     | (8,534)  |

### 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   | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2005  | 2006  | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |   |  |
| 1. Prior.....                       | .000  | 5,862 | 10,543 | 14,137 | 14,803 | 15,233 | 16,440 | 16,864 | 17,076 | 17,049 | XXX                                       | XXX  |
| 2. 2005.....                        | 109   | 1,223 | 2,531  | 4,954  | 7,845  | 8,590  | 8,761  | 9,007  | 9,012  | 9,019  | XXX                                       | XXX  |
| 3. 2006.....                        | XXX   | 247   | 1,257  | 3,682  | 5,574  | 7,347  | 8,366  | 8,657  | 8,843  | 9,660  | XXX                                       | XXX  |
| 4. 2007.....                        | XXX   | XXX   | 479    | 1,446  | 3,526  | 5,731  | 7,623  | 7,850  | 8,000  | 8,135  | XXX                                       | XXX  |
| 5. 2008.....                        | XXX   | XXX   | XXX    | 437    | 1,310  | 2,920  | 5,903  | 9,388  | 10,679 | 10,859 | XXX                                       | XXX  |
| 6. 2009.....                        | XXX   | XXX   | XXX    | XXX    | 376    | 1,268  | 4,890  | 6,179  | 8,320  | 9,006  | XXX                                       | XXX  |
| 7. 2010.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | 902    | 1,834  | 2,851  | 4,624  | 6,784  | XXX                                       | XXX  |
| 8. 2011.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | 449    | 1,154  | 2,334  | 3,697  | XXX                                       | XXX  |
| 9. 2012.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 281    | 1,971  | 3,356  | XXX                                       | XXX  |
| 10. 2013.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 441    | 1,433  | XXX                                       | XXX  |
| 11. 2014.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 264    | 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   | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10    |
|                                     | 2005  | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014  |
| 1. Prior.....                       | 12,401  | 7,270  | 3,330  | 1,728  | 1,428  | 943    | 560    | 395    | 291    | 127   |
| 2. 2005.....                        | 11,370  | 8,657  | 5,014  | 2,191  | 978    | 539    | 264    | 191    | 135    | 67    |
| 3. 2006.....                        | XXX   | 13,270 | 9,748  | 5,976  | 1,926  | 1,062  | 363    | 250    | 195    | 148   |
| 4. 2007.....                        | XXX   | XXX    | 13,606 | 10,532 | 6,517  | 2,229  | 1,010  | 334    | 241    | 174   |
| 5. 2008.....                        | XXX   | XXX    | XXX    | 13,510 | 10,488 | 6,867  | 3,303  | 1,116  | 690    | 542   |
| 6. 2009.....                        | XXX   | XXX    | XXX    | XXX    | 13,082 | 9,870  | 6,662  | 3,381  | 952    | 589   |
| 7. 2010.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | 10,987 | 8,480  | 5,507  | 2,089  | 1,008 |
| 8. 2011.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 10,666 | 8,068  | 5,105  | 2,031 |
| 9. 2012.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,354 | 7,831  | 5,237 |
| 10. 2013.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,617 | 7,944 |
| 11. 2014.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 9,676 |



**Sch. P-Pt. 1A  
NONE**

**Sch. P-Pt. 1B  
NONE**

**Sch. P-Pt. 1C  
NONE**

**Sch. P-Pt. 1D  
NONE**

**Sch. P-Pt. 1E  
NONE**

**SCHEDULE P - PART 1F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | (146)                          | 0          | 119                                   | 0          | (1)                          | 0          | 0                                      | (28)   | XXX.....   |
| 2. 2005.....   | 9,836                   | 1,065      | 8,771                  | 5,599                          | 890        | 2,493                                 | 154        | 278                          | 0          | 0                                      | 7,326  | 131  |
| 3. 2006.....   | 11,329                  | 1,226      | 10,103                 | 3,290                          | 0          | 2,803                                 | 0          | 320                          | 0          | 0                                      | 6,413  | 115  |
| 4. 2007.....   | 12,105                  | 1,319      | 10,786                 | 3,254                          | 0          | 1,628                                 | 0          | 264                          | 0          | 0                                      | 5,146  | 131  |
| 5. 2008.....   | 12,184                  | 1,377      | 10,807                 | 8,277                          | 3,350      | 3,108                                 | 280        | 440                          | 0          | 0                                      | 8,195  | 196  |
| 6. 2009.....   | 11,948                  | 1,471      | 10,477                 | 3,340                          | 0          | 2,138                                 | 0          | 389                          | 0          | 14                                     | 5,867  | 184  |
| 7. 2010.....   | 9,359                   | 1,164      | 8,195                  | 2,581                          | 0          | 2,713                                 | 0          | 274                          | 0          | 0                                      | 5,568  | 176  |
| 8. 2011.....   | 9,265                   | 1,140      | 8,125                  | 1,083                          | 0          | 928                                   | 0          | 162                          | 0          | 0                                      | 2,173  | 140  |
| 9. 2012.....   | 9,171                   | 1,165      | 8,006                  | 1,086                          | 0          | 470                                   | 0          | 135                          | 0          | 0                                      | 1,691  | 116  |
| 10. 2013.....  | 9,627                   | 1,407      | 8,220                  | 190                            | 0          | 317                                   | 0          | 71                           | 0          | 0                                      | 578  | 105  |
| 11. 2014.....  | 8,309                   | 1,057      | 7,252                  | 51                             | 0          | 67                                    | 0          | 28                           | 0          | 0                                      | 146  | 53   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 28,605                         | 4,240      | 16,784                                | 434        | 2,360                        | 0          | 14                                     | 43,075   | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 350                      | 0           | 183                      | 132         | 41                                  | 0           | 168                      | 92          | 19                         | 0           | 0   | 537  | 6   |
| 2. 2005.....    | 0                        | 0           | 74                       | 55          | 17                                  | 0           | 86                       | 39          | 4                          | 0           | 0   | 87   | 1   |
| 3. 2006.....    | 0                        | 0           | 126                      | 93          | 0                                   | 0           | 180                      | 65          | 8                          | 0           | 0   | 156  | 0   |
| 4. 2007.....    | 0                        | 0           | 201                      | 130         | 43                                  | 0           | 193                      | 91          | 11                         | 0           | 0   | 227  | 4   |
| 5. 2008.....    | 500                      | 0           | 386                      | 173         | 29                                  | 0           | 435                      | 121         | 46                         | 0           | 0   | 1,102                                      | 4   |
| 6. 2009.....    | 275                      | 0           | 428                      | 223         | 103                                 | 0           | 514                      | 156         | 43                         | 0           | 0   | 984  | 14  |
| 7. 2010.....    | 1,125                    | 0           | 537                      | 212         | 305                                 | 0           | 771                      | 149         | 96                         | 0           | 0   | 2,473                                      | 20  |
| 8. 2011.....    | 880                      | 0           | 1,365                    | 317         | 328                                 | 0           | 1,037                    | 222         | 142                        | 0           | 0   | 3,213                                      | 32  |
| 9. 2012.....    | 525                      | 0           | 3,017                    | 438         | 137                                 | 0           | 2,303                    | 307         | 282                        | 0           | 0   | 5,519                                      | 24  |
| 10. 2013.....   | 918                      | 0           | 3,914                    | 551         | 164                                 | 0           | 3,112                    | 386         | 381                        | 0           | 0   | 7,552                                      | 31  |
| 11. 2014.....   | 152                      | 0           | 4,316                    | 569         | 79                                  | 0           | 3,103                    | 399         | 378                        | 0           | 0   | 7,060                                      | 31  |
| 12. Totals..... | 4,725                    | 0           | 14,547                   | 2,893       | 1,246                               | 0           | 11,902                   | 2,027       | 1,410                      | 0           | 0   | 28,910                                     | 167   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....  | 0                   | 0                  | XXX.....   | 401                                       | 136                        |
| 2. 2005.   | 8,551                                   | 1,138       | 7,413     | 86.9  | 106.9       | 84.5      | 0                   | 0                  | 0.00   | 19  | 68                         |
| 3. 2006.   | 6,727                                   | 158         | 6,569     | 59.4  | 12.9        | 65.0      | 0                   | 0                  | 0.00   | 33  | 123                        |
| 4. 2007.   | 5,594                                   | 221         | 5,373     | 46.2  | 16.8        | 49.8      | 0                   | 0                  | 0.00   | 71  | 156                        |
| 5. 2008.   | 13,221                                  | 3,924       | 9,297     | 108.5   | 285.0       | 86.0      | 0                   | 0                  | 0.00   | 713                                       | 389                        |
| 6. 2009.   | 7,230                                   | 379         | 6,851     | 60.5  | 25.8        | 65.4      | 0                   | 0                  | 0.00   | 480                                       | 504                        |
| 7. 2010.   | 8,402                                   | 361         | 8,041     | 89.8  | 31.0        | 98.1      | 0                   | 0                  | 0.00   | 1,450                                     | 1,023                      |
| 8. 2011.   | 5,925                                   | 539         | 5,386     | 64.0  | 47.3        | 66.3      | 0                   | 0                  | 0.00   | 1,928                                     | 1,285                      |
| 9. 2012.   | 7,955                                   | 745         | 7,210     | 86.7  | 63.9        | 90.1      | 0                   | 0                  | 0.00   | 3,104                                     | 2,415                      |
| 10. 2013.  | 9,067                                   | 937         | 8,130     | 94.2  | 66.6        | 98.9      | 0                   | 0                  | 0.00   | 4,281                                     | 3,271                      |
| 11. 2014.  | 8,174                                   | 968         | 7,206     | 98.4  | 91.6        | 99.4      | 0                   | 0                  | 0.00   | 3,899                                     | 3,161                      |
| 12. Totals | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....  | 0                   | 0                  | XXX.....   | 16,379                                    | 12,531                     |

**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2005.....   | 6,290.....              | 1,697..... | 4,593.....             | 1,310.....                     | 0.....     | 659.....                              | 0.....     | 149.....                     | 0.....     | 0.....                                 | 2,118.....   | 59.....  |
| 3. 2006.....   | 7,203.....              | 1,847..... | 5,356.....             | 1,919.....                     | 0.....     | 1,646.....                            | 0.....     | 140.....                     | 0.....     | 0.....                                 | 3,705.....   | 92.....  |
| 4. 2007.....   | 7,626.....              | 2,002..... | 5,624.....             | 1,931.....                     | 0.....     | 1,315.....                            | 0.....     | 146.....                     | 0.....     | 0.....                                 | 3,392.....   | 74.....  |
| 5. 2008.....   | 6,424.....              | 1,543..... | 4,881.....             | 2,065.....                     | 400.....   | 1,461.....                            | 24.....    | 170.....                     | 0.....     | 0.....                                 | 3,272.....   | 78.....  |
| 6. 2009.....   | 7,862.....              | 1,237..... | 6,625.....             | 3,116.....                     | 425.....   | 877.....                              | 42.....    | 165.....                     | 0.....     | 0.....                                 | 3,691.....   | 77.....  |
| 7. 2010.....   | 5,792.....              | 1,186..... | 4,606.....             | 339.....                       | 0.....     | 1,114.....                            | 0.....     | 93.....                      | 0.....     | 0.....                                 | 1,546.....   | 78.....  |
| 8. 2011.....   | 5,218.....              | 906.....   | 4,312.....             | 709.....                       | 0.....     | 960.....                              | 0.....     | 106.....                     | 0.....     | 0.....                                 | 1,775.....   | 83.....  |
| 9. 2012.....   | 5,611.....              | 902.....   | 4,709.....             | 838.....                       | 0.....     | 957.....                              | 0.....     | 95.....                      | 0.....     | 0.....                                 | 1,890.....   | 97.....  |
| 10. 2013.....  | 5,490.....              | 875.....   | 4,615.....             | 486.....                       | 0.....     | 408.....                              | 0.....     | 63.....                      | 0.....     | 0.....                                 | 957.....   | 74.....  |
| 11. 2014.....  | 5,239.....              | 732.....   | 4,507.....             | 8.....                         | 0.....     | 100.....                              | 0.....     | 53.....                      | 0.....     | 0.....                                 | 161.....   | 47.....  |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 12,721.....                    | 825.....   | 9,497.....                            | 66.....    | 1,180.....                   | 0.....     | 0.....                                 | 22,507.....  | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 3.....                   | 3.....      | 0.....                              | 0.....      | 2.....                   | 2.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2005.....    | 0.....                   | 0.....      | 34.....                  | 34.....     | 2.....                              | 0.....      | 25.....                  | 24.....     | 0.....                     | 0.....      | 0.....                                    | 3.....                                     | 1.....  |
| 3. 2006.....    | 0.....                   | 0.....      | 72.....                  | 72.....     | 0.....                              | 0.....      | 50.....                  | 50.....     | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2007.....    | 0.....                   | 0.....      | 97.....                  | 97.....     | 0.....                              | 0.....      | 68.....                  | 68.....     | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 5. 2008.....    | 0.....                   | 0.....      | 76.....                  | 71.....     | 0.....                              | 0.....      | 60.....                  | 50.....     | 1.....                     | 0.....      | 0.....                                    | 16.....                                    | 0.....  |
| 6. 2009.....    | 0.....                   | 0.....      | 103.....                 | 90.....     | 12.....                             | 0.....      | 75.....                  | 63.....     | 2.....                     | 0.....      | 0.....                                    | 39.....                                    | 1.....  |
| 7. 2010.....    | 50.....                  | 0.....      | 150.....                 | 134.....    | 35.....                             | 0.....      | 135.....                 | 94.....     | 6.....                     | 0.....      | 0.....                                    | 148.....                                   | 3.....  |
| 8. 2011.....    | 0.....                   | 0.....      | 213.....                 | 163.....    | 36.....                             | 0.....      | 229.....                 | 114.....    | 11.....                    | 0.....      | 0.....                                    | 212.....                                   | 4.....  |
| 9. 2012.....    | 1,045.....               | 0.....      | 442.....                 | 245.....    | 204.....                            | 0.....      | 621.....                 | 172.....    | 73.....                    | 0.....      | 0.....                                    | 1,968.....                                 | 22.....   |
| 10. 2013.....   | 452.....                 | 0.....      | 1,350.....               | 338.....    | 188.....                            | 0.....      | 1,040.....               | 237.....    | 123.....                   | 0.....      | 0.....                                    | 2,578.....                                 | 24.....   |
| 11. 2014.....   | 201.....                 | 0.....      | 2,170.....               | 259.....    | 171.....                            | 0.....      | 1,469.....               | 181.....    | 195.....                   | 0.....      | 0.....                                    | 3,766.....                                 | 35.....   |
| 12. Totals..... | 1,748.....               | 0.....      | 4,710.....               | 1,506.....  | 648.....                            | 0.....      | 3,774.....               | 1,055.....  | 411.....                   | 0.....      | 0.....                                    | 8,730.....                                 | 90.....   |

|                 | Total Losses and Loss Expenses Incurred |             |            | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|------------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net  | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2005.....    | 2,179.....                              | 58.....     | 2,121..... | 34.6.....   | 3.4.....    | 46.2..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 3.....                     |
| 3. 2006.....    | 3,827.....                              | 122.....    | 3,705..... | 53.1.....   | 6.6.....    | 69.2..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2007.....    | 3,557.....                              | 165.....    | 3,392..... | 46.6.....   | 8.2.....    | 60.3..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 5. 2008.....    | 3,833.....                              | 545.....    | 3,288..... | 59.7.....   | 35.3.....   | 67.4..... | 0.....              | 0.....             | 0.00.....  | 5.....                                    | 11.....                    |
| 6. 2009.....    | 4,350.....                              | 620.....    | 3,730..... | 55.3.....   | 50.1.....   | 56.3..... | 0.....              | 0.....             | 0.00.....  | 13.....                                   | 26.....                    |
| 7. 2010.....    | 1,922.....                              | 228.....    | 1,694..... | 33.2.....   | 19.2.....   | 36.8..... | 0.....              | 0.....             | 0.00.....  | 66.....                                   | 82.....                    |
| 8. 2011.....    | 2,264.....                              | 277.....    | 1,987..... | 43.4.....   | 30.6.....   | 46.1..... | 0.....              | 0.....             | 0.00.....  | 50.....                                   | 162.....                   |
| 9. 2012.....    | 4,275.....                              | 417.....    | 3,858..... | 76.2.....   | 46.2.....   | 81.9..... | 0.....              | 0.....             | 0.00.....  | 1,242.....                                | 726.....                   |
| 10. 2013.....   | 4,110.....                              | 575.....    | 3,535..... | 74.9.....   | 65.7.....   | 76.6..... | 0.....              | 0.....             | 0.00.....  | 1,464.....                                | 1,114.....                 |
| 11. 2014.....   | 4,367.....                              | 440.....    | 3,927..... | 83.4.....   | 60.1.....   | 87.1..... | 0.....              | 0.....             | 0.00.....  | 2,112.....                                | 1,654.....                 |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 4,952.....                                | 3,778.....                 |

**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)  
(\$000 omitted)**

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            |  |  | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 2. 2005.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 3. 2006.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 4. 2007.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 5. 2008.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 6. 2009.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 7. 2010.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 8. 2011.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 9. 2012.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 10. 2013.....  | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 11. 2014.....  | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 12. Totals....   | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |

|                | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2005.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2006.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2007.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2008.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2009.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2010.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 8. 2011.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 9. 2012.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 10. 2013.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 11. 2014.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 12. Totals.... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |

**NONE**

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2005.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 3. 2006.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 4. 2007.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 5. 2008.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 6. 2009.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 7. 2010.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 8. 2011.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 9. 2012.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 10. 2013.  | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 11. 2014.  | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |

**SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2005.....   | 39.....                 | 0.....     | 39.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 3. 2006.....   | 30.....                 | 0.....     | 30.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 4. 2007.....   | 32.....                 | 0.....     | 32.....                | 3.....                         | 0.....     | 4.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 8.....   |
| 5. 2008.....   | 35.....                 | 0.....     | 35.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 6. 2009.....   | 26.....                 | 0.....     | 26.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 7. 2010.....   | 27.....                 | 0.....     | 27.....                | 8.....                         | 0.....     | 5.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 14.....  |
| 8. 2011.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 0.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 9. 2012.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 1.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 10. 2013.....  | 27.....                 | 0.....     | 27.....                | 21.....                        | 0.....     | 10.....                               | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 32.....  |
| 11. 2014.....  | 27.....                 | 0.....     | 27.....                | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 42.....                        | 0.....     | 20.....                               | 0.....     | 4.....                       | 0.....     | 0.....                                 | 0.....   | 66.....  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2005.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2006.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2007.....    | 0.....                   | 0.....      | 1.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 1.....                                     | 0.....  |
| 5. 2008.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 6. 2009.....    | 0.....                   | 0.....      | 1.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 1.....                                     | 0.....  |
| 7. 2010.....    | 0.....                   | 0.....      | 2.....                   | 0.....      | 0.....                              | 0.....      | 2.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 4.....                                     | 0.....  |
| 8. 2011.....    | 0.....                   | 0.....      | 2.....                   | 0.....      | 0.....                              | 0.....      | 1.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 3.....                                     | 0.....  |
| 9. 2012.....    | 0.....                   | 0.....      | 8.....                   | 0.....      | 0.....                              | 0.....      | 6.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 15.....                                    | 0.....  |
| 10. 2013.....   | 0.....                   | 0.....      | 18.....                  | 0.....      | 0.....                              | 0.....      | 12.....                  | 0.....      | 2.....                     | 0.....      | 0.....                                    | 32.....                                    | 0.....  |
| 11. 2014.....   | 0.....                   | 0.....      | 14.....                  | 0.....      | 0.....                              | 0.....      | 9.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 24.....                                    | 0.....  |
| 12. Totals..... | 0.....                   | 0.....      | 46.....                  | 0.....      | 0.....                              | 0.....      | 30.....                  | 0.....      | 4.....                     | 0.....      | 0.....                                    | 80.....                                    | 0.....  |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |            | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|------------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net  | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2005.....    | 2.....                                  | 0.....      | 2.....    | 5.1.....  | 0.0.....    | 5.1.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2006.....    | 2.....                                  | 0.....      | 2.....    | 6.7.....  | 0.0.....    | 6.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2007.....    | 9.....                                  | 0.....      | 9.....    | 28.1.....   | 0.0.....    | 28.1.....  | 0.....              | 0.....             | 0.00.....  | 1.....                                    | 0.....                     |
| 5. 2008.....    | 2.....                                  | 0.....      | 2.....    | 5.7.....  | 0.0.....    | 5.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 6. 2009.....    | 3.....                                  | 0.....      | 3.....    | 11.5.....   | 0.0.....    | 11.5.....  | 0.....              | 0.....             | 0.00.....  | 1.....                                    | 0.....                     |
| 7. 2010.....    | 18.....                                 | 0.....      | 18.....   | 66.7.....   | 0.0.....    | 66.7.....  | 0.....              | 0.....             | 0.00.....  | 2.....                                    | 2.....                     |
| 8. 2011.....    | 5.....                                  | 0.....      | 5.....    | 18.5.....   | 0.0.....    | 18.5.....  | 0.....              | 0.....             | 0.00.....  | 2.....                                    | 1.....                     |
| 9. 2012.....    | 17.....                                 | 0.....      | 17.....   | 63.0.....   | 0.0.....    | 63.0.....  | 0.....              | 0.....             | 0.00.....  | 8.....                                    | 7.....                     |
| 10. 2013.....   | 64.....                                 | 0.....      | 64.....   | 237.0.....  | 0.0.....    | 237.0..... | 0.....              | 0.....             | 0.00.....  | 18.....                                   | 14.....                    |
| 11. 2014.....   | 24.....                                 | 0.....      | 24.....   | 88.9.....   | 0.0.....    | 88.9.....  | 0.....              | 0.....             | 0.00.....  | 14.....                                   | 10.....                    |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 46.....                                   | 34.....                    |

**SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2005.....   | 0.....                  | 0.....     | 0.....                 | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 3. 2006.....   | 0.....                  | 0.....     | 0.....                 | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 4. 2007.....   | 0.....                  | 0.....     | 0.....                 | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 5. 2008.....   | 0.....                  | 0.....     | 0.....                 | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 6. 2009.....   | 29.....                 | 0.....     | 29.....                | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 0.....   |
| 7. 2010.....   | 29.....                 | 0.....     | 29.....                | 1.....                         | 0.....     | 23.....                               | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 24.....  |
| 8. 2011.....   | 25.....                 | 0.....     | 25.....                | 14.....                        | 0.....     | 2.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 17.....  |
| 9. 2012.....   | 24.....                 | 0.....     | 24.....                | 1.....                         | 0.....     | 2.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 3.....   |
| 10. 2013.....  | 22.....                 | 0.....     | 22.....                | 1.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 1.....   |
| 11. 2014.....  | 17.....                 | 0.....     | 17.....                | 6.....                         | 0.....     | 32.....                               | 0.....     | 2.....                       | 0.....     | 0.....                                 | 0.....   | 40.....  |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 23.....                        | 0.....     | 59.....                               | 0.....     | 3.....                       | 0.....     | 0.....                                 | 0.....   | 85.....  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2005.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2006.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2007.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 5. 2008.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 6. 2009.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 7. 2010.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 8. 2011.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 9. 2012.....    | 5.....                   | 0.....      | 1.....                   | 0.....      | 2.....                              | 0.....      | 1.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 9.....                                     | 1.....  |
| 10. 2013.....   | 0.....                   | 0.....      | 6.....                   | 0.....      | 0.....                              | 0.....      | 4.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 11.....                                    | 0.....  |
| 11. 2014.....   | 0.....                   | 0.....      | 2.....                   | 0.....      | 19.....                             | 0.....      | 1.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 23.....                                    | 2.....  |
| 12. Totals..... | 5.....                   | 0.....      | 9.....                   | 0.....      | 21.....                             | 0.....      | 6.....                   | 0.....      | 2.....                     | 0.....      | 0.....                                    | 43.....                                    | 3.....  |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |            | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|------------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net  | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2005.....    | 0.....                                  | 0.....      | 0.....    | 0.0.....  | 0.0.....    | 0.0.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2006.....    | 0.....                                  | 0.....      | 0.....    | 0.0.....  | 0.0.....    | 0.0.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2007.....    | 0.....                                  | 0.....      | 0.....    | 0.0.....  | 0.0.....    | 0.0.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 5. 2008.....    | 0.....                                  | 0.....      | 0.....    | 0.0.....  | 0.0.....    | 0.0.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 6. 2009.....    | 0.....                                  | 0.....      | 0.....    | 0.0.....  | 0.0.....    | 0.0.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 7. 2010.....    | 24.....                                 | 0.....      | 24.....   | 82.8.....   | 0.0.....    | 82.8.....  | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 8. 2011.....    | 17.....                                 | 0.....      | 17.....   | 68.0.....   | 0.0.....    | 68.0.....  | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 9. 2012.....    | 12.....                                 | 0.....      | 12.....   | 50.0.....   | 0.0.....    | 50.0.....  | 0.....              | 0.....             | 0.00.....  | 6.....                                    | 3.....                     |
| 10. 2013.....   | 12.....                                 | 0.....      | 12.....   | 54.5.....   | 0.0.....    | 54.5.....  | 0.....              | 0.....             | 0.00.....  | 6.....                                    | 5.....                     |
| 11. 2014.....   | 63.....                                 | 0.....      | 63.....   | 370.6.....  | 0.0.....    | 370.6..... | 0.....              | 0.....             | 0.00.....  | 2.....                                    | 21.....                    |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 14.....                                   | 29.....                    |

**Sch. P-Pt. 1I  
NONE**

**Sch. P-Pt. 1J  
NONE**

**Sch. P-Pt. 1K  
NONE**

**Sch. P-Pt. 1L  
NONE**

**Sch. P-Pt. 1M  
NONE**

**Sch. P-Pt. 1N  
NONE**

**Sch. P-Pt. 1O  
NONE**

**Sch. P-Pt. 1P  
NONE**

**Sch. P-Pt. 1R-Sn. 1  
NONE**

**Sch. P-Pt. 1R-Sn. 2  
NONE**

**Sch. P-Pt. 1S  
NONE**

**Sch. P-Pt. 1T  
NONE**

**Sch. P-Pt. 2A  
NONE**

**Sch. P-Pt. 2B  
NONE**

**Sch. P-Pt. 2C  
NONE**

**Sch. P-Pt. 2D  
NONE**

**Sch. P-Pt. 2E  
NONE**

**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |        |        |        |        |        |        |        |        |        | Development |          |         |
|-------------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|----------|---------|
|                                     | 1  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |         |
|                                     | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | One Year    | Two Year |         |
| 1. Prior.....                       | 15,251   | 14,960 | 14,207 | 14,373 | 14,506 | 15,198 | 14,755 | 15,207 | 14,798 | 14,596 | (202)       | (611)    |         |
| 2. 2005.....                        | 9,074  | 8,944  | 8,129  | 8,647  | 7,991  | 7,329  | 7,599  | 7,254  | 7,171  | 7,131  | (40)        | (123)    |         |
| 3. 2006.....                        | XXX  | 9,991  | 9,018  | 7,554  | 6,106  | 6,359  | 6,009  | 5,884  | 5,982  | 6,241  | 259         | 357      |         |
| 4. 2007.....                        | XXX  | XXX    | 10,510 | 10,995 | 9,104  | 6,876  | 5,641  | 5,185  | 5,122  | 5,098  | (24)        | (87)     |         |
| 5. 2008.....                        | XXX  | XXX    | XXX    | 11,024 | 12,490 | 12,209 | 10,239 | 8,889  | 8,388  | 8,811  | 423         | (78)     |         |
| 6. 2009.....                        | XXX  | XXX    | XXX    | XXX    | 10,519 | 10,185 | 9,820  | 8,046  | 6,657  | 6,419  | (238)       | (1,627)  |         |
| 7. 2010.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 9,118  | 8,833  | 8,167  | 7,578  | 7,671  | 93          | (496)    |         |
| 8. 2011.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 7,985  | 7,606  | 6,669  | 5,082  | (1,587)     | (2,524)  |         |
| 9. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 7,729  | 8,102  | 6,793  | (1,309)     | (936)    |         |
| 10. 2013.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 8,031  | 7,678  | (353)       | XXX      |         |
| 11. 2014.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 6,800  | XXX         | XXX      |         |
|                                     |  |        |        |        |        |        |        |        |        |        | 12. Totals  | (2,978)  | (6,125) |

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |       |            |         |         |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------|---------|---------|
| 1. Prior..... | 4,776 | 4,503 | 3,892 | 2,977 | 2,867 | 2,842 | 2,968 | 2,969 | 2,977 | 2,970 | (7)        | 1       |         |
| 2. 2005.....  | 3,907 | 3,141 | 2,784 | 1,821 | 2,008 | 2,001 | 1,975 | 1,973 | 1,977 | 1,972 | (5)        | (1)     |         |
| 3. 2006.....  | XXX   | 4,641 | 4,194 | 4,707 | 4,091 | 3,660 | 3,593 | 3,578 | 3,578 | 3,565 | (13)       | (13)    |         |
| 4. 2007.....  | XXX   | XXX   | 4,570 | 3,890 | 4,032 | 3,555 | 3,310 | 3,272 | 3,263 | 3,246 | (17)       | (26)    |         |
| 5. 2008.....  | XXX   | XXX   | XXX   | 3,903 | 3,170 | 3,844 | 3,776 | 3,131 | 3,147 | 3,117 | (30)       | (14)    |         |
| 6. 2009.....  | XXX   | XXX   | XXX   | XXX   | 4,064 | 3,767 | 4,384 | 3,446 | 3,584 | 3,563 | (21)       | 117     |         |
| 7. 2010.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 3,628 | 3,080 | 2,236 | 1,867 | 1,595 | (272)      | (641)   |         |
| 8. 2011.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,632 | 3,128 | 2,296 | 1,870 | (426)      | (1,258) |         |
| 9. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 4,180 | 4,249 | 3,690 | (559)      | (490)   |         |
| 10. 2013..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 4,000 | 3,349 | (651)      | XXX     |         |
| 11. 2014..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,679 | XXX        | XXX     |         |
|               |       |       |       |       |       |       |       |       |       |       | 12. Totals | (2,001) | (2,325) |

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER & MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |            |     |   |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|------------|-----|---|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 2. 2005.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 3. 2006.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 4. 2007.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 5. 2008.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 | 0          | 0   |   |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 | 0          | 0   |   |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 | 0          | XXX |   |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | XXX        | XXX |   |
|               |     |     |     |     |     |     |     |     |     |   | 12. Totals | 0   | 0 |

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |    |            |      |      |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|------------|------|------|
| 1. Prior..... | 41  | 19  | 9   | 7   | 7   | 6   | 1   | 1   | 1   | 1  | 0          | 0    |      |
| 2. 2005.....  | 34  | 27  | 19  | 8   | 7   | 5   | 2   | 2   | 2   | 2  | 0          | 0    |      |
| 3. 2006.....  | XXX | 27  | 22  | 15  | 7   | 5   | 2   | 2   | 2   | 2  | 0          | 0    |      |
| 4. 2007.....  | XXX | XXX | 34  | 34  | 21  | 13  | 10  | 9   | 8   | 8  | 0          | (1)  |      |
| 5. 2008.....  | XXX | XXX | XXX | 30  | 25  | 22  | 7   | 3   | 2   | 2  | 0          | (1)  |      |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 23  | 18  | 16  | 10  | 4   | 3  | (1)        | (7)  |      |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 28  | 33  | 28  | 20  | 17 | (3)        | (11) |      |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 26  | 26  | 16  | 4  | (12)       | (22) |      |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 25  | 22  | 16 | (6)        | (9)  |      |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 100 | 61 | (39)       | XXX  |      |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23 | XXX        | XXX  |      |
|               |     |     |     |     |     |     |     |     |     |    | 12. Totals | (61) | (51) |

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |    |            |      |      |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|------------|------|------|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0          | 0    |      |
| 2. 2005.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0          | 0    |      |
| 3. 2006.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0          | 0    |      |
| 4. 2007.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0          | 0    |      |
| 5. 2008.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0          | 0    |      |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0  | 0          | 0    |      |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 31  | 39  | 32  | 26  | 24 | (2)        | (8)  |      |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 34  | 29  | 23  | 16 | (7)        | (13) |      |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 24  | 18  | 12 | (6)        | (12) |      |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 17  | 11 | (6)        | XXX  |      |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60 | XXX        | XXX  |      |
|               |     |     |     |     |     |     |     |     |     |    | 12. Totals | (21) | (33) |



**Sch. P-Pt. 2I  
NONE**

**Sch. P-Pt. 2J  
NONE**

**Sch. P-Pt. 2K  
NONE**

**Sch. P-Pt. 2L  
NONE**

**Sch. P-Pt. 2M  
NONE**

**Sch. P-Pt. 2N  
NONE**

**Sch. P-Pt. 2O  
NONE**

**Sch. P-Pt. 2P  
NONE**

**Sch. P-Pt. 2R-Sn. 1  
NONE**

**Sch. P-Pt. 2R-Sn. 2  
NONE**

**Sch. P-Pt. 2S  
NONE**

**Sch. P-Pt. 2T  
NONE**

**Sch. P-Pt. 3A  
NONE**

**Sch. P-Pt. 3B  
NONE**

**Sch. P-Pt. 3C  
NONE**

**Sch. P-Pt. 3D  
NONE**

**Sch. P-Pt. 3E  
NONE**

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |                 |                 |                  |                  |                  |                  |                  |                  |                  | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---|--|
|                                     | 1<br>2005   | 2<br>2006       | 3<br>2007       | 4<br>2008        | 5<br>2009        | 6<br>2010        | 7<br>2011        | 8<br>2012        | 9<br>2013        | 10<br>2014       |   |  |
| 1. Prior.....                       | .....000.....   | .....4,260..... | .....8,159..... | .....11,417..... | .....12,059..... | .....12,476..... | .....13,471..... | .....13,895..... | .....14,105..... | .....14,078..... | .....61.....                                    | .....156.....                                      |
| 2. 2005.....                        | .....43.....  | .....870.....   | .....1,537..... | .....3,454.....  | .....5,928.....  | .....6,622.....  | .....6,792.....  | .....7,038.....  | .....7,041.....  | .....7,048.....  | .....46.....                                    | .....84.....                                       |
| 3. 2006.....                        | .....XXX.....   | .....77.....    | .....309.....   | .....942.....    | .....2,079.....  | .....3,780.....  | .....4,799.....  | .....5,090.....  | .....5,276.....  | .....6,093.....  | .....51.....                                    | .....64.....                                       |
| 4. 2007.....                        | .....XXX.....   | .....XXX.....   | .....252.....   | .....800.....    | .....1,993.....  | .....3,036.....  | .....4,370.....  | .....4,597.....  | .....4,747.....  | .....4,882.....  | .....64.....                                    | .....63.....                                       |
| 5. 2008.....                        | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....296.....    | .....849.....    | .....1,915.....  | .....3,947.....  | .....6,445.....  | .....7,701.....  | .....7,755.....  | .....72.....                                    | .....120.....                                      |
| 6. 2009.....                        | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....144.....    | .....582.....    | .....1,832.....  | .....3,053.....  | .....4,994.....  | .....5,478.....  | .....56.....                                    | .....114.....                                      |
| 7. 2010.....                        | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....XXX.....    | .....691.....    | .....1,367.....  | .....1,979.....  | .....3,327.....  | .....5,294.....  | .....56.....                                    | .....100.....                                      |
| 8. 2011.....                        | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....152.....    | .....530.....    | .....1,238.....  | .....2,011.....  | .....48.....                                    | .....60.....                                       |
| 9. 2012.....                        | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....128.....    | .....1,314.....  | .....1,556.....  | .....38.....                                    | .....54.....                                       |
| 10. 2013.....                       | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....202.....    | .....507.....    | .....37.....                                    | .....37.....                                       |
| 11. 2014.....                       | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....XXX.....    | .....118.....    | .....12.....                                    | .....10.....                                       |

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |               |                 |                 |                 |                 |                 |                 |                 |                 |                 |               |               |
|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| 1. Prior..... | .....000..... | .....1,602..... | .....2,384..... | .....2,720..... | .....2,743..... | .....2,756..... | .....2,968..... | .....2,968..... | .....2,970..... | .....2,970..... | .....130..... | .....147..... |
| 2. 2005.....  | .....66.....  | .....351.....   | .....991.....   | .....1,497..... | .....1,915..... | .....1,966..... | .....1,967..... | .....1,967..... | .....1,969..... | .....1,969..... | .....10.....  | .....48.....  |
| 3. 2006.....  | .....XXX..... | .....168.....   | .....946.....   | .....2,738..... | .....3,493..... | .....3,565..... | .....3,565..... | .....3,565..... | .....3,565..... | .....3,565..... | .....27.....  | .....65.....  |
| 4. 2007.....  | .....XXX..... | .....XXX.....   | .....220.....   | .....639.....   | .....1,526..... | .....2,688..... | .....3,246..... | .....3,246..... | .....3,246..... | .....3,246..... | .....29.....  | .....45.....  |
| 5. 2008.....  | .....XXX..... | .....XXX.....   | .....XXX.....   | .....139.....   | .....459.....   | .....1,003..... | .....1,954..... | .....2,941..... | .....2,976..... | .....3,102..... | .....21.....  | .....57.....  |
| 6. 2009.....  | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....230.....   | .....684.....   | .....3,056..... | .....3,124..... | .....3,324..... | .....3,526..... | .....30.....  | .....46.....  |
| 7. 2010.....  | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....200.....   | .....431.....   | .....835.....   | .....1,260..... | .....1,453..... | .....16.....  | .....59.....  |
| 8. 2011.....  | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....281.....   | .....604.....   | .....1,079..... | .....1,669..... | .....14.....  | .....65.....  |
| 9. 2012.....  | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....149.....   | .....652.....   | .....1,795..... | .....19.....  | .....56.....  |
| 10. 2013..... | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....230.....   | .....894.....   | .....13.....  | .....37.....  |
| 11. 2014..... | .....XXX..... | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....XXX.....   | .....108.....   | .....1.....   | .....11.....  |

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|               |               |               |               |               |               |               |               |               |               |             |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|---------------|---------------|
| 1. Prior..... | .....000..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 2. 2005.....  | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 3. 2006.....  | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 4. 2007.....  | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 5. 2008.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 6. 2009.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 7. 2010.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 8. 2011.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 9. 2012.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 10. 2013..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0..... | .....XXX..... | .....XXX..... |
| 11. 2014..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0..... | .....XXX..... | .....XXX..... |

**NONE**

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |               |               |               |               |               |               |               |               |               |              |             |             |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-------------|-------------|
| 1. Prior..... | .....000..... | .....0.....   | .....0.....   | .....0.....   | .....1.....   | .....1.....   | .....1.....   | .....1.....   | .....1.....   | .....1.....  | .....2..... | .....0..... |
| 2. 2005.....  | .....0.....   | .....2.....   | .....3.....   | .....3.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....  | .....3..... | .....0..... |
| 3. 2006.....  | .....XXX..... | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....  | .....4..... | .....0..... |
| 4. 2007.....  | .....XXX..... | .....XXX..... | .....7.....   | .....7.....   | .....7.....   | .....7.....   | .....7.....   | .....7.....   | .....7.....   | .....7.....  | .....2..... | .....1..... |
| 5. 2008.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....  | .....3..... | .....0..... |
| 6. 2009.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....   | .....2.....  | .....2..... | .....0..... |
| 7. 2010.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....3.....   | .....13.....  | .....13.....  | .....13.....  | .....13..... | .....5..... | .....0..... |
| 8. 2011.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....4.....   | .....1.....   | .....1.....  | .....1..... | .....0..... |
| 9. 2012.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....2.....   | .....2.....   | .....2.....  | .....2..... | .....1..... |
| 10. 2013..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....8.....   | .....31..... | .....1..... | .....0..... |
| 11. 2014..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....  | .....0..... | .....0..... |

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |               |               |               |               |               |               |               |               |               |              |              |             |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|-------------|
| 1. Prior..... | .....000..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 2. 2005.....  | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 3. 2006.....  | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 4. 2007.....  | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 5. 2008.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 6. 2009.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....   | .....0.....  | .....0.....  | .....0..... |
| 7. 2010.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....8.....   | .....23.....  | .....24.....  | .....24.....  | .....24..... | .....1.....  | .....2..... |
| 8. 2011.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....16.....  | .....16.....  | .....16.....  | .....16..... | .....19..... | .....0..... |
| 9. 2012.....  | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....2.....   | .....3.....   | .....3.....  | .....2.....  | .....0..... |
| 10. 2013..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....1.....   | .....1.....  | .....4.....  | .....0..... |
| 11. 2014..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....XXX..... | .....38..... | .....4.....  | .....0..... |

**Sch. P-Pt. 3I  
NONE**

**Sch. P-Pt. 3J  
NONE**

**Sch. P-Pt. 3K  
NONE**

**Sch. P-Pt. 3L  
NONE**

**Sch. P-Pt. 3M  
NONE**

**Sch. P-Pt. 3N  
NONE**

**Sch. P-Pt. 3O  
NONE**

**Sch. P-Pt. 3P  
NONE**

**Sch. P-Pt. 3R-Sn. 1  
NONE**

**Sch. P-Pt. 3R-Sn. 2  
NONE**

**Sch. P-Pt. 3S  
NONE**

**Sch. P-Pt. 3T  
NONE**

**Sch. P-Pt. 4A  
NONE**

**Sch. P-Pt. 4B  
NONE**

**Sch. P-Pt. 4C  
NONE**

**Sch. P-Pt. 4D  
NONE**

**Sch. P-Pt. 4E  
NONE**

**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| 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   | 2     | 3      | 4      | 5     | 6     | 7     | 8     | 9     | 10    |
|                                     | 2005  | 2006  | 2007   | 2008   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  |
| 1. Prior.....                       | 10,410  | 6,153 | 2,892  | 1,586  | 1,393 | 933   | 560   | 394   | 284   | 127   |
| 2. 2005.....                        | 8,296   | 7,186 | 4,259  | 2,003  | 897   | 506   | 260   | 189   | 130   | 66    |
| 3. 2006.....                        | XXX   | 9,669 | 8,170  | 5,110  | 1,654 | 964   | 335   | 237   | 182   | 148   |
| 4. 2007.....                        | XXX   | XXX   | 10,137 | 8,795  | 5,617 | 1,896 | 943   | 306   | 223   | 173   |
| 5. 2008.....                        | XXX   | XXX   | XXX    | 10,349 | 8,884 | 6,050 | 3,021 | 1,047 | 659   | 527   |
| 6. 2009.....                        | XXX   | XXX   | XXX    | XXX    | 9,929 | 8,417 | 5,395 | 3,105 | 867   | 563   |
| 7. 2010.....                        | XXX   | XXX   | XXX    | XXX    | XXX   | 8,014 | 6,736 | 4,446 | 1,910 | 947   |
| 8. 2011.....                        | XXX   | XXX   | XXX    | XXX    | XXX   | XXX   | 7,610 | 6,336 | 4,268 | 1,863 |
| 9. 2012.....                        | XXX   | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | 7,393 | 6,293 | 4,575 |
| 10. 2013.....                       | XXX   | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | XXX   | 7,603 | 6,089 |
| 11. 2014.....                       | XXX   | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | 6,451 |

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Prior..... | 1,950 | 1,098 | 429   | 135   | 29    | 5     | 0     | 1     | 7     | 0     |
| 2. 2005.....  | 3,041 | 1,446 | 739   | 183   | 76    | 30    | 4     | 2     | 5     | 1     |
| 3. 2006.....  | XXX   | 3,576 | 1,558 | 853   | 267   | 95    | 28    | 13    | 13    | 0     |
| 4. 2007.....  | XXX   | XXX   | 3,443 | 1,716 | 887   | 327   | 64    | 26    | 17    | 0     |
| 5. 2008.....  | XXX   | XXX   | XXX   | 3,133 | 1,581 | 802   | 277   | 68    | 31    | 15    |
| 6. 2009.....  | XXX   | XXX   | XXX   | XXX   | 3,115 | 1,429 | 1,246 | 268   | 83    | 25    |
| 7. 2010.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 2,934 | 1,713 | 1,038 | 170   | 57    |
| 8. 2011.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,017 | 1,699 | 815   | 165   |
| 9. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 2,925 | 1,510 | 646   |
| 10. 2013..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 2,974 | 1,815 |
| 11. 2014..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,199 |

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 2. 2005.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 3. 2006.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 4. 2007.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 5. 2008.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |

**NONE**

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 41  | 19  | 9   | 7   | 6   | 5   | 0   | 0   | 0   | 0  |
| 2. 2005.....  | 33  | 25  | 16  | 5   | 5   | 3   | 0   | 0   | 0   | 0  |
| 3. 2006.....  | XXX | 25  | 20  | 13  | 5   | 3   | 0   | 0   | 0   | 0  |
| 4. 2007.....  | XXX | XXX | 26  | 21  | 13  | 6   | 3   | 2   | 1   | 1  |
| 5. 2008.....  | XXX | XXX | XXX | 28  | 23  | 15  | 5   | 1   | 0   | 0  |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 21  | 16  | 14  | 8   | 2   | 1  |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 21  | 20  | 15  | 7   | 4  |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 21  | 20  | 15  | 3  |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 14 |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 25  | 30 |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23 |

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 2. 2005.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 3. 2006.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 4. 2007.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 5. 2008.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 6. 2009.....  | XXX | XXX | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0  |
| 7. 2010.....  | XXX | XXX | XXX | XXX | XXX | 18  | 11  | 8   | 2   | 0  |
| 8. 2011.....  | XXX | XXX | XXX | XXX | XXX | XXX | 18  | 13  | 7   | 0  |
| 9. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 13  | 8   | 2  |
| 10. 2013..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10 |
| 11. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3  |

**Sch. P-Pt. 4I  
NONE**

**Sch. P-Pt. 4J  
NONE**

**Sch. P-Pt. 4K  
NONE**

**Sch. P-Pt. 4L  
NONE**

**Sch. P-Pt. 4M  
NONE**

**Sch. P-Pt. 4N  
NONE**

**Sch. P-Pt. 4O  
NONE**

**Sch. P-Pt. 4P  
NONE**

**Sch. P-Pt. 4R-Sn. 1  
NONE**

**Sch. P-Pt. 4R-Sn. 2  
NONE**

**Sch. P-Pt. 4S  
NONE**

**Sch. P-Pt. 4T  
NONE**

**Sch. P-Pt. 5A-Sn. 1  
NONE**

**Sch. P-Pt. 5A-Sn. 2  
NONE**

**Sch. P-Pt. 5A-Sn. 3  
NONE**

**Sch. P-Pt. 5B-Sn. 1  
NONE**

**Sch. P-Pt. 5B-Sn. 2  
NONE**

**Sch. P-Pt. 5B-Sn. 3  
NONE**

**Sch. P-Pt. 5C-Sn. 1**  
**NONE**

**Sch. P-Pt. 5C-Sn. 2**  
**NONE**

**Sch. P-Pt. 5C-Sn. 3**  
**NONE**

**Sch. P-Pt. 5D-Sn. 1**  
**NONE**

**Sch. P-Pt. 5D-Sn. 2**  
**NONE**

**Sch. P-Pt. 5D-Sn. 3**  
**NONE**

**Sch. P-Pt. 5E-Sn. 1**  
**NONE**

**Sch. P-Pt. 5E-Sn. 2**  
**NONE**

**Sch. P-Pt. 5E-Sn. 3**  
**NONE**

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 144   | 150       | 141       | 144       | 146       | 2         | 0         | 5         | 2         | 0          |
| 2. 2005.....   | 7   | 19        | 24        | 25        | 40        | 42        | 44        | 45        | 46        | 46         |
| 3. 2006.....   | XXX   | 10        | 22        | 28        | 35        | 41        | 46        | 48        | 49        | 51         |
| 4. 2007.....   | XXX   | XXX       | 11        | 16        | 46        | 54        | 61        | 63        | 63        | 64         |
| 5. 2008.....   | XXX   | XXX       | XXX       | 15        | 37        | 56        | 64        | 67        | 72        | 72         |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 8         | 23        | 37        | 42        | 52        | 56         |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 14        | 33        | 41        | 49        | 56         |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 18        | 35        | 42        | 48         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 15        | 32        | 38         |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 13        | 37         |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12         |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 103   | 71        | 50        | 35        | 14        | 19        | 27        | 15        | 5         | 6          |
| 2. 2005.....   | 27  | 29        | 50        | 43        | 20        | 13        | 6         | 2         | 0         | 1          |
| 3. 2006.....   | XXX   | 29        | 34        | 46        | 34        | 15        | 9         | 5         | 4         | 0          |
| 4. 2007.....   | XXX   | XXX       | 32        | 67        | 45        | 24        | 12        | 4         | 7         | 4          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 72        | 77        | 61        | 36        | 12        | 8         | 4          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 43        | 60        | 62        | 42        | 22        | 14         |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 44        | 53        | 67        | 37        | 20         |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 33        | 35        | 32        | 32         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 49        | 30        | 24         |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 46        | 31         |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 31         |

**SECTION 3A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 354   | 340       | 298       | 308       | 285       | 6         | 6         | 0         | 0         | 0          |
| 2. 2005.....   | 35  | 66        | 104       | 113       | 123       | 127       | 130       | 130       | 131       | 131        |
| 3. 2006.....   | XXX   | 41        | 66        | 95        | 110       | 112       | 112       | 114       | 114       | 115        |
| 4. 2007.....   | XXX   | XXX       | 45        | 91        | 112       | 120       | 127       | 127       | 130       | 131        |
| 5. 2008.....   | XXX   | XXX       | XXX       | 94        | 132       | 172       | 180       | 184       | 192       | 196        |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 53        | 113       | 157       | 169       | 180       | 184        |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 65        | 117       | 163       | 171       | 176        |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 59        | 100       | 125       | 140        |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 70        | 103       | 116        |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 66        | 105        |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 53         |

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 33  | 26        | 12        | 5         | 7         | 0         | 1         | 0         | 0         | 0          |
| 2. 2005.....   | 1   | 2         | 7         | 8         | 9         | 10        | 10        | 10        | 10        | 10         |
| 3. 2006.....   | XXX   | 4         | 9         | 13        | 22        | 27        | 27        | 27        | 27        | 27         |
| 4. 2007.....   | XXX   | XXX       | 4         | 9         | 19        | 24        | 29        | 29        | 29        | 29         |
| 5. 2008.....   | XXX   | XXX       | XXX       | 4         | 8         | 16        | 17        | 20        | 20        | 21         |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 6         | 16        | 28        | 29        | 29        | 30         |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 4         | 10        | 13        | 15        | 16         |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 5         | 10        | 13        | 14         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4         | 12        | 19         |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5         | 13         |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1          |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 64  | 36        | 24        | 9         | 3         | 3         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 56  | 20        | 10        | 4         | 2         | 1         | 1         | 1         | 1         | 1          |
| 3. 2006.....   | XXX   | 63        | 47        | 34        | 9         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....   | XXX   | XXX       | 50        | 52        | 26        | 9         | 0         | 0         | 0         | 0          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 55        | 48        | 17        | 10        | 2         | 1         | 0          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 54        | 23        | 4         | 1         | 2         | 1          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 60        | 22        | 12        | 6         | 3          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 48        | 28        | 16        | 4          |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 71        | 37        | 22         |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 56        | 24         |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 35         |

**SECTION 3B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 37  | 39        | 27        | 29        | 29        | 0         | 0         | 0         | 2         | 0          |
| 2. 2005.....   | 63  | 56        | 57        | 59        | 59        | 59        | 59        | 59        | 59        | 59         |
| 3. 2006.....   | XXX   | 76        | 88        | 89        | 90        | 92        | 92        | 92        | 92        | 92         |
| 4. 2007.....   | XXX   | XXX       | 56        | 73        | 73        | 74        | 74        | 74        | 74        | 74         |
| 5. 2008.....   | XXX   | XXX       | XXX       | 66        | 78        | 78        | 78        | 78        | 78        | 78         |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 70        | 76        | 76        | 76        | 77        | 77         |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 72        | 77        | 80        | 79        | 78         |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 73        | 84        | 85        | 83         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 85        | 93        | 97         |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 71        | 74         |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47         |



**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 2   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 0   | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 3. 2006.....   | XXX   | 0         | 3         | 4         | 4         | 4         | 4         | 4         | 4         | 4          |
| 4. 2007.....   | XXX   | XXX       | 1         | 1         | 2         | 2         | 2         | 2         | 2         | 2          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 2         | 3         | 3         | 3         | 3         | 3         | 3          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 2         | 2         | 2         | 2         | 2         | 2          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 3         | 5         | 5         | 5         | 5          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 1         | 1         | 1          |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 2         | 2          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 1          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 2A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 1   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....   | XXX   | 2         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....   | XXX   | XXX       | 2         | 3         | 1         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 1         | 0         | 1         | 0         | 0         | 0         | 0          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0         | 0          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 0         | 0          |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 1   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 1   | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 3. 2006.....   | XXX   | 2         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4          |
| 4. 2007.....   | XXX   | XXX       | 3         | 4         | 3         | 3         | 3         | 3         | 3         | 3          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 3         | 3         | 4         | 3         | 3         | 3         | 3          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 2         | 2         | 2         | 2         | 2         | 2          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 4         | 5         | 5         | 5         | 5          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 2         | 1         | 1          |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 1         | 1         | 1          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 17        | 19        | 19        | 19         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 2         | 2          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 4          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4          |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 2         | 1         | 0         | 0         | 0          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0          |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 1         | 1          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2          |

**SECTION 3B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3         | 3         | 3          |
| 8. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 19        | 19        | 19        | 19         |
| 9. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3          |
| 10. 2013.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4         | 4          |
| 11. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6          |

**Sch. P-Pt. 5R-Sn. 1A  
NONE**

**Sch. P-Pt. 5R-Sn. 2A  
NONE**

**Sch. P-Pt. 5R-Sn. 3A  
NONE**

**Sch. P-Pt. 5R-Sn. 1B  
NONE**

**Sch. P-Pt. 5R-Sn. 2B  
NONE**

**Sch. P-Pt. 5R-Sn. 3B  
NONE**

**Sch. P-Pt. 5T-Sn. 1  
NONE**

**Sch. P-Pt. 5T-Sn. 2  
NONE**

**Sch. P-Pt. 5T-Sn. 3  
NONE**

**Sch. P-Pt. 6C-Sn. 1  
NONE**

**Sch. P-Pt. 6C-Sn. 2  
NONE**

**Sch. P-Pt. 6D-Sn. 1  
NONE**

**Sch. P-Pt. 6D-Sn. 2  
NONE**

**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |      |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |      |
| 1. Prior.....  | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 2. 2005.....   | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 3. 2006.....   | .XXX  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 4. 2007.....   | .XXX  | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 5. 2008.....   | .XXX  | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 6. 2009.....   | .XXX  | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 7. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 8. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 9. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0         | .0                                 | .0   |
| 10. 2013.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0         | .0                                 | .0   |
| 11. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0         | .0                                 | .0   |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | .XXX                               | .0   |
| 13. Earned Prems.(P-Pt 1)                                    | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .XXX |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |      |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|------|
|  | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |      |
| 1. Prior.....  | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 2. 2005.....   | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 3. 2006.....   | .XXX   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 4. 2007.....   | .XXX   | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 5. 2008.....   | .XXX   | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 6. 2009.....   | .XXX   | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 7. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 8. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 9. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0         | .0                                 | .0   |
| 10. 2013.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0         | .0                                 | .0   |
| 11. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0         | .0                                 | .0   |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | .XXX                               | .0   |
| 13. Earned Prems.(P-Pt 1)                                    | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .XXX |

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |      |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |      |
| 1. Prior.....  | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 2. 2005.....   | .39   | .39       | .39       | .39       | .39       | .39       | .39       | .39       | .39       | .39        | .39                                | .0   |
| 3. 2006.....   | .XXX  | .30       | .30       | .30       | .30       | .30       | .30       | .30       | .30       | .30        | .30                                | .0   |
| 4. 2007.....   | .XXX  | .XXX      | .32       | .32       | .32       | .32       | .32       | .32       | .32       | .32        | .32                                | .0   |
| 5. 2008.....   | .XXX  | .XXX      | .XXX      | .35       | .35       | .35       | .35       | .35       | .35       | .35        | .35                                | .0   |
| 6. 2009.....   | .XXX  | .XXX      | .XXX      | .XXX      | .26       | .26       | .26       | .26       | .26       | .26        | .26                                | .0   |
| 7. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .27       | .27       | .27       | .27       | .27        | .27                                | .0   |
| 8. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .27       | .27       | .27       | .27        | .27                                | .0   |
| 9. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .27       | .27       | .27        | .27                                | .0   |
| 10. 2013.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0         | .0                                 | .0   |
| 11. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .27        | .27                                | .27  |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | .XXX                               | .27  |
| 13. Earned Prems.(P-Pt 1)                                    | .39   | .30       | .32       | .35       | .26       | .27       | .27       | .27       | .27       | .27        | .27                                | .XXX |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |      |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|------|
|  | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |      |
| 1. Prior.....  | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 2. 2005.....   | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 3. 2006.....   | .XXX   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 4. 2007.....   | .XXX   | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 5. 2008.....   | .XXX   | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 6. 2009.....   | .XXX   | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 7. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 8. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0        | .0         | .0                                 | .0   |
| 9. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0        | .0         | .0                                 | .0   |
| 10. 2013.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .0        | .0         | .0                                 | .0   |
| 11. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .27        | .27                                | .27  |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | .XXX                               | .27  |
| 13. Earned Prems.(P-Pt 1)                                    | .0   | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         | .0                                 | .XXX |

**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2005.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2006.....   | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2007.....   | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2008.....   | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2009.....   | .XXX  | .XXX      | .XXX      | .XXX      | 29        | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 7. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 8. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 25        | 25        | 25        | 25         | 0                                  |
| 9. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 25        | 25        | 25         | 0                                  |
| 10. 2013.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 17         | 17                                 |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 17                                 |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 29        | 29        | 25        | 24        | 22        | 17         | .XXX                               |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2005.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2006.....   | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2007.....   | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2008.....   | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2009.....   | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2013.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 17         | 17                                 |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 17                                 |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**SCHEDULE P - PART 6M - INTERNATIONAL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2005.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2006.....   | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2007.....   | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2008.....   | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2009.....   | .XXX  | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2013.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          | 0                                  |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2005.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2006.....   | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2007.....   | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2008.....   | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2009.....   | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2013.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          | 0                                  |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**Sch. P-Pt. 6N-Sn. 1  
NONE**

**Sch. P-Pt. 6N-Sn. 2  
NONE**

**Sch. P-Pt. 6O-Sn. 1  
NONE**

**Sch. P-Pt. 6O-Sn. 2  
NONE**

**Sch. P-Pt. 6R-Sn. 1A  
NONE**

**Sch. P-Pt. 6R-Sn. 2A  
NONE**

**Sch. P-Pt. 6R-Sn. 1B  
NONE**

**Sch. P-Pt. 6R-Sn. 2B  
NONE**

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 Omitted)

**SECTION 1**

| Schedule P - Part 1  | 1<br>Total Net<br>Losses and<br>Expenses<br>Unpaid | 2<br>Net Losses<br>and<br>Expenses<br>Unpaid on<br>Loss<br>Sensitive<br>Contracts | 3<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total | 4<br>Total Net<br>Premiums<br>Written | 5<br>Net<br>Premiums<br>Written on<br>Loss<br>Sensitive<br>Contracts | 6<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total |
|--|--|---|--|---------------------------------------|--|--|
| 1. Homeowners/farmowners.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 2. Private passenger auto liability/medical.....               | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 3. Commercial auto/truck liability/medical.....                | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 4. Workers' compensation.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 5. Commercial multiple peril.....                              | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 6. Medical professional liability - occurrence.....            | 28,910   | 0   | 0.0  | 6,959                                 | 0  | 0.0  |
| 7. Medical professional liability - claims-made.....           | 8,730  | 0   | 0.0  | 4,245                                 | 0  | 0.0  |
| 8. Special liability.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 9. Other liability - occurrence.....                           | 80   | 0   | 0.0  | 27                                    | 0  | 0.0  |
| 10. Other liability - claims-made.....                         | 43   | 0   | 0.0  | 17                                    | 0  | 0.0  |
| 11. Special property.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 12. Auto physical damage.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 13. Fidelity/surety.....                                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 14. Other.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 15. International.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 16. Reinsurance - nonproportional assumed property.....        | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 17. Reinsurance - nonproportional assumed liability.....       | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 18. Reinsurance - nonproportional assumed financial lines..... | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 19. Products liability - occurrence.....                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 20. Products liability - claims-made.....                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 21. Financial guaranty/mortgage guaranty.....                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 22. Warranty.....  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 23. Totals.....  | 37,763   | 0   | 0.0  | 11,248                                | 0  | 0.0  |

**SECTION 2**

| Years in Which Policies Were Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2013.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3**

| Years in Which Policies Were Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2013.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2005.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2006.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2007.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2008.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2009.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2010.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2013.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve for Premium Adjustments and Accrued Retrospective Premiums at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2005.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2006.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2007.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2008.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2009.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2010.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2013.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**



## SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS

(\$000 Omitted)

### SECTION 1

|  | 1                                    | 2  | 3                                     | 4                          | 5  | 6                                     |
|--|--------------------------------------|--|---------------------------------------|----------------------------|--|---------------------------------------|
| Schedule P - Part 1  | Total Net Losses and Expenses Unpaid | Net Losses and Expenses Unpaid on Loss Sensitive Contracts | Loss Sensitive as Percentage of Total | Total Net Premiums Written | Net Premiums Written on Loss Sensitive Contracts | Loss Sensitive as Percentage of Total |
| 1. Homeowners/farmowners.....                                  | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 2. Private passenger auto liability/medical.....               | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 3. Commercial auto/truck liability/medical.....                | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 4. Workers' compensation.....                                  | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 5. Commercial multiple peril.....                              | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 6. Medical professional liability - occurrence.....            | 28,910                               | .0   | .0.0                                  | 6,959                      | .0   | .0.0                                  |
| 7. Medical professional liability - claims-made.....           | 8,730                                | .0   | .0.0                                  | 4,245                      | .0   | .0.0                                  |
| 8. Special liability.....                                      | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 9. Other liability - occurrence.....                           | .80                                  | .0   | .0.0                                  | .27                        | .0   | .0.0                                  |
| 10. Other liability - claims-made.....                         | .43                                  | .0   | .0.0                                  | .17                        | .0   | .0.0                                  |
| 11. Special property.....                                      | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 12. Auto physical damage.....                                  | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 13. Fidelity/surety.....                                       | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 14. Other.....   | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 15. International.....   | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 16. Reinsurance - nonproportional assumed property.....        | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 17. Reinsurance - nonproportional assumed liability.....       | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 18. Reinsurance - nonproportional assumed financial lines..... | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 19. Products liability - occurrence.....                       | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 20. Products liability - claims-made.....                      | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 21. Financial guaranty/mortgage guaranty.....                  | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 22. Warranty.....  | .0                                   | .0   | .0.0                                  | .0                         | .0   | .0.0                                  |
| 23. Totals   | 37,763                               | .0   | .0.0                                  | 11,248                     | .0   | .0.0                                  |

### SECTION 2

| Years in Which Policies Were Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|
|                                     | 1  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2005   | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| 1. Prior.....                       | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 2. 2005.....                        | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 3. 2006.....                        | .XXX   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 4. 2007.....                        | .XXX   | .XXX | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 5. 2008.....                        | .XXX   | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 6. 2009.....                        | .XXX   | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   | .0   |
| 7. 2010.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   |
| 8. 2011.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   |
| 9. 2012.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   |
| 10. 2013.....                       | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   |
| 11. 2014.....                       | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   |

### SECTION 3

| Years in Which Policies Were Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|
|                                     | 1  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2005   | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| 1. Prior.....                       | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 2. 2005.....                        | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 3. 2006.....                        | .XXX   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 4. 2007.....                        | .XXX   | .XXX | .0   | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 5. 2008.....                        | .XXX   | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   | .0   | .0   |
| 6. 2009.....                        | .XXX   | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   | .0   |
| 7. 2010.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   | .0   |
| 8. 2011.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   | .0   |
| 9. 2012.....                        | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   | .0   |
| 10. 2013.....                       | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   | .0   |
| 11. 2014.....                       | .XXX   | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .XXX | .0   |

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2013.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve For Premium Adjustments And Accrued Retrospective Premiums At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2013.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 6**

| Years in Which Policies Were Issued | Incurred Adjustable Commissions Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005  | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2013.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 7**

| Years in Which Policies Were Issued | Reserves For Commission Adjustments At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2005   | 2<br>2006 | 3<br>2007 | 4<br>2008 | 5<br>2009 | 6<br>2010 | 7<br>2011 | 8<br>2012 | 9<br>2013 | 10<br>2014 |
| 1. Prior.....                       | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2005.....                        | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2006.....                        | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2007.....                        | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2008.....                        | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2009.....                        | .XXX  | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2010.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2011.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2012.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2013.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2014.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims-Made insurance policies. EREs provided for reasons other than DDR are not be included.
- 1.1 Does the company issue Medical Professional Liability Claims-Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [ X ]    No [   ]  
 If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions.
- 1.2 What is the total amount of the reserve for that provision (DDR reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$.....1,514,000
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [ X ]    No [   ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [   ]    No [ X ]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [ X ]    No [   ]    N/A [   ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

| Years in Which Premiums Were Earned and Losses Were Incurred |             | DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid |                             |
|--|-------------|---|-----------------------------|
|  |             | 1<br>Section 1: Occurrence  | 2<br>Section 2: Claims-Made |
| 1.601  | Prior.....  | 0   | 0                           |
| 1.602  | 2005.....   | 0   | 0                           |
| 1.603  | 2006.....   | 0   | 0                           |
| 1.604  | 2007.....   | 0   | 0                           |
| 1.605  | 2008.....   | 0   | 0                           |
| 1.606  | 2009.....   | 0   | 0                           |
| 1.607  | 2010.....   | 0   | 0                           |
| 1.608  | 2011.....   | 0   | 0                           |
| 1.609  | 2012.....   | 0   | 0                           |
| 1.610  | 2013.....   | 0   | 0                           |
| 1.611  | 2014.....   | 0   | 0                           |
| 1.612  | Totals..... | 0   | 0                           |

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [ X ]    No [   ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this statement? Yes [   ]    No [ X ]
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [   ]    No [ X ]

If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: (in thousands of dollars)
- 5.1 Fidelity \$.....0
- 5.2 Surety \$.....0
6. Claim count information is reported per claim or per claimant. (Indicate which). PER CLAIM  
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [   ]    No [ X ]
- 7.2 An extended statement may be attached.

NOTE TO Q3: The calendar year A&O expense payments are allocated to year based on the current year loss and D&CC expense payments.

NOTE TO Q6: Claims counts are recorded separately for each hospital and physician named in a claim if both or all are insured.

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|--------------------|--|-----------------------------|---|---|-----------------------------|---------------------------|---|--|
|                                     |                    | 2<br>Direct Premiums Written   | 3<br>Direct Premiums Earned |   |   |                             |                           |   |  |
| 1. Alabama.....AL                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 2. Alaska.....AK                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 3. Arizona.....AZ                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 4. Arkansas.....AR                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 5. California.....CA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 6. Colorado.....CO                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 7. Connecticut.....CT               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 8. Delaware.....DE                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 9. District of Columbia.....DC      | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 10. Florida.....FL                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 11. Georgia.....GA                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 12. Hawaii.....HI                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 13. Idaho.....ID                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 14. Illinois.....IL                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 15. Indiana.....IN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 16. Iowa.....IA                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 17. Kansas.....KS                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 18. Kentucky.....KY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 19. Louisiana.....LA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 20. Maine.....ME                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 21. Maryland.....MD                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 22. Massachusetts.....MA            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 23. Michigan.....MI                 | L                  | 12,981,918   | 13,583,360                  | 0   | 3,840,348                                   | 2,316,209                   | 25,788,290                | 0   | 0  |
| 24. Minnesota.....MN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 25. Mississippi.....MS              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 26. Missouri.....MO                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 27. Montana.....MT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 28. Nebraska.....NE                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 29. Nevada.....NV                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 30. New Hampshire.....NH            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 31. New Jersey.....NJ               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 32. New Mexico.....NM               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 33. New York.....NY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 34. North Carolina.....NC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 35. North Dakota.....ND             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 36. Ohio.....OH                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 37. Oklahoma.....OK                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 38. Oregon.....OR                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 39. Pennsylvania.....PA             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 40. Rhode Island.....RI             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 41. South Carolina.....SC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 42. South Dakota.....SD             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 43. Tennessee.....TN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 44. Texas.....TX                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 45. Utah.....UT                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 46. Vermont.....VT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 47. Virginia.....VA                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 48. Washington.....WA               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 49. West Virginia.....WV            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 50. Wisconsin.....WI                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 51. Wyoming.....WY                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 52. American Samoa.....AS           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 53. Guam.....GU                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 54. Puerto Rico.....PR              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 55. US Virgin Islands.....VI        | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 56. Northern Mariana Islands.....MP | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 57. Canada.....CAN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 58. Aggregate Other Alien.....OT    | XXX                | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 59. Totals.....                     | (a).....1          | 12,981,918   | 13,583,360                  | 0   | 3,840,348                                   | 2,316,209                   | 25,788,290                | 0   | 0  |

### DETAILS OF WRITE-INS

|  |     |   |   |   |   |   |   |   |   |
|--|-----|---|---|---|---|---|---|---|---|
| 58001.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58002.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58003.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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.

**Sch. T-Pt. 2  
NONE**

**Sch. Y-Pt. 1  
NONE**

**Sch. Y-Pt. 1A  
NONE**

**Sch. Y-Pt. 2  
NONE**

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|  | Responses |
|--|-----------|
| 1. Will an actuarial opinion be filed by March 1?  | YES       |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                    | YES       |
| 3. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?                            | YES       |
| 4. Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1? | YES       |

### APRIL FILING

|  |     |
|--|-----|
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? | YES |
| 6. Will the Management's Discussion and Analysis be filed by April 1?                              | YES |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?                     | YES |

### MAY FILING

|   |    |
|---|----|
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1? | NO |
|---|----|

### JUNE FILING

|   |     |
|---|-----|
| 9. Will an audited financial report be filed by June 1?   | YES |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | YES |

### AUGUST FILING

|  |     |
|--|-----|
| 11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? | YES |
|--|-----|

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|   |     |
|---|-----|
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?  | NO  |
| 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?  | NO  |
| 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?  | YES |
| 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?  | NO  |
| 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?  | YES |
| 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?  | YES |
| 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?   | NO  |
| 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1? | NO  |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?        | NO  |
| 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                      | NO  |

### APRIL FILING

|  |    |
|--|----|
| 28. Will the Credit Insurance Experience Exhibit be filed with state of domicile and the NAIC by April 1?  | NO |
| 29. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | NO |
| 30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | NO |
| 31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                      | NO |
| 32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? | NO |

### AUGUST FILING

|  |     |
|--|-----|
| 33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | YES |
|--|-----|

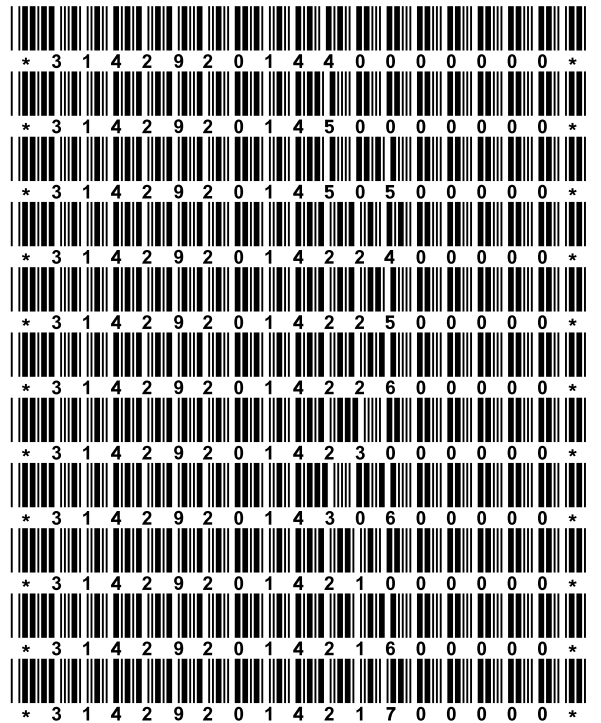
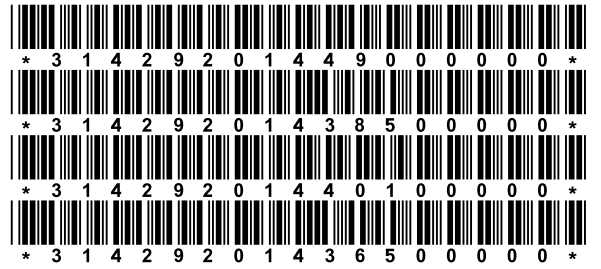
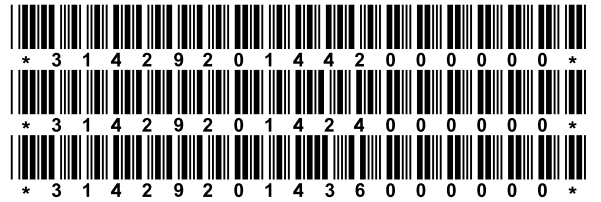
Annual Statement for the year 2014 of the **MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**EXPLANATIONS:**

**BAR CODE:**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.
- 27.
- 28.
- 29.
- 30.
- 31.
- 32.
- 33.



Annual Statement for the year 2014 of the **MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Statement of Income:**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1404. Interest on Surplus Note.....                   | 0                 | (286,900)       |
| 1497. Summary of remaining write-ins for Line 14..... | 0                 | (286,900)       |



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## SUMMARY INVESTMENT SCHEDULE

| Investment Categories   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |  |                                   |                 |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
|   | 1<br>Amount               | 2<br>Percentage | 3<br>Amount   | 4<br>Securities Lending Reinvested Collateral Amount | 5<br>Total (Col. 3 + 4)<br>Amount | 6<br>Percentage |
| 1. Bonds:   |                           |                 |   |  |                                   |                 |
| 1.1 U.S. treasury securities.....   | 7,157,334                 | 6.9             | 7,157,334   | 0  | 7,157,334                         | 6.9             |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities):  |                           |                 |   |  |                                   |                 |
| 1.21 Issued by U.S. government agencies.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.22 Issued by U.S. government sponsored agencies.....  | 1,451,920                 | 1.4             | 1,451,920   | 0  | 1,451,920                         | 1.4             |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities).....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:  |                           |                 |   |  |                                   |                 |
| 1.41 States, territories and possessions general obligations.....   | 1,000,000                 | 1.0             | 1,000,000   | 0  | 1,000,000                         | 1.0             |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations.....                                | 1,277,802                 | 1.2             | 1,277,802   | 0  | 1,277,802                         | 1.2             |
| 1.43 Revenue and assessment obligations.....  | 5,080,432                 | 4.9             | 5,080,432   | 0  | 5,080,432                         | 4.9             |
| 1.44 Industrial development and similar obligations.....  | 250,000                   | 0.2             | 250,000   | 0  | 250,000                           | 0.2             |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS):   |                           |                 |   |  |                                   |                 |
| 1.51 Pass-through securities:   |                           |                 |   |  |                                   |                 |
| 1.511 Issued or guaranteed by GNMA.....   | 236,579                   | 0.2             | 236,579   | 0  | 236,579                           | 0.2             |
| 1.512 Issued or guaranteed by FNMA and FHLMC.....   | 6,299,850                 | 6.1             | 6,299,850   | 0  | 6,299,850                         | 6.1             |
| 1.513 All other.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.52 CMOs and REMICs:   |                           |                 |   |  |                                   |                 |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....  | 5,876,815                 | 5.7             | 5,876,815   | 0  | 5,876,815                         | 5.7             |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521..... | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.523 All other.....  | 9,044,407                 | 8.7             | 9,044,407   | 0  | 9,044,407                         | 8.7             |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |                 |   |  |                                   |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities).....  | 34,491,103                | 33.3            | 34,491,103  | 0  | 34,491,103                        | 33.3            |
| 2.2 Unaffiliated non-U.S. securities (including Canada).....  | 7,006,428                 | 6.8             | 7,006,428   | 0  | 7,006,428                         | 6.8             |
| 2.3 Affiliated securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3. Equity interests:  |                           |                 |   |  |                                   |                 |
| 3.1 Investments in mutual funds.....  | 13,089,472                | 12.6            | 13,089,472  | 0  | 13,089,472                        | 12.6            |
| 3.2 Preferred stocks:   |                           |                 |   |  |                                   |                 |
| 3.21 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.22 Unaffiliated.....  | 86,202                    | 0.1             | 86,202  | 0  | 86,202                            | 0.1             |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |                 |   |  |                                   |                 |
| 3.31 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.32 Unaffiliated.....  | 153,500                   | 0.1             | 153,500   | 0  | 153,500                           | 0.1             |
| 3.4 Other equity securities:  |                           |                 |   |  |                                   |                 |
| 3.41 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.42 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |                 |   |  |                                   |                 |
| 3.51 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.52 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4. Mortgage loans:  |                           |                 |   |  |                                   |                 |
| 4.1 Construction and land development.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.2 Agricultural.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.3 Single family residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.4 Multifamily residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.5 Commercial loans.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.6 Mezzanine real estate loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5. Real estate investments:   |                           |                 |   |  |                                   |                 |
| 5.1 Property occupied by company.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....                                     | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 6. Contract loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 7. Derivatives.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 8. Receivables for securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 9. Securities lending (Line 10, Asset Page reinvested collateral).....  | 0                         | 0.0             | 0   | XXX  | XXX                               | XXX             |
| 10. Cash, cash equivalents and short-term investments.....  | 11,125,532                | 10.7            | 11,125,532  | 0  | 11,125,532                        | 10.7            |
| 11. Other invested assets.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 12. Total invested assets.....  | 103,627,376               | 100.0           | 103,627,376   | 0  | 103,627,376                       | 100.0           |

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

|   |   |   |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year.....                       |   | 0 |
| 2. Cost of acquired:  |   |   |
| 2.1 Actual cost at time of acquisition (Part 2, Column 6).....                        | 0 |   |
| 2.2 Additional investment made after acquisition (Part 2, Column 9).....              | 0 | 0 |
| 3. Current year change in encumbrances:   |   |   |
| 3.1 Totals, Part 1, Column 13.....  | 0 |   |
| 3.2 Totals, Part 3, Column 11.....  | 0 | 0 |
| 4. Total gain (loss) on disposals, Part 3, Column 18.....                             |   | 0 |
| 5. Deduct amounts received on disposals, Part 3, Column 15.....                       |   | 0 |
| 6. Total foreign exchange change in book/adjusted carrying value:                     |   |   |
| 6.1 Totals, Part 1, Column 15.....  | 0 |   |
| 6.2 Totals, Part 3, Column 13.....  | 0 | 0 |
| 7. Deduct current year's other-than-temporary impairment recognized:                  |   |   |
| 7.1 Totals, Part 1, Column 12.....  | 0 |   |
| 7.2 Totals, Part 3, Column 10.....  | 0 | 0 |
| 8. Deduct current year's depreciation:  |   |   |
| 8.1 Totals, Part 1, Column 11.....  | 0 |   |
| 8.2 Totals, Part 3, Column 9.....   | 0 | 0 |
| 9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)..... |   | 0 |
| 10. Deduct total nonadmitted amounts.....   |   | 0 |
| 11. Statement value at end of current period (Line 9 minus Line 10).....              |   | 0 |

**NONE**

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

|  |   |   |
|--|---|---|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....                             |   | 0 |
| 2. Cost of acquired:   |   |   |
| 2.1 Actual cost at time of acquisition (Part 2, Column 7).....   | 0 |   |
| 2.2 Additional investment made after acquisition (Part 2, Column 8).....   | 0 | 0 |
| 3. Capitalized deferred interest and other:  |   |   |
| 3.1 Totals, Part 1, Column 12.....   | 0 |   |
| 3.2 Totals, Part 3, Column 11.....   | 0 | 0 |
| 4. Accrual of discount.....  |   | 0 |
| 5. Unrealized valuation increase (decrease):   |   |   |
| 5.1 Totals, Part 1, Column 9.....  | 0 |   |
| 5.2 Totals, Part 3, Column 8.....  | 0 | 0 |
| 6. Total gain (loss) on disposals, Part 3, Column 18.....  |   | 0 |
| 7. Deduct amounts received on disposals, Part 3, Column 15.....  |   | 0 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees.....                                  |   | 0 |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest:                           |   |   |
| 9.1 Totals, Part 1, Column 13.....   | 0 |   |
| 9.2 Totals, Part 3, Column 13.....   | 0 | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized:  |   |   |
| 10.1 Totals, Part 1, Column 11.....  | 0 |   |
| 10.2 Totals, Part 3, Column 10.....  | 0 | 0 |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12. Total valuation allowance.....   |   | 0 |
| 13. Subtotal (Line 11 plus Line 12).....   |   | 0 |
| 14. Deduct total nonadmitted amounts.....  |   | 0 |
| 15. Statement value at end of current period (Line 13 minus Line 14).....  |   | 0 |

**NONE**

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

## Other Long-Term Invested Assets

|      |   |   |   |
|------|---|---|---|
| 1.   | Book/adjusted carrying value, December 31 of prior year.....                            |   | 0 |
| 2.   | Cost of acquired:   |   |   |
| 2.1  | Actual cost at time of acquisition (Part 2, Column 8).....                              | 0 |   |
| 2.2  | Additional investment made after acquisition (Part 2, Column 9).....                    | 0 | 0 |
| 3.   | Capitalized deferred interest and other:  |   |   |
| 3.1  | Totals, Part 1, Column 16.....  | 0 |   |
| 3.2  | Totals, Part 3, Column 12.....  | 0 | 0 |
| 4.   | Accrual of discount.....  |   | 0 |
| 5.   | Unrealized valuation increase (decrease):   |   |   |
| 5.1  | Totals, Part 1, Column 13.....  | 0 |   |
| 5.2  | Totals, Part 3, Column 9.....   | 0 | 0 |
| 6.   | Total gain (loss) on disposals, Part 3, Column 19.....                                  |   | 0 |
| 7.   | Deduct amounts received on disposals, Part 3, Column 16.....                            |   | 0 |
| 8.   | Deduct amortization of premium and depreciation.....                                    |   | 0 |
| 9.   | Total foreign exchange change in book/adjusted carrying value:                          |   |   |
| 9.1  | Totals, Part 1, Column 17.....  | 0 |   |
| 9.2  | Totals, Part 3, Column 14.....  | 0 | 0 |
| 10.  | Deduct current year's other-than-temporary impairment recognized:                       |   |   |
| 10.1 | Totals, Part 1, Column 15.....  | 0 |   |
| 10.2 | Totals, Part 3, Column 11.....  | 0 | 0 |
| 11.  | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12.  | Deduct total nonadmitted amounts.....   |   | 0 |
| 13.  | Statement value at end of current period (Line 11 minus Line 12).....                   |   | 0 |

**NONE**

## SCHEDULE D - VERIFICATION BETWEEN YEARS

## Bonds and Stocks

|     |  |           |            |
|-----|--|-----------|------------|
| 1.  | Book/adjusted carrying value, December 31 of prior year.....                         |           | 96,529,069 |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7.....                             |           | 24,981,021 |
| 3.  | Accrual of discount.....   |           | 227,743    |
| 4.  | Unrealized valuation increase (decrease):  |           |            |
| 4.1 | Part 1, Column 12.....   | 65,782    |            |
| 4.2 | Part 2, Section 1, Column 15.....  | (148,923) |            |
| 4.3 | Part 2, Section 2, Column 13.....  | 470,784   |            |
| 4.4 | Part 4, Column 11.....   | (188,750) | 198,893    |
| 5.  | Total gain (loss) on disposals, Part 4, Column 19.....                               |           | 1,678,066  |
| 6.  | Deduct consideration for bonds and stocks disposed of, Part 4, Column 7.....         |           | 30,321,118 |
| 7.  | Deduct amortization of premium.....  |           | 791,830    |
| 8.  | Total foreign exchange change in book/adjusted carrying value:                       |           |            |
| 8.1 | Part 1, Column 15.....   | 0         |            |
| 8.2 | Part 2, Section 1, Column 19.....  | 0         |            |
| 8.3 | Part 2, Section 2, Column 16.....  | 0         |            |
| 8.4 | Part 4, Column 15.....   | 0         | 0          |
| 9.  | Deduct current year's other-than-temporary impairment recognized:                    |           |            |
| 9.1 | Part 1, Column 14.....   | 0         |            |
| 9.2 | Part 2, Section 1, Column 17.....  | 0         |            |
| 9.3 | Part 2, Section 2, Column 14.....  | 0         |            |
| 9.4 | Part 4, Column 13.....   | 0         | 0          |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... |           | 92,501,844 |
| 11. | Deduct total nonadmitted amounts.....  |           | 0          |
| 12. | Statement value at end of current period (Line 10 minus Line 11).....                |           | 92,501,844 |

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description   |  | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value   | 3<br>Actual Cost  | 4<br>Par Value<br>of Bonds |
|---|--|--------------------------------------|-------------------|-------------------|----------------------------|
| <b>BONDS</b><br>Governments (Including all obligations<br>guaranteed by governments)  | 1. United States.....                  | 10,777,309                           | 10,858,374        | 10,811,178        | 10,598,581                 |
|   | 2. Canada.....                         | 0                                    | 0                 | 0                 | 0                          |
|   | 3. Other Countries.....                | 0                                    | 0                 | 0                 | 0                          |
|   | 4. Totals.....                         | 10,777,309                           | 10,858,374        | 10,811,178        | 10,598,581                 |
| U.S. States, Territories and Possessions<br>(Direct and guaranteed)   | 5. Totals.....                         | 1,000,000                            | 1,160,745         | 1,000,000         | 1,000,000                  |
| U.S. Political Subdivisions of States, Territories<br>and Possessions (Direct and guaranteed)   | 6. Totals.....                         | 1,277,802                            | 1,513,311         | 1,284,044         | 1,250,000                  |
| U.S. Special Revenue and Special Assessment<br>Obligations and All Non-Guaranteed Obligations<br>of Agencies and Authorities of Governments<br>and Their Political Subdivisions | 7. Totals.....                         | 15,575,621                           | 16,355,914        | 15,632,782        | 15,232,338                 |
| Industrial and Miscellaneous and Hybrid<br>Securities (Unaffiliated)  | 8. United States.....                  | 43,535,510                           | 45,648,690        | 44,144,086        | 43,121,966                 |
|   | 9. Canada.....                         | 1,689,391                            | 1,823,511         | 1,722,799         | 1,650,000                  |
|   | 10. Other Countries.....               | 5,317,036                            | 5,561,562         | 5,445,210         | 5,187,664                  |
|   | 11. Totals.....                        | 50,541,938                           | 53,033,763        | 51,312,094        | 49,959,630                 |
| Parent, Subsidiaries and Affiliates   | 12. Totals.....                        | 0                                    | 0                 | 0                 | 0                          |
|   | <b>13. Total Bonds.....</b>            | <b>79,172,670</b>                    | <b>82,922,107</b> | <b>80,040,098</b> | <b>78,040,550</b>          |
| <b>PREFERRED STOCKS</b><br>Industrial and Miscellaneous (Unaffiliated)  | 14. United States.....                 | 86,202                               | 86,202            | 74,260            |                            |
|   | 15. Canada.....                        | 0                                    | 0                 | 0                 |                            |
|   | 16. Other Countries.....               | 0                                    | 0                 | 0                 |                            |
|   | 17. Totals.....                        | 86,202                               | 86,202            | 74,260            |                            |
| Parent, Subsidiaries and Affiliates   | 18. Totals.....                        | 0                                    | 0                 | 0                 |                            |
|   | <b>19. Total Preferred Stocks.....</b> | <b>86,202</b>                        | <b>86,202</b>     | <b>74,260</b>     |                            |
| <b>COMMON STOCKS</b><br>Industrial and Miscellaneous (Unaffiliated)   | 20. United States.....                 | 13,242,972                           | 13,242,972        | 9,937,254         |                            |
|   | 21. Canada.....                        | 0                                    | 0                 | 0                 |                            |
|   | 22. Other Countries.....               | 0                                    | 0                 | 0                 |                            |
|   | 23. Totals.....                        | 13,242,972                           | 13,242,972        | 9,937,254         |                            |
| Parent, Subsidiaries and Affiliates   | 24. Totals.....                        | 0                                    | 0                 | 0                 |                            |
|   | <b>25. Total Common Stocks.....</b>    | <b>13,242,972</b>                    | <b>13,242,972</b> | <b>9,937,254</b>  |                            |
|   | <b>26. Total Stocks.....</b>           | <b>13,329,175</b>                    | <b>13,329,175</b> | <b>10,011,514</b> |                            |
|   | <b>27. Total Bonds and Stocks....</b>  | <b>92,501,844</b>                    | <b>96,251,281</b> | <b>90,051,612</b> |                            |

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments</b>  |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 1.1 NAIC 1.....   | 244,172                | 5,879,826                           | 2,428,374                             | 1,221,507                              | 1,003,430             | 10,777,309                 | 12.8                                | 7,609,407                              | 9.2                              | 10,777,309                     | 0                                   |
| 1.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.7 Totals.....   | 244,172                | 5,879,826                           | 2,428,374                             | 1,221,507                              | 1,003,430             | 10,777,309                 | 12.8                                | 7,609,407                              | 9.2                              | 10,777,309                     | 0                                   |
| <b>2. All Other Governments</b>   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 2.1 NAIC 1.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.7 Totals.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| <b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>                      |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 3.1 NAIC 1.....   | 0                      | 500,000                             | 0                                     | 500,000                                | 0                     | 1,000,000                  | 1.2                                 | 2,163,989                              | 2.6                              | 1,000,000                      | 0                                   |
| 3.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.7 Totals.....   | 0                      | 500,000                             | 0                                     | 500,000                                | 0                     | 1,000,000                  | 1.2                                 | 2,163,989                              | 2.6                              | 1,000,000                      | 0                                   |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 4.1 NAIC 1.....   | 0                      | 0                                   | 0                                     | 1,277,802                              | 0                     | 1,277,802                  | 1.5                                 | 2,077,175                              | 2.5                              | 1,277,802                      | 0                                   |
| 4.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.7 Totals.....   | 0                      | 0                                   | 0                                     | 1,277,802                              | 0                     | 1,277,802                  | 1.5                                 | 2,077,175                              | 2.5                              | 1,277,802                      | 0                                   |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 5.1 NAIC 1.....   | 2,050,344              | 5,014,367                           | 6,614,983                             | 1,645,999                              | 249,928               | 15,575,621                 | 18.5                                | 20,136,815                             | 24.5                             | 15,575,621                     | 0                                   |
| 5.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 450,000                                | 0.5                              | 0                              | 0                                   |
| 5.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.7 Totals.....   | 2,050,344              | 5,014,367                           | 6,614,983                             | 1,645,999                              | 249,928               | 15,575,621                 | 18.5                                | 20,586,815                             | 25.0                             | 15,575,621                     | 0                                   |

SIOIS

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation                                      | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Industrial and Miscellaneous (unaffiliated)</b> |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 6.1 NAIC 1.....                                       | 10,330,273             | 11,800,682                          | 10,022,672                            | 1,607,259                              | 956,477               | 34,717,363                 | 41.2                                | 29,466,693                             | 35.8                             | 30,155,544                     | 4,561,819                           |
| 6.2 NAIC 2.....                                       | 1,403,401              | 4,488,961                           | 9,641,064                             | 906,551                                | 2,039,052             | 18,479,029                 | 21.9                                | 17,359,315                             | 21.1                             | 17,695,596                     | 783,433                             |
| 6.3 NAIC 3.....                                       | 365,670                | 1,004,346                           | 81,893                                | 26,084                                 | 119,873               | 1,597,867                  | 1.9                                 | 1,882,985                              | 2.3                              | 1,478,147                      | 119,719                             |
| 6.4 NAIC 4.....                                       | 83,425                 | 363,366                             | 0                                     | 0                                      | 0                     | 446,791                    | 0.5                                 | 732,356                                | 0.9                              | 290,723                        | 156,067                             |
| 6.5 NAIC 5.....                                       | 0                      | 101,806                             | 0                                     | 0                                      | 0                     | 101,806                    | 0.1                                 | 467,291                                | 0.6                              | 101,806                        | 0                                   |
| 6.6 NAIC 6.....                                       | 33,495                 | 97,895                              | 210,743                               | 0                                      | 0                     | 342,133                    | 0.4                                 | 0                                      | 0.0                              | 342,133                        | 0                                   |
| 6.7 Totals.....                                       | 12,216,264             | 17,857,056                          | 19,956,373                            | 2,539,894                              | 3,115,403             | 55,684,989                 | 66.0                                | 49,908,641                             | 60.6                             | 50,063,951                     | 5,621,039                           |
| <b>7. Hybrid Securities</b>                           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 7.1 NAIC 1.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.2 NAIC 2.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.3 NAIC 3.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.4 NAIC 4.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.5 NAIC 5.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.6 NAIC 6.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.7 Totals.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| <b>8. Parent, Subsidiaries and Affiliates</b>         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 8.1 NAIC 1.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.2 NAIC 2.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.3 NAIC 3.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.4 NAIC 4.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.5 NAIC 5.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.6 NAIC 6.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.7 Totals.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |

901S

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>9. Total Bonds Current Year</b>                        |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 9.1 NAIC 1.....   | (d).....12,624,789     | .....23,194,875                     | .....19,066,029                       | .....6,252,567                         | .....2,209,835        | .....63,348,095            | .....75.1                           | .....XXX                               | .....XXX                         | .....58,786,276                | .....4,561,819                      |
| 9.2 NAIC 2.....   | (d).....1,403,401      | .....4,488,961                      | .....9,641,064                        | .....906,551                           | .....2,039,052        | .....18,479,029            | .....21.9                           | .....XXX                               | .....XXX                         | .....17,695,596                | .....783,433                        |
| 9.3 NAIC 3.....   | (d).....365,670        | .....1,004,346                      | .....81,893                           | .....26,084                            | .....119,873          | .....1,597,867             | .....1.9                            | .....XXX                               | .....XXX                         | .....1,478,147                 | .....119,719                        |
| 9.4 NAIC 4.....   | (d).....83,425         | .....363,366                        | .....0                                | .....0                                 | .....0                | .....446,791               | .....0.5                            | .....XXX                               | .....XXX                         | .....290,723                   | .....156,067                        |
| 9.5 NAIC 5.....   | (d).....0              | .....101,806                        | .....0                                | .....0                                 | .....0                | (c).....101,806            | .....0.1                            | .....XXX                               | .....XXX                         | .....101,806                   | .....0                              |
| 9.6 NAIC 6.....   | (d).....33,495         | .....97,895                         | .....210,743                          | .....0                                 | .....0                | (c).....342,133            | .....0.4                            | .....XXX                               | .....XXX                         | .....342,133                   | .....0                              |
| 9.7 Totals.....   | .....14,510,780        | .....29,251,249                     | .....28,999,729                       | .....7,185,202                         | .....4,368,760        | (b).....84,315,721         | .....100.0                          | .....XXX                               | .....XXX                         | .....78,694,682                | .....5,621,039                      |
| 9.8 Line 9.7 as a % of Col. 6.....                        | .....17.2              | .....34.7                           | .....34.4                             | .....8.5                               | .....5.2              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....93.3                      | .....6.7                            |
| <b>10. Total Bonds Prior Year</b>                         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 10.1 NAIC 1.....  | .....6,412,048         | .....21,040,252                     | .....23,524,885                       | .....7,934,750                         | .....2,542,145        | .....XXX                   | .....XXX                            | .....61,454,079                        | .....74.6                        | .....58,241,551                | .....3,212,528                      |
| 10.2 NAIC 2.....  | .....2,835,295         | .....3,865,799                      | .....9,424,382                        | .....466,179                           | .....1,217,660        | .....XXX                   | .....XXX                            | .....17,809,315                        | .....21.6                        | .....17,092,292                | .....717,023                        |
| 10.3 NAIC 3.....  | .....1,169,391         | .....643,813                        | .....62,575                           | .....7,206                             | .....0                | .....XXX                   | .....XXX                            | .....1,882,985                         | .....2.3                         | .....1,673,374                 | .....209,612                        |
| 10.4 NAIC 4.....  | .....374,000           | .....336,257                        | .....17,170                           | .....4,908                             | .....21               | .....XXX                   | .....XXX                            | .....732,356                           | .....0.9                         | .....732,356                   | .....0                              |
| 10.5 NAIC 5.....  | .....45,564            | .....421,727                        | .....0                                | .....0                                 | .....0                | .....XXX                   | .....XXX                            | (c).....467,291                        | .....0.6                         | .....310,999                   | .....156,292                        |
| 10.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....XXX                   | .....XXX                            | (c).....0                              | .....0.0                         | .....0                         | .....0                              |
| 10.7 Totals.....  | .....10,836,298        | .....26,307,848                     | .....33,029,013                       | .....8,413,043                         | .....3,759,825        | .....XXX                   | .....XXX                            | (b).....82,346,027                     | .....100.0                       | .....78,050,572                | .....4,295,455                      |
| 10.8 Line 10.7 as a % of Col. 8.....                      | .....13.2              | .....31.9                           | .....40.1                             | .....10.2                              | .....4.6              | .....XXX                   | .....XXX                            | .....100.0                             | .....XXX                         | .....94.8                      | .....5.2                            |
| <b>11. Total Publicly Traded Bonds</b>                    |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 11.1 NAIC 1.....  | .....12,404,429        | .....22,018,856                     | .....15,916,812                       | .....6,236,343                         | .....2,209,835        | .....58,786,276            | .....69.7                           | .....58,241,551                        | .....70.7                        | .....58,786,276                | .....XXX                            |
| 11.2 NAIC 2.....  | .....1,337,296         | .....4,439,102                      | .....8,973,595                        | .....906,551                           | .....2,039,052        | .....17,695,596            | .....21.0                           | .....17,092,292                        | .....20.8                        | .....17,695,596                | .....XXX                            |
| 11.3 NAIC 3.....  | .....365,670           | .....1,004,346                      | .....81,893                           | .....26,084                            | .....154              | .....1,478,147             | .....1.8                            | .....1,673,374                         | .....2.0                         | .....1,478,147                 | .....XXX                            |
| 11.4 NAIC 4.....  | .....83,425            | .....207,299                        | .....0                                | .....0                                 | .....0                | .....290,723               | .....0.3                            | .....732,356                           | .....0.9                         | .....290,723                   | .....XXX                            |
| 11.5 NAIC 5.....  | .....0                 | .....101,806                        | .....0                                | .....0                                 | .....0                | .....101,806               | .....0.1                            | .....310,999                           | .....0.4                         | .....101,806                   | .....XXX                            |
| 11.6 NAIC 6.....  | .....33,495            | .....97,895                         | .....210,743                          | .....0                                 | .....0                | .....342,133               | .....0.4                            | .....0                                 | .....0.0                         | .....342,133                   | .....XXX                            |
| 11.7 Totals.....  | .....14,224,315        | .....27,869,304                     | .....25,183,043                       | .....7,168,978                         | .....4,249,041        | .....78,694,682            | .....93.3                           | .....78,050,572                        | .....94.8                        | .....78,694,682                | .....XXX                            |
| 11.8 Line 11.7 as a % of Col. 6.....                      | .....18.1              | .....35.4                           | .....32.0                             | .....9.1                               | .....5.4              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....100.0                     | .....XXX                            |
| 11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9..... | .....16.9              | .....33.1                           | .....29.9                             | .....8.5                               | .....5.0              | .....93.3                  | .....XXX                            | .....XXX                               | .....XXX                         | .....93.3                      | .....XXX                            |
| <b>12. Total Privately Placed Bonds</b>                   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 12.1 NAIC 1.....  | .....220,359           | .....1,176,019                      | .....3,149,217                        | .....16,224                            | .....0                | .....4,561,819             | .....5.4                            | .....3,212,528                         | .....3.9                         | .....XXX                       | .....4,561,819                      |
| 12.2 NAIC 2.....  | .....66,106            | .....49,858                         | .....667,469                          | .....0                                 | .....0                | .....783,433               | .....0.9                            | .....717,023                           | .....0.9                         | .....XXX                       | .....783,433                        |
| 12.3 NAIC 3.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....119,719          | .....119,719               | .....0.1                            | .....209,612                           | .....0.3                         | .....XXX                       | .....119,719                        |
| 12.4 NAIC 4.....  | .....0                 | .....156,067                        | .....0                                | .....0                                 | .....0                | .....156,067               | .....0.2                            | .....0                                 | .....0.0                         | .....XXX                       | .....156,067                        |
| 12.5 NAIC 5.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                     | .....0.0                            | .....156,292                           | .....0.2                         | .....XXX                       | .....0                              |
| 12.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                     | .....0.0                            | .....0                                 | .....0.0                         | .....XXX                       | .....0                              |
| 12.7 Totals.....  | .....286,465           | .....1,381,945                      | .....3,816,686                        | .....16,224                            | .....119,719          | .....5,621,039             | .....6.7                            | .....4,295,455                         | .....5.2                         | .....XXX                       | .....5,621,039                      |
| 12.8 Line 12.7 as a % of Col. 6.....                      | .....5.1               | .....24.6                           | .....67.9                             | .....0.3                               | .....2.1              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....XXX                       | .....100.0                          |
| 12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9..... | .....0.3               | .....1.6                            | .....4.5                              | .....0.0                               | .....0.1              | .....6.7                   | .....XXX                            | .....XXX                               | .....XXX                         | .....XXX                       | .....6.7                            |

S107

- (a) Includes \$.....5,621,039 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
- (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type  |            | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.5 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed |
|---|------------|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments</b>  |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 1.1 Issuer Obligations.....   | 0          | 5,147,011              | 1,007,036                           | 0                                     | 1,003,287                              | 7,157,334             | 8.5                        | 2,265,184                           | 2.8                                    | 7,157,334                        | 0                              |                                 |
| 1.2 Residential Mortgage-Backed Securities.....   | 159,938    | 297,988                | 79,431                              | 19,349                                | 143                                    | 556,849               | 0.7                        | 1,481,074                           | 1.8                                    | 556,849                          | 0                              |                                 |
| 1.3 Commercial Mortgage-Backed Securities.....  | 84,234     | 434,827                | 1,341,907                           | 1,202,158                             | 0                                      | 3,063,126             | 3.6                        | 3,863,150                           | 4.7                                    | 3,063,126                        | 0                              |                                 |
| 1.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 1.5 Totals.....   | 244,172    | 5,879,826              | 2,428,374                           | 1,221,507                             | 1,003,430                              | 10,777,309            | 12.8                       | 7,609,407                           | 9.2                                    | 10,777,309                       | 0                              |                                 |
| <b>2. All Other Governments</b>   |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 2.1 Issuer Obligations.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.2 Residential Mortgage-Backed Securities.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.5 Totals.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| <b>3. U.S. States, Territories and Possessions, Guaranteed</b>                            |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 3.1 Issuer Obligations.....   | 0          | 500,000                | 0                                   | 500,000                               | 0                                      | 1,000,000             | 1.2                        | 2,163,989                           | 2.6                                    | 1,000,000                        | 0                              |                                 |
| 3.2 Residential Mortgage-Backed Securities.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.5 Totals.....   | 0          | 500,000                | 0                                   | 500,000                               | 0                                      | 1,000,000             | 1.2                        | 2,163,989                           | 2.6                                    | 1,000,000                        | 0                              |                                 |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 4.1 Issuer Obligations.....   | 0          | 0                      | 0                                   | 1,277,802                             | 0                                      | 1,277,802             | 1.5                        | 2,077,175                           | 2.5                                    | 1,277,802                        | 0                              |                                 |
| 4.2 Residential Mortgage-Backed Securities.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.5 Totals.....   | 0          | 0                      | 0                                   | 1,277,802                             | 0                                      | 1,277,802             | 1.5                        | 2,077,175                           | 2.5                                    | 1,277,802                        | 0                              |                                 |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 5.1 Issuer Obligations.....   | 25,000     | 1,095,344              | 4,360,553                           | 890,642                               | 0                                      | 6,371,540             | 7.6                        | 8,480,545                           | 10.3                                   | 6,371,540                        | 0                              |                                 |
| 5.2 Residential Mortgage-Backed Securities.....   | 1,864,532  | 3,919,023              | 2,004,430                           | 755,356                               | 249,928                                | 8,793,270             | 10.4                       | 11,636,848                          | 14.1                                   | 8,793,270                        | 0                              |                                 |
| 5.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 5.4 Other Loan-Backed and Structured Securities.....                                      | 160,812    | 0                      | 250,000                             | 0                                     | 0                                      | 410,812               | 0.5                        | 469,422                             | 0.6                                    | 410,812                          | 0                              |                                 |
| 5.5 Totals.....   | 2,050,344  | 5,014,367              | 6,614,983                           | 1,645,999                             | 249,928                                | 15,575,621            | 18.5                       | 20,586,815                          | 25.0                                   | 15,575,621                       | 0                              |                                 |
| <b>6. Industrial and Miscellaneous (unaffiliated)</b>                                     |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 6.1 Issuer Obligations.....   | 7,322,899  | 13,290,172             | 14,591,977                          | 2,196,126                             | 2,947,251                              | 40,348,426            | 47.9                       | 36,819,422                          | 44.7                                   | 37,850,075                       | 2,498,351                      |                                 |
| 6.2 Residential Mortgage-Backed Securities.....   | 435,480    | 1,049,131              | 362,052                             | 298,191                               | 68,025                                 | 2,212,879             | 2.6                        | 2,410,647                           | 2.9                                    | 1,998,431                        | 214,449                        |                                 |
| 6.3 Commercial Mortgage-Backed Securities.....  | 1,617,939  | 917,946                | 4,753,329                           | 0                                     | 0                                      | 7,289,214             | 8.6                        | 6,024,757                           | 7.3                                    | 4,380,975                        | 2,908,239                      |                                 |
| 6.4 Other Loan-Backed and Structured Securities.....                                      | 2,839,947  | 2,599,807              | 249,014                             | 45,577                                | 100,126                                | 5,834,470             | 6.9                        | 4,653,814                           | 5.7                                    | 5,834,470                        | 0                              |                                 |
| 6.5 Totals.....   | 12,216,264 | 17,857,056             | 19,956,373                          | 2,539,894                             | 3,115,403                              | 55,684,989            | 66.0                       | 49,908,641                          | 60.6                                   | 50,063,951                       | 5,621,039                      |                                 |
| <b>7. Hybrid Securities</b>   |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 7.1 Issuer Obligations.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.2 Residential Mortgage-Backed Securities.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.5 Totals.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| <b>8. Parent, Subsidiaries and Affiliates</b>   |            |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 8.1 Issuer Obligations.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.2 Residential Mortgage-Backed Securities.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.3 Commercial Mortgage-Backed Securities.....  | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.4 Other Loan-Backed and Structured Securities.....                                      | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.5 Totals.....   | 0          | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |

801S



## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type                                      | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.5 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|---------------------------------|
| <b>9. Total Bonds Current Year</b>                        |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 9.1 Issuer Obligations.....                               | 7,347,899              | 20,032,527                          | 19,959,566                            | 4,864,571                              | 3,950,538             | 56,155,101                 | 66.6                                | XXX                                    | XXX                              | 53,656,750                     | 2,498,351                       |
| 9.2 Residential Mortgage-Backed Securities.....           | 2,459,950              | 5,266,142                           | 2,445,913                             | 1,072,897                              | 318,096               | 11,562,998                 | 13.7                                | XXX                                    | XXX                              | 11,348,549                     | 214,449                         |
| 9.3 Commercial Mortgage-Backed Securities.....            | 1,702,172              | 1,352,774                           | 6,095,236                             | 1,202,158                              | 0                     | 10,352,340                 | 12.3                                | XXX                                    | XXX                              | 7,444,101                      | 2,908,239                       |
| 9.4 Other Loan-Backed and Structured Securities.....      | 3,000,759              | 2,599,807                           | 499,014                               | 45,577                                 | 100,126               | 6,245,282                  | 7.4                                 | XXX                                    | XXX                              | 6,245,282                      | 0                               |
| 9.5 Totals.....   | 14,510,780             | 29,251,249                          | 28,999,729                            | 7,185,202                              | 4,368,760             | 84,315,721                 | 100.0                               | XXX                                    | XXX                              | 78,694,682                     | 5,621,039                       |
| 9.6 Line 9.5 as a % of Col. 6.....                        | 17.2                   | 34.7                                | 34.4                                  | 8.5                                    | 5.2                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | 93.3                           | 6.7                             |
| <b>10. Total Bonds Prior Year</b>                         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 10.1 Issuer Obligations.....                              | 6,271,558              | 12,463,734                          | 24,274,563                            | 5,595,799                              | 3,200,661             | XXX                        | XXX                                 | 51,806,315                             | 62.9                             | 49,555,433                     | 2,250,882                       |
| 10.2 Residential Mortgage-Backed Securities.....          | 3,118,516              | 7,143,932                           | 3,249,773                             | 1,531,619                              | 484,729               | XXX                        | XXX                                 | 15,528,569                             | 18.9                             | 15,528,569                     | 0                               |
| 10.3 Commercial Mortgage-Backed Securities.....           | 898,120                | 2,510,097                           | 5,214,925                             | 1,264,765                              | 0                     | XXX                        | XXX                                 | 9,887,907                              | 12.0                             | 7,843,334                      | 2,044,573                       |
| 10.4 Other Loan-Backed and Structured Securities.....     | 548,104                | 4,190,086                           | 289,751                               | 20,860                                 | 74,435                | XXX                        | XXX                                 | 5,123,236                              | 6.2                              | 5,123,236                      | 0                               |
| 10.5 Totals.....  | 10,836,298             | 26,307,848                          | 33,029,013                            | 8,413,043                              | 3,759,825             | XXX                        | XXX                                 | 82,346,027                             | 100.0                            | 78,050,572                     | 4,295,455                       |
| 10.6 Line 10.5 as a % of Col. 8.....                      | 13.2                   | 31.9                                | 40.1                                  | 10.2                                   | 4.6                   | XXX                        | XXX                                 | 100.0                                  | XXX                              | 94.8                           | 5.2                             |
| <b>11. Total Publicly Traded Bonds</b>                    |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 11.1 Issuer Obligations.....                              | 7,111,809              | 18,757,358                          | 19,092,194                            | 4,864,571                              | 3,830,819             | 53,656,750                 | 63.6                                | 49,555,433                             | 60.2                             | 53,656,750                     | XXX                             |
| 11.2 Residential Mortgage-Backed Securities.....          | 2,409,576              | 5,159,366                           | 2,404,839                             | 1,056,673                              | 318,096               | 11,348,549                 | 13.5                                | 15,528,569                             | 18.9                             | 11,348,549                     | XXX                             |
| 11.3 Commercial Mortgage-Backed Securities.....           | 1,702,172              | 1,352,774                           | 3,186,996                             | 1,202,158                              | 0                     | 7,444,101                  | 8.8                                 | 7,843,334                              | 9.5                              | 7,444,101                      | XXX                             |
| 11.4 Other Loan-Backed and Structured Securities.....     | 3,000,759              | 2,599,807                           | 499,014                               | 45,577                                 | 100,126               | 6,245,282                  | 7.4                                 | 5,123,236                              | 6.2                              | 6,245,282                      | XXX                             |
| 11.5 Totals.....  | 14,224,315             | 27,869,304                          | 25,183,043                            | 7,168,978                              | 4,249,041             | 78,694,682                 | 93.3                                | 78,050,572                             | 94.8                             | 78,694,682                     | XXX                             |
| 11.6 Line 11.5 as a % of Col. 6.....                      | 18.1                   | 35.4                                | 32.0                                  | 9.1                                    | 5.4                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | 100.0                          | XXX                             |
| 11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9..... | 16.9                   | 33.1                                | 29.9                                  | 8.5                                    | 5.0                   | 93.3                       | XXX                                 | XXX                                    | XXX                              | 93.3                           | XXX                             |
| <b>12. Total Privately Placed Bonds</b>                   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 12.1 Issuer Obligations.....                              | 236,090                | 1,275,169                           | 867,372                               | 0                                      | 119,719               | 2,498,351                  | 3.0                                 | 2,250,882                              | 2.7                              | XXX                            | 2,498,351                       |
| 12.2 Residential Mortgage-Backed Securities.....          | 50,375                 | 106,776                             | 41,074                                | 16,224                                 | 0                     | 214,449                    | 0.3                                 | 0                                      | 0.0                              | XXX                            | 214,449                         |
| 12.3 Commercial Mortgage-Backed Securities.....           | 0                      | 0                                   | 2,908,239                             | 0                                      | 0                     | 2,908,239                  | 3.4                                 | 2,044,573                              | 2.5                              | XXX                            | 2,908,239                       |
| 12.4 Other Loan-Backed and Structured Securities.....     | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | XXX                            | 0                               |
| 12.5 Totals.....  | 286,465                | 1,381,945                           | 3,816,686                             | 16,224                                 | 119,719               | 5,621,039                  | 6.7                                 | 4,295,455                              | 5.2                              | XXX                            | 5,621,039                       |
| 12.6 Line 12.5 as a % of Col. 6.....                      | 5.1                    | 24.6                                | 67.9                                  | 0.3                                    | 2.1                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | XXX                            | 100.0                           |
| 12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9..... | 0.3                    | 1.6                                 | 4.5                                   | 0.0                                    | 0.1                   | 6.7                        | XXX                                 | XXX                                    | XXX                              | XXX                            | 6.7                             |

## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

|  | 1          | 2          | 3                 | 4  | 5  |
|--|------------|------------|-------------------|--|--|
|  | Total      | Bonds      | Mortgage<br>Loans | Other Short-term<br>Investment<br>Assets (a) | Investments in<br>Parent, Subsidiaries<br>and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 1,368,224  | 1,368,224  | 0                 | 0  | 0  |
| 2. Cost of short-term investments acquired.....  | 26,869,730 | 26,869,730 | 0                 | 0  | 0  |
| 3. Accrual of discount.....  | 0          | 0          | 0                 | 0  | 0  |
| 4. Unrealized valuation increase (decrease).....   | 0          | 0          | 0                 | 0  | 0  |
| 5. Total gain (loss) on disposals.....   | 21,404     | 21,404     | 0                 | 0  | 0  |
| 6. Deduct consideration received on disposals.....                                       | 23,025,323 | 23,025,323 | 0                 | 0  | 0  |
| 7. Deduct amortization of premium.....   | 90,983     | 90,983     | 0                 | 0  | 0  |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0          | 0          | 0                 | 0  | 0  |
| 9. Deduct current year's other-than-temporary impairment recognized.....                 | 0          | 0          | 0                 | 0  | 0  |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 5,143,052  | 5,143,052  | 0                 | 0  | 0  |
| 11. Deduct total nonadmitted amounts.....  | 0          | 0          | 0                 | 0  | 0  |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 5,143,052  | 5,143,052  | 0                 | 0  | 0  |

0110

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:.....

**Sch. DB-Pt. A-Verification**  
**NONE**

**Sch. DB-Pt. B-Verification**  
**NONE**

**Sch. DB-Pt. C-Sn. 1**  
**NONE**

**Sch. DB-Pt. C-Sn. 2**  
**NONE**

**Sch. DB-Verification**  
**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE E - VERIFICATION BETWEEN YEARS**  
 Cash Equivalents

|  | 1<br>Total | 2<br>Bonds | 3<br>Other (a) |
|--|------------|------------|----------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 0          | 0          | 0              |
| 2. Cost of cash equivalents acquired.....  | 111,422    | 111,422    | 0              |
| 3. Accrual of discount.....  | 0          | 0          | 0              |
| 4. Unrealized valuation increase (decrease).....   | 0          | 0          | 0              |
| 5. Total gain (loss) on disposals.....   | 0          | 0          | 0              |
| 6. Deduct consideration received on disposals.....                                       | 105,000    | 105,000    | 0              |
| 7. Deduct amortization of premium.....   | 6,422      | 6,422      | 0              |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0          | 0          | 0              |
| 9. Deduct current year's other-than-temporary impairment recognized.....                 | 0          | 0          | 0              |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 0          | 0          | 0              |
| 11. Deduct total nonadmitted amounts.....  | 0          | 0          | 0              |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 0          | 0          | 0              |

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.....

**Sch. A-Pt. 1  
NONE**

**Sch. A-Pt. 2  
NONE**

**Sch. A-Pt. 3  
NONE**

**Sch. B-Pt. 1  
NONE**

**Sch. B-Pt. 2  
NONE**

**Sch. B-Pt. 3  
NONE**

**Sch. BA-Pt. 1  
NONE**

**Sch. BA-Pt. 2  
NONE**

**Sch. BA-Pt. 3  
NONE**



















## SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

| 1   | 2  | Codes |                                 | 5                | 6                   | 7              | 8                             | Fair Value                               |            | 11          | Dividends           |                             |                                 | Change in Book/Adjusted Carrying Value   |   |   |                                      |  | 20               | 21            |
|---|--|-------|---------------------------------|------------------|---------------------|----------------|-------------------------------|--|------------|-------------|---------------------|-----------------------------|---------------------------------|--|---|---|--------------------------------------|--|------------------|---------------|
|   |  | 3     | 4                               |                  |                     |                |                               | 9  | 10         |             | 12                  | 13                          | 14                              | 15                                       | 16  | 17  | 18                                   | 19   |                  |               |
| CUSIP Identification  | Description  | Code  | F<br>o<br>r<br>e<br>i<br>g<br>n | Number of Shares | Par Value per Share | Rate per Share | Book/Adjusting Carrying Value | Rate per Share Used to Obtain Fair Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received During Year | Nonadmitted Declared but Unpaid | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (15+16-17) | Total Foreign Exchange Change in B./A.C.V. | NAIC Designation | Date Acquired |
| <b>Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)</b> |  |       |                                 |                  |                     |                |                               |  |            |             |                     |                             |                                 |  |   |   |                                      |  |                  |               |
| 12493V AC 4   | ABS - DASH3 1A C2  |       |                                 | 200,470,490      | 100.00              | 0.430          | 86,202                        | 0.430                                    | 86,202     | 74,260      | 0                   | 0                           | 0                               | (148,923)                                | 147,921                                   | 0   | (1,003)                              | 0  | RP6A             | 06/14/2001    |
| 8499999   | Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) |       |                                 |                  |                     |                | 86,202                        | XXX                                      | 86,202     | 74,260      | 0                   | 0                           | 0                               | (148,923)                                | 147,921                                   | 0   | (1,003)                              | 0  | XXX              | XXX           |
| 8999999   | Total - Preferred Stocks   |       |                                 |                  |                     |                | 86,202                        | XXX                                      | 86,202     | 74,260      | 0                   | 0                           | 0                               | (148,923)                                | 147,921                                   | 0   | (1,003)                              | 0  | XXX              | XXX           |

## SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

| 1  | 2  |  | Codes |                    | 5                | 6                               | Fair Value  |            | 9           | Dividends           |                                |                                    | Change in Book/Adjusted Carrying Value      |   |   |  | 17                                 | 18               |
|--|--|--|-------|--------------------|------------------|---------------------------------|---|------------|-------------|---------------------|--------------------------------|------------------------------------|---|---|---|--|------------------------------------|------------------|
|  |  |  | 3     | 4                  |                  |                                 | 7   | 8          |             | 10                  | 11                             | 12                                 | 13  | 14  | 15                                      | 16   |                                    |                  |
| CUSIP Identification   | Description  |  | Code  | or<br>ei<br>g<br>n | Number of Shares | Book/Adjusted<br>Carrying Value | Rate per<br>Share Used<br>to Obtain Fair<br>Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received<br>During Year | Nonadmitted<br>Declared but Unpaid | Unrealized Valuation<br>Increase (Decrease) | Current Year's Other-<br>Than-Temporary<br>Impairment<br>Recognized | Total Change in<br>B./A.C.V.<br>(13-14) | Total Foreign<br>Exchange Change in<br>B./A.C.V. | NAIC<br>Market<br>Indicator<br>(a) | Date<br>Acquired |
| <b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b> |  |  |       |                    |                  |                                 |   |            |             |                     |                                |                                    |   |   |   |  |                                    |                  |
| BFHLB0 00 9  | FHLB I COMMON STOCK.....   |  |       |                    | 1,535,000        | 153,500                         | 100.000   | 153,500    | 153,500     | 0                   | 0                              | 0                                  | 0   | 0   | 0                                       | 0  | V                                  | 12/15/2014.      |
| 9099999  | Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)..... |  |       |                    |                  | 153,500                         | XXX   | 153,500    | 153,500     | 0                   | 0                              | 0                                  | 0   | 0   | 0                                       | 0  | XXX                                | XXX              |
| <b>Common Stocks - Mutual Funds</b>                                |  |  |       |                    |                  |                                 |   |            |             |                     |                                |                                    |   |   |   |  |                                    |                  |
| 256210 10 5  | DODGE & COX INCOME FUND.....   |  |       |                    | 109,105,920      | 1,503,480                       | 13.780  | 1,503,480  | 1,515,335   | 0                   | 15,335                         | 0                                  | (11,855)                                    | 0   | (11,855)                                | 0  | L                                  | 12/22/2014.      |
| 4812C0 38 1  | JPMORGAN CORE BOND-SEL.....  |  |       |                    | 128,083,312      | 1,504,979                       | 11.750  | 1,504,979  | 1,507,947   | 3,705               | 4,242                          | 0                                  | (2,968)                                     | 0   | (2,968)                                 | 0  | L                                  | 12/31/2014.      |
| 921943 80 9  | VANGUARD DEV MKT INDX-ADM.....   |  |       |                    | 187,240,042      | 2,278,711                       | 12.170  | 2,278,711  | 2,528,186   | 0                   | 57,276                         | 0                                  | (249,475)                                   | 0   | (249,475)                               | 0  | L                                  | 12/22/2014.      |
| 922908 30 6  | VANGUARD TOT STK MKT IND-INV.....  |  |       |                    | 151,266,042      | 7,802,302                       | 51.580  | 7,802,302  | 4,232,286   | 0                   | 127,353                        | 0                                  | 735,082                                     | 0   | 735,082                                 | 0  | L                                  | 12/22/2014.      |
| 9299999  | Total - Common Stocks - Mutual Funds.....                                |  |       |                    |                  | 13,089,472                      | XXX   | 13,089,472 | 9,783,754   | 3,705               | 204,206                        | 0                                  | 470,784                                     | 0   | 470,784                                 | 0  | XXX                                | XXX              |
| 9799999  | Total - Common Stock.....  |  |       |                    |                  | 13,242,972                      | XXX   | 13,242,972 | 9,937,254   | 3,705               | 204,206                        | 0                                  | 470,784                                     | 0   | 470,784                                 | 0  | XXX                                | XXX              |
| 9899999  | Total Common and Preferred Stock.....                                    |  |       |                    |                  | 13,329,175                      | XXX   | 13,329,175 | 10,011,514  | 3,705               | 204,206                        | 0                                  | 321,861                                     | 0   | 469,782                                 | 0  | XXX                                | XXX              |

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....0, the total \$ value (included in Column 8) of all such issues \$.....0.

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1   | 2                               |   | 3       | 4             | 5                               | 6                         | 7           | 8         | 9                                       |
|---|---------------------------------|---|---------|---------------|---------------------------------|---------------------------|-------------|-----------|---|
| CUSIP Identification                        | Description                     |   | Foreign | Date Acquired | Name of Vendor                  | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| <b>Bonds - U.S. Government</b>              |                                 |   |         |               |                                 |                           |             |           |   |
| 912810                                      | DX                              | 3 |         | 07/16/2014    | CITIGROUP GLOBAL MARKETS INC    |                           | 1,158,402   | 1,000,000 | 13,043                                  |
| 912810                                      | RG                              | 5 |         | 07/16/2014    | Credit Suisse First Boston      |                           | 1,003,285   | 1,000,000 | 5,870                                   |
| 912828                                      | D9                              | 8 |         | 09/30/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 748,977     | 750,000   | 331                                     |
| 912828                                      | G7                              | 9 |         | 12/17/2014    | JEFFERIES & CO INC, NEW YORK    |                           | 998,285     | 1,000,000 | 82                                      |
| 912828                                      | RP                              | 7 |         | 09/22/2014    | NOMURA SECURITIES INTL INC      |                           | 1,006,214   | 1,000,000 | 6,943                                   |
| 0599999                                     | Total - Bonds - U.S. Government |   |         |               |                                 |                           | 4,915,163   | 4,750,000 | 26,270                                  |
| <b>Bonds - Industrial and Miscellaneous</b> |                                 |   |         |               |                                 |                           |             |           |   |
| 032511                                      | AY                              | 3 |         | 01/14/2014    | SG AMERICAS SECURITIES, LLC     |                           | 167,571     | 145,000   | 3,169                                   |
| 05279#                                      | AE                              | 9 |         | 05/01/2014    | Adjustment                      |                           | 200,000     | 200,000   | .0                                      |
| 05522R                                      | CQ                              | 9 |         | 02/05/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 200,000     | 200,000   | .0                                      |
| 07274E                                      | AF                              | 0 |         | 10/01/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 199,900     | 200,000   | .0                                      |
| 07383F                                      | 7W                              | 2 |         | 02/10/2014    | Not Available                   |                           | 504,979     | 485,702   | 568                                     |
| 07387B                                      | CL                              | 5 |         | 12/01/2014    | NOMURA SECURITIES INTL INC      |                           | 485,920     | 476,246   | 204                                     |
| 110394                                      | AC                              | 7 |         | 08/18/2014    | JEFFERIES & CO INC, NEW YORK    |                           | 163,094     | 145,000   | 777                                     |
| 11373M                                      | AA                              | 5 |         | 09/11/2014    | STERNE, AGEE & LEACH, INC       |                           | 50,000      | 50,000    | .0                                      |
| 16115Q                                      | AC                              | 4 |         | 11/04/2014    | VARIOUS                         |                           | 189,987     | 160,000   | 354                                     |
| 161571                                      | FM                              | 1 |         | 01/15/2014    | Credit Suisse First Boston      |                           | 400,188     | 400,000   | 20                                      |
| 17275R                                      | AP                              | 7 |         | 02/24/2014    | BARCLAYS CAPITAL INC            |                           | 59,891      | 60,000    | .0                                      |
| 17305E                                      | CJ                              | 2 |         | 01/14/2014    | CHASE SECURITIES INC            |                           | 735,520     | 700,000   | 11,977                                  |
| 19624R                                      | AB                              | 2 |         | 08/26/2014    | VARIOUS                         |                           | 151,463     | 150,000   | 1,938                                   |
| 212015                                      | AM                              | 3 |         | 05/14/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 251,003     | 250,000   | .0                                      |
| 242309                                      | AB                              | 8 |         | 08/01/2014    | VARIOUS                         |                           | 110,172     | 90,000    | 329                                     |
| 268648                                      | AN                              | 2 |         | 09/26/2014    | CITIGROUP GLOBAL MARKETS INC    |                           | 491,195     | 500,000   | 5,625                                   |
| 268948                                      | AA                              | 4 |         | 07/31/2014    | SANDLER O'NEILL & PARTNERS, LP  |                           | 150,000     | 150,000   | .0                                      |
| 285512                                      | AA                              | 7 |         | 08/07/2014    | VARIOUS                         |                           | 91,206      | 75,000    | 41                                      |
| 29336U                                      | AB                              | 3 |         | 11/06/2014    | VARIOUS                         |                           | 210,082     | 205,000   | 651                                     |
| 29358Q                                      | AA                              | 7 | R       | 01/10/2014    | BARCLAYS CAPITAL INC            |                           | 171,861     | 160,000   | 2,507                                   |
| 36163G                                      | AC                              | 5 |         | 11/12/2014    | BARCLAYS CAPITAL INC            |                           | 90,035      | 90,000    | 53                                      |
| 38406H                                      | AA                              | 0 |         | 06/01/2014    | Adjustment                      |                           | 308,998     | 300,000   | 309                                     |
| 50540R                                      | AG                              | 7 |         | 11/07/2014    | JEFFERIES & CO INC, NEW YORK    |                           | 30,666      | 25,000    | .0                                      |
| 55608B                                      | AA                              | 3 |         | 09/10/2014    | VARIOUS                         |                           | 105,793     | 95,000    | 431                                     |
| 57629W                                      | BU                              | 3 |         | 04/02/2014    | MORGAN STANLEY & CO INC, NY     |                           | 269,708     | 270,000   | .0                                      |
| 57636Q                                      | AA                              | 2 |         | 04/01/2014    | VARIOUS                         |                           | 398,822     | 400,000   | 67                                      |
| 584688                                      | AC                              | 9 |         | 07/28/2014    | VARIOUS                         |                           | 104,535     | 90,000    | 403                                     |
| 61746B                                      | DM                              | 5 |         | 04/24/2014    | MORGAN STANLEY & CO INC, NY     |                           | 300,315     | 300,000   | 1,979                                   |
| 637138                                      | AC                              | 2 |         | 09/09/2014    | SANDLER O'NEILL & PARTNERS, LP  |                           | 175,000     | 175,000   | .0                                      |
| 64828Y                                      | AR                              | 2 |         | 10/02/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 225,277     | 220,000   | 733                                     |
| 652482                                      | CE                              | 8 |         | 03/19/2014    | RBC CAPITAL MARKETS             |                           | 173,144     | 150,000   | 999                                     |
| 68389X                                      | AS                              | 4 |         | 10/28/2014    | WELLS FARGO SECURITIES LLC      |                           | 521,780     | 500,000   | 5,337                                   |
| 720198                                      | AD                              | 2 |         | 02/25/2014    | CHASE SECURITIES INC            |                           | 334,300     | 335,000   | .0                                      |
| 741503                                      | AQ                              | 9 |         | 09/05/2014    | VARIOUS                         |                           | 269,140     | 195,000   | 627                                     |
| 756109                                      | AR                              | 5 |         | 09/16/2014    | CITIGROUP GLOBAL MARKETS INC    |                           | 84,574      | 85,000    | .0                                      |
| 760759                                      | AL                              | 4 |         | 05/07/2014    | MESIROW FINANCIAL INC           |                           | 321,948     | 300,000   | 5,605                                   |
| 775109                                      | AY                              | 7 |         | 07/25/2014    | WELLS FARGO SECURITIES LLC      |                           | 156,203     | 150,000   | 2,033                                   |
| 780287                                      | AA                              | 6 |         | 12/22/2014    | VARIOUS                         |                           | 174,733     | 170,000   | 1,683                                   |
| 811065                                      | AB                              | 7 |         | 11/17/2014    | BANC / AMERICA SECUR. LLC, MONT |                           | 74,734      | 75,000    | .0                                      |
| 83051G                                      | AC                              | 2 | R       | 03/18/2014    | CITIGROUP GLOBAL MARKETS INC    |                           | 299,775     | 300,000   | .0                                      |

E13



**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1   | 2   | 3       | 4               | 5                                   | 6                         | 7           | 8          | 9                                       |
|---|---|---------|-----------------|-------------------------------------|---------------------------|-------------|------------|---|
| CUSIP Identification                                | Description   | Foreign | Date Acquired   | Name of Vendor                      | Number of Shares of Stock | Actual Cost | Par Value  | Paid for Accrued Interest and Dividends |
| 84860W AA 0   | SPIRIT REALTY CAPITAL IN.....                             |         | 05/15/2014..... | MORGAN STANLEY & CO INC, NY.....    |                           | 50,000      | 50,000     | .0                                      |
| 84860W AB 8   | SPIRIT REALTY CAPITAL IN.....                             |         | 05/15/2014..... | MORGAN STANLEY & CO INC, NY.....    |                           | 30,000      | 30,000     | .0                                      |
| 86074Q AL 6   | STILLWATER MINING COMPAN.....                             |         | 11/05/2014..... | VARIOUS.....                        |                           | 102,244     | 90,000     | .157                                    |
| 88163V AE 9   | TEVA PHARM FIN CO LLC.....                                | R.....  | 04/08/2014..... | NOMURA SECURITIES INTL INC.....     |                           | 12,338      | 10,000     | .5                                      |
| 887317 AE 5   | TIME WARNER INC.....                                      |         | 03/19/2014..... | WELLS FARGO SECURITIES LLC.....     |                           | 286,535     | 250,000    | .388                                    |
| 888706 AD 0   | TIVO INC.....   |         | 04/11/2014..... | GOLDMAN SACHS & CO, NY.....         |                           | 12,725      | 10,000     | .34                                     |
| 88947E AM 2   | TOLL BROS FINANCE CORP.....                               |         | 08/05/2014..... | Merrill Lynch.....                  |                           | 15,292      | 15,000     | .30                                     |
| 893830 AS 8   | TRANSOCEAN INC.....                                       | R.....  | 03/17/2014..... | NOMURA SECURITIES INTL INC.....     |                           | 334,494     | 300,000    | .250                                    |
| 910304 AA 2   | UNITED FINANCIAL BANCORP.....                             |         | 09/18/2014..... | SANDLER O'NEILL & PARTNERS, LP..... |                           | 135,000     | 135,000    | .0                                      |
| 928298 AJ 7   | VISHAY INTERTECHNOLOGY.....                               |         | 12/16/2014..... | JP MORGAN SECURITIES INC.....       |                           | 119,700     | 140,000    | .292                                    |
| 92936C AJ 8   | CMBS - WFRBS 2011-C4 A4.....                              |         | 10/08/2014..... | CITIGROUP GLOBAL MARKETS INC.....   |                           | 562,500     | 500,000    | .885                                    |
| 94973V BG 1   | WELLPOINT INC.....  |         | 02/12/2014..... | VARIOUS.....                        |                           | 347,886     | 270,000    | 2,422                                   |
| 963320 AQ 9   | WHIRLPOOL CORP.....                                       |         | 02/20/2014..... | CHASE SECURITIES INC.....           |                           | 69,842      | 70,000     | .0                                      |
| 963320 AT 3   | WHIRLPOOL CORP.....                                       |         | 10/30/2014..... | CITIGROUP GLOBAL MARKETS INC.....   |                           | 299,691     | 300,000    | .0                                      |
| 983919 AH 4   | XILINX INC.....   |         | 03/05/2014..... | CHASE SECURITIES INC.....           |                           | 124,101     | 125,000    | .0                                      |
| EK3565 89 3   | STMICROELECTRONICS NV.....                                | F.....  | 09/19/2014..... | Merrill Lynch.....                  |                           | 389,400     | 400,000    | .867                                    |
| G7945E AH 8   | SEADRILL LTD.....   | F.....  | 06/01/2014..... | Adjustment.....                     |                           | .0          | .0         | (.2)                                    |
| H4777* AA 3   | SBM Deep Panuke S.A.....                                  | R.....  | 11/01/2014..... | Adjustment.....                     |                           | 145,000     | 145,000    | .0                                      |
| N8T23V AD 3   | SIEMENS FINANCIERINGSMAT.....                             | F.....  | 01/29/2014..... | CITIGROUP GLOBAL MARKETS INC.....   |                           | 291,542     | 250,000    | 1,914                                   |
| 3899999   | Total - Bonds - Industrial and Miscellaneous.....         |         |                 |                                     |                           | 12,731,797  | 12,116,948 | .55,659                                 |
| 8399997   | Total - Bonds - Part 3.....                               |         |                 |                                     |                           | 17,646,960  | 16,866,948 | .81,929                                 |
| 8399998   | Total - Bonds - Summary Item from Part 5.....             |         |                 |                                     |                           | 648,013     | 575,000    | .0                                      |
| 8399999   | Total - Bonds.....  |         |                 |                                     |                           | 18,294,973  | 17,441,948 | .81,929                                 |
| <b>Common Stocks - Industrial and Miscellaneous</b> |   |         |                 |                                     |                           |             |            |   |
| BFHLB0 00 9   | FHLB I COMMON STOCK.....                                  |         | 12/15/2014..... | Unknown.....                        | 1,535,000                 | 153,500     | XXX        | .0                                      |
| 9099999   | Total - Common Stocks - Industrial and Miscellaneous..... |         |                 |                                     |                           | 153,500     | XXX        | .0                                      |
| <b>Common Stocks - Mutual Funds</b>                 |   |         |                 |                                     |                           |             |            |   |
| 256210 10 5   | DODGE & COX INCOME FUND.....                              |         | 12/22/2014..... | VARIOUS.....                        | 109,105,920               | 1,515,335   | XXX        | .0                                      |
| 4812C0 38 1   | JPMORGAN CORE BOND-SEL.....                               |         | 12/31/2014..... | VARIOUS.....                        | 128,083,312               | 1,507,947   | XXX        | .0                                      |
| 921943 80 9   | VANGUARD DEV MKT INDX-ADM.....                            |         | 12/22/2014..... | VARIOUS.....                        | 194,507,484               | 2,628,684   | XXX        | .0                                      |
| 922908 30 6   | VANGUARD TOT STK MKT IND-INV.....                         |         | 12/22/2014..... | Not Available.....                  | 2,656,153                 | 131,597     | XXX        | .0                                      |
| 9299999   | Total - Common Stocks - Mutual Funds.....                 |         |                 |                                     |                           | 5,783,562   | XXX        | .0                                      |
| 9799997   | Total - Common Stocks - Part 3.....                       |         |                 |                                     |                           | 5,937,062   | XXX        | .0                                      |
| 9799998   | Total - Common Stocks - Summary Item from Part 5.....     |         |                 |                                     |                           | 748,986     | XXX        | .0                                      |
| 9799999   | Total - Common Stocks.....                                |         |                 |                                     |                           | 6,686,048   | XXX        | .0                                      |
| 9899999   | Total - Preferred and Common Stocks.....                  |         |                 |                                     |                           | 6,686,048   | XXX        | .0                                      |
| 9999999   | Total - Bonds, Preferred and Common Stocks.....           |         |                 |                                     |                           | 24,981,021  | XXX        | .81,929                                 |

E13.1



**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1                    | 2           | 3                | 4                | 5                 | 6                            | 7             | 8         | 9           | 10  | Change in Book/Adjusted Carrying Value            |   |  |  |   | 16  | 17  | 18                                     | 19                                  | 20   | 21  |
|----------------------|-------------|------------------|------------------|-------------------|------------------------------|---------------|-----------|-------------|---|---|---|--|--|---|---|---|--|-------------------------------------|--|---|
|                      |             |                  |                  |                   |                              |               |           |             |   | 11  | 12  | 13   | 14   | 15  |   |   |  |                                     |  |   |
| CUSIP Identification | Description | For<br>reig<br>n | Disposal<br>Date | Name of Purchaser | Number of<br>Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year<br>Book/Adjusted<br>Carrying Value | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current Year's<br>(Amortization<br>/ Accretion) | Current<br>Year's Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | Total Change in<br>B./A.C.V.<br>(11+12-13) | Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Book/Adjusted<br>Carrying Value at<br>Disposal Date | Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total Gain<br>(Loss) on<br>Disposal | Bond Interest<br>/ Stock<br>Dividends<br>Received<br>During Year | Stated<br>Contractual<br>Maturity<br>Date |
| 31371K               | 2S 9        |                  | 12/26/2014       | Direct.....       |                              | 9,422         | 9,422     | 9,707       | 9,534   | 0   | (112)   | 0  | (112)                                      | 0   | 9,422   | 0   | 0                                      | 0                                   | 246  | 04/01/2018.                               |
| 31371L               | AB 5        |                  | 12/26/2014       | Direct.....       |                              | 13,510        | 13,510    | 13,820      | 13,606  | 0   | (96)  | 0  | (96)                                       | 0   | 13,510  | 0   | 0                                      | 0                                   | 315  | 07/01/2018.                               |
| 31371L               | EZ 8        |                  | 12/26/2014       | Direct.....       |                              | 15,860        | 15,860    | 15,835      | 15,822  | 0   | 38  | 0  | 38   | 0   | 15,860  | 0   | 0                                      | 0                                   | 368  | 11/01/2018.                               |
| 31371M               | 4P 9        |                  | 12/26/2014       | VARIOUS.....      |                              | 31,789        | 31,789    | 30,989      | 31,063  | 0   | 725   | 0  | 725  | 0   | 31,789  | 0   | 0                                      | 0                                   | 850  | 12/01/2036.                               |
| 31371M               | EP 8        |                  | 12/26/2014       | Direct.....       |                              | 21,139        | 21,139    | 21,034      | 21,035  | 0   | 105   | 0  | 105  | 0   | 21,139  | 0   | (0)                                    | (0)                                 | 539  | 09/01/2035.                               |
| 31371M               | EQ 6        |                  | 12/26/2014       | Direct.....       |                              | 13,955        | 13,955    | 13,772      | 13,850  | 0   | 105   | 0  | 105  | 0   | 13,955  | 0   | 0                                      | 0                                   | 375  | 09/01/2035.                               |
| 31371M               | UK 1        |                  | 12/26/2014       | Direct.....       |                              | 14,430        | 14,430    | 14,268      | 14,281  | 0   | 149   | 0  | 149  | 0   | 14,430  | 0   | 0                                      | 0                                   | 447  | 06/01/2036.                               |
| 31371M               | ZJ 9        |                  | 12/26/2014       | Direct.....       |                              | 22,969        | 22,969    | 23,045      | 23,047  | 0   | (78)  | 0  | (78)                                       | 0   | 22,969  | 0   | 0                                      | 0                                   | 749  | 10/01/2036.                               |
| 31381F               | FV 7        |                  | 02/01/2014       | VARIOUS.....      |                              | 0             | 1         | 1           | 1   | 0   | 0   | 0  | 0  | 0   | 1   | 0   | (1)                                    | (1)                                 | 0  | 02/01/2014.                               |
| 31382K               | QA 9        |                  | 02/25/2014       | Direct.....       |                              | 120           | 120       | 120         | 120   | 0   | 0   | 0  | 0  | 0   | 120   | 0   | 0                                      | 0                                   | 1  | 03/01/2014.                               |
| 31382M               | Z6 4        |                  | 02/25/2014       | Direct.....       |                              | 77            | 76        | 76          | 76  | 0   | 0   | 0  | 0  | 0   | 76  | 0   | 0                                      | 0                                   | 1  | 03/01/2014.                               |
| 31388X               | BC 7        |                  | 12/26/2014       | Direct.....       |                              | 3,343         | 3,343     | 3,414       | 3,398   | 0   | (55)  | 0  | (55)                                       | 0   | 3,343   | 0   | 0                                      | 0                                   | 167  | 01/01/2032.                               |
| 3138A2               | J5 9        |                  | 12/26/2014       | Direct.....       |                              | 61,060        | 61,060    | 61,208      | 61,145  | 0   | (85)  | 0  | (85)                                       | 0   | 61,060  | 0   | 0                                      | 0                                   | 1,179  | 01/01/2026.                               |
| 3138AV               | RH 0        |                  | 12/26/2014       | Direct.....       |                              | 46,431        | 46,431    | 47,591      | 47,589  | 0   | (1,158)   | 0  | (1,158)                                    | 0   | 46,431  | 0   | 0                                      | 0                                   | 767  | 10/01/2026.                               |
| 3138LT               | JQ 2        |                  | 12/26/2014       | Direct.....       |                              | 52,876        | 52,876    | 54,619      | 54,657  | 0   | (1,782)   | 0  | (1,782)                                    | 0   | 52,876  | 0   | 0                                      | 0                                   | 922  | 05/01/2042.                               |
| 3138M4               | ZR 6        |                  | 01/27/2014       | VARIOUS.....      |                              | 436,854       | 459,465   | 470,198     | 469,567                                       | 0   | (76)  | 0  | (76)                                       | 0   | 469,491   | 0   | (32,638)                               | (32,638)                            | 1,491  | 08/01/2024.                               |
| 31391E               | 4W 8        |                  | 12/26/2014       | Direct.....       |                              | 9,064         | 9,064     | 9,183       | 9,085   | 0   | (21)  | 0  | (21)                                       | 0   | 9,064   | 0   | 0                                      | 0                                   | 206  | 12/01/2017.                               |
| 31393C               | LX 9        |                  | 12/26/2014       | Direct.....       |                              | 21,861        | 21,861    | 22,784      | 22,173  | 0   | (312)   | 0  | (312)                                      | 0   | 21,861  | 0   | 0                                      | 0                                   | 1,140  | 06/25/2033.                               |
| 31393E               | ME 6        |                  | 12/26/2014       | Direct.....       |                              | 82,745        | 82,745    | 79,229      | 82,150  | 0   | 595   | 0  | 595  | 0   | 82,745  | 0   | 0                                      | 0                                   | 1,982  | 03/25/2032.                               |
| 31393T               | 4J 2        |                  | 12/26/2014       | Direct.....       |                              | 26,809        | 26,809    | 26,483      | 26,583  | 0   | 226   | 0  | 226  | 0   | 26,809  | 0   | 0                                      | 0                                   | 765  | 11/25/2033.                               |
| 31393V               | XM 8        |                  | 12/15/2014       | Direct.....       |                              | 110,624       | 110,624   | 109,898     | 110,269                                       | 0   | 355   | 0  | 355  | 0   | 110,624   | 0   | 0                                      | 0                                   | 2,646  | 09/15/2032.                               |
| 31394K               | K6 0        |                  | 12/15/2014       | Direct.....       |                              | 56,469        | 56,469    | 51,704      | 55,376  | 0   | 1,093   | 0  | 1,093                                      | 0   | 56,469  | 0   | 0                                      | 0                                   | 1,339  | 07/15/2032.                               |
| 31394L               | 6Y 3        |                  | 12/15/2014       | Direct.....       |                              | 85,776        | 85,776    | 79,879      | 84,640  | 0   | 1,136   | 0  | 1,136                                      | 0   | 85,776  | 0   | (0)                                    | (0)                                 | 2,002  | 04/15/2032.                               |
| 31394Y               | H8 0        |                  | 12/15/2014       | Direct.....       |                              | 144,940       | 144,940   | 144,079     | 144,581                                       | 0   | 359   | 0  | 359  | 0   | 144,940   | 0   | 0                                      | 0                                   | 4,039  | 12/15/2032.                               |
| 31395L               | 0U 0        |                  | 12/15/2014       | Direct.....       |                              | 110,765       | 110,765   | 110,194     | 110,516                                       | 0   | 250   | 0  | 250  | 0   | 110,765   | 0   | (0)                                    | (0)                                 | 3,016  | 06/15/2033.                               |
| 31395L               | XC 0        |                  | 08/15/2014       | Direct.....       |                              | 98,339        | 98,339    | 95,266      | 97,951  | 0   | 388   | 0  | 388  | 0   | 98,339  | 0   | (0)                                    | (0)                                 | 1,700  | 01/15/2033.                               |
| 31395M               | YP 8        |                  | 12/15/2014       | Direct.....       |                              | 56,341        | 56,341    | 55,523      | 56,137  | 0   | 204   | 0  | 204  | 0   | 56,341  | 0   | 0                                      | 0                                   | 1,490  | 12/15/2033.                               |
| 31398K               | A5 9        |                  | 12/15/2014       | Direct.....       |                              | 28,845        | 28,845    | 29,711      | 29,808  | 0   | (962)   | 0  | (962)                                      | 0   | 28,845  | 0   | 0                                      | 0                                   | 590  | 09/15/2039.                               |
| 31400D               | EE 8        |                  | 12/26/2014       | Direct.....       |                              | 7,312         | 7,312     | 7,249       | 7,270   | 0   | 41  | 0  | 41   | 0   | 7,312   | 0   | 0                                      | 0                                   | 187  | 01/01/2018.                               |
| 31402D               | MP 2        |                  | 12/26/2014       | Direct.....       |                              | 16,267        | 16,267    | 15,801      | 15,935  | 0   | 332   | 0  | 332  | 0   | 16,267  | 0   | 0                                      | 0                                   | 403  | 09/01/2034.                               |
| 31403C               | 6L 0        |                  | 12/26/2014       | Direct.....       |                              | 18,130        | 18,130    | 18,095      | 18,097  | 0   | 33  | 0  | 33   | 0   | 18,130  | 0   | 0                                      | 0                                   | 471  | 02/01/2036.                               |
| 31403C               | ZD 6        |                  | 12/26/2014       | Direct.....       |                              | 26,409        | 26,409    | 25,786      | 25,870  | 0   | 539   | 0  | 539  | 0   | 26,409  | 0   | (0)                                    | (0)                                 | 691  | 11/01/2035.                               |
| 31403K               | GD 8        |                  | 12/26/2014       | Direct.....       |                              | 15,502        | 15,502    | 15,130      | 15,354  | 0   | 148   | 0  | 148  | 0   | 15,502  | 0   | 0                                      | 0                                   | 327  | 10/01/2018.                               |
| 31403K               | SS 3        |                  | 12/26/2014       | Direct.....       |                              | 20,956        | 20,956    | 21,516      | 21,153  | 0   | (198)   | 0  | (198)                                      | 0   | 20,956  | 0   | 0                                      | 0                                   | 564  | 02/01/2019.                               |
| 31403K               | VS 9        |                  | 12/26/2014       | Direct.....       |                              | 8,243         | 8,243     | 8,510       | 8,436   | 0   | (193)   | 0  | (193)                                      | 0   | 8,243   | 0   | 0                                      | 0                                   | 235  | 03/01/2034.                               |
| 31406V               | VR 4        |                  | 12/26/2014       | Direct.....       |                              | 656           | 656       | 674         | 680   | 0   | (24)  | 0  | (24)                                       | 0   | 656   | 0   | 0                                      | 0                                   | 22   | 05/01/2035.                               |
| 31407B               | UX 5        |                  | 12/26/2014       | Direct.....       |                              | 856           | 856       | 840         | 837   | 0   | 19  | 0  | 19   | 0   | 856   | 0   | 0                                      | 0                                   | 26   | 06/01/2035.                               |
| 31409G               | N6 9        |                  | 12/26/2014       | Direct.....       |                              | 16,943        | 16,943    | 16,676      | 16,612  | 0   | 331   | 0  | 331  | 0   | 16,943  | 0   | 0                                      | 0                                   | 393  | 10/01/2036.                               |
| 31409X               | NT 2        |                  | 12/26/2014       | Direct.....       |                              | 19,981        | 19,981    | 20,281      | 20,477  | 0   | (496)   | 0  | (496)                                      | 0   | 19,981  | 0   | 0                                      | 0                                   | 676  | 02/01/2036.                               |
| 31410G               | ER 1        |                  | 12/26/2014       | Direct.....       |                              | 36,183        | 36,183    | 36,635      | 36,440  | 0   | (257)   | 0  | (257)                                      | 0   | 36,183  | 0   | 0                                      | 0                                   | 1,040  | 09/01/2021.                               |
| 31410G               | P4 8        |                  | 11/25/2014       | VARIOUS.....      |                              | 129,479       | 118,121   | 121,019     | 120,847                                       | 0   | (768)   | 0  | (768)                                      | 0   | 120,079   | 0   | 9,400                                  | 9,400                               | 6,105  | 11/01/2037.                               |
| 31410K               | JR 6        |                  | 12/26/2014       | Direct.....       |                              | 21,555        | 21,555    | 21,548      | 21,700  | 0   | (145)   | 0  | (145)                                      | 0   | 21,555  | 0   | 0                                      | 0                                   | 594  | 06/01/2038.                               |
| 31410P               | EM 1        |                  | 12/26/2014       | Direct.....       |                              | 52,184        | 52,184    | 52,657      | 52,544  | 0   | (361)   | 0  | (361)                                      | 0   | 52,184  | 0   | 0                                      | 0                                   | 1,655  | 11/01/2036.                               |

E14.1





**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1   | 2  | 3        | 4             | 5                 | 6                         | 7             | 8          | 9           | 10                                      | Change in Book/Adjusted Carrying Value   |   |   |                                      |  | 16  | 17                                       | 18                               | 19                            | 20   | 21                               |
|---|--|----------|---------------|-------------------|---------------------------|---------------|------------|-------------|---|--|---|---|--------------------------------------|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|
|   |  |          |               |                   |                           |               |            |             |   | 11                                       | 12  | 13  | 14                                   | 15   |   |  |                                  |                               |  |                                  |
| CUSIP Identification                                | Description  | Forfeign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value  | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 3899999   | Total - Bonds - Industrial and Miscellaneous         |          |               |                   |                           | 11,051,045    | 10,195,021 | 10,730,774  | 10,167,835                              | 14,528                                   | (120,739)                                 | 0   | (106,211)                            | 0  | 10,287,576                                    | 0  | 763,468                          | 763,468                       | 252,278  | XXX                              |
| 8399997   | Total - Bonds - Part 4                               |          |               |                   |                           | 19,909,908    | 18,590,569 | 19,408,832  | 18,826,456                              | 14,528                                   | (173,153)                                 | 0   | (158,625)                            | 0  | 18,893,782                                    | 0  | 1,016,126                        | 1,016,126                     | 473,554  | XXX                              |
| 8399998   | Total - Bonds - Summary Item from Part 5             |          |               |                   |                           | 689,280       | 575,000    | 648,013     | 0                                       | 0  | (73,386)                                  | 0   | (73,386)                             | 0  | 574,626                                       | 0  | 114,654                          | 114,654                       | 8,209  | XXX                              |
| 8399999   | Total - Bonds  |          |               |                   |                           | 20,599,188    | 19,165,569 | 20,056,844  | 18,826,456                              | 14,528                                   | (246,539)                                 | 0   | (232,011)                            | 0  | 19,468,409                                    | 0  | 1,130,780                        | 1,130,780                     | 481,762  | XXX                              |
| <b>Common Stocks - Industrial and Miscellaneous</b> |  |          |               |                   |                           |               |            |             |   |  |   |   |                                      |  |   |  |                                  |                               |  |                                  |
| 268648  | 10 2 EMC CORP/MA                                     | R        | 01/23/2014    | VARIOUS           | 4,894,497                 | 127,352       | XXX        | 125,054     | 123,097                                 | 1,957                                    | 0   | 0   | 1,957                                | 0  | 125,054                                       | 0  | 2,298                            | 2,298                         | 489  | XXX                              |
| BFHLB0  | 00 9 FHBL I COMMON STOCK                             |          | 12/15/2014    | Unknown           | 1,554,000                 | 155,400       | XXX        | 155,400     | 155,400                                 | 0  | 0   | 0   | 0                                    | 0  | 155,400                                       | 0  | 0                                | 0                             | 6,513  | XXX                              |
| 9099999   | Total - Common Stocks - Industrial and Miscellaneous |          |               |                   |                           | 282,752       | XXX        | 280,454     | 278,497                                 | 1,957                                    | 0   | 0   | 1,957                                | 0  | 280,454                                       | 0  | 2,298                            | 2,298                         | 7,002  | XXX                              |
| <b>Common Stocks - Mutual Funds</b>                 |  |          |               |                   |                           |               |            |             |   |  |   |   |                                      |  |   |  |                                  |                               |  |                                  |
| 693390  | 70 0 PIMCO TOTAL RETURN FUND-INST                    | R        | 09/29/2014    | VARIOUS           | 470,610,827               | 5,117,361     | XXX        | 5,157,199   | 5,030,830                               | 126,369                                  | 0   | 0   | 126,369                              | 0  | 5,157,199                                     | 0  | (39,838)                         | (39,838)                      | 87,653   | XXX                              |
| 921937  | 67 8 VANGUARD DEV MKT INDX-ADM                       |          | 04/08/2014    | Unknown           | 75,478,827                | 2,538,318     | XXX        | 2,538,318   | 2,511,179                               | 27,139                                   | 0   | 0   | 27,139                               | 0  | 2,538,318                                     | 0  | 0                                | 0                             | 33,090   | XXX                              |
| 921943  | 80 9 VANGUARD DEV MKT INDX-ADM                       |          | 06/16/2014    | Not Available     | 7,267,442                 | 100,000       | XXX        | 100,498     | 0                                       | 0  | 0   | 0   | 0                                    | 0  | 100,498                                       | 0  | (498)                            | (498)                         | 0  | XXX                              |
| 922908  | 30 6 VANGUARD TOT STK MKT IND-INV                    |          | 08/19/2014    | Not Available     | 15,168,869                | 750,000       | XXX        | 349,187     | 707,931                                 | (358,744)                                | 0   | 0   | (358,744)                            | 0  | 349,187                                       | 0  | 400,813                          | 400,813                       | 4,243  | XXX                              |
| 9299999   | Total - Common Stocks - Mutual Funds                 |          |               |                   |                           | 8,505,679     | XXX        | 8,145,202   | 8,249,940                               | (205,236)                                | 0   | 0   | (205,236)                            | 0  | 8,145,202                                     | 0  | 360,477                          | 360,477                       | 124,986  | XXX                              |
| 9799997   | Total - Common Stocks - Part 4                       |          |               |                   |                           | 8,788,431     | XXX        | 8,425,656   | 8,528,437                               | (203,278)                                | 0   | 0   | (203,278)                            | 0  | 8,425,656                                     | 0  | 362,775                          | 362,775                       | 131,988  | XXX                              |
| 9799998   | Total - Common Stocks - Summary Item from Part 5     |          |               |                   |                           | 933,498       | XXX        | 748,986     | 0                                       | 0  | 0   | 0   | 0                                    | 0  | 748,986                                       | 0  | 184,512                          | 184,512                       | 2,086  | XXX                              |
| 9799999   | Total - Common Stocks                                |          |               |                   |                           | 9,721,929     | XXX        | 9,174,643   | 8,528,437                               | (203,278)                                | 0   | 0   | (203,278)                            | 0  | 9,174,643                                     | 0  | 547,287                          | 547,287                       | 134,074  | XXX                              |
| 9899999   | Total - Preferred and Common Stocks                  |          |               |                   |                           | 9,721,929     | XXX        | 9,174,643   | 8,528,437                               | (203,278)                                | 0   | 0   | (203,278)                            | 0  | 9,174,643                                     | 0  | 547,287                          | 547,287                       | 134,074  | XXX                              |
| 9999999   | Total - Bonds, Preferred and Common Stocks           |          |               |                   |                           | 30,321,118    | XXX        | 29,231,487  | 27,354,893                              | (188,750)                                | (246,539)                                 | 0   | (435,290)                            | 0  | 28,643,051                                    | 0  | 1,678,066                        | 1,678,066                     | 615,836  | XXX                              |

E14.4

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1   | 2   | 3                               | 4                | 5                                 | 6                | 7                                    | 8  | 9           | 10            | 11   | Change in Book/Adjusted Carrying Value            |  |   |  |  | 17  | 18                                     | 19                                  | 20   | 21  |
|---|---|---------------------------------|------------------|-----------------------------------|------------------|--------------------------------------|--|-------------|---------------|--|---|--|---|--|--|---|--|-------------------------------------|--|---|
|   |   |                                 |                  |                                   |                  |                                      |  |             |               |  | 12  | 13   | 14<br>Current   | 15   | 16   |   |  |                                     |  |   |
| CUSIP Identification                                | Description   | F<br>o<br>r<br>e<br>i<br>g<br>n | Date<br>Acquired | Name of Vendor                    | Disposal<br>Date | Name of Purchaser                    | Par Value<br>(Bonds) or<br>Number of<br>Shares (Stock) | Actual Cost | Consideration | Book/Adjusted<br>Carrying Value at<br>Disposal | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current<br>Year's<br>(Amortization)<br>/ Accretion | Year's Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | Total Change in<br>B./A.C.V.<br>(12+13-14) | Total<br>Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total Gain<br>(Loss) on<br>Disposal | Interest and<br>Dividends<br>Received<br>During Year | Paid for<br>Accrued<br>Interest<br>and<br>Dividends |
| <b>Bonds - Industrial and Miscellaneous</b>         |   |                                 |                  |                                   |                  |                                      |  |             |               |  |   |  |   |  |  |   |  |                                     |  |   |
| 448055 AK 9   | HUSKY ENERGY INC.....                                     | I.                              | 03/12/2014       | CHASE SECURITIES INC.....         | 05/14/2014       | WELLS FARGO SECURITIES LLC.....      | 110,000  | 109,770     | 114,543       | 109,774  | 0   | 4  | 0   | 4  | 0  | 0   | 4,769                                  | 4,769                               | 758  | 0   |
| 681919 AV 8   | OMNICOM GROUP INC.....                                    | ..                              | 05/06/2014       | VARIOUS.....                      | 07/31/2014       | Not Available.....                   | 265,000  | 338,392     | 356,971       | 265,000  | 0   | (73,392)   | 0   | (73,392)                                   | 0  | 0   | 91,971                                 | 91,971                              | 1,475  | 0   |
| 92343V BZ 6   | VERIZON COMMUNICATIONS.....                               | ..                              | 03/10/2014       | CITIGROUP GLOBAL MARKETS INC..... | 10/15/2014       | BANC / AMERICA SECUR. LLC, MONT..... | 200,000  | 199,850     | 217,766       | 199,852  | 0   | 2  | 0   | 2  | 0  | 0   | 17,914                                 | 17,914                              | 5,976  | 0   |
| 3899999   | Total - Bonds - Industrial and Miscellaneous.....         |                                 |                  |                                   |                  |                                      | 575,000  | 648,013     | 689,280       | 574,626  | 0   | (73,386)   | 0   | (73,386)                                   | 0  | 0   | 114,654                                | 114,654                             | 8,209  | 0   |
| 8399998   | Total - Bonds.....  |                                 |                  |                                   |                  |                                      | 575,000  | 648,013     | 689,280       | 574,626  | 0   | (73,386)   | 0   | (73,386)                                   | 0  | 0   | 114,654                                | 114,654                             | 8,209  | 0   |
| <b>Common Stocks - Industrial and Miscellaneous</b> |   |                                 |                  |                                   |                  |                                      |  |             |               |  |   |  |   |  |  |   |  |                                     |  |   |
| 001084 10 2   | AGCO CORP.....  | ..                              | 07/09/2014       | Not Available.....                | 10/03/2014       | VARIOUS.....                         | 943,149  | 52,948      | 43,640        | 52,948   | 0   | 0  | 0   | 0  | 0  | 0   | (9,308)                                | (9,308)                             | 104  | 0   |
| 013817 10 1   | ALCOA INC.....  | ..                              | 03/11/2014       | Unknown.....                      | 03/31/2014       | VARIOUS.....                         | 29,543,250   | 190,532     | 366,600       | 190,532  | 0   | 0  | 0   | 0  | 0  | 0   | 176,069                                | 176,069                             | 0  | 0   |
| 681919 10 6   | OMNICOM GROUP.....  | ..                              | 07/31/2014       | Not Available.....                | 10/08/2014       | VARIOUS.....                         | 1,308,136  | 95,442      | 89,285        | 95,442   | 0   | 0  | 0   | 0  | 0  | 0   | (6,157)                                | (6,157)                             | 654  | 0   |
| 858119 10 0   | STEEL DYNAMICS INC.....                                   | ..                              | 06/15/2014       | Unknown.....                      | 07/11/2014       | VARIOUS.....                         | 10,232,793   | 175,000     | 184,183       | 175,000  | 0   | 0  | 0   | 0  | 0  | 0   | 9,183                                  | 9,183                               | 636  | 0   |
| G7945E 10 5   | SEADRILL LTD.....   | R                               | 07/31/2014       | Not Available.....                | 08/26/2014       | CITIGROUP GLOBAL MARKETS INC.....    | 3,612,000  | 120,643     | 135,420       | 120,643  | 0   | 0  | 0   | 0  | 0  | 0   | 14,777                                 | 14,777                              | 0  | 0   |
| 9099999   | Total - Common Stocks - Industrial and Miscellaneous..... |                                 |                  |                                   |                  |                                      |  | 634,565     | 819,127       | 634,565  | 0   | 0  | 0   | 0  | 0  | 0   | 184,563                                | 184,563                             | 1,394  | 0   |
| <b>Common Stocks - Mutual Funds</b>                 |   |                                 |                  |                                   |                  |                                      |  |             |               |  |   |  |   |  |  |   |  |                                     |  |   |
| 693390 70 0   | PIMCO TOTAL RETURN FUND-INST.....                         | R                               | 09/01/2014       | VARIOUS.....                      | 09/29/2014       | VARIOUS.....                         | 7,477,540  | 81,332      | 81,281        | 81,332   | 0   | 0  | 0   | 0  | 0  | 0   | (51)                                   | (51)                                | 692  | 0   |
| 921937 67 8   | VANGUARD DEV MKT INDX-ADM.....                            | ..                              | 04/04/2014       | Not Available.....                | 04/08/2014       | Unknown.....                         | 997,887  | 33,090      | 33,090        | 33,090   | 0   | 0  | 0   | 0  | 0  | 0   | 0                                      | 0                                   | 0  | 0   |
| 9299999   | Total - Common Stocks - Mutual Funds.....                 |                                 |                  |                                   |                  |                                      |  | 114,422     | 114,371       | 114,422  | 0   | 0  | 0   | 0  | 0  | 0   | (51)                                   | (51)                                | 692  | 0   |
| 9799998   | Total - Common Stocks.....                                |                                 |                  |                                   |                  |                                      |  | 748,986     | 933,498       | 748,986  | 0   | 0  | 0   | 0  | 0  | 0   | 184,512                                | 184,512                             | 2,086  | 0   |
| 9899999   | Total - Preferred and Common Stocks.....                  |                                 |                  |                                   |                  |                                      |  | 748,986     | 933,498       | 748,986  | 0   | 0  | 0   | 0  | 0  | 0   | 184,512                                | 184,512                             | 2,086  | 0   |
| 9999999   | Total - Bonds, Preferred and Common Stocks.....           |                                 |                  |                                   |                  |                                      |  | 1,396,999   | 1,622,778     | 1,323,613                                      | 0   | (73,386)   | 0   | (73,386)                                   | 0  | 0   | 299,166                                | 299,166                             | 10,295   | 0   |

E15

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

| 1<br>CUSIP Identification | 2<br>Description<br>Name of Subsidiary, Controlled or Affiliated Company | 3<br>Foreign | 4<br>NAIC<br>Company<br><br>Code or Alien<br>Insurer<br>Identification<br>Number | 5<br>Naic Valuation<br>Method (See<br><i>Purposes and</i><br><br><i>Procedures</i><br><i>Manual of the</i><br><i>NAIC Securities</i><br><i>Valuation Office</i> ) | 6<br>Do Insurer's<br>Assets Include<br><br>Intangible Assets<br>Connected with<br>Holding of Such<br>Company's Stock? | 7<br>Total Amount of Such<br>Intangible Assets | 8<br>Book/Adjusted Carrying<br>Value | Stock of Such<br>Company Owned by<br>Insurer on Statement Date |                           |
|---------------------------|--|--------------|--|---|---|--|--------------------------------------|--|---------------------------|
|                           |  |              |  |   |   |  |                                      | 9<br>Number of Shares  | 10<br>% of<br>Outstanding |

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

**NONE**

**SCHEDULE D - PART 6 - SECTION 2**

| 1<br>CUSIP Identification | 2<br>Name of Lower-Tier Company | 3<br>Name of Company Listed in Section 1<br>Which Controls Lower-Tier Company | 4<br>Total Amount of<br>Intangible Assets<br><br>Included in Amount<br>Shown in Column 7,<br>Section 1 | Stock in Lower-Tier Company Owned<br>Indirectly by Insurer on Statement Date |                       |
|---------------------------|---------------------------------|---|--|--|-----------------------|
|                           |                                 |   |  | 5<br>Number of Shares  | 6<br>% of Outstanding |

**NONE**



## SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| 1   | 2   | Codes                             |         | 5             | 6              | 7             | 8                            | Change in Book/Adjusted Carrying Value   |   |   |  | 13        | 14          | Interest  |                             |         |                   |           | 21                          |                           |     |
|---|---|-----------------------------------|---------|---------------|----------------|---------------|------------------------------|--|---|---|--|-----------|-------------|---|-----------------------------|---------|-------------------|-----------|-----------------------------|---------------------------|-----|
|   |   | 3                                 | 4       |               |                |               |                              | 9  | 10  | 11  | 12   |           |             | 15  | 16                          | 17      | 18                | 19        |                             | 20                        |     |
| CUSIP Identification  | Description   | Code                              | Foreign | Date Acquired | Name of Vendor | Maturity Date | Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Par Value | Actual Cost | Amount Due and Accrued December 31 of Current Year on Bond Not in Default | Nonadmitted Due and Accrued | Rate of | Effective Rate of | When Paid | Amount Received During Year | Paid for Accrued Interest |     |
| <b>Bonds - Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b> |   |                                   |         |               |                |               |                              |  |   |   |  |           |             |   |                             |         |                   |           |                             |                           |     |
|   | PROLOGIS LP.....  |                                   |         | 11/14/2014    | VARIOUS.....   | 03/15/2015    | 225,919                      | 0  | (7,133)                                   | 0   | 0  | 220,000   | 233,052     | 2,105   | 0                           | 3.250   | 0.000             | MS.....   | 0                           | 296                       |     |
|   | RAYONIER TRS HOLDINGS IN.....                                       |                                   |         | 11/11/2014    | VARIOUS.....   | 08/15/2015    | 36,782                       | 0  | (1,228)                                   | 0   | 0  | 31,000    | 38,010      | 527   | 0                           | 4.500   | 0.000             | FA.....   | 0                           | 345                       |     |
| 3299999   | Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations..... |                                   |         |               |                |               |                              | 262,702                                  | 0   | (8,361)   | 0  | 0         | 251,000     | 271,063   | 2,632                       | 0       | XXX               | XXX       | XXX                         | 0                         | 641 |
| 3899999   | Total - Industrial & Miscellaneous (Unaffiliated).....              |                                   |         |               |                |               |                              | 262,702                                  | 0   | (8,361)   | 0  | 0         | 251,000     | 271,063   | 2,632                       | 0       | XXX               | XXX       | XXX                         | 0                         | 641 |
| <b>Total Bonds</b>  |   |                                   |         |               |                |               |                              |  |   |   |  |           |             |   |                             |         |                   |           |                             |                           |     |
| 7799999   | Subtotals - Issuer Obligations.....                                 |                                   |         |               |                |               |                              | 262,702                                  | 0   | (8,361)   | 0  | 0         | 251,000     | 271,063   | 2,632                       | 0       | XXX               | XXX       | XXX                         | 0                         | 641 |
| 8399999   | Subtotals - Bonds.....  |                                   |         |               |                |               |                              | 262,702                                  | 0   | (8,361)   | 0  | 0         | 251,000     | 271,063   | 2,632                       | 0       | XXX               | XXX       | XXX                         | 0                         | 641 |
| <b>Class One Money Market Mutual Funds</b>  |   |                                   |         |               |                |               |                              |  |   |   |  |           |             |   |                             |         |                   |           |                             |                           |     |
| 60934N  | 62 5  | FEDERATED INV PRM CSH OBL-IS..... |         | 12/31/2014    | Direct.....    |               | 4,880,350                    | 0  | 0   | 0   | 0  | 4,880,350 | 4,880,350   | 142   | 0                           | 0.030   | 0.000             | N/A.....  | 128                         | 0                         |     |
| 8999999   | Total - Class One Money Market Mutual Funds.....                    |                                   |         |               |                |               |                              | 4,880,350                                | 0   | 0   | 0  | 0         | XXX         | 4,880,350   | 142                         | 0       | XXX               | XXX       | XXX                         | 128                       | 0   |
| 9199999   | Total - Short-Term Investments.....                                 |                                   |         |               |                |               |                              | 5,143,052                                | 0   | (8,361)   | 0  | 0         | XXX         | 5,151,413   | 2,774                       | 0       | XXX               | XXX       | XXX                         | 128                       | 641 |

**Sch. DB-Pt. A-Sn. 1  
NONE**

**Sch. DB-Pt. A-Sn. 2  
NONE**

**Sch. DB-Pt. B-Sn. 1  
NONE**

**Sch. DB-Pt. B-Sn. 2  
NONE**

**Sch. DB-Pt. D-Sn. 1  
NONE**

**Sch. DB-Pt. D-Sn. 2  
NONE**

**Sch. DL-Pt. 1  
NONE**

**Sch. DL-Pt. 2  
NONE**

**SCHEDULE E - PART 1 - CASH**

| 1<br>Depository                             | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Year | 5<br>Amount of Interest Accrued December 31 of Current Year | 6<br>Balance   | 7<br>* |
|---|-----------|-----------------------|--|---|----------------|--------|
| <b>Open Depositories</b>                    |           |                       |  |   |                |        |
| Fifth Third Bank..... Grand Rapids, MI..... |           | .....0.000            | .....0                                       | .....0  | .....5,982,480 | XXX    |
| 0199999. Total - Open Depositories.....     | XXX       | XXX                   | .....0                                       | .....0  | .....5,982,480 | XXX    |
| 0399999. Total Cash on Deposit.....         | XXX       | XXX                   | .....0                                       | .....0  | .....5,982,480 | XXX    |
| 0599999. Total Cash.....                    | XXX       | XXX                   | .....0                                       | .....0  | .....5,982,480 | XXX    |

|                  |           |               |           |                   |            |                   |           |
|------------------|-----------|---------------|-----------|-------------------|------------|-------------------|-----------|
| 1. January.....  | 1,651,315 | 4. April..... | 3,027,137 | 7. July.....      | 393,569    | 10. October.....  | 1,999,980 |
| 2. February..... | 2,920,605 | 5. May.....   | 983,294   | 8. August.....    | 16,825,173 | 11. November..... | 5,859,432 |
| 3. March.....    | 1,581,757 | 6. June.....  | 1,508,756 | 9. September..... | 1,994,520  | 12. December..... | 5,982,480 |

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|

**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.                         | 1<br>Type of Deposit | 2<br>Purpose of Deposit | Deposits for the Benefit of All Policyholders |            | All Other Special Deposits    |            |
|--------------------------------------|----------------------|-------------------------|---|------------|-------------------------------|------------|
|                                      |                      |                         | 3   | 4          | 5                             | 6          |
|                                      |                      |                         | Book/Adjusting Carrying Value                 | Fair Value | Book/Adjusting Carrying Value | Fair Value |
| 1. Alabama.....AL                    |                      |                         | .0  | .0         | .0                            | .0         |
| 2. Alaska.....AK                     |                      |                         | .0  | .0         | .0                            | .0         |
| 3. Arizona.....AZ                    |                      |                         | .0  | .0         | .0                            | .0         |
| 4. Arkansas.....AR                   |                      |                         | .0  | .0         | .0                            | .0         |
| 5. California.....CA                 |                      |                         | .0  | .0         | .0                            | .0         |
| 6. Colorado.....CO                   |                      |                         | .0  | .0         | .0                            | .0         |
| 7. Connecticut.....CT                |                      |                         | .0  | .0         | .0                            | .0         |
| 8. Delaware.....DE                   |                      |                         | .0  | .0         | .0                            | .0         |
| 9. District of Columbia.....DC       |                      |                         | .0  | .0         | .0                            | .0         |
| 10. Florida.....FL                   |                      |                         | .0  | .0         | .0                            | .0         |
| 11. Georgia.....GA                   |                      |                         | .0  | .0         | .0                            | .0         |
| 12. Hawaii.....HI                    |                      |                         | .0  | .0         | .0                            | .0         |
| 13. Idaho.....ID                     |                      |                         | .0  | .0         | .0                            | .0         |
| 14. Illinois.....IL                  |                      |                         | .0  | .0         | .0                            | .0         |
| 15. Indiana.....IN                   |                      |                         | .0  | .0         | .0                            | .0         |
| 16. Iowa.....IA                      |                      |                         | .0  | .0         | .0                            | .0         |
| 17. Kansas.....KS                    |                      |                         | .0  | .0         | .0                            | .0         |
| 18. Kentucky.....KY                  |                      |                         | .0  | .0         | .0                            | .0         |
| 19. Louisiana.....LA                 |                      |                         | .0  | .0         | .0                            | .0         |
| 20. Maine.....ME                     |                      |                         | .0  | .0         | .0                            | .0         |
| 21. Maryland.....MD                  |                      |                         | .0  | .0         | .0                            | .0         |
| 22. Massachusetts.....MA             |                      |                         | .0  | .0         | .0                            | .0         |
| 23. Michigan.....MI                  | B.                   |                         | 309,471                                       | 310,642    | .0                            | .0         |
| 24. Minnesota.....MN                 |                      |                         | .0  | .0         | .0                            | .0         |
| 25. Mississippi.....MS               |                      |                         | .0  | .0         | .0                            | .0         |
| 26. Missouri.....MO                  |                      |                         | .0  | .0         | .0                            | .0         |
| 27. Montana.....MT                   |                      |                         | .0  | .0         | .0                            | .0         |
| 28. Nebraska.....NE                  |                      |                         | .0  | .0         | .0                            | .0         |
| 29. Nevada.....NV                    |                      |                         | .0  | .0         | .0                            | .0         |
| 30. New Hampshire.....NH             |                      |                         | .0  | .0         | .0                            | .0         |
| 31. New Jersey.....NJ                |                      |                         | .0  | .0         | .0                            | .0         |
| 32. New Mexico.....NM                |                      |                         | .0  | .0         | .0                            | .0         |
| 33. New York.....NY                  |                      |                         | .0  | .0         | .0                            | .0         |
| 34. North Carolina.....NC            |                      |                         | .0  | .0         | .0                            | .0         |
| 35. North Dakota.....ND              |                      |                         | .0  | .0         | .0                            | .0         |
| 36. Ohio.....OH                      |                      |                         | .0  | .0         | .0                            | .0         |
| 37. Oklahoma.....OK                  |                      |                         | .0  | .0         | .0                            | .0         |
| 38. Oregon.....OR                    |                      |                         | .0  | .0         | .0                            | .0         |
| 39. Pennsylvania.....PA              |                      |                         | .0  | .0         | .0                            | .0         |
| 40. Rhode Island.....RI              |                      |                         | .0  | .0         | .0                            | .0         |
| 41. South Carolina.....SC            |                      |                         | .0  | .0         | .0                            | .0         |
| 42. South Dakota.....SD              |                      |                         | .0  | .0         | .0                            | .0         |
| 43. Tennessee.....TN                 |                      |                         | .0  | .0         | .0                            | .0         |
| 44. Texas.....TX                     |                      |                         | .0  | .0         | .0                            | .0         |
| 45. Utah.....UT                      |                      |                         | .0  | .0         | .0                            | .0         |
| 46. Vermont.....VT                   |                      |                         | .0  | .0         | .0                            | .0         |
| 47. Virginia.....VA                  |                      |                         | .0  | .0         | .0                            | .0         |
| 48. Washington.....WA                |                      |                         | .0  | .0         | .0                            | .0         |
| 49. West Virginia.....WV             |                      |                         | .0  | .0         | .0                            | .0         |
| 50. Wisconsin.....WI                 |                      |                         | .0  | .0         | .0                            | .0         |
| 51. Wyoming.....WY                   |                      |                         | .0  | .0         | .0                            | .0         |
| 52. American Samoa.....AS            |                      |                         | .0  | .0         | .0                            | .0         |
| 53. Guam.....GU                      |                      |                         | .0  | .0         | .0                            | .0         |
| 54. Puerto Rico.....PR               |                      |                         | .0  | .0         | .0                            | .0         |
| 55. US Virgin Islands.....VI         |                      |                         | .0  | .0         | .0                            | .0         |
| 56. Northern Mariana Islands.....MP  |                      |                         | .0  | .0         | .0                            | .0         |
| 57. Canada.....CAN                   |                      |                         | .0  | .0         | .0                            | .0         |
| 58. Aggregate Alien and Other.....OT | XXX                  | XXX                     | .0  | .0         | 3,964,424                     | 3,865,970  |
| 59. Total.....                       | XXX                  | XXX                     | 309,471                                       | 310,642    | 3,964,424                     | 3,865,970  |

**DETAILS OF WRITE-INS**

|  |     |                                  |    |    |           |           |
|--|-----|----------------------------------|----|----|-----------|-----------|
| 5801. FHLBI.....   | B.  | Collateral pledged for debt..... | .0 | .0 | 3,964,424 | 3,865,970 |
| 5802. ....   |     |                                  | .0 | .0 | .0        | .0        |
| 5803. ....   |     |                                  | .0 | .0 | .0        | .0        |
| 5898. Summary of remaining write-ins for line 58 from overflow page..... | XXX | XXX                              | .0 | .0 | .0        | .0        |
| 5899. Total (Lines 5801 thru 5803+5898) (Line 58 above).....             | XXX | XXX                              | .0 | .0 | 3,964,424 | 3,865,970 |



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN**

**Physicians - Including Surgeons and Osteopaths**

**ALLOCATED BY STATES AND TERRITORIES**

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 10,171,333                         | 10,761,557                        | 2,819,306          | 69                          | 1,807,500                         | 5,626,238               | 206                         | 16,182,816  |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 10,171,333                         | 10,761,557                        | 2,819,306          | 69                          | 1,807,500                         | 5,626,238               | 206                         | 16,182,816  |

**DETAILS OF WRITE-INS**

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



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

**Hospitals**

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 2,810,585                          | 2,821,803                         | 994,500            | 13                          | 541,909                           | 847,000                 | 51                          | 3,073,209   |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 2,810,585                          | 2,821,803                         | 994,500            | 13                          | 541,909                           | 847,000                 | 51                          | 3,073,209   |

**DETAILS OF WRITE-INS**

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

## 2014 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

|  |      |  |      |
|--|------|--|------|
| Assets   | 2    | Schedule P-Part 2G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 58   |
| Cash Flow  | 5    | Schedule P-Part 2H-Section 1-Other Liability-Occurrence  | 58   |
| Exhibit of Capital Gains (Losses)  | 12   | Schedule P-Part 2H-Section 2-Other Liability-Claims-Made   | 58   |
| Exhibit of Net Investment Income   | 12   | Schedule P-Part 2I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)  | 59   |
| Exhibit of Nonadmitted Assets  | 13   | Schedule P-Part 2J-Auto Physical Damage  | 59   |
| Exhibit of Premiums and Losses (State Page)  | 19   | Schedule P-Part 2K-Fidelity, Surety  | 59   |
| Five-Year Historical Data  | 17   | Schedule P-Part 2L-Other (Including Credit, Accident and Health)                                 | 59   |
| General Interrogatories  | 15   | Schedule P-Part 2M-International   | 59   |
| Jurat Page   | 1    | Schedule P-Part 2N-Reinsurance - Nonproportional Assumed Property                                | 60   |
| Liabilities, Surplus and Other Funds   | 3    | Schedule P-Part 2O-Reinsurance - Nonproportional Assumed Liability                               | 60   |
| Notes To Financial Statements  | 14   | Schedule P-Part 2P-Reinsurance - Nonproportional Assumed Financial Lines                         | 60   |
| Overflow Page For Write-ins  | 100  | Schedule P-Part 2R-Section 1-Products Liability-Occurrence                                       | 61   |
| Schedule A-Part 1  | E01  | Schedule P-Part 2R-Section 2-Products Liability-Claims-Made                                      | 61   |
| Schedule A-Part 2  | E02  | Schedule P-Part 2S-Financial Guaranty/Mortgage Guaranty  | 61   |
| Schedule A-Part 3  | E03  | Schedule P-Part 2T-Warranty  | 61   |
| Schedule A-Verification Between Years  | SI02 | Schedule P-Part 3A-Homeowners/Farmowners   | 62   |
| Schedule B-Part 1  | E04  | Schedule P-Part 3B-Private Passenger Auto Liability/Medical                                      | 62   |
| Schedule B-Part 2  | E05  | Schedule P-Part 3C-Commercial Auto/Truck Liability/Medical                                       | 62   |
| Schedule B-Part 3  | E06  | Schedule P-Part 3D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 62   |
| Schedule B-Verification Between Years  | SI02 | Schedule P-Part 3E-Commercial Multiple Peril   | 62   |
| Schedule BA-Part 1   | E07  | Schedule P-Part 3F-Section 1-Medical Professional Liability-Occurrence                           | 63   |
| Schedule BA-Part 2   | E08  | Schedule P-Part 3F-Section 2-Medical Professional Liability-Claims-Made                          | 63   |
| Schedule BA-Part 3   | E09  | Schedule P-Part 3G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 63   |
| Schedule BA-Verification Between Years   | SI03 | Schedule P-Part 3H-Section 1-Other Liability-Occurrence  | 63   |
| Schedule D-Part 1  | E10  | Schedule P-Part 3H-Section 2-Other Liability-Claims-Made   | 63   |
| Schedule D-Part 1A-Section 1   | SI05 | Schedule P-Part 3I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)  | 64   |
| Schedule D-Part 1A-Section 2   | SI08 | Schedule P-Part 3J-Auto Physical Damage  | 64   |
| Schedule D-Part 2-Section 1  | E11  | Schedule P-Part 3K-Fidelity/Surety   | 64   |
| Schedule D-Part 2-Section 2  | E12  | Schedule P-Part 3L-Other (Including Credit, Accident and Health)                                 | 64   |
| Schedule D-Part 3  | E13  | Schedule P-Part 3M-International   | 64   |
| Schedule D-Part 4  | E14  | Schedule P-Part 3N-Reinsurance - Nonproportional Assumed Property                                | 65   |
| Schedule D-Part 5  | E15  | Schedule P-Part 3O-Reinsurance - Nonproportional Assumed Liability                               | 65   |
| Schedule D-Part 6-Section 1  | E16  | Schedule P-Part 3P-Reinsurance - Nonproportional Assumed Financial Lines                         | 65   |
| Schedule D-Part 6-Section 2  | E16  | Schedule P-Part 3R-Section 1-Products Liability-Occurrence                                       | 66   |
| Schedule D-Summary By Country  | SI04 | Schedule P-Part 3R-Section 2-Products Liability-Claims-Made                                      | 66   |
| Schedule D-Verification Between Years  | SI03 | Schedule P-Part 3S-Financial Guaranty/Mortgage Guaranty  | 66   |
| Schedule DA-Part 1   | E17  | Schedule P-Part 3T-Warranty  | 66   |
| Schedule DA-Verification Between Years   | SI10 | Schedule P-Part 4A-Homeowners/Farmowners   | 67   |
| Schedule DB-Part A-Section 1   | E18  | Schedule P-Part 4B-Private Passenger Auto Liability/Medical                                      | 67   |
| Schedule DB-Part A-Section 2   | E19  | Schedule P-Part 4C-Commercial Auto/Truck Liability/Medical                                       | 67   |
| Schedule DB-Part A-Verification Between Years  | SI11 | Schedule P-Part 4D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 67   |
| Schedule DB-Part B-Section 1   | E20  | Schedule P-Part 4E-Commercial Multiple Peril   | 67   |
| Schedule DB-Part B-Section 2   | E21  | Schedule P-Part 4F-Section 1-Medical Professional Liability-Occurrence                           | 68   |
| Schedule DB-Part B-Verification Between Years  | SI11 | Schedule P-Part 4F-Section 2-Medical Professional Liability-Claims-Made                          | 68   |
| Schedule DB-Part C-Section 1   | SI12 | Schedule P-Part 4G-Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)   | 68   |
| Schedule DB-Part C-Section 2   | SI13 | Schedule P-Part 4H-Section 1-Other Liability-Occurrence  | 68   |
| Schedule DB-Part D-Section 1   | E22  | Schedule P-Part 4H-Section 2-Other Liability-Claims-Made   | 68   |
| Schedule DB-Part D-Section 2   | E23  | Schedule P-Part 4I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) | 69   |
| Schedule DB-Verification   | SI14 | Schedule P-Part 4J-Auto Physical Damage  | 69   |
| Schedule DL-Part 1   | E24  | Schedule P-Part 4K-Fidelity/Surety   | 69   |
| Schedule DL-Part 2   | E25  | Schedule P-Part 4L-Other (Including Credit, Accident and Health)                                 | 69   |
| Schedule E-Part 1-Cash   | E26  | Schedule P-Part 4M-International   | 69   |
| Schedule E-Part 2-Cash Equivalents   | E27  | Schedule P-Part 4N-Reinsurance - Nonproportional Assumed Property                                | 70   |
| Schedule E-Part 3-Special Deposits   | E28  | Schedule P-Part 4O-Reinsurance - Nonproportional Assumed Liability                               | 70   |
| Schedule E-Verification Between Years  | SI15 | Schedule P-Part 4P-Reinsurance - Nonproportional Assumed Financial Lines                         | 70   |
| Schedule F-Part 1  | 20   | Schedule P-Part 4R-Section 1-Products Liability-Occurrence                                       | 71   |
| Schedule F-Part 2  | 21   | Schedule P-Part 4R-Section 2-Products Liability-Claims-Made                                      | 71   |
| Schedule F-Part 3  | 22   | Schedule P-Part 4S-Financial Guaranty/Mortgage Guaranty  | 71   |
| Schedule F-Part 4  | 23   | Schedule P-Part 4T-Warranty  | 71   |
| Schedule F-Part 5  | 24   | Schedule P-Part 5A-Homeowners/Farmowners   | 72   |
| Schedule F-Part 6-Section 1  | 25   | Schedule P-Part 5B-Private Passenger Auto Liability/Medical                                      | 73   |
| Schedule F-Part 6-Section 2  | 26   | Schedule P-Part 5C-Commercial Auto/Truck Liability/Medical                                       | 74   |
| Schedule F-Part 7  | 27   | Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 75   |
| Schedule F-Part 8  | 28   | Schedule P-Part 5E-Commercial Multiple Peril   | 76   |
| Schedule F-Part 9  | 29   | Schedule P-Part 5F-Medical Professional Liability-Claims-Made                                    | 78   |
| Schedule H-Accident and Health Exhibit-Part 1  | 30   | Schedule P-Part 5F-Medical Professional Liability-Occurrence                                     | 77   |
| Schedule H-Part 2, Part 3 and Part 4   | 31   | Schedule P-Part 5H-Other Liability-Claims-Made   | 80   |
| Schedule H-Part 5-Health Claims  | 32   | Schedule P-Part 5H-Other Liability-Occurrence  | 79   |
| Schedule P-Part 1-Summary  | 33   | Schedule P-Part 5R-Products Liability-Claims-Made  | 82   |
| Schedule P-Part 1A-Homeowners/Farmowners   | 35   | Schedule P-Part 5R-Products Liability-Occurrence   | 81   |
| Schedule P-Part 1B-Private Passenger Auto Liability/Medical                                      | 36   | Schedule P-Part 5T-Warranty  | 83   |
| Schedule P-Part 1C-Commercial Auto/Truck Liability/Medical                                       | 37   | Schedule P-Part 6C-Commercial Auto/Truck Liability/Medical                                       | 84   |
| Schedule P-Part 1D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 38   | Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 84   |
| Schedule P-Part 1E-Commercial Multiple Peril   | 39   | Schedule P-Part 6E-Commercial Multiple Peril   | 85   |
| Schedule P-Part 1F-Section 1-Medical Professional Liability-Occurrence                           | 40   | Schedule P-Part 6H-Other Liability-Claims-Made   | 86   |
| Schedule P-Part 1F-Section 2-Medical Professional Liability-Claims-Made                          | 41   | Schedule P-Part 6H-Other Liability-Occurrence  | 85   |
| Schedule P-Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)  | 42   | Schedule P-Part 6M-International   | 86   |
| Schedule P-Part 1H-Section 1-Other Liability-Occurrence  | 43   | Schedule P-Part 6N-Reinsurance - Nonproportional Assumed Property                                | 87   |
| Schedule P-Part 1H-Section 2-Other Liability-Claims-Made   | 44   | Schedule P-Part 6O-Reinsurance - Nonproportional Assumed Liability                               | 87   |
| Schedule P-Part 1I-Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) | 45   | Schedule P-Part 6R-Products Liability-Claims-Made  | 88   |
| Schedule P-Part 1J-Auto Physical Damage  | 46   | Schedule P-Part 6R-Products Liability-Occurrence   | 88   |
| Schedule P-Part 1K-Fidelity/Surety   | 47   | Schedule P-Part 7A-Primary Loss Sensitive Contracts  | 89   |
| Schedule P-Part 1L-Other (Including Credit, Accident and Health)                                 | 48   | Schedule P-Part 7B-Reinsurance Loss Sensitive Contracts  | 91   |
| Schedule P-Part 1M-International   | 49   | Schedule P Interrogatories   | 93   |
| Schedule P-Part 1N-Reinsurance - Nonproportional Assumed Property                                | 50   | Schedule T-Exhibit of Premiums Written   | 94   |
| Schedule P-Part 1O-Reinsurance - Nonproportional Assumed Liability                               | 51   | Schedule T-Part 2-Interstate Compact   | 95   |
| Schedule P-Part 1P-Reinsurance - Nonproportional Assumed Financial Lines                         | 52   | Schedule Y-Information Concerning Activities of Insurer Members of a Holding Company Group       | 96   |
| Schedule P-Part 1R-Section 1-Products Liability-Occurrence                                       | 53   | Schedule Y-Detail of Insurance Holding Company System  | 97   |
| Schedule P-Part 1R-Section 2-Products Liability-Claims-Made                                      | 54   | Schedule Y-Part 2-Summary of Insurer's Transactions With Any Affiliates                          | 98   |
| Schedule P-Part 1S-Financial Guaranty/Mortgage Guaranty  | 55   | Statement of Income  | 4    |
| Schedule P-Part 1T-Warranty  | 56   | Summary Investment Schedule  | SI01 |
| Schedule P-Part 2, Part 3 and Part 4 - Summary   | 34   | Supplemental Exhibits and Schedules Interrogatories  | 99   |
| Schedule P-Part 2A-Homeowners/Farmowners   | 57   | Underwriting and Investment Exhibit Part 1   | 6    |
| Schedule P-Part 2B-Private Passenger Auto Liability/Medical                                      | 57   | Underwriting and Investment Exhibit Part 1A  | 7    |
| Schedule P-Part 2C-Commercial Auto/Truck Liability/Medical                                       | 57   | Underwriting and Investment Exhibit Part 1B  | 8    |
| Schedule P-Part 2D-Workers' Compensation (Excluding Excess Workers Compensation)                 | 57   | Underwriting and Investment Exhibit Part 2   | 9    |
| Schedule P-Part 2E-Commercial Multiple Peril   | 57   | Underwriting and Investment Exhibit Part 2A  | 10   |
| Schedule P-Part 2F-Section 1-Medical Professional Liability-Occurrence                           | 58   | Underwriting and Investment Exhibit Part 3   | 11   |
| Schedule P-Part 2F-Section 2-Medical Professional Liability-Claims-Made                          | 58   |  |      |



Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Michigan Professional  
Insurance Exchange

*Years Ended December 31, 2014 and 2013  
with Report of Independent Auditors*



ANDREWS HOOPER PAVLIK PLC

Michigan Professional Insurance Exchange

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Years Ended December 31, 2014 and 2013

**Contents**

|   |    |
|---|----|
| Report of Independent Auditors .....                                    | 1  |
| Audited Statutory Basis Financial Statements                            |    |
| Balance Sheets - Statutory Basis .....                                  | 3  |
| Statements of Operations - Statutory Basis .....                        | 4  |
| Statements of Changes in Policyholders' Surplus - Statutory Basis ..... | 5  |
| Statements of Cash Flows - Statutory Basis .....                        | 6  |
| Notes to Statutory Basis Financial Statements .....                     | 7  |
| Other Supplementary Information   |    |
| Report of Independent Auditors on Other Supplementary Information ..... | 30 |
| Supplemental Summary of Investments .....                               | 31 |
| Supplemental Investment Risks Interrogatories .....                     | 32 |
| General Interrogatories Part 2, No. 7, 8, & 9 .....                     | 38 |

## Report of Independent Auditors

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

We have audited the accompanying statutory basis financial statements of Michigan Professional Insurance Exchange (Exchange), which comprise the statutory balance sheets as of December 31, 2014 and 2013, and the related statutory statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these statutory basis financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the financial statements, the statutory basis financial statements are prepared by the Exchange on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, practices of which differ from accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Exchange as of December 31, 2014 and 2013, or the changes in financial position or cash flows thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Exchange as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 6, 2015

# Michigan Professional Insurance Exchange

## Balance Sheets - Statutory Basis

|  | December 31    |                |
|--|----------------|----------------|
|  | 2014           | 2013           |
| <b>Admitted assets</b>   |                |                |
| Cash and investments:  |                |                |
| Bonds at amortized cost (market value of \$82,922,107 in 2014 and \$82,387,707 in 2013)                      | \$ 79,172,670  | \$ 80,977,803  |
| Common stock at fair market value  | 13,242,972     | 15,464,061     |
| Preferred stock at statement value   | 86,202         | 87,205         |
| Cash and short-term investments  | 11,125,532     | 3,249,126      |
| Total cash and investments   | 103,627,376    | 99,778,195     |
| Other assets:  |                |                |
| Accrued investment income  | 621,828        | 610,939        |
| Premiums receivable  | 536,781        | 796,158        |
| Deferred premiums  | 1,441,789      | 1,238,763      |
| Federal income tax recoverable   | -              | 140,747        |
| Net deferred tax asset   | 393,371        | 552,822        |
|  | \$ 106,621,145 | \$ 103,117,624 |
| <b>Reserves, other liabilities, and policyholders' surplus</b>   |                |                |
| Reserves:  |                |                |
| Unpaid losses  | \$ 21,386,668  | \$ 22,644,793  |
| Loss adjustment expenses   | 16,371,837     | 17,515,219     |
| Total reserves   | 37,758,505     | 40,160,012     |
| Other liabilities:   |                |                |
| Unearned premiums (net of ceded reinsurance of \$139,391 in 2014 and \$192,124 in 2013) and advance premiums | 3,589,731      | 4,146,440      |
| Advance premiums   | 940,743        | 1,305,672      |
| Ceded reinsurance premiums payable   | (242,952)      | (50,681)       |
| Accrued other expenses   | 316,895        | 318,726        |
| Taxes, licensees, and fees   | (4,235)        | 9,765          |
| Federal income taxes payable   | 9,800          | -              |
| Self insurance funds held  | 6,222,569      | 732,542        |
| Self insurance administration  | -              | 1,061,744      |
| Subscribers savings accounts payable to terminated policyholders   | 3,257,000      | 2,820,000      |
|  | 14,089,551     | 10,344,208     |
| Policyholders' surplus:  |                |                |
| Surplus note   | 2,000,000      | 3,740,000      |
| Unassigned funds   | 52,773,089     | 48,873,404     |
|  | 54,773,089     | 52,613,404     |
|  | \$ 106,621,145 | \$ 103,117,624 |

See accompanying notes.

Michigan Professional Insurance Exchange

Statements of Operations - Statutory Basis

|  | <b>Year Ended December 31</b> |               |
|--|-------------------------------|---------------|
|  | <b>2014</b>                   | <b>2013</b>   |
| Net premiums earned  | <b>\$ 11,804,532</b>          | \$ 12,884,351 |
| Losses incurred  | <b>2,582,222</b>              | 3,706,583     |
| Loss adjustment expenses incurred  | <b>3,420,947</b>              | 4,183,105     |
| Other underwriting expenses incurred   | <b>2,662,759</b>              | 2,804,800     |
|  | <b>8,665,928</b>              | 10,694,488    |
| Underwriting income  | <b>3,138,604</b>              | 2,189,863     |
| Net investment income  | <b>2,025,815</b>              | 2,745,682     |
| Net realized gains on sale of investments (net of tax of<br>\$577,820 in 2014 and \$821,538 in 2013) | <b>1,121,650</b>              | 1,594,749     |
| Miscellaneous income   | <b>2,350,869</b>              | 521,977       |
| Income before federal income taxes   | <b>8,636,938</b>              | 7,052,271     |
| Federal income tax (benefit)   | <b>(22,776)</b>               | (157,353)     |
| Net income   | <b>\$ 8,659,714</b>           | \$ 7,209,624  |

## Michigan Professional Insurance Exchange

### Statements of Changes in Policyholders' Surplus - Statutory Basis

|   | <b>Surplus<br/>Note</b> | <b>Unassigned<br/>Surplus</b> | <b>Total</b>         |
|---|-------------------------|-------------------------------|----------------------|
| Balances at January 1, 2013   | \$ 6,040,000            | \$44,847,830                  | \$ 50,887,830        |
| Net income  |                         | 7,209,624                     | 7,209,624            |
| Distribution of subscriber savings                                  |                         | (1,440,053)                   | (1,440,053)          |
| Terminated subscriber savings payable                               |                         | (2,820,000)                   | (2,820,000)          |
| Unrealized gain on investments, net of deferred<br>tax of \$532,150 |                         | 1,026,521                     | 1,026,521            |
| Surplus note change   | (2,300,000)             |                               | (2,300,000)          |
| Change in nonadmitted assets  |                         | (105,018)                     | (105,018)            |
| Change in net deferred income tax                                   |                         | 154,500                       | 154,500              |
| Balances at December 31, 2013                                       | 3,740,000               | 48,873,404                    | 52,613,404           |
| Net income  |                         | <b>8,659,714</b>              | <b>8,659,714</b>     |
| Distribution of subscriber savings                                  |                         | <b>(1,285,060)</b>            | <b>(1,285,060)</b>   |
| Terminated subscriber savings payable                               |                         | <b>(3,257,000)</b>            | <b>(3,257,000)</b>   |
| Unrealized gain on investments, net of deferred<br>tax of \$25,949  |                         | 223,344                       | 223,344              |
| Surplus note change   | (1,740,000)             |                               | (1,740,000)          |
| Change in nonadmitted assets  |                         | (72,526)                      | (72,526)             |
| Change in net deferred income tax                                   |                         | (368,787)                     | (368,787)            |
| Balances at December 31, 2014                                       | <b>\$ 2,000,000</b>     | <b>\$ 52,773,089</b>          | <b>\$ 54,773,089</b> |

## Michigan Professional Insurance Exchange

### Statements of Cash Flows - Statutory Basis

|  | <b>Year Ended December 31</b> |               |
|--|-------------------------------|---------------|
|  | <b>2014</b>                   | <b>2013</b>   |
| <b>Operating activities</b>                          |                               |               |
| Premiums collected                                   | \$ 10,723,061                 | \$ 13,576,931 |
| Net investment income                                | 2,578,848                     | 3,258,307     |
| Miscellaneous income                                 | 2,350,869                     | 521,977       |
| Benefit and loss related payments                    | (3,840,346)                   | (5,432,502)   |
| Commissions, expenses paid, and other deductions     | (7,242,753)                   | (6,881,921)   |
| Federal income taxes paid                            | (404,497)                     | (595,167)     |
| Net cash from operating activities                   | 4,165,182                     | 4,447,625     |
| <b>Investing activities</b>                          |                               |               |
| Proceeds from investments sold, matured, or repaid   | 30,342,522                    | 34,067,698    |
| Investments Acquired                                 | (24,981,021)                  | (29,862,914)  |
| Net cash from investing activities                   | 5,361,501                     | 4,204,784     |
| <b>Financing activities</b>                          |                               |               |
| Surplus note repayment                               | (1,740,000)                   | (2,300,000)   |
| Other cash provided (applied)                        | 89,723                        | (8,535,436)   |
| Net cash from financing activities                   | (1,650,277)                   | (10,835,436)  |
| Net change in cash and short-term investments        | 7,876,406                     | (2,183,027)   |
| Cash and short-term investments at beginning of year | 3,249,126                     | 5,432,153     |
| Cash and short-term investments at end of year       | \$ 11,125,532                 | \$ 3,249,126  |

*See accompanying notes.*



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2014

### **1. Organization and Significant Accounting Policies**

Michigan Professional Insurance Exchange (Exchange), a reciprocal insurance exchange, was issued a final certificate of authority to conduct operations on October 1, 1988. The purpose of the Exchange is to provide medical professional liability and general liability insurance to certain hospitals and physicians. Hospitals that had policies or agreements with the Exchange during the years ended December 31, 2014 and 2013 included Spectrum Health Hospitals, North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Lakeland Regional Health System, Memorial Medical Center of West Michigan, Holland Hospital, and Watervliet Community Hospital. As more fully described in Note 9, the Exchange has a deposit premium agreement with Spectrum Health Hospitals.

The eligible subscribers of the Exchange are limited to certain hospitals and physicians as specified in the Bylaws of the Exchange. The Exchange prefers to write policies for both the hospital organization and its associated medical staff. Insureds that are exceptions to this model are physicians who are members of a partnership or corporation, of which at least 66% are on the medical staff of the above mentioned hospitals insured by the Exchange. The Exchange's Board of Directors can approve or revoke eligibility for any other physician licensed to practice in Michigan. See Note 8 for a discussion of reinsurance arrangements.

The Exchange has no employees and contracts with a related entity, Michigan Professional Exchange Services (MPES), for its staff, building space, fidelity bond coverage, equipment, supplies, and other administrative costs. The Exchange uses Spectrum Health's network to run many of its computer programs except policy administration, document imaging, and investments. The Exchange uses the services of 16 employees of MPES, including the following: President, CFO/COO, Operations Manager, Senior Financial Analyst, Executive Administrative Assistant, Underwriting Manager, Claims Managers, Director, Risk Management and Education, Actuary, Business Systems Analyst, and Administrative Assistants.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 1. Organization and Significant Accounting Policies (continued)

##### Basis of Presentation

The financial statements are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services and the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP). The Michigan prescribed and permitted accounting practices used in preparation of the accompanying financial statements did not differ from NAIC SAP. NAIC SAP practices and presentation vary in some respects from accounting principles generally accepted in the United States of America (U.S. GAAP). The more significant variances between NAIC SAP and U.S. GAAP are as follows:

Bonds are reported at amortized cost rather than reporting certain bonds at fair value.

Redeemable preferred stock is reported at the lower of cost or amortized cost rather than reporting at fair value.

Unpaid losses, loss adjustment expenses, and unearned premiums are presented net of reinsurance in accordance with NAIC SAP.

Certain assets are designated as nonadmitted to the balance sheet by a direct charge to surplus.

Deferred income taxes are calculated in accordance with NAIC SAP practices.

Comprehensive income is not presented.

The statement of cash flows is prepared in accordance with NAIC SAP.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 1. Organization and Significant Accounting Policies (continued)

##### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Exchange uses various methods including market, income, and cost approaches. Based on these approaches, the Exchange often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and of the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Exchange utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Exchange is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 – Significant Other Observable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 – Significant Unobservable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds and preferred stocks which are not exchange-traded.

In determining the appropriate levels, the Exchange performs a detailed analysis of the assets and liabilities that are subject to the authoritative guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the year ended December 31, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **1. Organization and Significant Accounting Policies (continued)**

##### **Investments**

Cash and short-term investments include cash, cash equivalents, money market funds, corporate notes, and certificates of deposit with initial terms of less than one year. Short-term investments are stated at cost.

Fixed maturities (bonds) with an NAIC designation of one or two are reported at amortized cost using the scientific method. Fixed maturities with an NAIC designation of three or greater are carried at the lower of amortized cost or fair value. The Exchange held sixteen such securities as of December 31, 2014 and eighteen as of December 31, 2013. The Exchange has the ability and intent to hold these investments until maturity.

The Exchange's management continually monitors investments for impairment that is other than temporary. Management takes into account industry analyst reports, sector credit ratings, volatility of the security's market price, and/or any other information that management considers relevant in determining if the impairment is an other-than-temporary impairment (OTTI). If management determines that an investment is OTTI, the investment would be written down at that time. During 2014, there were no write downs on OTTI securities.

The Exchange has elected to use book value of loan-backed securities on January 1, 1994 as the cost for applying the retroactive adjustment method to securities purchased before that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

Common stock equity securities represent investments in four mutual funds and the Federal Home Loan Bank (FHLB) of Indianapolis, and are reported at fair value. Realized gains and losses were calculated using the specific identification method. Unrealized gains and losses are recorded in unappropriated surplus, net of deferred income tax.

Preferred stock equity securities are investments in bonds with certain characteristics that require reporting as preferred stocks in accordance with the NAIC Valuation of Securities Manual.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **1. Organization and Significant Accounting Policies (continued)**

##### **Premium Revenue and Unearned Premiums**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. In addition, unearned premiums include death, disability, and retirement (DDR) reserves for tail coverage for independent practitioners with claims-made coverage. Such reserves are computed by prorata methods for direct business. The Exchange anticipates investment income as a factor in premium deficiency calculations. The results of this calculation did not indicate a premium deficiency reserve at December 31, 2014 or 2013.

##### **Losses and Loss Adjustment Expenses**

The reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience of the Exchange and other relevant Michigan professional insurance company liability data, for losses incurred but not reported.

The estimated liability is continually reviewed and any adjustments which become necessary are included in operations. In the opinion of the Exchange, the reserves for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate net cost of losses and loss adjustment expenses. However, because the reserve determination involves predictions of the timing and amount of future claim payments, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Loss and loss adjustment expenses are charged to income as incurred.

##### **Federal Income Taxes**

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases based on enacting laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income, with certain limitations.

##### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 1. Organization and Significant Accounting Policies (continued)

##### Concentrations, Risks, and Uncertainties

Financial instruments, which potentially subject the Exchange to concentrations of credit risk, consist principally of cash and investments.

##### Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

##### Subsequent Events

Management has evaluated subsequent events through May 6, 2015, which is the date the financial statements were available to be issued.

#### 2. Investments in Bonds and Equity Securities

The amortized cost or cost for debt and equity securities, unrealized gains (losses), and fair value of debt and equity securities are summarized as follows:

|                              | Amortized<br>Cost | Unrealized<br>Gains (Losses) | Fair Value    |
|------------------------------|-------------------|------------------------------|---------------|
| <b>December 31, 2014</b>     |                   |                              |               |
| U.S. Treasury and other U.S. |                   |                              |               |
| Government Agencies          | \$ 15,806,676     | \$ 950,785                   | \$ 16,757,461 |
| Mortgage-backed securities   | 28,160,620        | 479,805                      | 28,640,425    |
| Corporate securities         | 35,205,374        | 2,318,847                    | 37,524,221    |
| Total debt securities        | \$ 79,172,670     | \$ 3,749,437                 | \$ 82,922,107 |

|                                       | Cost         | Unrealized<br>Gains (Losses) | Fair Value    |
|---------------------------------------|--------------|------------------------------|---------------|
| <b>December 31, 2014</b>              |              |                              |               |
| Vanguard Developed Markets Index Fund | \$ 2,528,186 | \$ (249,475)                 | \$ 2,278,711  |
| Vanguard Total Market Index Fund      | 4,232,286    | 3,570,016                    | 7,802,302     |
| JP Morgan Core                        | 1,507,947    | (2,968)                      | 1,504,979     |
| FHLB common stock                     | 153,500      | —                            | 153,500       |
| Dodge and Cox Income Fund             | 1,515,335    | (11,855)                     | 1,503,480     |
| Total common stock                    | \$ 9,937,254 | \$ 3,305,718                 | \$ 13,242,972 |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**2. Investments in Bonds and Equity Securities (continued)**

|                          | Cost             | Unrealized<br>Gains (Losses) | Fair Value       |
|--------------------------|------------------|------------------------------|------------------|
| <b>December 31, 2014</b> |                  |                              |                  |
| CBO Holdings             | \$ 74,260        | \$ 11,942                    | \$ 86,202        |
| Total preferred stock    | <u>\$ 74,260</u> | <u>\$ 11,942</u>             | <u>\$ 86,202</u> |

|   | Amortized<br>Cost    | Unrealized<br>Gains (Losses) | Fair Value           |
|---|----------------------|------------------------------|----------------------|
| <b>December 31, 2013</b>                            |                      |                              |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 14,986,892        | \$ 268,564                   | \$ 15,255,456        |
| Mortgage-backed securities                          | 30,539,711           | (190,852)                    | 30,348,859           |
| Corporate securities                                | 35,451,200           | 1,332,192                    | 36,783,392           |
| Total debt securities                               | <u>\$ 80,977,803</u> | <u>\$ 1,409,904</u>          | <u>\$ 82,387,707</u> |

|                                       | Cost                 | Unrealized<br>Gains (Losses) | Fair Value           |
|---------------------------------------|----------------------|------------------------------|----------------------|
| <b>December 31, 2013</b>              |                      |                              |                      |
| Vanguard Developed Markets Index Fund | \$ 2,538,318         | \$ (27,139)                  | \$ 2,511,179         |
| Vanguard Total Market Index Fund      | 4,449,877            | 3,193,678                    | 7,643,555            |
| PIMCO Total Return Fund               | 5,157,199            | (126,369)                    | 5,030,830            |
| FHLB of Indianapolis                  | 155,400              | -                            | 155,400              |
| EMC Corp Mass                         | 125,054              | (1,957)                      | 123,097              |
| Total common stock                    | <u>\$ 12,425,848</u> | <u>\$ 3,038,213</u>          | <u>\$ 15,464,061</u> |

|                          | Cost              | Unrealized<br>Gains (Losses) | Fair Value       |
|--------------------------|-------------------|------------------------------|------------------|
| <b>December 31, 2013</b> |                   |                              |                  |
| CBO Holdings             | \$ 117,871        | \$ (30,666)                  | \$ 87,205        |
| Total preferred stock    | <u>\$ 117,871</u> | <u>\$ (30,666)</u>           | <u>\$ 87,205</u> |

The fair value of investment securities is determined using quoted market values as shown in the NAIC Valuation of Securities Manual or other sources as of December 31. The fair value of mortgage-backed securities is determined using quotes from Interactive Data Corporation (IDC) or other sources including Fifth Third Bank in 2014.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**2. Investments in Bonds and Equity Securities (continued)**

The gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

|   | Less Than 12 Months |                     | 12 Months or More   |                     | Total                |                     |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
|   | Fair Value          | Unrealized Losses   | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses   |
| <b>December 31, 2014</b>                            |                     |                     |                     |                     |                      |                     |
| Mortgage-backed securities                          | \$ 5,183,964        | \$ (33,506)         | \$ 5,577,440        | \$ (216,147)        | \$ 10,761,404        | \$ (249,653)        |
| U.S. Treasury and other U.S.<br>Government Agencies | 2,124,770           | (1,073)             | 1,268,250           | (22,858)            | 3,393,020            | (23,931)            |
| Corporate securities                                | 7,079,838           | (196,558)           | 1,225,487           | (28,008)            | 8,305,325            | (224,566)           |
| State securities                                    | —                   | —                   | 876,533             | (14,110)            | 876,532              | (14,110)            |
| Total debt securities                               | <b>\$14,388,572</b> | <b>\$ (231,137)</b> | <b>\$ 8,947,710</b> | <b>\$ (281,123)</b> | <b>\$ 23,336,281</b> | <b>\$ (512,260)</b> |
|   |                     |                     |                     |                     |                      |                     |
|   | Less Than 12 Months |                     | 12 Months or More   |                     | Total                |                     |
|   | Fair Value          | Unrealized Losses   | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses   |
| <b>December 31, 2014</b>                            |                     |                     |                     |                     |                      |                     |
| Mutual funds  | \$ 4,612,015        | \$ (291,462)        | \$ —                | \$ —                | \$ 4,612,015         | \$ (291,462)        |
| Total common stock                                  | <b>\$ 4,612,015</b> | <b>\$ (291,462)</b> | <b>\$ —</b>         | <b>\$ —</b>         | <b>\$ 4,612,015</b>  | <b>\$ (291,462)</b> |



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

2. Investments in Bonds and Equity Securities (continued)

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2013</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 14,076,509       | \$ (695,328)      | \$ 1,437,426      | \$ (248,042)      | \$ 15,513,935 | \$ (943,370)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 1,194,956           | (101,571)         |                   |                   | 1,194,956     | (101,571)         |
| Corporate securities                                | 17,377,784          | (676,662)         | 1,094,642         | (28,780)          | 18,472,426    | (705,442)         |
| State securities                                    | –                   | –                 | 808,575           | (95,007)          | 808,575       | (95,007)          |
| Total debt securities                               | \$ 32,649,249       | \$ (1,473,561)    | \$ 3,340,643      | \$ (371,829)      | \$ 35,989,892 | \$ (1,845,390)    |

|                                       | Less Than 12 Months |                   | 12 Months or More |                   | Total        |                   |
|---------------------------------------|---------------------|-------------------|-------------------|-------------------|--------------|-------------------|
|                                       | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value   | Unrealized Losses |
| <b>December 31, 2013</b>              |                     |                   |                   |                   |              |                   |
| Vanguard Developed Markets Index Fund | \$ –                | \$ –              | \$ 2,511,179      | \$ (27,139)       | \$ 2,511,179 | \$ (27,139)       |
| Total common stock                    | \$ –                | \$ –              | \$ 2,511,179      | \$ (27,139)       | \$ 2,511,179 | \$ (27,139)       |

|                          | Less Than 12 Months |                   | 12 Months or More |                   | Total      |                   |
|--------------------------|---------------------|-------------------|-------------------|-------------------|------------|-------------------|
|                          | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value | Unrealized Losses |
| <b>December 31, 2013</b> |                     |                   |                   |                   |            |                   |
| CBO Holdings             | \$ –                | \$ –              | \$ 87,205         | \$ (30,666)       | \$ 87,205  | \$ (30,666)       |
| Total preferred stock    | \$ –                | \$ –              | \$ 87,205         | \$ (30,666)       | \$ 87,205  | \$ (30,666)       |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

Management believes that the unrealized losses indicated previously are temporary based on management's review for both 2014 and 2013. The unrealized losses for corporate securities and mortgage-backed securities are considered temporary based on management's intent and ability to hold to maturity and the security rating of the individual securities included. The unrealized losses for CBO Holdings are considered temporary based on the nature of the fund and the historical fluctuations in fund valuation.

The amortized cost and fair value of debt securities, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2014</b>              |                   |                |
| Due in one year or less               | \$ 2,184,222      | \$ 2,789,033   |
| Due after one year through five years | 19,950,022        | 20,622,351     |
| Due after five years                  | 28,877,806        | 30,870,298     |
|                                       | 51,012,050        | 54,281,682     |
| <br>Mortgage-backed securities        | <br>28,160,620    | <br>28,640,425 |
| Total debt securities                 | \$ 79,172,670     | \$ 82,922,107  |

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2013</b>              |                   |                |
| Due in one year or less               | \$ 2,988,671      | \$ 3,177,256   |
| Due after one year through five years | 12,433,794        | 13,224,098     |
| Due after five years                  | 35,015,627        | 35,637,494     |
|                                       | 50,438,092        | 52,038,848     |
| <br>Mortgage-backed securities        | <br>30,539,711    | <br>30,348,859 |
| Total debt securities                 | \$ 80,977,803     | \$ 82,387,707  |

Proceeds from sales and maturities of investments in debt and equity securities were \$30,342,522 during 2014 and \$34,067,698 during 2013. Net gains of \$1,699,470 in 2014 and \$2,416,288 in 2013 were realized on those sales.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

Major categories of net investment income are summarized as follows for the years ended December 31:

|  | <u>2014</u>         | <u>2013</u>         |
|--|---------------------|---------------------|
| Interest on bonds                      | \$ 2,337,987        | \$ 2,824,421        |
| Amortization on short-term investments | (82,877)            | (31,787)            |
| Dividends                              | 489,906             | 383,822             |
|  | <u>2,745,016</u>    | <u>3,176,456</u>    |
| Less investment expenses               | 719,201             | 430,774             |
|  | <u>\$ 2,025,815</u> | <u>\$ 2,745,682</u> |

Short-term investments with a cost of \$309,471 at December 31, 2014 and \$320,070 at December 31, 2013 were on deposit in trust for the State of Michigan to comply with regulatory requirements.

The Exchange held an investment at December 31, 2014 and 2013 that has characteristics of both a bond and a preferred stock. The book/adjusted carrying value of the security is summarized as follows:

|                          | <u>Cusip</u> | <u>Issuer</u>               |       |                | <u>Book/Adjusted<br/>Carrying Value</u> |
|--------------------------|--------------|-----------------------------|-------|----------------|---|
| <b>December 31, 2014</b> |              |                             |       |                |   |
| CBO Holdings             | 12493V-AC-4  | Diversified<br>Holdings III | Asset | Securitization | \$ 86,202                               |
|                          |              |                             |       |                |   |
|                          |              |                             |       |                |   |
| <b>December 31, 2013</b> |              |                             |       |                |   |
| CBO Holdings             | 12493V-AC-4  | Diversified<br>Holdings III | Asset | Securitization | \$ 87,205                               |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

The Exchange utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Common stocks and debt securities with NAIC designations higher than two are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss and liquidity assumptions. The Exchange has no assets or liabilities that are recorded at fair value on a non-recurring basis.

Fair values of assets measured on a recurring basis are as follows:

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>December 31, 2014</b>           |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ –  | \$ 1,770,399   | \$ –   | \$ 1,770,399  |
| Total bonds                        | –   | 1,770,399  | –  | 1,770,399     |
| Preferred stock:                   |   |  |  |               |
| Redeemable – industrial and misc.  | –   | 86,202   | –  | 86,202        |
| Total redeemable preferred stocks  | –   | 86,202   | –  | 86,202        |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | –   | 153,500  | –  | 153,500       |
| Mutual funds                       | 13,089,472  | –  | –  | 13,089,472    |
| Total common stocks                | 13,089,472  | 153,500  | –  | 13,242,972    |
| Total assets at fair value         | \$ 13,089,472   | \$ 2,010,101   | \$ –   | \$ 15,099,573 |

There were no transfers to or from Levels 1 and 2.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

2. Investments in Bonds and Equity Securities (continued)

|                                    | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>and Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total         |
|------------------------------------|---|---|--|---------------|
| <b>December 31, 2013</b>           |   |   |  |               |
| Assets at fair value               |   |   |  |               |
| Bonds and asset-backed securities: |   |   |  |               |
| Bonds – issuer obligations         | \$ –  | \$ 1,592,212  | \$ –   | \$ 1,592,212  |
| Total bonds                        | –   | 1,592,212   | –  | 1,592,212     |
| Preferred stock:                   |   |   |  |               |
| Redeemable – industrial and misc.  | –   | 87,205  | –  | 87,205        |
| Total redeemable preferred stocks  | –   | 87,205  | –  | 87,205        |
| Common stock:                      |   |   |  |               |
| Industrial and misc.               | –   | 155,400   | –  | 155,400       |
| Mutual funds                       | 15,308,661  | –   | –  | 15,308,661    |
| Total common stocks                | 15,308,661  | 155,400   | –  | 15,464,061    |
| Total assets at fair value         | \$ 15,308,661   | \$ 1,834,817  | \$ –   | \$ 17,143,478 |

There were no transfers to or from Levels 1 and 2.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**2. Investments in Bonds and Equity Securities (continued)**

Fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall are as follows at December 31:

|                            | Fair Value    | Admitted Value | Level 1       | Level 2       | Level 3 | Not Practicable (Carrying Value) |
|----------------------------|---------------|----------------|---------------|---------------|---------|----------------------------------|
| <b>December 31, 2014</b>   |               |                |               |               |         |                                  |
| Assets                     |               |                |               |               |         |                                  |
| Bonds                      | \$ 82,922,107 | \$ 79,172,670  | \$ -          | \$ 82,922,107 | \$ -    | \$ -                             |
| Common stocks              | 13,242,972    | 13,242,972     | 13,089,472    | 153,500       | -       | -                                |
| Redeemable preferred stock | 86,202        | 86,202         | -             | 86,202        | -       | -                                |
| Total assets               | \$ 96,251,281 | \$ 92,501,844  | \$ 13,089,472 | \$ 83,161,809 | \$ -    | \$ -                             |

|                            | Fair Value    | Admitted Value | Level 1       | Level 2       | Level 3 | Not Practicable (Carrying Value) |
|----------------------------|---------------|----------------|---------------|---------------|---------|----------------------------------|
| <b>December 31, 2013</b>   |               |                |               |               |         |                                  |
| Assets                     |               |                |               |               |         |                                  |
| Bonds                      | \$ 82,387,707 | \$ 80,977,803  | \$ -          | \$ 82,387,707 | \$ -    | \$ -                             |
| Common stocks              | 15,464,061    | 15,464,061     | 15,308,661    | 155,400       | -       | -                                |
| Redeemable preferred stock | 87,205        | 87,205         | -             | 87,205        | -       | -                                |
| Total assets               | \$ 97,938,973 | \$ 96,529,069  | \$ 15,308,661 | \$ 82,630,312 | \$ -    | \$ -                             |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **3. Line of Credit**

The Exchange had a \$1,000,000 line of credit with a bank, which expired on September 1, 2013 and was not renewed. There were no borrowings under this line during 2013.

Through its membership in the Federal Home Loan Bank of Indianapolis, the Exchange has pledged collateral with a fair value of \$3,865,970 and carrying value of \$3,694,424 in 2014 (\$3,626,066 and \$3,977,177 in 2013) and has a borrowing capacity available of \$3,662,620 in 2014 (\$3,496,140 in 2013). The December 31, 2014 pledged collateral was the maximum amount pledged during the year. It is part of the Exchange's strategy to have cash advances available for liquidity purposes. In addition, FHLB stock has been purchased and had a balance of \$153,500 as of December 31, 2014 (\$155,400 as of December 31, 2013). The Exchange has no outstanding borrowings as of December 31, 2014 or 2013.

#### **4. Policyholders' Surplus**

The Exchange established subscriber savings accounts as permitted by Section 832(f) of the Internal Revenue Code. The accounts represent allocations of some or all of the net income or losses of the Exchange. Disbursements of amounts allocated in the subscriber savings accounts require approval of the Exchange's Board of Directors. At December 31, 2014, the Exchange had identified \$36,363,491 (\$34,000,551 in 2013) for subscriber savings accounts. Of this amount, \$3,257,000 in 2014 (\$2,820,000 in 2013) were reported as a liability for amounts due to terminated policyholders. The remaining \$33,106,491 in 2014 (\$31,180,551 in 2013) were reported as policyholders' surplus-unassigned funds. The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Exchange.

On January 1, 2005, the subscriber savings account of Spectrum Health in the amount of \$5,059,908 was converted to a surplus note with no stated maturity, paying interest per annum (4.75% at December 31, 2014 and 2013). The Exchange must obtain approval from the State of Michigan Department of Insurance and Financial Services (DIFS) related to the interest payment on the surplus note prior to the payment being made. In 2008, the Exchange repaid \$459,908 of the surplus note to Spectrum Health with the approval of DIFS. In 2010, Spectrum Health issued a second surplus note in the amount of \$2,000,000. In 2011, the Exchange repaid \$560,000 of the original surplus note to Spectrum Health with the approval of DIFS. In 2014, the Exchange repaid \$1,740,000 (\$2,300,000 in 2013) of the surplus notes to Spectrum Health with the approval of DIFS.

The Exchange obtained approval in 2005 from DIFS related to the conversion of the Spectrum Health account as noted above. The Exchange obtained approval and paid the accrued interest on the surplus note through December 31, 2010 to Spectrum Health. The Exchange was denied approval to pay the 2011 interest payment of \$302,137 during 2012. The 2012 interest of \$286,900 was included in unassigned surplus as of December 31, 2012 and was approved for payment subsequent to year-end. The 2012 accrued interest was paid by December 31, 2013 and the 2013 interest of \$226,733 was approved and paid January 2014. As of December 31, 2014, accrued interest of \$136,325 is included in unassigned surplus.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 5. Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years have decreased by approximately \$5,217,000 in 2014 and \$4,917,000 in 2013, as a result of re-estimation of unpaid losses and LAE. This decrease is generally the result of ongoing analysis of recent loss development trends.

Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Activity in the liability for losses and loss adjustment expenses is summarized as follows for the years ended December 31:

|                             | <b>2014</b>          | <b>2013</b>   |
|-----------------------------|----------------------|---------------|
| Reserves, beginning of year | <b>\$ 40,160,012</b> | \$ 41,752,610 |
| Incurred losses             |                      |               |
| Current year                | <b>11,220,443</b>    | 12,807,143    |
| Prior years                 | <b>(5,217,274)</b>   | (4,917,455)   |
|                             | <b>6,003,169</b>     | 7,889,688     |
| Paid losses                 |                      |               |
| Current year                | <b>346,850</b>       | 509,895       |
| Prior years                 | <b>8,057,826</b>     | 8,972,391     |
|                             | <b>8,404,676</b>     | 9,482,286     |
| Reserves, end of year       | <b>\$ 37,758,505</b> | \$ 40,160,012 |



## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes

The components of the Exchange's net deferred tax asset (liability) are as follows at December 31:

|  | 2014         |              |              | 2013         |              |              | Change       |           |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|--------------|
|  | Ordinary     | Capital      | Total        | Ordinary     | Capital      | Total        | Ordinary     | Capital   | Total        |
| Total gross deferred tax assets                    | \$ 1,295,636 | \$ 104,778   | \$ 1,400,414 | \$ 1,664,423 | \$ 104,778   | \$ 1,769,201 | \$ (368,787) | \$ -      | \$ (368,787) |
| Statutory valuation allowance<br>Adjustment        | -            | -            | -            | -            | -            | -            | -            | -         | -            |
| Adjusted gross deferred tax assets                 | 1,295,636    | 104,778      | 1,400,414    | 1,664,423    | 104,778      | 1,769,201    | (368,787)    | -         | (368,787)    |
| Deferred tax assets nonadmitted                    | -            | -            | -            | 183,387      | -            | 183,387      | (183,387)    | -         | (183,387)    |
| Subtotal net admitted deferred tax<br>assets       | 1,295,636    | 104,778      | 1,400,414    | 1,481,036    | 104,778      | 1,585,814    | (185,400)    | -         | (185,400)    |
| Deferred tax liabilities                           | -            | (1,007,043)  | (1,007,043)  | -            | (1,032,992)  | (1,032,992)  | -            | 25,949    | 25,949       |
| Net admitted deferred tax assets<br>(net deferred) | \$ 1,295,636 | \$ (902,265) | \$ 393,371   | \$ 1,481,036 | \$ (928,214) | \$ 552,822   | \$ (185,400) | \$ 25,949 | \$ (159,451) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The amount of each result or component of the calculation by tax character of paragraphs 11.a., 11.b.i., 11.b.ii., and 11.c. of SSAP 101 is as follows at December 31:

|   | 2014         |            |              | 2013         |            |              | Change       |         |              |
|---|--------------|------------|--------------|--------------|------------|--------------|--------------|---------|--------------|
|   | Ordinary     | Capital    | Total        | Ordinary     | Capital    | Total        | Ordinary     | Capital | Total        |
| Admission Calculation Components SSAP 101, paragraphs 11.a., 11.b., and 11.c:   |              |            |              |              |            |              |              |         |              |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 799,672   | \$ —       | \$ 799,672   | \$ 552,822   | \$ —       | \$ 552,822   | \$ 246,850   | \$ —    | \$ 246,850   |
| (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) | 144,270      | —          | 144,270      | —            | —          | —            | 144,270      | —       | 144,270      |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 144,270      | —          | 144,270      | —            | —          | —            | 144,270      | —       | 144,270      |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold  | —            | —          | —            | —            | —          | —            | —            | —       | —            |
| (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  | 351,694      | 104,778    | 456,472      | 928,214      | 104,778    | 1,032,992    | (576,520)    | —       | (576,520)    |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total 2(a)+2(b)+2(c))  | \$ 1,295,636 | \$ 104,778 | \$ 1,400,414 | \$ 1,481,036 | \$ 104,778 | \$ 1,585,814 | \$ (185,400) | \$ —    | \$ (185,400) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

| Other Admissibility Criteria   | 2014          | 2013          |
|--|---------------|---------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                               | 12.07%        | 10.95%        |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 52,936,395 | \$ 52,609,606 |

|   | 2014     |         |       | 2013     |         |       | Change   |         |       |
|---|----------|---------|-------|----------|---------|-------|----------|---------|-------|
|   | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Impact of Tax Planning Strategies   |          |         |       |          |         |       |          |         |       |
| (a) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |
| (b) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |

Does the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

The provision for incurred taxes on earnings are as follows for the years ended December 31:

|   | 2014        | 2013         | Change       |
|---|-------------|--------------|--------------|
| Federal                                   | \$ (22,776) | \$ (157,353) | \$ 134,577   |
| Foreign                                   | -           | -            | -            |
| Subtotal                                  | (22,776)    | (157,353)    | 134,577      |
| Federal income tax on net capital gains   | 577,820     | 821,538      | (243,718)    |
| Utilization of capital loss carryforwards | -           | -            | -            |
| Other                                     | -           | -            | -            |
| Federal and foreign income taxes incurred | \$ 555,044  | \$ 664,185   | \$ (109,141) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows at December 31:

|  | 2014              | 2013              | Change              |
|--|-------------------|-------------------|---------------------|
| Deferred tax assets                      |                   |                   |                     |
| Ordinary:                                |                   |                   |                     |
| Discounting of unpaid loss and LAE       | \$ 987,564        | \$ 1,059,267      | \$ (71,703)         |
| Unearned premiums                        | 308,072           | 370,743           | (62,671)            |
| Other                                    | —                 | 234,413           | (234,413)           |
|  | <u>1,295,636</u>  | <u>1,664,423</u>  | <u>(368,787)</u>    |
| Statutory valuation allowance adjustment | —                 | —                 | —                   |
| Nonadmitted                              | —                 | 183,387           | (183,387)           |
| Admitted ordinary deferred tax assets    | <u>1,295,636</u>  | <u>1,481,036</u>  | <u>(185,400)</u>    |
| Capital:                                 |                   |                   |                     |
| Investments                              | 104,778           | 104,778           | —                   |
| Nonadmitted                              | —                 | —                 | —                   |
| Admitted capital deferred tax assets     | <u>104,778</u>    | <u>104,778</u>    | <u>—</u>            |
| Admitted deferred tax assets             | <u>1,400,414</u>  | <u>1,585,814</u>  | <u>(185,400)</u>    |
| Deferred tax liabilities                 |                   |                   |                     |
| Capital:                                 |                   |                   |                     |
| Other                                    | 1,007,043         | 1,032,992         | (25,949)            |
| Admitted deferred tax liabilities        | <u>1,007,043</u>  | <u>1,032,992</u>  | <u>(25,949)</u>     |
| Net deferred tax asset                   | <u>\$ 393,371</u> | <u>\$ 552,822</u> | <u>\$ (159,451)</u> |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

The significant items causing a difference between the statutory federal income tax rate and the Exchange's effective tax rate in 2014 and 2013 were as follows:

|  | 2014              | Effective<br>Tax Rate | 2013              | Effective<br>Tax Rate |
|--|-------------------|-----------------------|-------------------|-----------------------|
| Provision computed at statutory rate         | \$ 3,132,882      | 34.0 %                | \$ 2,677,095      | 34.0 %                |
| Allocation to subscriber savings             | (2,197,157)       | (23.8)%               | (2,158,339)       | (27.4)%               |
| Proration of tax exempt investment<br>income | 2,613             | 0.0 %                 | 823               | 0.0 %                 |
| Tax exempt income deduction                  | (15,419)          | (0.2)%                | (5,485)           | (0.1)%                |
| Dividends received deduction                 | (1,998)           | 0.0 %                 | (1,194)           | 0.0 %                 |
| Other  | -                 | 0.0 %                 | (65,776)          | (0.8)%                |
| Prior period adjustment, taxes               | 2,910             | 0.0 %                 | 62,561            | 0.8 %                 |
| Total tax provision                          | <u>\$ 923,831</u> | <u>10.0 %</u>         | <u>\$ 509,685</u> | <u>6.5 %</u>          |
| Federal and foreign income taxes<br>expense  | \$ (22,776)       | (0.3)%                | \$ (157,353)      | (2.0)%                |
| Realized capital gains tax                   | 577,820           | 6.3 %                 | 821,538           | 10.4 %                |
| Change in net deferred income taxes          | 368,787           | 4.0 %                 | (154,500)         | (1.9)%                |
| Total statutory income taxes                 | <u>\$ 923,831</u> | <u>10.0 %</u>         | <u>\$ 509,685</u> | <u>6.5 %</u>          |

At December 31, 2014 and 2013, the Exchange had no alternative minimum tax credit carryforwards available to offset future regular income tax. The Exchange has no operating loss carryforwards available.

The following are income taxes incurred in the current and prior year, which will be available for recoupment in the event of future net losses:

|      |            |
|------|------------|
| 2014 | \$ 550,044 |
| 2013 | 601,624    |

Federal income tax reported in the Annual Statement was allocated to realized capital gains in the amount of \$577,820 in 2014 and \$821,538 in 2013.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 7. Related Party Transactions

Michigan Professional Exchange Services, a non-profit corporation organized on a directorship basis, serves as attorney-in-fact for the Exchange. A management agreement exists between the two entities whereby Michigan Professional Exchange Services provides financial and technical support, including personnel, accounting, and legal services, on a cost reimbursement basis. Total expenses incurred by the Exchange under this management agreement were \$3,924,798 in 2014 and \$3,601,987 in 2013.

Direct premium revenues recognized from North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Memorial Medical Center of West Michigan, Lakeland Regional Health System, Holland Hospital, and Watervliet Community Hospital amounted to \$696,750, \$374,739, \$0, \$1,350,000, \$202,835, and \$197,479, respectively in 2014 and \$662,985, \$376,000, \$190,808, \$1,256,507, \$203,530, and \$200,000, respectively in 2013.

#### 8. Reinsurance

The Exchange has fully reinsured all claims made under the North Ottawa Community Hospital, Memorial Medical Center of West Michigan, and Holland Hospital excess professional liability and general liability lines of business with Ace American Insurance Co. No claims have been made on the general liability line since inception. Total ceded premiums earned for the hospital professional liability and general liability lines were \$442,335 in 2014 and \$793,932 in 2013. For physician professional liability claims, the reinsurance arrangement for the Exchange effective January 1, 2009 is a loss event contract where any claim over \$1,000,000 up to \$5,000,000 is covered. All physicians and all limits participate. A loss event can include multiple physicians and multiple days of treatment. Ceded premiums earned on the physician professional liability line of business were \$1,344,493 in 2014 and \$1,488,083 in 2013.

The net amount of return commissions recoverable (payable) at December 31, 2014, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| Total                           | \$ -                | \$ -              | \$ 139,391        | \$ 2,244          | \$ (139,391)    | \$ (2,244)        |
| Direct unearned premium reserve |                     |                   | \$ 3,729,122      |                   |                 |                   |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 8. Reinsurance (continued)

The net amount of return commissions recoverable (payable) at December 31, 2013, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                      | Ceded Reinsurance  |                      | Net                |                      |
|---------------------------------|---------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                                 | Premium<br>Reserve  | Commission<br>Equity | Premium<br>Reserve | Commission<br>Equity | Premium<br>Reserve | Commission<br>Equity |
| Total                           | \$ -                | \$ -                 | \$ 192,124         | \$ 7,517             | \$ (192,124)       | \$ (7,517)           |
| Direct unearned premium reserve |                     |                      | \$ 4,388,564       |                      |                    |                      |

As of December 31, 2014 and 2013, the Exchange has no reinsurance recoverables in dispute or deemed to be uncollectible. Further, the Exchange had not entered into any retroactive reinsurance agreements and had not commuted any contracts.

#### 9. Deposit Premium Agreement

Effective July 1, 2004, the Exchange entered into a Deposit Premium Agreement with Spectrum Health Hospitals (Spectrum) for the purpose of providing loss administration services for professional medical liability after that date. Risk of loss on professional medical liability after July 1, 2004 will be retained by Spectrum. Prior to July 1, 2004, Spectrum accounted for about one third of the Exchange's net written premiums.

Under this agreement, Spectrum has agreed to deposit monies (Deposit Premium) with the Exchange in an amount necessary to fund anticipated outlays for claims, allocated overhead expenses, defense and cost containment expenses, loss adjusting, and other payments defined under the agreement. The Exchange held \$6,222,569 at December 31, 2014 and \$732,542 at December 31, 2013 related to this agreement. The Exchange pays Spectrum an interest charge (0.09% beginning in July of 2013 and 4.2% the first half of 2013) on deposit balances, computed monthly. Interest incurred under the arrangement was \$5,500 for 2014 and \$114,115 for 2013.

## Other Supplementary Information



**Report of Independent Auditors  
on Other Supplementary Information**

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

The report on our audit of the basic statutory basis financial statements (financial statements) of Michigan Professional Insurance Exchange (Exchange) as of December 31, 2014 and for the year then ended is presented on pages one and two of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the Exchange as of December 31, 2014, and for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Exchange as of December 31, 2014, and for the year then ended. The Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 6, 2015

# Michigan Professional Insurance Exchange

## Supplemental Summary of Investments

December 31, 2014

|   | Gross Investment Holdings |        | Admitted Assets as Reported in the Annual Statement |   |                |        |
|---|---------------------------|--------|---|---|----------------|--------|
|   | Amount                    | %      | Amount  | Securities Lending<br>Reinvested<br>Collateral Amount | Total          | %      |
| 1. Bonds  |                           |        |   |   |                |        |
| 1.1 U.S. Treasury securities  | \$ 7,157,334              | 6.9%   | \$ 7,157,334  | \$ -  | \$ 7,157,334   | 6.9%   |
| 1.2 U.S. Government agency obligations (including mortgage-backed securities)   |                           |        |   |   |                |        |
| 1.21 Issued by U.S. Government agencies   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.22 Issued by U.S. Government-sponsored agencies   | 1,451,920                 | 1.4%   | 1,451,920   | -   | 1,451,920      | 1.4%   |
| 1.3 Foreign government (including Canada, excluding mortgage-backed securities)   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.4 Securities issued by states, territories and possessions, and political subdivisions in the U.S.  |                           |        |   |   |                |        |
| 1.41 U.S. states and territories and possessions general obligations  | 1,000,000                 | 1.0%   | 1,000,000   | -   | 1,000,000      | 1.0%   |
| 1.42 Political subdivisions of U.S. states, territories, and possessions general obligations  | 1,277,802                 | 1.2%   | 1,277,802   | -   | 1,277,802      | 1.2%   |
| 1.43 Revenue and assessment obligations   | 5,080,432                 | 4.9%   | 5,080,432   | -   | 5,080,432      | 4.9%   |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.2%   | 250,000   | -   | 250,000        | 0.2%   |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS)  |                           |        |   |   |                |        |
| 1.51 Pass-through securities  |                           |        |   |   |                |        |
| 1.511 Issued or guaranteed by GNMA  | 236,579                   | 0.2%   | 236,579   | -   | 236,579        | 0.2%   |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 6,299,850                 | 6.1%   | 6,299,850   | -   | 6,299,850      | 6.1%   |
| 1.513 All other   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.52 CMOs and REMICs  |                           |        |   |   |                |        |
| 1.521 Issued or guaranteed by FNMA, FHLMC, GNMA or VA   | 5,876,815                 | 5.7%   | 5,876,815   | -   | 5,876,815      | 5.7%   |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.523 All other   | 9,044,407                 | 8.7%   | 9,044,407   | -   | 9,044,407      | 8.7%   |
| 2. Other debt and other fixed income securities (excluding short-term)  |                           |        |   |   |                |        |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans related by the SVO)  | 34,491,103                | 33.3%  | 34,491,103  | -   | 34,491,103     | 33.3%  |
| 2.2 Unaffiliated foreign securities   | 7,006,428                 | 6.8%   | 7,006,428   | -   | 7,006,428      | 6.8%   |
| 2.3 Affiliated securities   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3. Equity interests   |                           |        |   |   |                |        |
| 3.1 Investments in mutual funds   | 13,089,472                | 12.6%  | 13,089,472  | -   | 13,089,472     | 12.6%  |
| 3.2 Preferred stocks  |                           |        |   |   |                |        |
| 3.21 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.22 Unaffiliated   | 86,202                    | 0.1%   | 86,202  | -   | 86,202         | 0.1%   |
| 3.3 Publicly traded equity securities (excluding preferred stocks)  |                           |        |   |   |                |        |
| 3.31 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.32 Unaffiliated   | 153,500                   | 0.2%   | 153,500   | -   | 153,500        | 0.2%   |
| 3.4 Other equity securities   |                           |        |   |   |                |        |
| 3.41 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.42 Unaffiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.5 Other equity interests including tangible personal property under leases  |                           |        |   |   |                |        |
| 3.51 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.52 Unaffiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4. Mortgage loans   |                           |        |   |   |                |        |
| 4.1 Construction and land development   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.2 Agricultural  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.3 Single family residential properties  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.4 Multifamily residential properties  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.5 Commercial loans  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.6 Mezzanine real estate loans   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5. Real estate investments  |                           |        |   |   |                |        |
| 5.1 Property occupied by the company  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5.2 Property held for production of income  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5.3 Property held for sale  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 6. Contract loans   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 7. Derivatives  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 8. Receivables for securities   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 9. Securities lending (line 10, Asset Page reinvested collateral)   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 10. Cash and short-term investments   | 11,125,532                | 10.7%  | 11,125,532  | -   | 11,125,532     | 10.7%  |
| 11. Other invested assets   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 12. Total invested assets   | \$ 103,627,376            | 100.0% | \$ 103,627,376                                      | \$ -  | \$ 103,627,376 | 100.0% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

1. Report entity's total admitted assets as reported on page two of the NAIC Annual Statement. \$106,621,145

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

| 1      | 2                                     | 3             | 4                                   |        |
|--------|---------------------------------------|---------------|-------------------------------------|--------|
| Issuer | Description of Exposure               | Amount        | Percentage of Total Admitted Assets |        |
| 2.01   | Federal National Mortgage Association | MBS           | \$7,109,990                         | 6.668% |
| 2.02   | Federal Home Loan Mortgage Corp       | MBS           | \$3,135,199                         | 2.941% |
| 2.03   | JPMorgan Chase & Co                   | Corporate/MBS | \$1,152,106                         | 1.081% |
| 2.04   | Oklahoma, State of                    | Muni          | \$ 960,250                          | 0.901% |
| 2.05   | Texas, State of                       | Muni          | \$ 890,642                          | 0.835% |
| 2.06   | WFRBS Commercial Mtg Tr 2013-C13      | MBS           | \$ 770,441                          | 0.723% |
| 2.07   | RBS COML FDG INC 2013-SMV TR          | CMO           | \$ 766,648                          | 0.719% |
| 2.08   | BAMLL COML MTG SECS TR<br>2012-PK     | CMO           | \$ 755,912                          | 0.709% |
| 2.09   | Discover Card Execution Note Trust    | ABS           | \$ 750,896                          | 0.704% |
| 2.10   | Intel Corporation                     | Corporate     | \$ 744,463                          | 0.698% |

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

| Bonds |          | 1            | 2       | Preferred Stock |          | 1         | 2      |
|-------|----------|--------------|---------|-----------------|----------|-----------|--------|
| 3.01  | NAIC - 1 | \$63,348,095 | 59.414% | 3.07            | P/RP - 1 | \$ -      | 0.000% |
| 3.02  | NAIC - 2 | \$18,479,029 | 17.331% | 3.08            | P/RP - 2 | \$ -      | 0.000% |
| 3.03  | NAIC - 3 | \$ 1,597,867 | 1.499%  | 3.09            | P/RP - 3 | \$ -      | 0.000% |
| 3.04  | NAIC - 4 | \$ 446,791   | 0.419%  | 3.10            | P/RP - 4 | \$ -      | 0.000% |
| 3.05  | NAIC - 5 | \$ 101,806   | 0.095%  | 3.11            | P/RP - 5 | \$ -      | 0.000% |
| 3.06  | NAIC - 6 | \$ 342,133   | 0.321%  | 3.12            | P/RP - 6 | \$ 86,202 | 0.081% |

4. Assets held in foreign investments:

|      |   |             |        |
|------|---|-------------|--------|
| 4.01 | Assets held in foreign investments are less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for interrogatories 5-10: | Yes [ ]     | No [X] |
| 4.02 | Total admitted assets held in foreign investments   | \$5,317,036 | 4.987% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

|      |   |    |   |        |
|------|---|----|---|--------|
| 4.03 | Foreign currency denominated investments                        | \$ | - | 0.000% |
| 4.04 | Insurance liabilities denominated in that same foreign currency | \$ | - | 0.000% |

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

|      |                                 | 1           |  | 2      |
|------|---------------------------------|-------------|--|--------|
| 5.01 | Countries rated NAIC-1          | \$4,694,174 |  | 4.403% |
| 5.02 | Countries rated NAIC-2          | \$ 473,322  |  | 0.444% |
| 5.03 | Countries rated NAIC-3 or below | \$ 149,540  |  | 0.140% |

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

|      |                                      | 1           |  | 2      |
|------|--------------------------------------|-------------|--|--------|
|      | Countries designated NAIC-1          |             |  |        |
| 6.01 | Country: United Kingdom              | \$1,493,130 |  | 1.400% |
| 6.02 | Country: Sweden                      | \$ 994,364  |  | 0.933% |
|      | Countries designated NAIC-2          |             |  |        |
| 6.03 | Country: Ireland                     | \$ 473,322  |  | 0.444% |
| 6.04 | Country:                             | \$ -        |  | 0.000% |
|      | Countries designated NAIC-3 or below |             |  |        |
| 6.05 | Country: Luxemburg                   | \$ 149,540  |  | 0.140% |
| 6.06 | Country:                             | \$ -        |  | 0.000% |

7. Aggregate unhedged foreign currency exposure:

|  |  | 1    |  | 2      |
|--|--|------|--|--------|
|  |  | \$ - |  | 0.000% |

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

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

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

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

|      |                                      | 1  | 2 |        |
|------|--------------------------------------|----|---|--------|
|      | Countries designated NAIC-1          |    |   |        |
| 9.01 | Country:                             | \$ | – | 0.000% |
| 9.02 | Country:                             | \$ | – | 0.000% |
|      | Countries designated NAIC-2          |    |   |        |
| 9.03 | Country:                             | \$ | – | 0.000% |
| 9.04 | Country:                             | \$ | – | 0.000% |
|      | Countries designated NAIC-3 or below |    |   |        |
| 9.05 | Country:                             | \$ | – | 0.000% |
| 9.06 | Country:                             | \$ | – | 0.000% |

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

|       |  | 1                   | 2         | 3      | 4 |
|-------|--|---------------------|-----------|--------|---|
|       | Issuer                                 | NAIC<br>Designation |           |        |   |
| 10.01 | Svenska Handelsbanken AB (publ)        | 1FE                 | \$694,556 | 0.651% |   |
| 10.02 | Siemens Financieringsmaatschappij N.V. | 1FE                 | \$541,278 | 0.508% |   |
| 10.03 | WPP Finance 2010                       | 2FE                 | \$390,006 | 0.366% |   |
| 10.04 | STMicroelectronics N.V.                | 2FE                 | \$389,814 | 0.366% |   |
| 10.05 | Eaton Corporation                      | 2FE                 | \$373,988 | 0.351% |   |
| 10.06 | Transocean Inc.                        | 2FE                 | \$328,011 | 0.308% |   |
| 10.07 | Teva Pharmaceutical Industries Limited | 1FE                 | \$325,000 | 0.305% |   |
| 10.08 | Rio Tinto Finance (USA) Limited        | 1FE                 | \$322,047 | 0.302% |   |
| 10.09 | EnSCO PLC                              | 2FE                 | \$308,577 | 0.289% |   |
| 10.10 | HSBC USA Inc.                          | 1FE                 | \$303,443 | 0.285% |   |

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 11.

Yes [X]    No [ ]

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

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 12.

Yes [X]    No [ ]

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

13. Amounts and percentages of admitted assets held in the largest 10 equity interests:

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

|       | 1<br>Issuer                | 2            | 3       |
|-------|----------------------------|--------------|---------|
| 13.02 | Vanguard Index Funds       | \$ 7,802,302 | 7.318 % |
| 13.03 | Vanguard Tax-Managed Funds | \$ 2,278,711 | 2.137%  |
| 13.04 | Jpmorgan Trust II          | \$ 1,504,979 | 1.412%  |
| 13.05 | Dodge & Cox Income Fund    | \$ 1,503,480 | 1.410%  |
| 13.06 | CBO HLDGS VII LTD          | \$ 86,202    | 0.081%  |
| 13.07 |                            | \$ —         | 0.000%  |
| 13.08 |                            | \$ —         | 0.000%  |
| 13.09 |                            | \$ —         | 0.000%  |
| 13.10 |                            | \$ —         | 0.000%  |
| 13.11 |                            | \$ —         | 0.000%  |

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

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 14.  
Yes [X] No [ ]

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

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 15.  
Yes [X] No [ ]

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

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 16 and interrogatory 17.  
Yes [X] No [ ]

17. Not applicable.

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

18.01 Are assets held in real estate reported in Schedule A less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of interrogatory 18.  
Yes [X] No [ ]

Michigan Professional Insurance Exchange

Supplemental Investment Risks Interrogatories (continued)

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

19.01 Are assets held in investments held in mezzanine real estate less than 2.5% of the reporting entity's admitted assets, therefore detail is not required for the remainder of interrogatory 19.

Yes [X] No [ ]

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

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

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

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

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

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

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

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

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

*See Report of Independent Auditors on Other Supplementary Information.*



## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9

- 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)?
- 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(s) 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. An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are triggered only 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]

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9 (continued)

- 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:
- 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
  - 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? 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:
- The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
  - 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
  - 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:
- 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
  - Accounted for that contract as reinsurance under GAAP and as 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:
- The entity does not utilize reinsurance; or Yes [ ] No [X]
  - The entity engages in only a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
  - 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]

**ANNUAL STATEMENT**  
**OF THE**  
**MICHIGAN PROFESSIONAL**  
**INSURANCE EXCHANGE**

**Of**  
**Grand Rapids**  
**in the state of MI**

**to the Insurance Department**  
**of the state of Michigan**

For the Year Ended  
December 31, 2015

**2015**



# ANNUAL STATEMENT

For the Year Ended December 31, 2015

of the Condition and Affairs of the

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

|   |  |  |
|---|--|--|
| NAIC Group Code..... 0, 0<br><small>(Current Period) (Prior Period)</small> | NAIC Company Code..... 31429   | Employer's ID Number..... 38-2838578   |
| Organized under the Laws of Michigan  | State of Domicile or Port of Entry Michigan  | Country of Domicile US   |
| Incorporated/Organized..... May 24, 1988                                    | Commenced Business..... October 1, 1988  |  |
| Statutory Home Office   | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>              |  |
| Main Administrative Office  | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US..... 49504<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>               | 616-202-2288<br><small>(Area Code) (Telephone Number)</small>  |
| Mail Address  | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small> |  |
| Primary Location of Books and Records                                       | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><small>(Street and Number) (City or Town, State, Country and Zip Code)</small>              | 616-202-2782<br><small>(Area Code) (Telephone Number)</small>  |
| Internet Web Site Address   | www.mpie.org   |  |
| Statutory Statement Contact   | Cathryn Joy Peterson<br><small>(Name)</small><br>kpeterson@mpie.org<br><small>(E-Mail Address)</small>   | 616-202-2782<br><small>(Area Code) (Telephone Number) (Extension)</small><br>616-741-1999<br><small>(Fax Number)</small> |

### OFFICERS

| Name                     | Title         | Name                     | Title                   |
|--------------------------|---------------|--------------------------|-------------------------|
| 1. Michelle Marie Hoppes | President     | 2. Cathryn Joy Peterson  | Chief Financial Officer |
| 3. Ralph Nelson Rogers   | Vice-Chairman | 4. Donald Harper Jones # | Chairman                |

### OTHER

John Clifton Throop # Secretary

### DIRECTORS OR TRUSTEES

|                         |                     |                      |                       |
|-------------------------|---------------------|----------------------|-----------------------|
| Donald Harper Jones     | Ralph Nelson Rogers | Kimberly Kay McCoy   | Terrence John Endres  |
| Arthur Robert VanTuinen | Ronald Joseph Knaus | Joseph John Junewick | William Robert Jewell |
| Samuel Ernest Logan     | John Clifton Throop | Paul Henry Karsten   | Shelleye Jene Yaklin  |
| John Martin Koetsier    |                     |                      |                       |

State of..... Michigan  
County of..... Kent

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.

|  |   |  |
|--|---|--|
| _____<br>(Signature)<br>Michelle Marie Hoppes<br>_____<br>1. (Printed Name)<br>President<br>_____<br>(Title) | _____<br>(Signature)<br>Cathryn Joy Peterson<br>_____<br>2. (Printed Name)<br>Chief Financial Officer<br>_____<br>(Title) | _____<br>(Signature)<br>Ralph Nelson Rogers<br>_____<br>3. (Printed Name)<br>Vice-Chairman<br>_____<br>(Title) |
|--|---|--|

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2016

a. Is this an original filing? Yes [X] No [ ]  
b. If no 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

**ASSETS**

|  | Current Year |                            |  | Prior Year                  |
|--|--------------|----------------------------|--|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....   | 79,438,380   | 0                          | 79,438,380                                   | 79,172,670                  |
| 2. Stocks (Schedule D):  |              |                            |  |                             |
| 2.1 Preferred stocks.....  | 86,202       | 0                          | 86,202                                       | 86,202                      |
| 2.2 Common stocks.....   | 13,645,478   | 0                          | 13,645,478                                   | 13,242,972                  |
| 3. Mortgage loans on real estate (Schedule B):   |              |                            |  |                             |
| 3.1 First liens.....   | 0            | 0                          | 0  | 0                           |
| 3.2 Other than first liens.....  | 0            | 0                          | 0  | 0                           |
| 4. Real estate (Schedule A):   |              |                            |  |                             |
| 4.1 Properties occupied by the company (less \$.....0<br>encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....   | 0            | 0                          | 0  | 0                           |
| 5. Cash (\$.....1,275,100, Schedule E-Part 1), cash equivalents (\$.....0,<br>Schedule E-Part 2) and short-term investments (\$.....1,145,266, Schedule DA)..... | 2,420,367    | 0                          | 2,420,367                                    | 11,125,532                  |
| 6. Contract loans (including \$.....0 premium notes).....  | 0            | 0                          | 0  | 0                           |
| 7. Derivatives (Schedule DB).....  | 0            | 0                          | 0  | 0                           |
| 8. Other invested assets (Schedule BA).....  | 0            | 0                          | 0  | 0                           |
| 9. Receivables for securities.....   | 0            | 0                          | 0  | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   | 0            | 0                          | 0  | 0                           |
| 11. Aggregate write-ins for invested assets.....   | 0            | 0                          | 0  | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....   | 95,590,428   | 0                          | 95,590,428                                   | 103,627,376                 |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....  | 0            | 0                          | 0  | 0                           |
| 14. Investment income due and accrued.....   | 624,735      | 0                          | 624,735                                      | 621,828                     |
| 15. Premiums and considerations:   |              |                            |  |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....  | 871,384      | 6,421                      | 864,963                                      | 536,781                     |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due (including \$.....0 earned but unbilled premiums).....          | 1,384,898    | 0                          | 1,384,898                                    | 1,441,789                   |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to<br>redetermination (\$.....0).....   | 0            | 0                          | 0  | 0                           |
| 16. Reinsurance:   |              |                            |  |                             |
| 16.1 Amounts recoverable from reinsurers.....  | 0            | 0                          | 0  | 0                           |
| 16.2 Funds held by or deposited with reinsured companies.....  | 0            | 0                          | 0  | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts.....   | 0            | 0                          | 0  | 0                           |
| 17. Amounts receivable relating to uninsured plans.....  | 0            | 0                          | 0  | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....  | 187,773      | 0                          | 187,773                                      | 0                           |
| 18.2 Net deferred tax asset.....   | 293,828      | 0                          | 293,828                                      | 393,371                     |
| 19. Guaranty funds receivable or on deposit.....   | 0            | 0                          | 0  | 0                           |
| 20. Electronic data processing equipment and software.....   | 0            | 0                          | 0  | 0                           |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....   | 0            | 0                          | 0  | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....  | 0            | 0                          | 0  | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates.....  | 0            | 0                          | 0  | 0                           |
| 24. Health care (\$.....0) and other amounts receivable.....   | 0            | 0                          | 0  | 0                           |
| 25. Aggregate write-ins for other than invested assets.....  | 1,647,000    | 1,647,000                  | 0  | 0                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 to 25).....   | 100,600,046  | 1,653,421                  | 98,946,625                                   | 106,621,145                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   | 0            | 0                          | 0  | 0                           |
| 28. TOTALS (Lines 26 and 27).....  | 100,600,046  | 1,653,421                  | 98,946,625                                   | 106,621,145                 |

**DETAILS OF WRITE-INS**

|  |           |           |   |   |
|--|-----------|-----------|---|---|
| 1101.....  | 0         | 0         | 0 | 0 |
| 1102.....  | 0         | 0         | 0 | 0 |
| 1103.....  | 0         | 0         | 0 | 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 Receivable.....  | 1,647,000 | 1,647,000 | 0 | 0 |
| 2502.....  | 0         | 0         | 0 | 0 |
| 2503.....  | 0         | 0         | 0 | 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).....       | 1,647,000 | 1,647,000 | 0 | 0 |

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

### LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....   | 21,035,410        | 21,386,668      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....  | 0                 | 0               |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....   | 16,617,921        | 16,371,837      |
| 4. Commissions payable, contingent commissions and other similar charges.....   | 0                 | 0               |
| 5. Other expenses (excluding taxes, licenses and fees).....   | 722,923           | 316,895         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....   | (14,235)          | (4,235)         |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....   | 0                 | 9,800           |
| 7.2 Net deferred tax liability.....   | 0                 | 0               |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....   | 0                 | 0               |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....155,000 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)..... | 3,823,233         | 3,589,731       |
| 10. Advance premium.....  | 1,002,231         | 940,743         |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders.....  | 0                 | 0               |
| 11.2 Policyholders.....   | 0                 | 0               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....   | (98,743)          | (242,952)       |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....   | 0                 | 0               |
| 14. Amounts withheld or retained by company for account of others.....  | 0                 | 0               |
| 15. Remittances and items not allocated.....  | 0                 | 0               |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....  | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....  | 0                 | 0               |
| 18. Drafts outstanding.....   | 0                 | 0               |
| 19. Payable to parent, subsidiaries and affiliates.....   | 0                 | 0               |
| 20. Derivatives.....  | 0                 | 0               |
| 21. Payable for securities.....   | 0                 | 0               |
| 22. Payable for securities lending.....   | 0                 | 0               |
| 23. Liability for amounts held under uninsured plans.....   | 0                 | 0               |
| 24. Capital notes \$.....0 and interest thereon \$.....0.....   | 0                 | 0               |
| 25. Aggregate write-ins for liabilities.....  | 5,362,624         | 9,479,569       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....  | 48,451,364        | 51,848,056      |
| 27. Protected cell liabilities.....   | 0                 | 0               |
| 28. Total liabilities (Lines 26 and 27).....  | 48,451,364        | 51,848,056      |
| 29. Aggregate write-ins for special surplus funds.....  | 0                 | 0               |
| 30. Common capital stock.....   | 0                 | 0               |
| 31. Preferred capital stock.....  | 0                 | 0               |
| 32. Aggregate write-ins for other than special surplus funds.....   | 0                 | 0               |
| 33. Surplus notes.....  | 1,000,000         | 2,000,000       |
| 34. Gross paid in and contributed surplus.....  | 0                 | 0               |
| 35. Unassigned funds (surplus).....   | 49,495,261        | 52,773,089      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....   | 0                 | 0               |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....  | 0                 | 0               |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....   | 50,495,261        | 54,773,089      |
| 38. TOTALS (Page 2, Line 28, Col. 3).....   | 98,946,625        | 106,621,145     |

#### DETAILS OF WRITE-INS

|  |           |           |
|--|-----------|-----------|
| 2501. Subscriber savings accounts payable to terminated policyholders..... | 3,320,000 | 3,257,000 |
| 2502. Self Insurance funds held.....                                       | 2,042,624 | 6,222,569 |
| 2503. Self Insurance Admin.....  | 0         | 0         |
| 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).....         | 5,362,624 | 9,479,569 |
| 2901. ....   | 0         | 0         |
| 2902. ....   | 0         | 0         |
| 2903. ....   | 0         | 0         |
| 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. ....   | 0         | 0         |
| 3202. ....   | 0         | 0         |
| 3203. ....   | 0         | 0         |
| 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         |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## STATEMENT OF INCOME

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 11,735,145        | 11,804,532      |
| DEDUCTIONS   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 4,079,524         | 2,582,222       |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 4,510,086         | 3,420,947       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 1,611,140         | 2,662,759       |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 10,200,750        | 8,665,928       |
| 7. Net income of protected cells.....  | 0                 | 0               |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....   | 1,534,395         | 3,138,604       |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 2,297,298         | 2,025,815       |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....372,183 (Exhibit of Capital Gains (Losses)).....                                    | 722,471           | 1,121,650       |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 3,019,769         | 3,147,465       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....4,113 amount charged off \$.....0).....                            | 4,113             | 0               |
| 13. Finance and service charges not included in premiums.....  | 0                 | 0               |
| 14. Aggregate write-ins for miscellaneous income.....  | 77,722            | 2,350,869       |
| 15. Total other income (Lines 12 through 14).....  | 81,835            | 2,350,869       |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 4,636,000         | 8,636,938       |
| 17. Dividends to policyholders.....  | 0                 | 0               |
| 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)..... | 4,636,000         | 8,636,938       |
| 19. Federal and foreign income taxes incurred.....   | 157,513           | (22,776)        |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....   | 4,478,487         | 8,659,714       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 54,773,089        | 52,613,406      |
| 22. Net income (from Line 20).....   | 4,478,487         | 8,659,714       |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                 | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(228,323).....   | (675,514)         | 224,842         |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                 | 0               |
| 26. Change in net deferred income tax.....   | (327,866)         | (368,787)       |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....   | (1,157,061)       | (72,526)        |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | 0                 | 0               |
| 29. Change in surplus notes.....   | (1,000,000)       | (1,740,000)     |
| 30. Surplus (contributed to) withdrawn from protected cells.....   | 0                 | 0               |
| 31. Cumulative effect of changes in accounting principles.....   | 0                 | 0               |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  | 0                 | 0               |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 32.3 Transferred to surplus.....   | 0                 | 0               |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  | 0                 | 0               |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                 | 0               |
| 33.3. Transferred from capital.....  | 0                 | 0               |
| 34. Net remittances from or (to) Home Office.....  | 0                 | 0               |
| 35. Dividends to stockholders.....   | 0                 | 0               |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus.....   | (5,595,873)       | (4,543,560)     |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | (4,277,827)       | 2,159,683       |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 50,495,261        | 54,773,089      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   | 0                 | 0               |
| 0502. ....   | 0                 | 0               |
| 0503. ....   | 0                 | 0               |
| 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).....  | 0                 | 0               |
| 1401. Self Insurance Admin Income.....   | 2,493,444         | 3,016,640       |
| 1402. Self Insurance Admin Expense.....  | (2,415,722)       | (660,271)       |
| 1403. Interest on Self Insurance funds held.....   | 0                 | (5,500)         |
| 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).....   | 77,722            | 2,350,869       |
| 3701. Subscriber savings accounts due to terminated policyholders.....   | (3,320,000)       | (3,257,000)     |
| 3702. Distribution of Subscriber's Savings Accounts.....   | (2,281,480)       | (1,285,060)     |
| 3703. Income adjustments.....  | 5,607             | (1,500)         |
| 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).....   | (5,595,873)       | (4,543,560)     |

## CASH FLOW

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 11,922,992        | 10,723,061      |
| 2. Net investment income.....  | 2,528,112         | 2,578,848       |
| 3. Miscellaneous income.....   | 81,835            | 2,350,869       |
| 4. Total (Lines 1 through 3).....  | 14,532,939        | 15,652,778      |
| 5. Benefit and loss related payments.....  | 4,430,782         | 3,840,347       |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    | 0                 | 0               |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 5,479,251         | 7,242,753       |
| 8. Dividends paid to policyholders.....  | 0                 | 0               |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....372,183 tax on capital gains (losses).....  | 727,132           | 404,497         |
| 10. Total (Lines 5 through 9).....   | 10,637,165        | 11,487,597      |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 3,895,775         | 4,165,181       |
| <b>CASH FROM INVESTMENTS</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 21,577,262        | 20,599,188      |
| 12.2 Stocks.....   | 1,014,002         | 9,721,929       |
| 12.3 Mortgage loans.....   | 0                 | 0               |
| 12.4 Real estate.....  | 0                 | 0               |
| 12.5 Other invested assets.....  | 0                 | 0               |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           | 19,137            | 21,404          |
| 12.7 Miscellaneous proceeds.....   | 0                 | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 22,610,402        | 30,342,522      |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 21,843,725        | 18,294,973      |
| 13.2 Stocks.....   | 1,711,047         | 6,686,048       |
| 13.3 Mortgage loans.....   | 0                 | 0               |
| 13.4 Real estate.....  | 0                 | 0               |
| 13.5 Other invested assets.....  | 0                 | 0               |
| 13.6 Miscellaneous applications.....   | 0                 | 0               |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 23,554,772        | 24,981,021      |
| 14. Net increase (decrease) in contract loans and premium notes.....   | 0                 | 0               |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | (944,370)         | 5,361,501       |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>   |                   |                 |
| 16. Cash provided (applied):   |                   |                 |
| 16.1 Surplus notes, capital notes.....   | (1,000,000)       | (1,740,000)     |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                 | 0               |
| 16.3 Borrowed funds.....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               | 0                 | 0               |
| 16.5 Dividends to stockholders.....  | 0                 | 0               |
| 16.6 Other cash provided (applied).....  | (10,656,569)      | 89,723          |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (11,656,569)      | (1,650,277)     |
| <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).....   | (8,705,164)       | 7,876,405       |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 11,125,531        | 3,249,127       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 2,420,367         | 11,125,531      |
| Note: Supplemental disclosures of cash flow information for non-cash transactions:                             |                   |                 |
| 20.0001 .....  | 0                 | 0               |



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

|  | 1   | 2  | 3   | 4  |
|--|---|--|---|--|
| Line of Business   | Net<br>Premiums<br>Written per<br>Column 6, Part 1B | Unearned Premiums<br>December 31<br>Prior Year-<br>per Col. 3,<br>Last Year's Part 1 | Unearned Premiums<br>December 31<br>Current Year-<br>per Col. 5,<br>Part 1A | Premiums<br>Earned<br>During Year<br>(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.....          | 7,583,003   | 636,951  | 717,595   | 7,502,359  |
| 11.2 Medical professional liability - claims-made.....         | 4,340,644   | 2,936,745  | 3,089,185   | 4,188,204  |
| 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.....                         | 27,000  | 11,967   | 11,978  | 26,989   |
| 17.2 Other liability - claims-made.....                        | 18,000  | 4,068  | 4,475   | 17,593   |
| 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.....        | 0   | 0  | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability.....       | 0   | 0  | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines..... | 0   | 0  | 0   | 0  |
| 34. Aggregate write-ins for other lines of business.....       | 0   | 0  | 0   | 0  |
| 35. TOTALS.....  | 11,968,647  | 3,589,731  | 3,823,233   | 11,735,145   |

### 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 |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....       | 0 | 0 | 0 | 0 |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

|  | 1   | 2   | 3                              | 4  | 5  |
|--|---|---|--------------------------------|--|--|
| Line of Business   | Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | Earned But<br>Unbilled Premium | Reserve for<br>Rate Credits<br>and Retrospective<br>Adjustments Based<br>on Experience | Total Reserve<br>for Unearned<br>Premiums<br>Cols. 1 + 2 + 3 + 4 |
| 1. Fire.....   | .0  | .0  | .0                             | .0   | .0   |
| 2. Allied lines.....   | .0  | .0  | .0                             | .0   | .0   |
| 3. Farmowners multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 4. Homeowners multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 5. Commercial multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 6. Mortgage guaranty.....                                      | .0  | .0  | .0                             | .0   | .0   |
| 8. Ocean marine.....   | .0  | .0  | .0                             | .0   | .0   |
| 9. Inland marine.....  | .0  | .0  | .0                             | .0   | .0   |
| 10. Financial guaranty.....                                    | .0  | .0  | .0                             | .0   | .0   |
| 11.1 Medical professional liability - occurrence.....          | 717,595   | .0  | .0                             | .0   | 717,595  |
| 11.2 Medical professional liability - claims-made.....         | 1,476,185   | 1,613,000   | .0                             | .0   | 3,089,185  |
| 12. Earthquake.....  | .0  | .0  | .0                             | .0   | .0   |
| 13. Group accident and health.....                             | .0  | .0  | .0                             | .0   | .0   |
| 14. Credit accident and health (group and individual).....     | .0  | .0  | .0                             | .0   | .0   |
| 15. Other accident and health.....                             | .0  | .0  | .0                             | .0   | .0   |
| 16. Workers' compensation.....                                 | .0  | .0  | .0                             | .0   | .0   |
| 17.1 Other liability - occurrence.....                         | 11,978  | .0  | .0                             | .0   | 11,978   |
| 17.2 Other liability - claims-made.....                        | 4,475   | .0  | .0                             | .0   | 4,475  |
| 17.3 Excess workers' compensation.....                         | .0  | .0  | .0                             | .0   | .0   |
| 18.1 Products liability - occurrence.....                      | .0  | .0  | .0                             | .0   | .0   |
| 18.2 Products liability - claims-made.....                     | .0  | .0  | .0                             | .0   | .0   |
| 19.1, 19.2 Private passenger auto liability.....               | .0  | .0  | .0                             | .0   | .0   |
| 19.3, 19.4 Commercial auto liability.....                      | .0  | .0  | .0                             | .0   | .0   |
| 21. Auto physical damage.....                                  | .0  | .0  | .0                             | .0   | .0   |
| 22. Aircraft (all perils).....                                 | .0  | .0  | .0                             | .0   | .0   |
| 23. Fidelity.....  | .0  | .0  | .0                             | .0   | .0   |
| 24. Surety.....  | .0  | .0  | .0                             | .0   | .0   |
| 26. Burglary and theft.....                                    | .0  | .0  | .0                             | .0   | .0   |
| 27. Boiler and machinery.....                                  | .0  | .0  | .0                             | .0   | .0   |
| 28. Credit.....  | .0  | .0  | .0                             | .0   | .0   |
| 29. International.....   | .0  | .0  | .0                             | .0   | .0   |
| 30. Warranty.....  | .0  | .0  | .0                             | .0   | .0   |
| 31. Reinsurance - nonproportional assumed property.....        | .0  | .0  | .0                             | .0   | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | .0  | .0  | .0                             | .0   | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | .0  | .0  | .0                             | .0   | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0  | .0  | .0                             | .0   | .0   |
| 35. TOTALS.....  | 2,210,233   | 1,613,000   | .0                             | .0   | 3,823,233  |
| 36. Accrued retrospective premiums based on experience.....    |   |   |                                |  | .0   |
| 37. Earned but unbilled premiums.....                          |   |   |                                |  | .0   |
| 38. Balance (sum of Lines 35 through 37).....                  |   |   |                                |  | 3,823,233  |

### DETAILS OF WRITE-INS

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| 3401. ....  | .0 | .0 | .0 | .0 | .0 |
| 3402. ....  | .0 | .0 | .0 | .0 | .0 |
| 3403. ....  | .0 | .0 | .0 | .0 | .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 Daily Prorata; Col. 2 Actuarial Calculation

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| Line of Business   | 1                         | Reinsurance Assumed     |                             | Reinsurance Ceded     |                           | 6<br>Net Premiums<br>Written<br>(Cols. 1 + 2 + 3<br>- 4 - 5) |
|--|---------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|--|
|  | Direct<br>Business<br>(a) | 2<br>From<br>Affiliates | 3<br>From<br>Non-Affiliates | 4<br>To<br>Affiliates | 5<br>To<br>Non-Affiliates |  |
| 1. Fire.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 2. Allied lines.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 3. Farmowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 4. Homeowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 5. Commercial multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 6. Mortgage guaranty.....                                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 8. Ocean marine.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 9. Inland marine.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 10. Financial guaranty.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 11.1 Medical professional liability - occurrence.....          | 8,776,806                 | .0                      | .0                          | .0                    | 1,193,803                 | 7,583,003  |
| 11.2 Medical professional liability - claims-made.....         | 5,101,137                 | .0                      | .0                          | .0                    | 760,493                   | 4,340,644  |
| 12. Earthquake.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 13. Group accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 14. Credit accident and health (group and individual).....     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 15. Other accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 16. Workers' compensation.....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 17.1 Other liability - occurrence.....                         | 27,000                    | .0                      | .0                          | .0                    | .0                        | 27,000   |
| 17.2 Other liability - claims-made.....                        | 18,000                    | .0                      | .0                          | .0                    | .0                        | 18,000   |
| 17.3 Excess workers' compensation.....                         | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.1 Products liability - occurrence.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.2 Products liability - claims-made.....                     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.1, 19.2 Private passenger auto liability.....               | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.3, 19.4 Commercial auto liability.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 21. Auto physical damage.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 22. Aircraft (all perils).....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 23. Fidelity.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 24. Surety.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 26. Burglary and theft.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 27. Boiler and machinery.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 28. Credit.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 29. International.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 30. Warranty.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                       | .0                      | .0                          | .0                    | .0                        | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 35. TOTALS.....  | 13,922,943                | .0                      | .0                          | .0                    | 1,954,296                 | 11,968,647   |

### DETAILS OF WRITE-INS

|   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| 3401. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3402. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3403. ....  | .0 | .0 | .0 | .0 | .0 | .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<br>Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | 6<br>Net Losses<br>Unpaid<br>Prior Year | 7<br>Losses<br>Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--|--------------------------|-----------------------------|-------------------------------|--|--|---|--|---|
|  | 1<br>Direct<br>Business  | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |  |   |  |   |
| 1. Fire.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 2. Allied lines.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 3. Farmowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 4. Homeowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 5. Commercial multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 6. Mortgage guaranty.....                                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 8. Ocean marine.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 9. Inland marine.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 10. Financial guaranty.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 11.1 Medical professional liability - occurrence.....          | 3,425,327                | 0                           | 0                             | 3,425,327                              | 15,520,336   | 16,375,930                              | 2,569,733  | 34.3  |
| 11.2 Medical professional liability - claims-made.....         | 788,849                  | 0                           | 0                             | 788,849                                | 5,448,146  | 4,951,710                               | 1,285,285  | 30.7  |
| 12. Earthquake.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 13. Group accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 14. Credit accident and health (group and individual).....     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 15. Other accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 16. Workers' compensation.....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 17.1 Other liability - occurrence.....                         | 134,748                  | 0                           | 0                             | 134,748                                | 46,747   | 44,820                                  | 136,675  | 506.4   |
| 17.2 Other liability - claims-made.....                        | 81,858                   | 0                           | 0                             | 81,858                                 | 20,181   | 14,208                                  | 87,831   | 499.2   |
| 17.3 Excess workers' compensation.....                         | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.1 Products liability - occurrence.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.2 Products liability - claims-made.....                     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.1, 19.2 Private passenger auto liability.....               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.3, 19.4 Commercial auto liability.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 21. Auto physical damage.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 22. Aircraft (all perils).....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 23. Fidelity.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 24. Surety.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 26. Burglary and theft.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 27. Boiler and machinery.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 28. Credit.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 29. International.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 30. Warranty.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 34. Aggregate write-ins for other lines of business.....       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 35. TOTALS.....  | 4,430,782                | 0                           | 0                             | 4,430,782                              | 21,035,410   | 21,386,668                              | 4,079,524  | 34.8  |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |     |
|--|---|---|---|---|---|---|---|-----|
| 3401. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3402. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3403. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 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 | 0.0 |

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

| Line of Business   | Reported Losses |                          |                                     |   | Incurred But Not Reported |                          |                        | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|-------------------------------------|---|---------------------------|--------------------------|------------------------|---|--|
|  | 1<br>Direct     | 2<br>Reinsurance Assumed | 3<br>Deduct Reinsurance Recoverable | 4<br>Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance Assumed | 7<br>Reinsurance Ceded |   |  |
| 1. Fire.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 2. Allied lines.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3. Farmowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 4. Homeowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 5. Commercial multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 6. Mortgage guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 8. Ocean marine.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 9. Inland marine.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 10. Financial guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 11.1 Medical professional liability - occurrence.....                    | 5,244,874       | 0                        | 0                                   | 5,244,874   | 13,257,067                | 0                        | 2,981,605              | 15,520,336                                      | 12,430,684                               |
| 11.2 Medical professional liability - claims-made.....                   | 1,481,638       | 0                        | 0                                   | 1,481,638   | 5,375,835                 | 0                        | 1,409,327              | 5,448,146                                       | 4,134,122                                |
| 12. Earthquake.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 13. Group accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a) 0   | 0  |
| 14. Credit accident and health (group and individual).....               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 15. Other accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a) 0   | 0  |
| 16. Workers' compensation.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 17.1 Other liability - occurrence.....                                   | 10              | 0                        | 0                                   | 10  | 46,737                    | 0                        | 0                      | 46,747  | 37,285                                   |
| 17.2 Other liability - claims-made.....                                  | 350             | 0                        | 0                                   | 350   | 19,831                    | 0                        | 0                      | 20,181  | 15,830                                   |
| 17.3 Excess workers' compensation.....                                   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.1 Products liability - occurrence.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.2 Products liability - claims-made.....                               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability.....                         | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.3, 19.4 Commercial auto liability.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 21. Auto physical damage.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 22. Aircraft (all perils).....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 23. Fidelity.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 24. Surety.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 26. Burglary and theft.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 27. Boiler and machinery.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 28. Credit.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 29. International.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 30. Warranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property.....                  | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability.....                 | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines.....           | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 34. Aggregate write-ins for other lines of business.....                 | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 35. TOTALS.....  | 6,726,872       | 0                        | 0                                   | 6,726,872   | 18,699,470                | 0                        | 4,390,932              | 21,035,410                                      | 16,617,921                               |
| <b>DETAILS OF WRITE-INS</b>  |                 |                          |                                     |   |                           |                          |                        |   |  |
| 3401. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3402. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3403. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 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  |

10

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

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other<br>Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total        |
|---|----------------------------------|--|-----------------------------|-------------------|
| 1. Claim adjustment services:   |                                  |  |                             |                   |
| 1.1 Direct.....   | 3,618,644                        | .0                                     | .0                          | 3,618,644         |
| 1.2 Reinsurance assumed.....  | .0                               | .0                                     | .0                          | .0                |
| 1.3 Reinsurance ceded.....  | (122,401)                        | .0                                     | .0                          | (122,401)         |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....  | 3,741,045                        | .0                                     | .0                          | 3,741,045         |
| 2. Commission and brokerage:  |                                  |  |                             |                   |
| 2.1 Direct, excluding contingent.....   | .0                               | 10,000                                 | .0                          | 10,000            |
| 2.2 Reinsurance assumed, excluding contingent.....  | .0                               | .0                                     | .0                          | .0                |
| 2.3 Reinsurance ceded, excluding contingent.....  | .0                               | 181,565                                | .0                          | 181,565           |
| 2.4 Contingent - direct.....  | .0                               | .0                                     | .0                          | .0                |
| 2.5 Contingent - reinsurance assumed.....   | .0                               | .0                                     | .0                          | .0                |
| 2.6 Contingent - reinsurance ceded.....   | .0                               | .0                                     | .0                          | .0                |
| 2.7 Policy and membership fees.....   | .0                               | .0                                     | .0                          | .0                |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....                 | .0                               | (171,565)                              | .0                          | (171,565)         |
| 3. Allowances to manager and agents.....  | .0                               | .0                                     | .0                          | .0                |
| 4. Advertising.....   | .0                               | .0                                     | .0                          | .0                |
| 5. Boards, bureaus and associations.....  | .0                               | .0                                     | .0                          | .0                |
| 6. Surveys and underwriting reports.....  | .0                               | .0                                     | .0                          | .0                |
| 7. Audit of assureds' records.....  | .0                               | .0                                     | .0                          | .0                |
| 8. Salary and related items:  |                                  |  |                             |                   |
| 8.1 Salaries.....   | .0                               | .0                                     | .0                          | .0                |
| 8.2 Payroll taxes.....  | .0                               | .0                                     | .0                          | .0                |
| 9. Employee relations and welfare.....  | 1,114                            | 2,000                                  | 154                         | 3,268             |
| 10. Insurance.....  | 17,467                           | 31,349                                 | 2,408                       | 51,224            |
| 11. Directors' fees.....  | 768                              | 1,378                                  | 106                         | 2,252             |
| 12. Travel and travel items.....  | .0                               | 164,049                                | .0                          | 164,049           |
| 13. Rent and rent items.....  | 37,910                           | 68,039                                 | 5,225                       | 111,174           |
| 14. Equipment.....  | 10,359                           | 18,592                                 | 1,428                       | 30,379            |
| 15. Cost or depreciation of EDP equipment and software.....                                     | 97,537                           | 175,053                                | 13,444                      | 286,034           |
| 16. Printing and stationery.....  | 20,532                           | 36,848                                 | 2,830                       | 60,210            |
| 17. Postage, telephone and telegraph, exchange and express.....                                 | 2,933                            | 5,265                                  | 404                         | 8,602             |
| 18. Legal and auditing.....   | 110,652                          | 294,827                                | 268,523                     | 674,002           |
| 19. Totals (Lines 3 to 18).....   | 299,272                          | 797,401                                | 294,522                     | 1,391,195         |
| 20. Taxes, licenses and fees:   |                                  |  |                             |                   |
| 20.1 State and local insurance taxes deducting guaranty association credits<br>of \$.....0..... | .0                               | 130,654                                | .0                          | 130,654           |
| 20.2 Insurance department licenses and fees.....  | .0                               | 11,545                                 | .0                          | 11,545            |
| 20.3 Gross guaranty association assessments.....  | .0                               | .0                                     | .0                          | .0                |
| 20.4 All other (excluding federal and foreign income and real estate).....                      | .0                               | .0                                     | .0                          | .0                |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                            | .0                               | 142,199                                | .0                          | 142,199           |
| 21. Real estate expenses.....   | .0                               | .0                                     | .0                          | .0                |
| 22. Real estate taxes.....  | .0                               | .0                                     | .0                          | .0                |
| 23. Reimbursements by uninsured plans.....  | .0                               | .0                                     | .0                          | .0                |
| 24. Aggregate write-ins for miscellaneous expenses.....   | 469,769                          | 843,105                                | 64,748                      | 1,377,622         |
| 25. Total expenses incurred.....  | 4,510,086                        | 1,611,140                              | 359,270                     | (a).....6,480,496 |
| 26. Less unpaid expenses - current year.....  | 16,617,921                       | 722,923                                | .0                          | 17,340,844        |
| 27. Add unpaid expenses - prior year.....   | 16,371,837                       | 312,660                                | .0                          | 16,684,497        |
| 28. Amounts receivable relating to uninsured plans, prior year.....                             | .0                               | .0                                     | .0                          | .0                |
| 29. Amounts receivable relating to uninsured plans, current year.....                           | .0                               | .0                                     | .0                          | .0                |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                     | 4,264,002                        | 1,200,877                              | 359,270                     | 5,824,149         |

### DETAILS OF WRITE-INS

|  |         |         |        |           |
|--|---------|---------|--------|-----------|
| 2401. Purchased Services.....  | 469,769 | 843,105 | 64,748 | 1,377,622 |
| 2402. ....   | .0      | .0      | .0     | .0        |
| 2403. ....   | .0      | .0      | .0     | .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).....       | 469,769 | 843,105 | 64,748 | 1,377,622 |

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

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
EXHIBIT OF NET INVESTMENT INCOME**

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds.....  | (a).....242,243               | .....252,288               |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....0                     | .....0                     |
| 1.2 Other bonds (unaffiliated).....  | (a).....2,166,636             | .....2,163,757             |
| 1.3 Bonds of affiliates.....   | (a).....0                     | .....0                     |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....0                     | .....93,920                |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....0                     | .....0                     |
| 2.2 Common stocks (unaffiliated).....  | .....321,859                  | .....318,153               |
| 2.21 Common stocks of affiliates.....  | .....0                        | .....0                     |
| 3. Mortgage loans.....   | (c).....0                     | .....0                     |
| 4. Real estate.....  | (d).....0                     | .....0                     |
| 5. Contract loans.....   | .....0                        | .....0                     |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....(25,696)              | .....(28,271)              |
| 7. Derivative instruments.....   | (f).....0                     | .....0                     |
| 8. Other invested assets.....  | .....0                        | .....0                     |
| 9. Aggregate write-ins for investment income.....                            | .....0                        | .....0                     |
| 10. Total gross investment income.....                                       | .....2,705,042                | .....2,799,847             |
| 11. Investment expenses.....   |                               | (g).....359,270            |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... |                               | (g).....0                  |
| 13. Interest expense.....  |                               | (h).....143,389            |
| 14. Depreciation on real estate and other invested assets.....               |                               | (i).....0                  |
| 15. Aggregate write-ins for deductions from investment income.....           |                               | .....(110)                 |
| 16. Total deductions (Lines 11 through 15).....                              |                               | .....502,549               |
| 17. Net investment income (Line 10 minus Line 16).....                       |                               | .....2,297,298             |

**DETAILS OF WRITE-INS**

|  |        |            |
|--|--------|------------|
| 0901. ....   | .....0 | .....0     |
| 0902. ....   | .....0 | .....0     |
| 0903. ....   | .....0 | .....0     |
| 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. Adjustment to investment expenses.....                             |        | .....(110) |
| 1502. ....   |        | .....0     |
| 1503. ....   |        | .....0     |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... |        | .....0     |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....       |        | .....(110) |

- (a) Includes \$.....77,765 accrual of discount less \$.....544,735 amortization of premium and less \$.....88,986 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 \$.....0 accrual of discount less \$.....35,502 amortization of premium and less \$.....2,372 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 \$.....0 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<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. government bonds.....                             | .....25,394   | .....0                                | .....25,394   | .....(656)  | .....0  |
| 1.1 Bonds exempt from U.S. tax.....                       | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 1.2 Other bonds (unaffiliated).....                       | .....711,247  | .....0                                | .....711,247  | .....(269,766)                                      | .....0  |
| 1.3 Bonds of affiliates.....                              | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 2.1 Preferred stocks (unaffiliated).....                  | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 2.11 Preferred stocks of affiliates.....                  | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 2.2 Common stocks (unaffiliated).....                     | .....338,876  | .....0                                | .....338,876  | .....(633,415)                                      | .....0  |
| 2.21 Common stocks of affiliates.....                     | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 3. Mortgage loans.....                                    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 4. Real estate.....                                       | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 5. Contract loans.....                                    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 6. Cash, cash equivalents and short-term investments..... | .....19,137   | .....0                                | .....19,137   | .....0  | .....0  |
| 7. Derivative instruments.....                            | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 8. Other invested assets.....                             | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 9. Aggregate write-ins for capital gains (losses).....    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 10. Total capital gains (losses).....                     | .....1,094,653  | .....0                                | .....1,094,653  | .....(903,837)                                      | .....0  |

**DETAILS OF WRITE-INS**

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| 0901. ....  | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0902. ....  | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0903. ....  | .....0 | .....0 | .....0 | .....0 | .....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 |

**EXHIBIT OF NONADMITTED ASSETS**

|   | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D).....  | .0   | .0   | .0  |
| 2. Stocks (Schedule D):   |  |  |   |
| 2.1 Preferred stocks.....   | .0   | .0   | .0  |
| 2.2 Common stocks.....  | .0   | .0   | .0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |   |
| 3.1 First liens.....  | .0   | .0   | .0  |
| 3.2 Other than first liens.....   | .0   | .0   | .0  |
| 4. Real estate (Schedule A):  |  |  |   |
| 4.1 Properties occupied by the company.....   | .0   | .0   | .0  |
| 4.2 Properties held for the production of income.....   | .0   | .0   | .0  |
| 4.3 Properties held for sale.....   | .0   | .0   | .0  |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          | .0   | .0   | .0  |
| 6. Contract loans.....  | .0   | .0   | .0  |
| 7. Derivatives (Schedule DB).....   | .0   | .0   | .0  |
| 8. Other invested assets (Schedule BA).....   | .0   | .0   | .0  |
| 9. Receivables for securities.....  | .0   | .0   | .0  |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  | .0   | .0   | .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   | .0   | .0  |
| 14. Investment income due and accrued.....  | .0   | .0   | .0  |
| 15. Premiums and considerations:  |  |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 6,421  | 26,360   | 19,939  |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       | .0   | .0   | .0  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination.....   | .0   | .0   | .0  |
| 16. Reinsurance:  |  |  |   |
| 16.1 Amounts recoverable from reinsurers.....   | .0   | .0   | .0  |
| 16.2 Funds held by or deposited with reinsured companies.....   | .0   | .0   | .0  |
| 16.3 Other amounts receivable under reinsurance contracts.....  | .0   | .0   | .0  |
| 17. Amounts receivable relating to uninsured plans.....   | .0   | .0   | .0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | .0   | .0   | .0  |
| 18.2 Net deferred tax asset.....  | .0   | .0   | .0  |
| 19. Guaranty funds receivable or on deposit.....  | .0   | .0   | .0  |
| 20. Electronic data processing equipment and software.....  | .0   | .0   | .0  |
| 21. Furniture and equipment, including health care delivery assets.....   | .0   | .0   | .0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | .0   | .0   | .0  |
| 23. Receivables from parent, subsidiaries and affiliates.....   | .0   | .0   | .0  |
| 24. Health care and other amounts receivable.....   | .0   | .0   | .0  |
| 25. Aggregate write-ins for other than invested assets.....   | 1,647,000  | 470,000  | (1,177,000)   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | 1,653,421  | 496,360  | (1,157,061)   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | .0   | .0   | .0  |
| 28. TOTALS (Lines 26 and 27).....   | 1,653,421  | 496,360  | (1,157,061)   |

**DETAILS OF WRITE-INS**

|  |           |         |             |
|--|-----------|---------|-------------|
| 1101.....  | .0        | .0      | .0          |
| 1102.....  | .0        | .0      | .0          |
| 1103.....  | .0        | .0      | .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 Receivable.....  | 1,647,000 | 470,000 | (1,177,000) |
| 2502.....  | .0        | .0      | .0          |
| 2503.....  | .0        | .0      | .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).....       | 1,647,000 | 470,000 | (1,177,000) |



**NOTES TO FINANCIAL STATEMENTS****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

## A. Accounting Practices

The accompanying financial statements of the Michigan Professional Insurance Exchange (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP), and the State of Michigan. The Michigan prescribed and permitted accounting practices used in the preparation of the accompanying financial statements did not differ from NAIC SAP.

|   | State of Domicile | 2015          | 2014          |
|---|-------------------|---------------|---------------|
| <b>NET INCOME</b>   |                   |               |               |
| (1) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis (Page 4, Line 20, Columns 1 & 2) | MIMI              | \$ 4,478,487  | \$ 8,659,714  |
| (2) State Prescribed Practices that increase/decrease NAIC SAP                            |                   | 0             | 0             |
| (3) State Permitted Practices that increase/decrease NAIC SAP                             |                   | 0             | 0             |
| (4) NAIC SAP (1 – 2 – 3 = 4)  | MI                | \$ 4,478,487  | \$ 8,659,714  |
| <b>SURPLUS</b>  |                   |               |               |
| (5) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis (Page 3, line 37, Columns 1 & 2) | MI                | \$ 50,495,261 | \$ 54,773,089 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP                            |                   | 0             | 0             |
| (7) State Permitted Practices that increase/decrease NAIC SAP                             |                   | 0             | 0             |
| (8) NAIC SAP (5 – 6 – 7 = 8)  | MI                | \$ 50,495,261 | \$ 54,773,089 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

## C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate: N/A
- (6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) The Company does not have any investments in subsidiaries.
- (8) The Company does not have any investments in joint ventures or partnerships.
- (9) The Company does not hold any derivatives.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount 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 not modified its capitalization policy from the prior period.
- (13) The company does not anticipate any pharmaceutical rebate receivables.

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

During 2014, the self-insurance policy managed by the company was endorsed retroactively to July 1, 2013 to amend language regarding management of claims in case of termination of the policy. This language eliminates the company's obligation to manage claims after policy termination. The company had a liability of \$1,061,744 for self-insurance administration (Page 3, Line 2503) at 12/31/13 and no liability at 12/31/14.

With the elimination of the liability for future claims management in 2014, all of the self-insurance administration revenue is attributable to current year activities. Interest expense on self-insurance funds held (\$7,063) is included on Page 4, Line 9 for 2015 and is included on Page 4, Line 1403 in 2014 (\$5,500). Interest expense for Surplus notes is also included on Page 4, Line 9 (\$136,326 for 2015 and \$226,733 for 2014).

---

---

## NOTES TO FINANCIAL STATEMENTS

---

---

### NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

- A. Statutory Purchase Method: Not applicable
- B. Statutory Merger: Not applicable
- C. Impairment Loss: Not applicable

### NOTE 4 – DISCONTINUED OPERATIONS

- A. Discontinued Operation Disposed or Classified as Held for Sale
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable

### NOTE 5 – INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans
  - (1) The maximum and minimum lending rates for mortgage loans during 2015 were: Not applicable
  - (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was \_\_\_\_%. Not applicable
  - (3) Not applicable
  - (4) )Age Analysis of Mortgage Loans: Not applicable
  - (5) Investment Impaired Loans With or Without Allowance for Credit Losses: Not applicable
  - (6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting: Not applicable
  - (7) Not applicable
  - (8) Not applicable
  - (9) The company recognizes interest income on its impaired loans upon receipt. Not applicable
- B. Debt Restructuring
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
- C. Reverse Mortgages
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
- D. Loan-Backed Securities
  - (1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.
  - (2) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the Company had either the intent to sell the securities or the inability or lack of intent to retain.
  - (3) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the present value of cash flows expected to be collected is less than the amortized cost basis of the securities.

**NOTES TO FINANCIAL STATEMENTS**

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

|    |  |    |                     |    |           |
|----|--|----|---------------------|----|-----------|
| a. | The aggregate amount of unrealized losses:                             | 1. | Less than 12 Months | \$ | 38,844    |
|    |  | 2. | 12 Months or Longer | \$ | 54,117    |
| b. | The aggregate related fair value of securities with unrealized losses: | 1. | Less than 12 Months | \$ | 4,823,671 |
|    |  | 2. | 12 Months or Longer | \$ | 1,106,957 |

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

- (1) Not applicable  
(2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable  
(6) Not applicable  
(7) Not applicable

## F. Real Estate

- (1) Not applicable  
(2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable

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

- (1) Not applicable  
(2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable  
(6) Not applicable  
(7) Not applicable

## H. Restricted Assets: None

## I. Working Capital Finance Investments: None

## J. Offsetting and Netting of Assets and Liabilities: None

## K. Structured Notes: None

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

- A. Not applicable  
B. Not applicable

**NOTE 7 – INVESTMENT INCOME**

- A. The Company Does not admit investment income due and accrued if amounts are over 90 days past due.  
B. Not applicable

**NOTE 8 – DERIVATIVE INSTRUMENTS**

---

**NOTES TO FINANCIAL STATEMENTS**


---

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

(1) Not applicable

(2) None

**NOTE 9 – INCOME TAXES**

A. Deferred Tax Assets/(Liabilities)

## 1. Components of Net Deferred Tax Asset/(Liability)

|  | 2015          |              |                         | 2014          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets   | \$ 967,770    | \$ 104,778   | \$ 1,072,548            | \$ 1,295,636  | \$ 104,778   | \$ 1,400,414            | \$ (327,866)               | \$ 0                      | \$ (327,866)            |
| b. Statutory valuation allowance adjustment                              | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| c. Adjusted gross deferred tax assets (1a-1b)                            | 967,770       | 104,778      | 1,072,548               | 1,295,636     | 104,778      | 1,400,414               | (327,866)                  | 0                         | (327,866)               |
| d. Deferred tax assets nonadmitted                                       | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | 967,770       | 104,778      | 1,072,548               | 1,295,636     | 104,778      | 1,400,414               | (327,866)                  | 0                         | (327,866)               |
| f. Deferred tax liabilities  | 0             | 778,720      | 778,720                 | 0             | 1,007,043    | 1,007,043               | 0                          | (228,323)                 | (228,323)               |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | \$ 967,770    | \$ (673,942) | \$ 293,828              | \$ 1,295,636  | \$ (902,265) | \$ 393,371              | \$ (327,866)               | \$ 228,323                | \$ (99,543)             |

## 2. Admission Calculation Components

|  | 2015          |              |                         | 2014          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 669,286    | \$ (320)     | \$ 668,966              | \$ 802,543    | \$ 0         | \$ 802,543              | \$ (133,257)               | \$ (320)                  | \$ (133,577)            |
| 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: | 131,833       | 320          | 132,153                 | 141,399       | 0            | 141,399                 | (9,566)                    | 320                       | (9,246)                 |
| Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 131,971       | 320          | 132,291                 | 141,399       | 0            | 141,399                 | (9,428)                    | 320                       | (9,108)                 |
| Adjusted gross deferred tax assets allowed per limitation threshold  |               |              | 7,727,898               |               |              | 8,156,958               |                            |                           | (429,060)               |
| c. Adjusted gross deferred tax   | 166,651       | 105,098      | 271,749                 | 351,694       | 104,778      | 456,472                 | (185,043)                  | 320                       | (184,723)               |

**NOTES TO FINANCIAL STATEMENTS**

|  |            |            |              |              |            |              |              |        |              |  |
|--|------------|------------|--------------|--------------|------------|--------------|--------------|--------|--------------|--|
| assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities |            |            |              |              |            |              |              |        |              |  |
| d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))                       | \$ 967,770 | \$ 105,098 | \$ 1,072,868 | \$ 1,295,636 | \$ 104,778 | \$ 1,400,414 | \$ (327,866) | \$ 320 | \$ (327,546) |  |

## 3. Other Admissibility Criteria

|   | 2015          | 2014          |
|---|---------------|---------------|
| a. Ratio percentage used to determine recovery period and threshold limitation amount                               | 1,144.900%    | 1,208.400%    |
| b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 51,519,319 | \$ 54,379,718 |

## 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.

|  | 12/31/15      |              | 12/31/14      |              | Change                      |                            |
|--|---------------|--------------|---------------|--------------|-----------------------------|----------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col. 1-3)<br>Ordinary | 6<br>(Col. 2-4)<br>Capital |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | \$ 967,770    | \$ 104,778   | \$ 1,295,636  | \$ 104,778   | \$ (327,866)                | \$ 0                       |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0.000%        | 0.000%       | 0.000%        | 0.000%       | 0.000%                      | 0.000%                     |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)  | \$ 967,770    | \$ 104,778   | \$ 1,295,636  | \$ 104,778   | \$ (327,866)                | \$ 0                       |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.000%        | 0.000%       | 0.000%        | 0.000%       | 0.000%                      | 0.000%                     |

## (b) Does the company's tax planning strategies include the use of reinsurance?

B. Deferred Tax Liabilities Not Recognized: None

## C. Current and Deferred Income Taxes

## 1. Current Income Tax

|   | 1<br>2015  | 2<br>2014   | 3<br>(Col 1-2)<br>Change |
|---|------------|-------------|--------------------------|
| a. Federal                                    | \$ 157,513 | \$ (22,776) | \$ 180,289               |
| b. Foreign                                    | 0          | 0           | 0                        |
| c. Subtotal                                   | \$ 157,513 | \$ (22,776) | \$ 180,289               |
| d. Federal income tax on net capital gains    | 372,183    | 577,819     | (205,636)                |
| e. Utilization of capital loss carry-forwards | 0          | 0           | 0                        |
| f. Other                                      | 0          | 0           | 0                        |
| g. Federal and Foreign income taxes incurred  | \$ 529,696 | \$ 555,043  | \$ (25,347)              |

## 2. Deferred Tax Assets

|                                   | 1<br>2015  | 2<br>2014  | 3<br>(Col 1-2)<br>Change |
|-----------------------------------|------------|------------|--------------------------|
| a. Ordinary:                      |            |            |                          |
| 1. Discounting of unpaid losses   | \$ 639,540 | \$ 987,564 | \$ (348,024)             |
| 2. Unearned premium reserve       | 328,230    | 308,072    | 20,158                   |
| 3. Policyholder reserves          | 0          | 0          | 0                        |
| 4. Investments                    | 0          | 0          | 0                        |
| 5. Deferred acquisition costs     | 0          | 0          | 0                        |
| 6. Policyholder dividends accrual | 0          | 0          | 0                        |
| 7. Fixed assets                   | 0          | 0          | 0                        |

**NOTES TO FINANCIAL STATEMENTS**

|  |    |           |              |              |
|--|----|-----------|--------------|--------------|
| 8. Compensation and benefits accrual                         |    | 0         | 0            | 0            |
| 9. Pension accrual   |    | 0         | 0            | 0            |
| 10. Receivables - nonadmitted                                |    | 0         | 0            | 0            |
| 11. Net operating loss carry-forward                         |    | 0         | 0            | 0            |
| 12. Tax credit carry-forward                                 |    | 0         | 0            | 0            |
| 13. Other (including items <5% of total ordinary tax assets) |    | 0         | 0            | 0            |
| 99. Subtotal   | \$ | 967,770   | \$ 1,295,636 | \$ (327,866) |
| b. Statutory valuation allowance adjustment                  |    | 0         | 0            | 0            |
| c. Nonadmitted   |    | 0         | 0            | 0            |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)        | \$ | 967,770   | \$ 1,295,636 | \$ (327,866) |
| e. Capital:  |    |           |              |              |
| 1. Investments   | \$ | 104,778   | \$ 104,778   | \$ 0         |
| 2. Net capital loss carry-forward                            |    | 0         | 0            | 0            |
| 3. Real estate   |    | 0         | 0            | 0            |
| 4. Other (including items <5% of total capital tax assets)   |    | 0         | 0            | 0            |
| 99. Subtotal   | \$ | 104,778   | \$ 104,778   | \$ 0         |
| f. Statutory valuation allowance adjustment                  |    | 0         | 0            | 0            |
| g. Nonadmitted   |    | 0         | 0            | 0            |
| h. Admitted capital deferred tax assets (2e99-2f-2g)         |    | 104,778   | 104,778      | 0            |
| i. Admitted deferred tax assets (2d+2h)                      | \$ | 1,072,548 | \$ 1,400,414 | \$ (327,866) |

## 3. Deferred Tax Liabilities

|  | 1<br>2015  | 2<br>2014    | 3<br>(Col 1-2)<br>Change |
|--|------------|--------------|--------------------------|
| a. Ordinary:   |            |              |                          |
| 1. Investments   | \$ 0       | \$ 0         | \$ 0                     |
| 2. Fixed assets  | 0          | 0            | 0                        |
| 3. Deferred and uncollected premium                              | 0          | 0            | 0                        |
| 4. Policyholder reserves   | 0          | 0            | 0                        |
| 5. Other (including items <5% of total ordinary tax liabilities) | 0          | 0            | 0                        |
| 99. Subtotal   | \$ 0       | \$ 0         | \$ 0                     |
| b. Capital:  |            |              |                          |
| 1. Investments   | \$ 778,720 | \$ 1,007,043 | \$ (228,323)             |
| 2. Real estate   | 0          | 0            | 0                        |
| 3. Other (including items <5% of total capital tax liabilities)  | 0          | 0            | 0                        |
| 99. Subtotal   | 778,720    | 1,007,043    | (228,323)                |
| c. Deferred tax liabilities (3a99+3b99)                          | \$ 778,720 | \$ 1,007,043 | \$ (228,323)             |

|                                      |            |            |             |
|--------------------------------------|------------|------------|-------------|
| 4. Net Deferred Tax Assets (2i - 3c) | \$ 293,828 | \$ 393,371 | \$ (99,543) |
|--------------------------------------|------------|------------|-------------|

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate  
Among the more significant book to tax adjustments were the following:

|   | Amount       | Effective Tax Rate (%) |
|---|--------------|------------------------|
| <b>Permanent Differences:</b>             |              |                        |
| Provision computed at statutory rate      | \$ 1,702,782 | 34.0                   |
| Proration of tax exempt investment income | 189          | %                      |
| Tax exempt income deduction               |              | %                      |
| Dividends received deduction              | (1,260)      | %                      |
| Disallowed travel and entertainment       |              | %                      |
| Other permanent differences               | (844,286)    | (16.9)                 |
| <b>Temporary Differences:</b>             |              |                        |
| Total ordinary DTAs                       | \$           | %                      |
| Total ordinary DTLs                       |              | %                      |
| Total capital DTAs                        |              | %                      |
| Total capital DTLs                        |              | %                      |
| <b>Other:</b>                             |              |                        |
| Statutory valuation allowance adjustment  | \$           | %                      |
| Accrual adjustment - prior year           | 137          | %                      |
| Other                                     |              | %                      |
| Totals                                    | \$ 857,562   | 17.1                   |
| Federal and foreign income taxes incurred | 157,513      | 3.1                    |
| Realized capital gains (losses) tax       | 372,183      | 7.4                    |
| Change in net deferred income taxes       | 327,866      | 6.5                    |
| Total statutory income taxes              | \$ 857,562   | 17.1                   |

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

At December 31, 2015, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

**NOTES TO FINANCIAL STATEMENTS**

The following is income tax expense for 2015 and 2014 that is available for recoupment in the event of future net losses:

| Year | Amount |
|------|--------|
| 2015 | \$     |
| 2014 | \$     |

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

F. Consolidated Federal Income Tax Return

Not applicable

1. The company's tax return is not consolidated
2. Not applicable

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. Not applicable

B. Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

H. Not applicable

I. Not applicable

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable

J. Not applicable

- (1) Not applicable
- (2) Not applicable

K. Not applicable

L. Not applicable

- (1) Not applicable

---

**NOTES TO FINANCIAL STATEMENTS**


---

- (2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable

**NOTE 11 – DEBT**

A. Not applicable

- (1) Not applicable  
(2) Not applicable  
(3) Not applicable  
(4) Not applicable  
(5) Not applicable  
(6) Not applicable  
(7) Not applicable  
(8) Not applicable  
(9) Not applicable  
(10) Not applicable  
(11) Not applicable  
(12) Not applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI). The Company does not have any outstanding cash advances as of 12/31/2015. The company has pledged securities as collateral to maintain a \$3,000,000 line of credit. It is part of the Company's strategy to have cash advances available for liquidity purposes. Any funds obtained from the FHLBI would be accounted for consistent with SSAP No. 15 - Debt and Holding Company Obligations as borrowed money. The table below indicates the amount of FHLBI stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBI.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | \$ 142,900          | \$ 142,900              | \$ 0                            |
| (b) Membership Stock – Class B  | 0                   | 0                       | 0                               |
| (c) Activity Stock  | 0                   | 0                       | 0                               |
| (d) Excess Stock  | 0                   | 0                       | 0                               |
| (e) Aggregate Total (a+b+c+d)   | \$ 142,900          | \$ 142,900              | \$ 0                            |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 0                | XXX                     | XXX                             |

2. Prior Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | \$ 153,500          | \$ 153,500              | \$ 0                            |
| (b) Membership Stock – Class B  | 0                   | 0                       | 0                               |
| (c) Activity Stock  | 0                   | 0                       | 0                               |
| (d) Excess Stock  | 0                   | 0                       | 0                               |
| (e) Aggregate Total (a+b+c+d)   | \$ 153,500          | \$ 153,500              | \$ 0                            |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 0                | XXX                     | XXX                             |

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

| Membership | 1<br>Current Year Total | 2<br>Not Eligible for | Eligible for Redemption |                       |                     |                   |
|------------|-------------------------|-----------------------|-------------------------|-----------------------|---------------------|-------------------|
|            |                         |                       | 3<br>Less than          | 4<br>6 Months to Less | 5<br>1 to Less Than | 6<br>3 to 5 Years |
|            |                         |                       |                         |                       |                     |                   |



**NOTES TO FINANCIAL STATEMENTS**

|    | Stick   | (2+3+4+5+6) | Redemption | 6 Months | Than 1 Year | 3 Years |      |
|----|---------|-------------|------------|----------|-------------|---------|------|
| 1. | Class A | \$ 142,900  | \$ 142,900 | \$ 0     | \$ 0        | \$ 0    | \$ 0 |
| 2. | Class B | \$ 0        | \$ 0       | \$ 0     | \$ 0        | \$ 0    | \$ 0 |

## (3) Collateral Pledged to FHLB

## a. Amount Pledged as of Reporting Date

|  | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Aggregate Total Borrowing |
|--|-----------------|---------------------|--------------------------------|
| 1. Current Year Total General and Protected Cell<br>Total Collateral Pledged (Lines 2+3) | \$ 3,885,009    | \$ 3,943,808        | \$ 0                           |
| 2. Current Year General Account<br>Total Collateral Pledged                              | \$ 3,885,009    | \$ 3,943,808        | \$ 0                           |
| 3. Current Year Protected Cell<br>Total Collateral Pledged                               | \$ 0            | \$ 0                | \$ 0                           |
| 4. Prior Year Total General and Protected Cell<br>Total Collateral Pledged               | \$ 3,865,970    | \$ 3,964,424        | \$ 0                           |

## b. Maximum Amount Pledged During Reporting Period

|  | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Amount Borrowed at Time of<br>Maximum Collateral |
|--|-----------------|---------------------|---|
| 1. Current Year Total General and Protected Cell<br>Total Collateral Pledged (Lines 2+3) | \$ 3,885,009    | \$ 3,943,808        | \$ 2,500,000  |
| 2. Current Year General Account<br>Total Collateral Pledged                              | \$ 3,885,009    | \$ 3,943,808        | \$ 2,500,000  |
| 3. Current Year Protected Cell<br>Total Collateral Pledged                               | \$ 0            | \$ 0                | \$ 0  |
| 4. Prior Year Total General and Protected Cell<br>Total Collateral Pledged               | \$ 3,865,970    | \$ 3,964,424        | \$ 2,000,000  |

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

## 1. Current Year

|                             | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|-----------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt                    | \$ 0                | \$ 0                    | \$ 0                           | XXX   |
| (b) Funding Agreements      | 0                   | 0                       | 0                              | \$ 0  |
| (c) Other                   | 0                   | 0                       | 0                              | XXX   |
| (d) Aggregate Total (a+b+c) | \$ 0                | \$ 0                    | \$ 0                           | \$ 0  |

## 2. Prior Year

|                             | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|-----------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt                    | \$ 0                | \$ 0                    | \$ 0                           | XXX   |
| (b) Funding Agreements      | 0                   | 0                       | 0                              | \$ 0  |
| (c) Other                   | 0                   | 0                       | 0                              | XXX   |
| (d) Aggregate Total (a+b+c) | \$ 0                | \$ 0                    | \$ 0                           | \$ 0  |

## b. Maximum Amount During Reporting Period (Current Year)

|                                  | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|----------------------------------|---------------------|-------------------------|---------------------------------|
| 1. Debt                          | \$ 2,500,000        | \$ 2,500,000            | \$ 0                            |
| 2. Funding Agreements            | 0                   | 0                       | 0                               |
| 3. Other                         | 0                   | 0                       | 0                               |
| 4. Aggregate Total (Lines 1+2+3) | \$ 2,500,000        | \$ 2,500,000            | \$ 0                            |

## c. FHLB – Prepayment Obligations

|                       | Does the Company have<br>Prepayment Obligations under<br>the Following Arrangements<br>(YES/NO) |
|-----------------------|---|
| 1. Debt               | NO  |
| 2. Funding Agreements | NO  |
| 3. Other              | NO  |

**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

A. Defined Benefit Plan: The Company does not have a Defined Benefit Plan

B. Investment Policies and Strategies: Not applicable

**NOTES TO FINANCIAL STATEMENTS**

- C. Fair Value of Plan Assets: Not applicable
- D. Basis Used to Determine Expected Long-Term Rate-of-Return: Not applicable
- E. Defined Contribution Plans: The Company does not have a Defined Contribution Plan
- F. Multiemployer Plans: Not applicable
- G. Consolidated/Holding Company Plans: Not applicable
- H. Postemployment Benefits and Compensated Absences: Not applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17): Not applicable

**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

- (1) The Company has no common or preferred stock authorized, issued or outstanding
- (2) The Company has no preferred stock outstanding
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$2,290,352
- (11) The reporting entity issued the following surplus debentures or similar obligations:

| Date Issued | Interest Rate | Par Value<br>(Face Amount of<br>Notes) | Carrying Value of<br>Note* | Principal and/or<br>Interest Paid<br>Current Year | Total Principal<br>and/or Interest<br>Paid | Unapproved<br>Principal and/or<br>Interest | Date of Maturity |
|-------------|---------------|--|----------------------------|---|--|--|------------------|
| 6/30/2010   | 4.75%         | \$ 1,000,000                           | 1,000,000                  | \$ 1,095,000                                      | \$ 1,380,000                               | \$ 71,250                                  | None             |
| Total       | XXX           | \$                                     | \$                         | \$  | \$   | \$   | XXX              |

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

- (12) Not applicable
- (13) Not applicable

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

- A. Contingent Commitments: Not applicable
- B. Assessments
- (1) Where Amount is Unknown: None  
Where Amount is Known: None
- (2) The Company has not accrued a liability for guaranty fund assessments. No assessment is anticipated for 2015 at this time.

C. Gain Contingencies: None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

MICHIGAN PROFESSIONAL INSURANCE EXCHANGE paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

|  | Direct |
|--|--------|
| Claims related ECO and bad faith losses paid during the reporting period | \$ 0   |

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
|                    |                     |                      |                       |                             |

- E. Product Warranties: The Company does not insure for product warranties.
- F. Joint and Several Liabilities: None

**NOTES TO FINANCIAL STATEMENTS**

## G. All Other Contingencies:

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 assets that is considers to be impaired.

**NOTE 15 – LEASES**

A. Lessee Operating Lease: None

B. Revenue, Net Income or Assets with Respect to Leases: None

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

1. None

2. Not applicable

3. Not applicable

4. Not applicable

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

A. Transfers of Receivables Reported as Sales

(1) Not applicable

(2) Not applicable

B. Transfer and Servicing of Financial Assets

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

C. Wash Sales

(1) The Company does not utilize wash sales to enhance the yield on its investment portfolio.

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and he uninsured portion of partially insured plans was as follows during 2015:

|    |  | ASO<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASO  |
|----|--|------------------------|---|---------------|
| a. | Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses | \$ 77,722              | \$ 0  | \$ 77,722     |
| b. | Total net other income or expenses (including interest paid to or receive from plans)                      | 7,063                  | 0   | (7,063)       |
| c. | Net gain or (loss) from operations   | 70,659                 | 0   | 70,659        |
| d. | Total claim payment volume   | \$ <u>11,737,196</u>   | \$ 0  | \$ 11,737,196 |

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and he uninsured portion of partially insured plans was as follows during 2015:

|    |   | ASC<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASCO |
|----|---|------------------------|---|---------------|
| a. | Gross reimbursement for medical cost incurred           | \$ 0                   | \$ 0  | \$ 0          |
| b. | Gross administrative fees accrued                       | 0                      | 0   | 0             |
| c. | Other income or expenses (including interest paid to or | 0                      | 0   | 0             |

**NOTES TO FINANCIAL STATEMENTS**

|    |   |      |      |      |
|----|---|------|------|------|
|    | received from plans)                                |      |      |      |
| d. | Gross expenses incurred (claims and administrative) | 0    | 0    | 0    |
| e. | Total net gain or loss from operations              | \$ 0 | \$ 0 | \$ 0 |

## C. Medicare or Similarly Structured Cost Based Reimbursement Contract

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

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

| Name and Address of Managing General Agent or Third Party Administrator | FEIN Number | Exclusive Contract | Types of Business Written | Types of Authority Granted | Total Direct Premiums Written/Produced By |
|---|-------------|--------------------|---------------------------|----------------------------|---|
|   |             |                    |                           |                            | \$ 0                                      |
| Total   | XXX         | XXX                | XXX                       | XXX                        | \$ 0                                      |

**NOTE 20 – FAIR VALUE MEASUREMENTS**

- A. 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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: This category for items measured at fair value on a recurring basis includes bonds and preferred stocks which are not exchange-traded.

## (1) Fair Value Measurements at Reporting Date

| Assets at Fair Value | Level 1       | Level 2      | Level 3 | Total         |
|----------------------|---------------|--------------|---------|---------------|
| Indust. & Misc.      | \$ 0          | \$ 3,786,594 | \$ 0    | \$ 3,786,594  |
| Mutual Funds         | 13,502,578    | 0            | 0       | 13,502,578    |
| Total                | \$ 13,502,578 | \$ 3,786,594 | \$ 0    | \$ 17,289,172 |

| Liabilities at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---------------------------|---------|---------|---------|-------|
|                           | \$ 0    | \$ 0    | \$ 0    | \$ 0  |
| Total                     | \$ 0    | \$ 0    | \$ 0    | \$ 0  |

## (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

| a. Assets | Beginning Balance at 1/1/2015 | 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 12/31/2015 |
|-----------|-------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
|           | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0      | \$ 0      | \$ 0  | \$ 0        | \$ 0                         |
| Total     | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0      | \$ 0      | \$ 0  | \$ 0        | \$ 0                         |

| b. Liabilities | Beginning Balance at 1/1/2015 | 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 12/31/2015 |
|----------------|-------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
|                | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0      | \$ 0      | \$ 0  | \$ 0        | \$ 0                         |
| Total          | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0      | \$ 0      | \$ 0  | \$ 0        | \$ 0                         |

## (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.

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted market prices for similar instruments in an inactive market were utilized or quoted market prices for similar instruments in an active market were utilized via matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held.

Bonds carried at fair value categorized as Level 3 were valued using an income approach. These valuations were determined to be Level 3 valuations as the price was based on unobservable market data because the bonds are trading in an inactive market. The bonds were valued using present value techniques. In 2014, no bonds were categorized as Level 3.

Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for similar instruments in an active market were utilized via matrix pricing as described above.

**NOTES TO FINANCIAL STATEMENTS**

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

(5) Derivative assets and liabilities: None

B. Not applicable

C. Aggregate Fair Value by Hierarchical Level

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)    | (Level 2)  | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|------------|-----------|----------------------------------|
| Class One MM Mutual Fund     | \$ 1,145,267         | \$ 1,145,267    | \$ 1,145,267 | \$ 0       | \$ 0      | \$ 0                             |
| Indust. & Misc.              | 52,057,288           | 51,139,710      | 0            | 52,057,288 | 0         | 0                                |
| Mutual Funds                 | 13,502,578           | 13,502,578      | 13,502,578   | 0          | 0         | 0                                |
| Political Subdivision        | 1,497,635            | 1,276,427       | 0            | 1,497,635  | 0         | 0                                |
| Special Rev./Assess. Oblig.  | 14,032,705           | 13,482,445      | 0            | 14,032,705 | 0         | 0                                |
| States, Terr. & Poss.        | 1,960,421            | 1,816,718       | 0            | 1,960,421  | 0         | 0                                |
| US Government                | 11,970,082           | 11,952,183      | 0            | 11,970,082 | 0         | 0                                |

D. Not Practicable to Estimate Fair Value

| Type of Class or Financial Instrument | Carrying Value | Effective Interest Rate | Maturity Date | Explanation |
|---------------------------------------|----------------|-------------------------|---------------|-------------|
|                                       | \$ 0           | 0.000%                  |               |             |

**NOTE 21 – OTHER ITEMS**

A. Unusual or Infrequent Items

B. Troubled Debt Restructuring Debtors

C. Other Disclosures

D. Business Interruption Insurance Recoveries

E. State Transferable and Non-Transferable Tax Credits

(1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total

| Description of State Transferable and Non-Transferable Tax Credits | State | Carrying Value | Unused Amount |
|--|-------|----------------|---------------|
|  |       | \$ 0           | \$ 0          |
| Total  |       | \$ 0           | \$ 0          |

(2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

(3) Impairment Loss

(4) State Tax Credits Admitted and Nonadmitted

|                     | Total Admitted | Total Nonadmitted |
|---------------------|----------------|-------------------|
| a. Transferable     | \$ 0           | \$ 0              |
| b. Non-Transferable | \$ 0           | \$ 0              |

F. Subprime Mortgage Related Risk Exposure

(1)

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

|  | Book/Adjusted Carrying Value (Excluding Interest) | Fair Value | Value of Land and Buildings | Other-Than-Temporary Impairment Losses Recognized | Default Rate |
|--|---|------------|-----------------------------|---|--------------|
| a. Mortgages in the process of foreclosure | \$ 0  | \$ 0       | \$ 0                        | \$ 0  | 0.000%       |
| b. Mortgages in good standing              | 0   | 0          | 0                           | 0   | 0.000%       |
| c. Mortgages with restored terms           | 0   | 0          | 0                           | 0   | 0.000%       |
| d. Total                                   | \$ 0  | \$ 0       | \$ 0                        | \$ 0  | XXX          |

(3) Direct Exposure Through Other Investments

|   | Actual Cost | Book/Adjusted Carrying Value (Excluding Interest) | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|---|-------------|---|------------|---|
| a. Residential mortgage backed securities | \$ 615,288  | \$ 563,875  | \$ 564,885 | \$ 151,045  |
| b. Commercial mortgage backed securities  | 0           | 0   | 0          | 0   |
| c. Collateralized debt obligations        | 0           | 0   | 0          | 0   |
| d. Structured securities                  | 0           | 0   | 0          | 0   |
| e. Equity investments in SCAs*            | 0           | 0   | 0          | 0   |

**NOTES TO FINANCIAL STATEMENTS**

|    |              |      |      |      |      |
|----|--------------|------|------|------|------|
| f. | Other assets | 0    | 0    | 0    | 0    |
| g. | Total        | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

\* These investments comprise 0.000% of the company's invested assets.

## (4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

|    |                             | Losses Paid in the<br>Current Year | Losses Incurred in the<br>Current Year | Case Reserves at end of<br>Current Period | IBNR Reserves at End of<br>Current Period |
|----|-----------------------------|------------------------------------|--|---|---|
| a. | Mortgage guaranty coverage  | \$ 0                               | \$ 0                                   | \$ 0                                      | \$ 0                                      |
| b. | Financial guaranty coverage | 0                                  | 0                                      | 0   | 0   |
| c. | Other lines (specify):      | 0                                  | 0                                      | 0   | 0   |
| d. | Total                       | \$ 0                               | \$ 0                                   | \$ 0                                      | \$ 0                                      |

G.

**NOTE 22 – EVENTS SUBSEQUENT**

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [ ] No [x]

|    |  |              |      |
|----|--|--------------|------|
| B. | ACA fee assessment payable for the upcoming year                                 | \$ 0         | \$ 0 |
| C. | ACA fee assessment paid  | 0            | 0    |
| D. | Premium written subject to ACA 9010 assessment                                   | 0            | 0    |
| E. | Total adjusted capital before surplus adjustment (Five-Year Historical Line 30)  | 50,495,261   |      |
| F. | Total adjusted capital (Five-Year Historical Line 30 minus 22B above)            | 50,495,261   |      |
| G. | Authorized control level after surplus adjustment (Five-Year Historical Line 31) | \$ 4,196,025 |      |

H. Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level (YES/NO)?

Yes [ ] No [x]

**NOTE 23 – REINSURANCE**

A. Unsecured Reinsurance Recoverables: Not applicable

B. Reinsurance Recoverable in Dispute: Not applicable

C. Reinsurance Assumed and Ceded

(1)

|    |                                  | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|----|----------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|    |                                  | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. | Affiliates                       | \$ 0                | \$ 0              | \$ 0              | \$ 0              | \$ 0            | \$ 0              |
| b. | All Other                        | 0                   | 0                 | 155,153           | 3,843             | (155,153)       | (3,843)           |
| c. | Total                            | \$ 0                | \$ 0              | \$ 155,153        | \$ 3,843          | \$ (155,153)    | \$ (3,843)        |
| d. | Direct Unearned Premium Reserves |                     |                   | \$ 3,798,609      |                   |                 |                   |

(2) Not applicable

(3) Not applicable

D. Uncollectible Reinsurance: None

E. Commutation of Ceded Reinsurance: None

F. Retroactive Reinsurance: None

G. Reinsurance Accounted for as a Deposit: None

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements: None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation: None

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

A. The Company does not write retrospectively rated policies

B. Not applicable

C. Not applicable

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act: Not applicable

E. Nonadmitted Retrospective Premium: Not applicable

**NOTES TO FINANCIAL STATEMENTS**

F. Risk Sharing Provisions of the Affordable Care Act: Not applicable

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$3,035,000 in 2015 as a result of re-estimation of unpaid losses and loss adjustment expenses on medical professional and other liability lines of business. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not write retrospectively rated policies.

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable
- G. Not applicable

**NOTE 27 – STRUCTURED SETTLEMENTS**

- A. Not applicable
- B. Not applicable

**NOTE 28 – HEALTH CARE RECEIVABLES**

- A. Pharmaceutical Rebate Receivables: None
- B. Risk Sharing Receivables: None

**NOTE 29 – PARTICIPATING POLICIES**

Not applicable

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: December 31, 2015
3. Was anticipated investment income utilized in the calculation? NO

**NOTE 31 – HIGH DEDUCTIBLES**

Not applicable

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

- A. Tabular Discount
- B. Nontabular Discount: Not applicable
- C. Not applicable

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? No
  - (1) Direct: Not applicable
  - (2) Assumed Reinsurance: Not applicable
  - (3) Net of Ceded Reinsurance: Not applicable
- B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE): Not applicable
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR): Not applicable

---

---

## NOTES TO FINANCIAL STATEMENTS

---

---

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? No

(1) Direct: Not applicable

(2) Assumed Reinsurance: Not applicable

(3) Net of Ceded Reinsurance: Not applicable

E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE):

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR):

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

At December 31, 2015, the Company has \$30,825,000 identified to subscriber savings accounts, all from company operations. Of this amount, \$3,320,000 is reported in Aggregate write-ins for liabilities (page 3, line 25) for amounts due to terminated policyholders. The balance identified to subscriber savings accounts, \$27,505,000 is reported in Unassigned funds (surplus) (page 3, line 35). The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Company.

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

The company does not write multiple peril crop insurance.

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

A. The company does not write financial guaranty insurance



# 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 [X]  
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 [X]
- 1.3 State regulating? State of Michigan, Department of Insurance and Financial Services
- 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 [X] No [ ]
- 2.2 If yes, date of change: 12/15/2015
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 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. 12/31/2013
- 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). 06/01/2015
- 3.4 By what department or departments?  
State of Michigan, Department of Insurance and Financial Services
- 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 [X] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [X]
- 4.12 renewals? Yes [ ] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [X]
- 4.22 renewals? Yes [ ] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 5.2 If yes, provide name of 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<br>Company<br>Code | 3<br>State of<br>Domicile |
|---------------------|------------------------------|---------------------------|
|                     | 0                            |                           |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0.000%
- 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 with the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]
- 8.4 If the response to 8.3 is yes, please provide below 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?  
Andrews Hooper Pavlik PLC, 2311 E. Beltline Ave SE Suite 200, Grand Rapids, MI 49546
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain:

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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?  
Jeremy Pecora, FCAS, Willis Towers Watson, 26555 Evergreen Suite 1600, Southfield, MI 40876 Consulting Actuary
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation

**13. FOR UNITED STATES BRANCES 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 [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, 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<br>American Bankers Association (ABA)<br>Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger<br>the Letter of Credit | 4<br>Amount |
|---|--------------------------------------|---|-------------|
| 0   |                                      |   | 0           |

### 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 subordinator committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors an all subordinator committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 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 reporting in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 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 \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 24.01 Were all of the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes  No
- 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).
- 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
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 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
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 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
- 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: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes  No
- 25.2 If yes, state the amount thereof at December 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 sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 142,900
- 25.28 On deposit with states \$ 309,471
- 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 \$ 3,943,808
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:
- | 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  | \$ <u>0</u> |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No
- 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
- 27.2 If yes, state the amount thereof at December of the current year: \$ 0
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  No
- 28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1<br>Name of Custodian(s)              | 2<br>Custodian Address                                |
|--|---|
| Fifth Third Bank                       | 5050 Kingsley Dr, Cincinnati, OH 45263                |
| Federal Home Loan Bank of Indianapolis | 8250 Woodfield Crossing Blvdl, Indianapolis, IN 46240 |
- 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<br>Name(s) | 2<br>Location(s) | 3<br>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
- 28.04 If yes, give full and complete information relating thereto:
- | 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |
- 28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:
- | 1<br>Central Registration Depository | 2<br>Name(s)                           | 3<br>Address                                 |
|--------------------------------------|--|--|
| 108975                               | Asset Allocation & Management Co., LLC | 30 West Monroe St, 3rd Fl., Chicago IL 60603 |
| 104751                               | Zazove/AAM Advisors                    | 30 West Monroe St, 3rd Fl., Chicago IL 60603 |

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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  No

29.2 If yes, complete the following schedule:

| 1<br>CUSIP  | 2<br>Name of Mutual Fund           | 3<br>Book/Adjusted Carrying Value |
|-------------|------------------------------------|-----------------------------------|
| 256210 10 5 | DODGE & COX INC MF                 | 1,988,834                         |
| 4812C0 38 1 | JPMORGAN CORE CL SLCT MF           | 2,013,422                         |
| 921943 80 9 | VANGUARD DVLPD MKT INDX CL ADMI MF | 2,274,556                         |
| 922908 30 6 | VANGRD INX TRS INX CL INV MF       | 7,225,766                         |
| 29.2999     | TOTAL                              | 13,502,578                        |

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

| 1<br>Name of Mutual Fund<br>(from above table) | 2<br>Name of Significant Holding<br>of the Mutual Fund | 3<br>Amount of Mutual Fund's<br>Book/Adjusted Carrying<br>Value Attributable to the<br>Holdings | 4<br>Date of Valuation |
|--|--|---|------------------------|
| DODGE & COX INC MF                             | State of California GO                                 | 43,754  | 12/31/2015             |
| DODGE & COX INC MF                             | Bank of America Corp                                   | 39,777  | 12/31/2015             |
| DODGE & COX INC MF                             | Verizon Communications, Inc                            | 39,777  | 12/31/2015             |
| DODGE & COX INC MF                             | Kinder Morgan, Inc.                                    | 37,788  | 12/31/2015             |
| DODGE & COX INC MF                             | Cox Enterprises, Inc                                   | 35,799  | 12/31/2015             |
| JPMORGAN CORE CL SLCT MF                       | U S Treas Sec Stripped Int Pmt                         | 23,356  | 12/31/2015             |
| JPMORGAN CORE CL SLCT MF                       | U S Treas Sec Stripped Int Pmt                         | 20,537  | 12/31/2015             |
| JPMORGAN CORE CL SLCT MF                       | U S Treas Sec Stripped Int Pmt                         | 15,302  | 12/31/2015             |
| JPMORGAN CORE CL SLCT MF                       | Resolution Fdg Fed Bk Prin St                          | 14,899  | 12/31/2015             |
| JPMORGAN CORE CL SLCT MF                       | US Treasury Note                                       | 14,497  | 12/31/2015             |
| VANGUARD DVLPD MKT INDX CL ADMI MF             | Nestle SA  | 38,213  | 12/31/2015             |
| VANGUARD DVLPD MKT INDX CL ADMI MF             | Roche Holding AG                                       | 31,616  | 12/31/2015             |
| VANGUARD DVLPD MKT INDX CL ADMI MF             | Novartis AG  | 30,479  | 12/31/2015             |
| VANGUARD DVLPD MKT INDX CL ADMI MF             | Toyota Motor Corp.                                     | 27,295  | 12/31/2015             |
| VANGUARD DVLPD MKT INDX CL ADMI MF             | HSBC Holdings plc                                      | 25,248  | 12/31/2015             |
| VANGRD INX TRS INX CL INV MF                   | Apple Inc  | 184,257   | 12/31/2015             |
| VANGRD INX TRS INX CL INV MF                   | Microsoft Corp   | 138,735   | 12/31/2015             |
| VANGRD INX TRS INX CL INV MF                   | Exxon Mobil Corporation                                | 106,941   | 12/31/2015             |
| VANGRD INX TRS INX CL INV MF                   | General Electric Co                                    | 96,825  | 12/31/2015             |
| VANGRD INX TRS INX CL INV MF                   | Johnson & Johnson                                      | 93,935  | 12/31/2015             |

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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|------|------------------|---------------------------------|-----------------|--|
| 30.1 | Bonds            | 80,583,647                      | 81,289,028      | 705,381  |
| 30.2 | Preferred Stocks | 86,202                          | 86,202          | 0  |
| 30.3 | Totals           | 80,669,850                      | 81,375,230      | 705,380  |

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

Most securities are priced using IDC or NAIC-SVO.

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  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  No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliance 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 Investment Analysis Office* been followed? Yes  No

32.2 If no, list exceptions:

### OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ 0             |

34.1 Amount of payments for legal expenses, if any? \$ 94,592

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ 0             |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 5,580

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ 0             |

## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; 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?   | \$ |              |            | 0                        |
| 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.   | \$ |              |            | 0                        |
| 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  | \$ |              |            | 0                        |
| 1.62 | Total incurred claims   | \$ |              |            | 0                        |
| 1.63 | Number of covered lives   |    |              |            | 0                        |
|      | All years prior to most current three years:  |    |              |            |                          |
| 1.64 | Total premium earned  | \$ |              |            | 0                        |
| 1.65 | Total incurred claims   | \$ |              |            | 0                        |
| 1.66 | Number of covered lives   |    |              |            | 0                        |
| 1.7  | Group policies:   |    |              |            |                          |
|      | Most current three years:   |    |              |            |                          |
| 1.71 | Total premium earned  | \$ |              |            | 0                        |
| 1.72 | Total incurred claims   | \$ |              |            | 0                        |
| 1.73 | Number of covered lives   |    |              |            | 0                        |
|      | All years prior to most current three years:  |    |              |            |                          |
| 1.74 | Total premium earned  | \$ |              |            | 0                        |
| 1.75 | Total incurred claims   | \$ |              |            | 0                        |
| 1.76 | Number of covered lives   |    |              |            | 0                        |
| 2.   | Health Test:  |    |              |            |                          |
|      |   |    | 1            | 2          |                          |
|      |   |    | Current Year | Prior Year |                          |
| 2.1  | Premium Numerator   | \$ | 0            | 0          |                          |
| 2.2  | Premium Denominator   | \$ | 11,735,145   | 11,804,532 |                          |
| 2.3  | Premium Ratio (2.1/2.2)   |    | 0.000        | 0.000      |                          |
| 2.4  | Reserve Numerator   | \$ | 0            | 0          |                          |
| 2.5  | Reserve Denominator   | \$ | 41,476,564   | 41,348,236 |                          |
| 2.6  | Reserve Ratio (2.4/2.5)   |    | 0.000        | 0.000      |                          |
| 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  | \$ |              |            | 0                        |
| 3.22 | Non-participating policies  | \$ |              |            | 0                        |
| 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?   |    |              |            | 0.000%                   |
| 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 [ X ] No [ ]         |
| 5.2  | If yes, is the commission paid:   |    |              |            |                          |
| 5.21 | Out of Attorney's-in-fact compensation  |    |              |            | Yes [ ] No [ X ] N/A [ ] |
| 5.22 | As a direct expense of the exchange   |    |              |            | Yes [ X ] No [ ] N/A [ ] |
| 5.3  | What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?<br><u>Investment management expenses, regulatory fees and taxes.</u>  |    |              |            |                          |
| 5.4  | Has any Attorney-in-fact compensation, contingent on fulfillments of certain conditions, been deferred?   |    |              |            | Yes [ ] No [ X ]         |
| 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?<br><u>The company does not insure for worker's compensation.</u>  |    |              |            |                          |
| 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:<br><u>The company's actuary occasionally uses a stochastic simulation to estimate the amount of variability in the book of business. This information is used in setting the company's net retention.</u> |    |              |            |                          |
| 6.3  | What provision has this reporting entity made (such as 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?<br><u>The company does not insure for property loss.</u>  |    |              |            |                          |
| 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 uninsured catastrophic loss:<br><u>The reinsurance treaty for physicians excess of loss coverage covers over a limit per occurrence, regardless of the number of insured defendants.</u>  |    |              |            |                          |
| 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 ]         |

## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; CASUALTY INTERROGATORIES

|      |   |  |
|------|---|--|
| 7.2  | If yes, indicate the number of reinsurance contracts containing such provisions.  | 1  |
| 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 [ ]                                     |
| 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:<br>(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;<br>(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;<br>(c) Aggregate stop loss reinsurance coverage;<br>(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;<br>(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<br>(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 common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:<br>(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<br>(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:<br>(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;<br>(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<br>(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:<br>(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<br>(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:<br>(a) The entity does not utilize reinsurance; or<br>(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<br>(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]<br>Yes [ ] No [X]<br>Yes [ ] No [X] |
| 10.  | If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?  | Yes [ ] No [ ] N/A [X]                             |
| 11.1 | Has the reporting entity guaranteed policies issued by any other entity and now in force?   | Yes [ ] No [X]                                     |
| 11.2 | If yes, give full information   |  |
| 12.1 | If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:<br>12.11 Unpaid losses<br>12.12 Unpaid underwriting expenses (including loss adjustment expenses)   | \$ 0<br>\$ 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:<br>12.41 From<br>12.42 To   | 0.000%<br>0.000%                                   |
| 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 [ ] No [X]                                     |
| 12.6 | If yes, state the amount thereof at December 31 of current year:<br>12.61 Letters of Credit<br>12.62 Collateral and other funds   | \$ 0<br>\$ 0                                       |
| 13.1 | Largest net aggregate amount insured in any one risk (excluding workers' compensation):   | \$ 1,000,000                                       |
| 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.   | 1  |

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & 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                         | 2                       | 3                         | 4                          | 5                        |
|-------|------------|---------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
|       |            | Direct Losses<br>Incurred | Direct Losses<br>Unpaid | Direct Written<br>Premium | Direct Premium<br>Unearned | Direct Premium<br>Earned |
| 16.11 | Home       | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.12 | Products   | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.13 | Automobile | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.14 | Other*     | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |

\* 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 | \$ 0 |
| 17.12 | Unfunded portion of Interrogatory 17.11   | \$ 0 |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11                           | \$ 0 |
| 17.14 | Case reserves portion of Interrogatory 17.11  | \$ 0 |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11  | \$ 0 |
| 17.16 | Unearned premium portion of Interrogatory 17.11   | \$ 0 |
| 17.17 | Contingent commission portion of Interrogatory 17.11  | \$ 0 |

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 | \$ 0 |
| 17.19 | Unfunded portion of Interrogatory 17.18   | \$ 0 |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18                           | \$ 0 |
| 17.21 | Case reserves portion of Interrogatory 17.18  | \$ 0 |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18  | \$ 0 |
| 17.23 | Unearned premium portion of Interrogatory 17.18   | \$ 0 |
| 17.24 | Contingent commission portion of Interrogatory 17.18  | \$ 0 |

- 18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 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. \$ 0



## FIVE-YEAR HISTORICAL DATA

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

|   | 1<br>2015  | 2<br>2014   | 3<br>2013   | 4<br>2012   | 5<br>2011   |
|---|------------|-------------|-------------|-------------|-------------|
| <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).....   | 13,922,943 | 12,981,918  | 15,178,804  | 15,041,163  | 14,700,298  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0          | 0           | 0           | 0           | 0           |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0          | 0           | 0           | 0           | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....  | 0          | 0           | 0           | 0           | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....   | 0          | 0           | 0           | 0           | 0           |
| 6. Total (Line 35).....   | 13,922,943 | 12,981,918  | 15,178,804  | 15,041,163  | 14,700,298  |
| <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).....   | 11,968,647 | 11,247,823  | 12,952,832  | 12,961,411  | 12,660,757  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0          | 0           | 0           | 0           | 0           |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0          | 0           | 0           | 0           | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0          | 0           | 0           | 0           | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0          | 0           | 0           | 0           | 0           |
| 12. Total (Line 35).....  | 11,968,647 | 11,247,823  | 12,952,832  | 12,961,411  | 12,660,757  |
| <b>Statement of Income (Page 4)</b>   |            |             |             |             |             |
| 13. Net underwriting gain (loss) (Line 8).....  | 1,534,395  | 3,138,604   | 2,189,863   | 5,775,539   | 3,130,345   |
| 14. Net investment gain (loss) (Line 11).....   | 3,019,769  | 3,147,465   | 4,340,431   | 4,238,208   | 4,420,960   |
| 15. Total other income (Line 15).....   | 81,835     | 2,350,869   | 521,976     | 681,433     | 380,036     |
| 16. Dividends to policyholders (Line 17).....   | 0          | 0           | 0           | 0           | 0           |
| 17. Federal and foreign income taxes incurred (Line 19).....  | 157,513    | (22,776)    | (157,353)   | 242,392     | 471,828     |
| 18. Net income (Line 20).....   | 4,478,487  | 8,659,714   | 7,209,623   | 10,452,788  | 7,459,513   |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |            |             |             |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....  | 98,946,625 | 106,621,145 | 103,117,624 | 106,959,417 | 101,804,074 |
| 20. Premiums and considerations (Page 2, Col. 3):   |            |             |             |             |             |
| 20.1 In course of collection (Line 15.1).....   | 864,963    | 536,781     | 796,158     | 786,939     | 702,459     |
| 20.2 Deferred and not yet due (Line 15.2).....  | 1,384,898  | 1,441,789   | 1,238,763   | 1,534,408   | 1,446,821   |
| 20.3 Accrued retrospective premiums (Line 15.3).....  | 0          | 0           | 0           | 0           | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....  | 48,451,364 | 51,848,056  | 50,504,219  | 56,071,592  | 61,900,998  |
| 22. Losses (Page 3, Line 1).....  | 21,035,410 | 21,386,668  | 22,644,793  | 24,370,712  | 27,304,448  |
| 23. Loss adjustment expenses (Page 3, Line 3).....  | 16,617,921 | 16,371,837  | 17,515,219  | 17,381,898  | 18,259,561  |
| 24. Unearned premiums (Page 3, Line 9).....   | 3,823,233  | 3,589,731   | 4,146,440   | 4,086,397   | 3,890,777   |
| 25. Capital paid up (Page 3, Lines 30 & 31).....  | 0          | 0           | 0           | 0           | 0           |
| 26. Surplus as regards policyholders (Page 3, Line 37).....   | 50,495,261 | 54,773,089  | 52,613,404  | 50,887,829  | 39,903,079  |
| <b>Cash Flow (Page 5)</b>   |            |             |             |             |             |
| 27. Net cash from operations (Line 11).....   | 3,895,775  | 4,165,181   | 4,447,625   | 5,007,925   | 2,125,082   |
| <b>Risk-Based Capital Analysis</b>  |            |             |             |             |             |
| 28. Total adjusted capital.....   | 50,495,261 | 54,773,089  | 52,613,404  | 50,887,830  | 39,903,079  |
| 29. Authorized control level risk-based capital.....  | 4,196,025  | 4,385,830   | 4,752,592   | 4,919,799   | 5,115,908   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |            |             |             |             |             |
| 30. Bonds (Line 1).....   | 83.1       | 76.4        | 81.2        | 78.0        | 81.7        |
| 31. Stocks (Lines 2.1 & 2.2).....   | 14.4       | 12.9        | 15.6        | 16.7        | 16.2        |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....  | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....   | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5).....   | 2.5        | 10.7        | 3.3         | 5.3         | 2.1         |
| 35. Contract loans (Line 6).....  | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 36. Derivatives (Line 7).....   | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 37. Other invested assets (Line 8).....   | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 38. Receivable for securities (Line 9).....   | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10).....  | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11).....  | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         |
| 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).....  | 0          | 0           | 0           | 0           | 0           |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....   | 0          | 0           | 0           | 0           | 0           |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....  | 0          | 0           | 0           | 0           | 0           |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....  | 0          | 0           | 0           | 0           | 0           |
| 46. Affiliated mortgage loans on real estate.....   | 0          | 0           | 0           | 0           | 0           |
| 47. All other affiliated.....   | 0          | 0           | 0           | 0           | 0           |
| 48. Total of above lines 42 to 47.....  | 0          | 0           | 0           | 0           | 0           |
| 49. Total investment in parent included in Lines 42 to 47 above.....  | 0          | 0           | 0           | 0           | 0           |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>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         |

**FIVE-YEAR HISTORICAL DATA**

(Continued)

|   | 1           | 2         | 3         | 4          | 5         |
|---|-------------|-----------|-----------|------------|-----------|
|   | 2015        | 2014      | 2013      | 2012       | 2011      |
| <b>Capital and Surplus Accounts (Page 4)</b>  |             |           |           |            |           |
| 51. Net unrealized capital gains (losses) (Line 24).....  | (675,514)   | 224,842   | 1,026,521 | 1,157,041  | (558,655) |
| 52. Dividends to stockholders (Line 35).....  | 0           | 0         | 0         | 0          | 0         |
| 53. Change in surplus as regards policyholders for the year (Line 38).....  | (4,277,827) | 2,159,683 | 1,725,573 | 10,984,751 | 4,693,115 |
| <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).....  | 4,430,782   | 3,840,347 | 8,782,502 | 4,499,441  | 8,928,528 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0           | 0         | 0         | 0          | 0         |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0           | 0         | 0         | 0          | 0         |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0           | 0         | 0         | 0          | 0         |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0           | 0         | 0         | 0          | 0         |
| 59. Total (Line 35).....  | 4,430,782   | 3,840,347 | 8,782,502 | 4,499,441  | 8,928,528 |
| <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).....  | 4,430,782   | 3,840,347 | 5,432,502 | 4,099,441  | 8,503,528 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0           | 0         | 0         | 0          | 0         |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0           | 0         | 0         | 0          | 0         |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0           | 0         | 0         | 0          | 0         |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0           | 0         | 0         | 0          | 0         |
| 65. Total (Line 35).....  | 4,430,782   | 3,840,347 | 5,432,502 | 4,099,441  | 8,503,528 |
| <b>Operating Percentages</b><br>(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).....   | 34.8        | 21.9      | 28.8      | 9.1        | 25.5      |
| 68. Loss expenses incurred (Line 3).....  | 38.4        | 29.0      | 32.5      | 26.7       | 33.1      |
| 69. Other underwriting expenses incurred (Line 4).....  | 13.7        | 22.6      | 21.8      | 18.9       | 16.3      |
| 70. Net underwriting gain (loss) (Line 8).....  | 13.1        | 26.6      | 17.0      | 45.2       | 25.1      |
| <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).....   | 12.8        | 2.8       | 17.6      | 13.4       | 13.1      |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....   | 73.2        | 50.9      | 61.2      | 35.9       | 58.7      |
| 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).....  | 23.7        | 20.5      | 24.6      | 25.5       | 31.7      |
| <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).....  | (3,275)     | (5,061)   | (4,522)   | (7,663)    | (4,608)   |
| 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).....                   | (6.0)       | (9.6)     | (8.9)     | (19.2)     | (13.1)    |
| <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).....                           | (8,083)     | (8,534)   | (12,618)  | (11,383)   | (6,941)   |
| 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)..... | (15.4)      | (16.8)    | (31.6)    | (32.3)     | (21.1)    |

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:

---

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)**



NAIC Group Code.....0 NAIC Company Code....31429

BUSINESS IN GRAND TOTAL DURING THE YEAR

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.1 Allied lines.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.2 Multiple peril crop.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.3 Federal flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.4 Private crop.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 3. Farmowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 4. Homeowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.1 Commercial multiple peril (non-liability portion).....             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.2 Commercial multiple peril (liability portion).....                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 6. Mortgage guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 8. Ocean marine.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 9. Inland marine.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 10. Financial guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 11. Medical professional liability.....                                | 13,877,943  | 13,628,874                  | 0   | 3,965,751                             | 4,214,176                                   | 3,839,327                   | 25,359,413                | 3,211,862   | 3,533,471   | 17,711,901   | 0  | 122,922                        |
| 12. Earthquake.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 13. Group accident and health (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 14. Credit A&H (group and individual).....                             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.1 Collectively renewable A&H (b).....                               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.2 Non-cancelable A&H (b).....                                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.3 Guaranteed renewable A&H (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.4 Non-renewable for stated reasons only (b).....                    | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.5 Other accident only.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.7 All other A&H (b).....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.8 Federal employees health benefits plan premium (b).....           | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 16. Workers' compensation.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 17.1 Other liability-occurrence.....                                   | 27,000  | 26,989                      | 0   | 7,715                                 | 134,748                                     | 136,675                     | 46,747                    | 692   | 2,033   | 32,716   | 0  | 239                            |
| 17.2 Other liability-claims-made.....                                  | 18,000  | 17,593                      | 0   | 5,143                                 | 81,858                                      | 92,831                      | 20,181                    | 82,407  | 89,842  | 13,881   | 0  | 160                            |
| 17.3 Excess workers' compensation.....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 18. Products liability.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.2 Other private passenger auto liability.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.3 Commercial auto no-fault (personal injury protection).....        | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.4 Other commercial auto liability.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.1 Private passenger auto physical damage.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.2 Commercial auto physical damage.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 22. Aircraft (all perils).....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 23. Fidelity.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 24. Surety.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 26. Burglary and theft.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 27. Boiler and machinery.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 28. Credit.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 30. Warranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 34. Aggregate write-ins for other lines of business.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 35. TOTALS (a).....  | 13,922,943  | 13,673,456                  | 0   | 3,978,609                             | 4,430,782                                   | 4,068,833                   | 25,426,341                | 3,294,961   | 3,625,346   | 17,758,498   | 0  | 123,321                        |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|---|---|---|
| 3401.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3402.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3403.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 0 | 0 | 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 | 0 | 0 | 0 |

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)**



NAIC Group Code.....0 NAIC Company Code....31429

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.1 Allied lines.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.2 Multiple peril crop.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.3 Federal flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.4 Private crop.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 3. Farmowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 4. Homeowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.1 Commercial multiple peril (non-liability portion).....             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.2 Commercial multiple peril (liability portion).....                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 6. Mortgage guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 8. Ocean marine.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 9. Inland marine.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 10. Financial guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 11. Medical professional liability.....                                | 13,877,943  | 13,628,874                  | 0   | 3,965,751                             | 4,214,176                                   | 3,839,327                   | 25,359,413                | 3,211,862   | 3,533,471   | 17,711,901   | 0  | 122,922                        |
| 12. Earthquake.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 13. Group accident and health (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 14. Credit A&H (group and individual).....                             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.1 Collectively renewable A&H (b).....                               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.2 Non-cancelable A&H (b).....                                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.3 Guaranteed renewable A&H (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.4 Non-renewable for stated reasons only (b).....                    | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.5 Other accident only.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.7 All other A&H (b).....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.8 Federal employees health benefits plan premium (b).....           | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 16. Workers' compensation.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 17.1 Other liability-occurrence.....                                   | 27,000  | 26,989                      | 0   | 7,715                                 | 134,748                                     | 136,675                     | 46,747                    | 692   | 2,033   | 32,716   | 0  | 239                            |
| 17.2 Other liability-claims-made.....                                  | 18,000  | 17,593                      | 0   | 5,143                                 | 81,858                                      | 92,831                      | 20,181                    | 82,407  | 89,842  | 13,881   | 0  | 160                            |
| 17.3 Excess workers' compensation.....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 18. Products liability.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.2 Other private passenger auto liability.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.3 Commercial auto no-fault (personal injury protection).....        | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.4 Other commercial auto liability.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.1 Private passenger auto physical damage.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.2 Commercial auto physical damage.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 22. Aircraft (all perils).....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 23. Fidelity.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 24. Surety.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 26. Burglary and theft.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 27. Boiler and machinery.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 28. Credit.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 30. Warranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 34. Aggregate write-ins for other lines of business.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 35. TOTALS (a).....  | 13,922,943  | 13,673,456                  | 0   | 3,978,609                             | 4,430,782                                   | 4,068,833                   | 25,426,341                | 3,294,961   | 3,625,346   | 17,758,498   | 0  | 123,321                        |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|---|---|---|
| 3401.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3402.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3403.....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 0 | 0 | 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 | 0 | 0 | 0 |

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**Sch. F - Pt. 1**  
**NONE**

**Sch. F - Pt. 2**  
**NONE**

### SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

| 1<br>ID<br>Number                                  | 2<br>NAIC<br>Company<br>Code                                      | 3<br>Name of Reinsurer              | 4<br>Domiciliary<br>Jurisdiction | 5<br>Reinsurance<br>Contracts<br>Ceding 75% or<br>More of Direct<br>Premiums<br>Written | 6<br>Reinsurance<br>Premiums<br>Ceded | Reinsurance Recoverable on |                  |  |  |                                |                               |                            |                                 |                                    |                                    | Reinsurance Payable                            |            | 18<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Col. 15-[16+17] | 19<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties |
|--|---|-------------------------------------|----------------------------------|---|---------------------------------------|----------------------------|------------------|--|--|--------------------------------|-------------------------------|----------------------------|---------------------------------|------------------------------------|------------------------------------|--|------------|--|--|
|  |   |                                     |                                  |   |                                       | 7<br>Paid<br>Losses        | 8<br>Paid<br>LAE | 9<br>Known<br>Case<br>Loss<br>Reserves | 10<br>Known<br>Case<br>LAE<br>Reserves | 11<br>IBNR<br>Loss<br>Reserves | 12<br>IBNR<br>LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commissions | 15<br>Cols.<br>7 thru 14<br>Totals | 16<br>Ceded<br>Balances<br>Payable | 17<br>Other<br>Amounts<br>Due to<br>Reinsurers |            |  |  |
| <b>Authorized Other U.S. Unaffiliated Insurers</b> |   |                                     |                                  |   |                                       |                            |                  |  |  |                                |                               |                            |                                 |                                    |                                    |  |            |  |  |
| 48-0921045.  | 39845...  | Westport Insurance Corp.....        | MO.....                          | .....0  | .....0                                | .....0                     | .....0           | .....0                                 | .....0                                 | .....81                        | .....56                       | .....0                     | .....0                          | .....137                           | .....0                             | .....0   | .....137   | .....0   |  |
| 95-2371728.  | 22667...  | Ace American Insurance Company..... | PA.....                          | .....2  | .....456                              | .....0                     | .....0           | .....0                                 | .....0                                 | .....1,011                     | .....709                      | .....46                    | .....0                          | .....1,766                         | .....0                             | .....0   | .....1,766 | .....0   |  |
| 42-0635534.  | 15865...  | NCMIC Insurance Company.....        | IA.....                          | .....1,398  | .....1,398                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....3,246                     | .....2,272                    | .....109                   | .....0                          | .....5,627                         | .....(99)                          | .....0   | .....5,726 | .....0   |  |
| 0999999.   | Total Authorized Other U.S. Unaffiliated Insurers.....            |                                     |                                  | .....1,854  | .....1,854                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,338                     | .....3,037                    | .....155                   | .....0                          | .....7,530                         | .....(99)                          | .....0   | .....7,629 | .....0   |  |
| 1399999.   | Total Authorized.....   |                                     |                                  | .....1,854  | .....1,854                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,338                     | .....3,037                    | .....155                   | .....0                          | .....7,530                         | .....(99)                          | .....0   | .....7,629 | .....0   |  |
| <b>Unauthorized Other Non-U.S. Insurers</b>        |   |                                     |                                  |   |                                       |                            |                  |  |  |                                |                               |                            |                                 |                                    |                                    |  |            |  |  |
| 2599998.   | Total Unauthorized Other Non-U.S. Insurers (Under \$100,000)..... |                                     |                                  | .....100  | .....100                              | .....0                     | .....0           | .....0                                 | .....0                                 | .....53                        | .....37                       | .....0                     | .....0                          | .....90                            | .....0                             | .....0   | .....90    | .....0   |  |
| 2599999.   | Total Unauthorized Other Non-U.S. Insurers.....                   |                                     |                                  | .....100  | .....100                              | .....0                     | .....0           | .....0                                 | .....0                                 | .....53                        | .....37                       | .....0                     | .....0                          | .....90                            | .....0                             | .....0   | .....90    | .....0   |  |
| 2699999.   | Total Unauthorized.....   |                                     |                                  | .....100  | .....100                              | .....0                     | .....0           | .....0                                 | .....0                                 | .....53                        | .....37                       | .....0                     | .....0                          | .....90                            | .....0                             | .....0   | .....90    | .....0   |  |
| 4099999.   | Total Authorized, Unauthorized and Certified.....                 |                                     |                                  | .....1,954  | .....1,954                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,391                     | .....3,074                    | .....155                   | .....0                          | .....7,620                         | .....(99)                          | .....0   | .....7,719 | .....0   |  |
| 9999999.   | Totals.....   |                                     |                                  | .....1,954  | .....1,954                            | .....0                     | .....0           | .....0                                 | .....0                                 | .....4,391                     | .....3,074                    | .....155                   | .....0                          | .....7,620                         | .....(99)                          | .....0   | .....7,719 | .....0   |  |

Note A: Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

22

| 1<br>Name of Reinsurer                  | 2<br>Commission<br>Rate | 3<br>Ceded<br>Premium |
|---|-------------------------|-----------------------|
| (1) NCMIC Insurance Company.....        | .....10.0               | .....1,398            |
| (2) Ace American Insurance Company..... | .....3.0                | .....456              |
| (3) .....                               | .....0.0                | .....0                |
| (4) .....                               | .....0.0                | .....0                |
| (5) .....                               | .....0.0                | .....0                |

Note B: Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

| 1<br>Name of Reinsurer                  | 2<br>Total<br>Recoverables | 3<br>Ceded<br>Premiums | 4<br>Affiliated |          |
|---|----------------------------|------------------------|-----------------|----------|
| (1) NCMIC Insurance Company.....        | .....5,513                 | .....1,398             | Yes [ ]         | No [ X ] |
| (2) Ace American Insurance Company..... | .....1,601                 | .....456               | Yes [ ]         | No [ X ] |
| (3) Westport Insurance Corp.....        | .....137                   | .....0                 | Yes [ ]         | No [ X ] |
| (4) .....                               | .....0                     | .....0                 | Yes [ ]         | No [ ]   |
| (5) .....                               | .....0                     | .....0                 | Yes [ ]         | No [ ]   |

**SCHEDULE F - PART 4**

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

| 1<br>ID<br>Number | 2<br>NAIC<br>Company<br>Code | 3<br>Name of Reinsurer | 4<br>Domiciliary<br>Jurisdiction | Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses |                   |                    |                     |                    |                                    |  | 12<br>Percentage<br>Overdue<br>Col. 10 / Col. 11 | 13<br>Percentage<br>More Than<br>120 Days<br>Overdue<br>Col. 9 / Col. 11 |
|-------------------|------------------------------|------------------------|----------------------------------|--|-------------------|--------------------|---------------------|--------------------|------------------------------------|--|--|--|
|                   |                              |                        |                                  | 5<br>Current   | Overdue           |                    |                     |                    | 11<br>Total<br>Due<br>Cols. 5 + 10 |  |  |  |
|                   |                              |                        |                                  |  | 6<br>1 to 29 Days | 7<br>30 to 90 Days | 8<br>91 to 120 Days | 9<br>Over 120 Days |                                    | 10<br>Total Overdue<br>Cols. 6 + 7 + 8 + 9 |  |  |

**NONE**

**SCHEDULE F - PART 5**

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

| 1<br>ID<br>Number              | 2<br>NAIC<br>Company<br>Code       | 3<br>Name of Reinsurer                | 4<br>Domiciliary<br>Jurisdiction | 5<br>Reinsurance<br>Recoverable<br>all Items<br>Schedule F,<br>Part 3,<br>Col. 15 | 6<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties | 7<br>Letters<br>of<br>Credit | 8<br>Issuing or<br>Confirming<br>Bank<br>Reference<br>Number (a) | 9<br>Ceded<br>Balances<br>Payable | 10<br>Miscellaneous<br>Balances<br>Payable | 11<br>Trust Funds<br>and<br>Other<br>Allowed<br>Offset<br>Items | 12<br>Total<br>Collateral and<br>Offsets Allowed<br>(Cols. 6 + 7 +<br>9 + 10 + 11 but<br>not in Excess<br>of Col. 5) | 13<br>Provision for<br>Unauthorized<br>Reinsurance<br>(Col. 5 minus<br>Col. 12) | 14<br>Recoverable<br>Paid Losses &<br>LAE Expenses<br>Over 90 Days<br>Past Due not<br>in Dispute | 15<br>20%<br>of Amount<br>in Col. 14 | 16<br>20% of<br>Amount in<br>Dispute<br>Included in<br>Col. 5 | 17<br>Provision for<br>Overdue<br>Reinsurance<br>(Col. 15 plus<br>Col. 16) | 18<br>Total<br>Provision for<br>Reinsurance<br>Ceded to<br>Unauthorized<br>Reinsurers<br>(Col. 13 plus<br>Col. 17 but not in<br>Excess of Col. 5) |
|--------------------------------|------------------------------------|---------------------------------------|----------------------------------|---|---|------------------------------|--|-----------------------------------|--|---|--|---|--|--------------------------------------|---|--|---|
| <b>Other Non-U.S. Insurers</b> |                                    |                                       |                                  |   |   |                              |  |                                   |  |   |  |   |  |                                      |   |  |   |
| AA-1126510.                    | #0510.....                         | R.J. Kilin & Co.Limited.....          | GBR.....                         | .....22   | .....0  | .....0                       | .....0   | .....0                            | .....0                                     | .....22   | .....22  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| AA-1120157.                    | #1729.....                         | ASA Managing Agency Limited.....      | GBR.....                         | .....23   | .....0  | .....0                       | .....0   | .....0                            | .....0                                     | .....23   | .....23  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| AA-1120096.                    | #1880.....                         | R.J. Kiln & Co. Limited.....          | GBR.....                         | .....22   | .....0  | .....0                       | .....0   | .....0                            | .....0                                     | .....22   | .....22  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| AA-1120075.                    | #4020.....                         | Ark Syndicate Management Limited..... | GBR.....                         | .....23   | .....0  | .....0                       | .....0   | .....0                            | .....0                                     | .....23   | .....23  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| 1299999.                       | Total Other Non-U.S. Insurers..... |                                       |                                  | .....90   | .....0  | .....0                       | .....XXX.....  | .....0                            | .....0                                     | .....90   | .....90  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| 1399999.                       | Total Affiliates and Others.....   |                                       |                                  | .....90   | .....0  | .....0                       | .....XXX.....  | .....0                            | .....0                                     | .....90   | .....90  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |
| 9999999.                       | Totals.....                        |                                       |                                  | .....90   | .....0  | .....0                       | .....XXX.....  | .....0                            | .....0                                     | .....90   | .....90  | .....0  | .....0   | .....0                               | .....0  | .....0   | .....0  |

1. Amounts in dispute totaling \$.....0 are included in Column 5.
2. Amounts in dispute totaling \$.....0 are excluded from Column 14.



**Sch. F - Pt. 6 - Sn. 1**  
**NONE**

**Sch. F - Pt. 6 - Sn. 2**  
**NONE**

**Sch. F - Pt. 7**  
**NONE**

## SCHEDULE F - PART 8

Provision for Overdue Reinsurance as of December 31, Current Year

| 1<br>ID<br>Number          | 2<br>NAIC<br>Company<br>Code | 3<br>Name of Reinsurer                | 4<br>Reinsurance<br>Recoverable<br>All Items | 5<br>Funds Held<br>by Company<br>Under Reinsurance<br>Treaties | 6<br>Letters<br>of<br>Credit | 7<br>Ceded<br>Balances<br>Payable | 8<br>Other<br>Miscellaneous<br>Balances | 9<br>Other<br>Allowed Offset<br>Items | 10<br>Sum of Cols. 5<br>through 9 but<br>not in Excess<br>of Col. 4 | 11<br>Col. 4<br>Minus<br>Col. 10 | 12<br>Greater of Col. 11 or<br>Schedule F - Part 4<br>Cols. 8 + 9 |
|----------------------------|------------------------------|---------------------------------------|--|--|------------------------------|-----------------------------------|---|---------------------------------------|---|----------------------------------|---|
| <b>Overdue Reinsurance</b> |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  |   |
| AA-1126510.                | #0510....                    | R.J. Kilin & Co.Limited.....          | 22,000                                       | 0  | 0                            | 0                                 | 0                                       | 0                                     | 0   | 22,000                           | 0   |
| AA-1120157.                | #1729....                    | ASA Managing Agency Limited.....      | 23,000                                       | 0  | 0                            | 0                                 | 0                                       | 0                                     | 0   | 23,000                           | 0   |
| AA-1120096.                | #1880....                    | R.J. Kiln & Co. Limited.....          | 22,000                                       | 0  | 0                            | 0                                 | 0                                       | 0                                     | 0   | 22,000                           | 0   |
| AA-1120075.                | #4020....                    | Ark Syndicate Management Limited..... | 23,000                                       | 0  | 0                            | 0                                 | 0                                       | 0                                     | 0   | 23,000                           | 0   |
| 9999999.                   | Totals.....                  |                                       | 90,000                                       | 0  | 0                            | 0                                 | 0                                       | 0                                     | 0   | 90,000                           | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |
|                            |                              |                                       |  |  |                              |                                   |   |                                       |   |                                  | 0   |

## SCHEDULE F - PART 9

## Restatement of Balance Sheet to Identify Net Credit for Reinsurance

|  | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|--|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>   |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 12).....   | 95,590,428                         | 0                               | 95,590,428                        |
| 2. Premiums and considerations (Line 15).....  | 2,249,861                          | 98,743                          | 2,348,604                         |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)..... | 0                                  | 0                               | 0                                 |
| 4. Funds held by or deposited with reinsured companies (Line 16.2).....                  | 0                                  | 0                               | 0                                 |
| 5. Other assets.....   | 1,106,336                          | 0                               | 1,106,336                         |
| 6. Net amount recoverable from reinsurers.....   | 0                                  | 7,340,880                       | 7,340,880                         |
| 7. Protected cell assets (Line 27).....  | 0                                  | 0                               | 0                                 |
| 8. Totals (Line 28).....   | 98,946,625                         | 7,439,623                       | 106,386,248                       |
| <b>LIABILITIES (Page 3)</b>  |                                    |                                 |                                   |
| 9. Losses and loss adjustment expenses (Lines 1 through 3).....                          | 37,653,331                         | 7,185,504                       | 44,838,835                        |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8).....                      | 708,688                            | 0                               | 708,688                           |
| 11. Unearned premiums (Line 9).....  | 3,823,233                          | 155,376                         | 3,978,609                         |
| 12. Advance premiums (Line 10).....  | 1,002,231                          | 0                               | 1,002,231                         |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2).....                              | 0                                  | 0                               | 0                                 |
| 14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12).....        | (98,743)                           | 98,743                          | 0                                 |
| 15. Funds held by company under reinsurance treaties (Line 13).....                      | 0                                  | 0                               | 0                                 |
| 16. Amounts withheld or retained by company for account of others (Line 14).....         | 0                                  | 0                               | 0                                 |
| 17. Provision for reinsurance (Line 16).....   | 0                                  | 0                               | 0                                 |
| 18. Other liabilities.....   | 5,362,624                          | 0                               | 5,362,624                         |
| 19. Total liabilities excluding protected cell business (Line 26).....                   | 48,451,364                         | 7,439,623                       | 55,890,987                        |
| 20. Protected cell liabilities (Line 27).....  | 0                                  | 0                               | 0                                 |
| 21. Surplus as regards policyholders (Line 37).....                                      | 50,495,261                         | .XXX                            | 50,495,261                        |
| 22. Totals (Line 38).....  | 98,946,625                         | 7,439,623                       | 106,386,248                       |

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?..Yes [ ] No [ X ]

If yes, give full explanation:

---

**Sch. H - Pt. 1  
NONE**

**Sch. H - Pt. 2  
NONE**

**Sch. H - Pt. 3  
NONE**

**Sch. H - Pt. 4  
NONE**

**Sch. H - Pt. 5  
NONE**

**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<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 260                            | 0          | 17                                    | 0          | 18                           | 0          | 0                                      | 295  | XXX  |
| 2. 2006.....   | 18,562                  | 3,073      | 15,489                 | 5,211                          | 0          | 4,449                                 | 0          | 461                          | 0          | 0                                      | 10,121   | XXX  |
| 3. 2007.....   | 19,763                  | 3,321      | 16,442                 | 5,188                          | 0          | 3,075                                 | 0          | 420                          | 0          | 0                                      | 8,683  | XXX  |
| 4. 2008.....   | 18,643                  | 2,920      | 15,723                 | 10,911                         | 3,750      | 4,594                                 | 304        | 648                          | 0          | 0                                      | 12,099   | XXX  |
| 5. 2009.....   | 19,865                  | 2,708      | 17,157                 | 7,346                          | 425        | 3,235                                 | 42         | 626                          | 0          | 14                                     | 10,740   | XXX  |
| 6. 2010.....   | 15,207                  | 2,350      | 12,857                 | 3,915                          | 0          | 4,155                                 | 0          | 453                          | 0          | 0                                      | 8,523  | XXX  |
| 7. 2011.....   | 14,535                  | 2,046      | 12,489                 | 1,821                          | 0          | 2,311                                 | 0          | 308                          | 0          | 0                                      | 4,440  | XXX  |
| 8. 2012.....   | 14,833                  | 2,067      | 12,766                 | 2,601                          | 0          | 2,271                                 | 0          | 345                          | 0          | 0                                      | 5,217  | XXX  |
| 9. 2013.....   | 15,166                  | 2,282      | 12,884                 | 959                            | 0          | 1,643                                 | 0          | 270                          | 0          | 0                                      | 2,872  | XXX  |
| 10. 2014.....  | 13,592                  | 1,789      | 11,803                 | 572                            | 0          | 607                                   | 0          | 199                          | 0          | 0                                      | 1,378  | XXX  |
| 11. 2015.....  | 13,673                  | 1,938      | 11,735                 | 276                            | 0          | 227                                   | 0          | 137                          | 0          | 0                                      | 640  | XXX  |
| 12. Totals.....  | XXX                     | XXX        | XXX                    | 39,060                         | 4,175      | 26,584                                | 346        | 3,885                        | 0          | 14                                     | 65,008   | XXX  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 5                        | 0           | 160                      | 114         | 22                                  | 0           | 140                      | 80          | 7                          | 0           | 0   | 140  | XXX   |
| 2. 2006.....    | 0                        | 0           | 99                       | 67          | 0                                   | 0           | 118                      | 47          | 6                          | 0           | 0   | 109  | XXX   |
| 3. 2007.....    | 125                      | 0           | 198                      | 154         | 50                                  | 0           | 138                      | 108         | 9                          | 0           | 0   | 258  | XXX   |
| 4. 2008.....    | 0                        | 0           | 365                      | 195         | 1                                   | 0           | 383                      | 137         | 24                         | 0           | 0   | 441  | XXX   |
| 5. 2009.....    | 5                        | 0           | 375                      | 253         | 86                                  | 0           | 431                      | 177         | 25                         | 0           | 0   | 492  | XXX   |
| 6. 2010.....    | 100                      | 0           | 499                      | 254         | 69                                  | 0           | 740                      | 179         | 51                         | 0           | 0   | 1,026                                      | XXX   |
| 7. 2011.....    | 538                      | 0           | 606                      | 287         | 193                                 | 0           | 806                      | 201         | 74                         | 0           | 0   | 1,729                                      | XXX   |
| 8. 2012.....    | 1,105                    | 0           | 2,176                    | 450         | 322                                 | 0           | 1,568                    | 315         | 212                        | 0           | 0   | 4,618                                      | XXX   |
| 9. 2013.....    | 2,150                    | 0           | 3,392                    | 778         | 525                                 | 0           | 2,956                    | 545         | 365                        | 0           | 0   | 8,065                                      | XXX   |
| 10. 2014.....   | 1,758                    | 0           | 4,461                    | 837         | 214                                 | 0           | 4,120                    | 586         | 468                        | 0           | 0   | 9,598                                      | XXX   |
| 11. 2015.....   | 941                      | 0           | 6,368                    | 1,001       | 221                                 | 0           | 4,769                    | 701         | 577                        | 0           | 0   | 11,174                                     | XXX   |
| 12. Totals..... | 6,727                    | 0           | 18,699                   | 4,390       | 1,703                               | 0           | 16,169                   | 3,076       | 1,818                      | 0           | 0   | 37,650                                     | XXX   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 51  | 89                         |
| 2. 2006.   | 10,344                                  | 114         | 10,230    | 55.7  | 3.7         | 66.0      | 0                   | 0                  | 0.00   | 32  | 77                         |
| 3. 2007.   | 9,203                                   | 262         | 8,941     | 46.6  | 7.9         | 54.4      | 0                   | 0                  | 0.00   | 169                                       | 89                         |
| 4. 2008.   | 16,926                                  | 4,386       | 12,540    | 90.8  | 150.2       | 79.8      | 0                   | 0                  | 0.00   | 170                                       | 271                        |
| 5. 2009.   | 12,129                                  | 897         | 11,232    | 61.1  | 33.1        | 65.5      | 0                   | 0                  | 0.00   | 127                                       | 365                        |
| 6. 2010.   | 9,982                                   | 433         | 9,549     | 65.6  | 18.4        | 74.3      | 0                   | 0                  | 0.00   | 345                                       | 681                        |
| 7. 2011.   | 6,657                                   | 488         | 6,169     | 45.8  | 23.9        | 49.4      | 0                   | 0                  | 0.00   | 857                                       | 872                        |
| 8. 2012.   | 10,600                                  | 765         | 9,835     | 71.5  | 37.0        | 77.0      | 0                   | 0                  | 0.00   | 2,831                                     | 1,787                      |
| 9. 2013.   | 12,260                                  | 1,323       | 10,937    | 80.8  | 58.0        | 84.9      | 0                   | 0                  | 0.00   | 4,764                                     | 3,301                      |
| 10. 2014.  | 12,399                                  | 1,423       | 10,976    | 91.2  | 79.5        | 93.0      | 0                   | 0                  | 0.00   | 5,382                                     | 4,216                      |
| 11. 2015.  | 13,516                                  | 1,702       | 11,814    | 98.9  | 87.8        | 100.7     | 0                   | 0                  | 0.00   | 6,308                                     | 4,866                      |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 21,036                                    | 16,614                     |

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  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |
|                                     | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | One Year    | Two Year |
| 1. Prior.....                       | 24,509   | 21,955 | 20,748 | 20,301 | 20,296 | 20,215 | 20,321 | 19,841 | 19,587 | 19,393 | (194)       | (448)    |
| 2. 2006.....                        | 14,659   | 13,234 | 12,276 | 10,204 | 10,024 | 9,604  | 9,464  | 9,562  | 9,808  | 9,763  | (45)        | 201      |
| 3. 2007.....                        | XXX  | 15,114 | 14,919 | 13,157 | 10,444 | 8,961  | 8,466  | 8,393  | 8,352  | 8,512  | 160         | 119      |
| 4. 2008.....                        | XXX  | XXX    | 14,957 | 15,685 | 16,075 | 14,022 | 12,023 | 11,537 | 11,930 | 11,868 | (62)        | 331      |
| 5. 2009.....                        | XXX  | XXX    | XXX    | 14,623 | 13,978 | 14,227 | 11,502 | 10,245 | 9,985  | 10,581 | 596         | 336      |
| 6. 2010.....                        | XXX  | XXX    | XXX    | XXX    | 12,805 | 11,985 | 10,463 | 9,491  | 9,307  | 9,045  | (262)       | (446)    |
| 7. 2011.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 11,677 | 10,789 | 9,004  | 6,972  | 5,787  | (1,185)     | (3,217)  |
| 8. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 11,958 | 12,391 | 10,511 | 9,278  | (1,233)     | (3,113)  |
| 9. 2013.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 12,148 | 11,099 | 10,302 | (797)       | (1,846)  |
| 10. 2014.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,562 | 10,309 | (253)       | XXX      |
| 11. 2015.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 11,100 | XXX         | XXX      |
| 12. Totals.....                     |  |        |        |        |        |        |        |        |        |        | (3,275)     | (8,083)  |

**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   | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2006  | 2007  | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   |   |  |
| 1. Prior.....                       | .000  | 5,989 | 12,006 | 15,563 | 16,738 | 18,116 | 18,786 | 19,003 | 18,983 | 19,260 | XXX                                       | XXX  |
| 2. 2006.....                        | 247   | 1,257 | 3,682  | 5,574  | 7,347  | 8,366  | 8,657  | 8,843  | 9,660  | 9,660  | XXX                                       | XXX  |
| 3. 2007.....                        | XXX   | 479   | 1,446  | 3,526  | 5,731  | 7,623  | 7,850  | 8,000  | 8,135  | 8,263  | XXX                                       | XXX  |
| 4. 2008.....                        | XXX   | XXX   | 437    | 1,310  | 2,920  | 5,903  | 9,388  | 10,679 | 10,859 | 11,451 | XXX                                       | XXX  |
| 5. 2009.....                        | XXX   | XXX   | XXX    | 376    | 1,268  | 4,890  | 6,179  | 8,320  | 9,006  | 10,114 | XXX                                       | XXX  |
| 6. 2010.....                        | XXX   | XXX   | XXX    | XXX    | 902    | 1,834  | 2,851  | 4,624  | 6,784  | 8,070  | XXX                                       | XXX  |
| 7. 2011.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | 449    | 1,154  | 2,334  | 3,697  | 4,132  | XXX                                       | XXX  |
| 8. 2012.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | 281    | 1,971  | 3,356  | 4,872  | XXX                                       | XXX  |
| 9. 2013.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 441    | 1,433  | 2,602  | XXX                                       | XXX  |
| 10. 2014.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 264    | 1,179  | XXX                                       | XXX  |
| 11. 2015.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 503    | 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   | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9     | 10    |
|                                     | 2006  | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014  | 2015  |
| 1. Prior.....                       | 15,927  | 8,344  | 3,919  | 2,406  | 1,482  | 824    | 586    | 426    | 194   | 106   |
| 2. 2006.....                        | 13,270  | 9,748  | 5,976  | 1,926  | 1,062  | 363    | 250    | 195    | 148   | 103   |
| 3. 2007.....                        | XXX   | 13,606 | 10,532 | 6,517  | 2,229  | 1,010  | 334    | 241    | 174   | 74    |
| 4. 2008.....                        | XXX   | XXX    | 13,510 | 10,488 | 6,867  | 3,303  | 1,116  | 690    | 542   | 416   |
| 5. 2009.....                        | XXX   | XXX    | XXX    | 13,082 | 9,870  | 6,662  | 3,381  | 952    | 589   | 376   |
| 6. 2010.....                        | XXX   | XXX    | XXX    | XXX    | 10,987 | 8,480  | 5,507  | 2,089  | 1,008 | 806   |
| 7. 2011.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | 10,666 | 8,068  | 5,105  | 2,031 | 924   |
| 8. 2012.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 10,354 | 7,831  | 5,237 | 2,979 |
| 9. 2013.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,617 | 7,944 | 5,025 |
| 10. 2014.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 9,676 | 7,158 |
| 11. 2015.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX   | 9,435 |

**Sch. P - Pt. 1A  
NONE**

**Sch. P - Pt. 1B  
NONE**

**Sch. P - Pt. 1C  
NONE**

**Sch. P - Pt. 1D  
NONE**

**Sch. P - Pt. 1E  
NONE**

**SCHEDULE P - PART 1F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 260.....                       | 0.....     | 17.....                               | 0.....     | 18.....                      | 0.....     | 0.....                                 | 295.....   | XXX.....   |
| 2. 2006.....   | 11,329.....             | 1,226..... | 10,103.....            | 3,290.....                     | 0.....     | 2,803.....                            | 0.....     | 321.....                     | 0.....     | 0.....                                 | 6,414.....   | 141.....   |
| 3. 2007.....   | 12,105.....             | 1,319..... | 10,786.....            | 3,254.....                     | 0.....     | 1,756.....                            | 0.....     | 273.....                     | 0.....     | 0.....                                 | 5,283.....   | 144.....   |
| 4. 2008.....   | 12,184.....             | 1,377..... | 10,807.....            | 8,844.....                     | 3,350..... | 3,133.....                            | 280.....   | 478.....                     | 0.....     | 0.....                                 | 8,825.....   | 210.....   |
| 5. 2009.....   | 11,948.....             | 1,471..... | 10,477.....            | 4,228.....                     | 0.....     | 2,356.....                            | 0.....     | 461.....                     | 0.....     | 14.....                                | 7,045.....   | 196.....   |
| 6. 2010.....   | 9,359.....              | 1,164..... | 8,195.....             | 3,454.....                     | 0.....     | 3,010.....                            | 0.....     | 351.....                     | 0.....     | 0.....                                 | 6,815.....   | 183.....   |
| 7. 2011.....   | 9,265.....              | 1,140..... | 8,125.....             | 1,097.....                     | 0.....     | 1,343.....                            | 0.....     | 199.....                     | 0.....     | 0.....                                 | 2,639.....   | 152.....   |
| 8. 2012.....   | 9,171.....              | 1,165..... | 8,006.....             | 1,246.....                     | 0.....     | 1,017.....                            | 0.....     | 199.....                     | 0.....     | 0.....                                 | 2,462.....   | 144.....   |
| 9. 2013.....   | 9,627.....              | 1,407..... | 8,220.....             | 346.....                       | 0.....     | 1,011.....                            | 0.....     | 184.....                     | 0.....     | 0.....                                 | 1,541.....   | 152.....   |
| 10. 2014.....  | 8,309.....              | 1,057..... | 7,252.....             | 455.....                       | 0.....     | 227.....                              | 0.....     | 114.....                     | 0.....     | 0.....                                 | 796.....   | 101.....   |
| 11. 2015.....  | 8,684.....              | 1,182..... | 7,502.....             | 58.....                        | 0.....     | 75.....                               | 0.....     | 59.....                      | 0.....     | 0.....                                 | 192.....   | 80.....  |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 26,532.....                    | 3,350..... | 16,748.....                           | 280.....   | 2,657.....                   | 0.....     | 14.....                                | 42,307.....  | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 5.....                   | 0.....      | 159.....                 | 113.....    | 22.....                             | 0.....      | 139.....                 | 79.....     | 7.....                     | 0.....      | 0.....                                    | 140.....                                   | 3.....  |
| 2. 2006.....    | 0.....                   | 0.....      | 96.....                  | 64.....     | 0.....                              | 0.....      | 116.....                 | 45.....     | 6.....                     | 0.....      | 0.....                                    | 109.....                                   | 0.....  |
| 3. 2007.....    | 125.....                 | 0.....      | 145.....                 | 101.....    | 50.....                             | 0.....      | 101.....                 | 71.....     | 9.....                     | 0.....      | 0.....                                    | 258.....                                   | 3.....  |
| 4. 2008.....    | 0.....                   | 0.....      | 302.....                 | 136.....    | 1.....                              | 0.....      | 328.....                 | 95.....     | 23.....                    | 0.....      | 0.....                                    | 423.....                                   | 1.....  |
| 5. 2009.....    | 5.....                   | 0.....      | 294.....                 | 185.....    | 86.....                             | 0.....      | 363.....                 | 129.....    | 23.....                    | 0.....      | 0.....                                    | 457.....                                   | 10.....   |
| 6. 2010.....    | 100.....                 | 0.....      | 407.....                 | 175.....    | 59.....                             | 0.....      | 653.....                 | 123.....    | 49.....                    | 0.....      | 0.....                                    | 970.....                                   | 12.....   |
| 7. 2011.....    | 538.....                 | 0.....      | 495.....                 | 209.....    | 165.....                            | 0.....      | 668.....                 | 147.....    | 66.....                    | 0.....      | 0.....                                    | 1,576.....                                 | 20.....   |
| 8. 2012.....    | 955.....                 | 0.....      | 1,782.....               | 324.....    | 227.....                            | 0.....      | 1,284.....               | 227.....    | 179.....                   | 0.....      | 0.....                                    | 3,876.....                                 | 25.....   |
| 9. 2013.....    | 1,877.....               | 0.....      | 2,319.....               | 527.....    | 398.....                            | 0.....      | 2,275.....               | 369.....    | 278.....                   | 0.....      | 0.....                                    | 6,251.....                                 | 41.....   |
| 10. 2014.....   | 1,018.....               | 0.....      | 3,118.....               | 510.....    | 111.....                            | 0.....      | 2,832.....               | 357.....    | 325.....                   | 0.....      | 0.....                                    | 6,537.....                                 | 23.....   |
| 11. 2015.....   | 622.....                 | 0.....      | 4,141.....               | 637.....    | 62.....                             | 0.....      | 3,227.....               | 446.....    | 382.....                   | 0.....      | 0.....                                    | 7,351.....                                 | 43.....   |
| 12. Totals..... | 5,245.....               | 0.....      | 13,258.....              | 2,981.....  | 1,181.....                          | 0.....      | 11,986.....              | 2,088.....  | 1,347.....                 | 0.....      | 0.....                                    | 27,948.....                                | 181.....  |

|                 | Total Losses and Loss Expenses Incurred |             |            | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |            | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|------------|---|-------------|------------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net  | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net  | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 51.....                                   | 89.....                    |
| 2. 2006.....    | 6,632.....                              | 109.....    | 6,523..... | 58.5.....   | 8.9.....    | 64.6.....  | 0.....              | 0.....             | 0.00.....  | 32.....                                   | 77.....                    |
| 3. 2007.....    | 5,713.....                              | 172.....    | 5,541..... | 47.2.....   | 13.0.....   | 51.4.....  | 0.....              | 0.....             | 0.00.....  | 169.....                                  | 89.....                    |
| 4. 2008.....    | 13,109.....                             | 3,861.....  | 9,248..... | 107.6.....  | 280.4.....  | 85.6.....  | 0.....              | 0.....             | 0.00.....  | 166.....                                  | 257.....                   |
| 5. 2009.....    | 7,816.....                              | 314.....    | 7,502..... | 65.4.....   | 21.3.....   | 71.6.....  | 0.....              | 0.....             | 0.00.....  | 114.....                                  | 343.....                   |
| 6. 2010.....    | 8,083.....                              | 298.....    | 7,785..... | 86.4.....   | 25.6.....   | 95.0.....  | 0.....              | 0.....             | 0.00.....  | 332.....                                  | 638.....                   |
| 7. 2011.....    | 4,571.....                              | 356.....    | 4,215..... | 49.3.....   | 31.2.....   | 51.9.....  | 0.....              | 0.....             | 0.00.....  | 824.....                                  | 752.....                   |
| 8. 2012.....    | 6,889.....                              | 551.....    | 6,338..... | 75.1.....   | 47.3.....   | 79.2.....  | 0.....              | 0.....             | 0.00.....  | 2,413.....                                | 1,463.....                 |
| 9. 2013.....    | 8,688.....                              | 896.....    | 7,792..... | 90.2.....   | 63.7.....   | 94.8.....  | 0.....              | 0.....             | 0.00.....  | 3,669.....                                | 2,582.....                 |
| 10. 2014.....   | 8,200.....                              | 867.....    | 7,333..... | 98.7.....   | 82.0.....   | 101.1..... | 0.....              | 0.....             | 0.00.....  | 3,626.....                                | 2,911.....                 |
| 11. 2015.....   | 8,626.....                              | 1,083.....  | 7,543..... | 99.3.....   | 91.6.....   | 100.5..... | 0.....              | 0.....             | 0.00.....  | 4,126.....                                | 3,225.....                 |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 15,522.....                               | 12,426.....                |



**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |          |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|----------|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |          |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |          |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |          |
| 2. 2006.....   | 7,203.....              | 1,847..... | 5,356.....             | 1,919.....                     | 0.....     | 1,646.....                            | 0.....     | 140.....                     | 0.....     | 0.....                                 | 0.....   | 3,705.....   | 103..... |
| 3. 2007.....   | 7,626.....              | 2,002..... | 5,624.....             | 1,931.....                     | 0.....     | 1,315.....                            | 0.....     | 146.....                     | 0.....     | 0.....                                 | 0.....   | 3,392.....   | 78.....  |
| 4. 2008.....   | 6,424.....              | 1,543..... | 4,881.....             | 2,065.....                     | 400.....   | 1,461.....                            | 24.....    | 170.....                     | 0.....     | 0.....                                 | 0.....   | 3,272.....   | 90.....  |
| 5. 2009.....   | 7,862.....              | 1,237..... | 6,625.....             | 3,116.....                     | 425.....   | 879.....                              | 42.....    | 165.....                     | 0.....     | 0.....                                 | 0.....   | 3,693.....   | 85.....  |
| 6. 2010.....   | 5,792.....              | 1,186..... | 4,606.....             | 452.....                       | 0.....     | 1,117.....                            | 0.....     | 101.....                     | 0.....     | 0.....                                 | 0.....   | 1,670.....   | 80.....  |
| 7. 2011.....   | 5,218.....              | 906.....   | 4,312.....             | 709.....                       | 0.....     | 966.....                              | 0.....     | 107.....                     | 0.....     | 0.....                                 | 0.....   | 1,782.....   | 86.....  |
| 8. 2012.....   | 5,611.....              | 902.....   | 4,709.....             | 1,353.....                     | 0.....     | 1,251.....                            | 0.....     | 146.....                     | 0.....     | 0.....                                 | 0.....   | 2,750.....   | 98.....  |
| 9. 2013.....   | 5,490.....              | 875.....   | 4,615.....             | 591.....                       | 0.....     | 622.....                              | 0.....     | 84.....                      | 0.....     | 0.....                                 | 0.....   | 1,297.....   | 98.....  |
| 10. 2014.....  | 5,239.....              | 732.....   | 4,507.....             | 56.....                        | 0.....     | 322.....                              | 0.....     | 77.....                      | 0.....     | 0.....                                 | 0.....   | 455.....   | 77.....  |
| 11. 2015.....  | 4,944.....              | 756.....   | 4,188.....             | 78.....                        | 0.....     | 151.....                              | 0.....     | 64.....                      | 0.....     | 0.....                                 | 0.....   | 293.....   | 94.....  |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 12,270.....                    | 825.....   | 9,730.....                            | 66.....    | 1,200.....                   | 0.....     | 0.....                                 | 0.....   | 22,309.....  | XXX..... |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 1.....                   | 1.....      | 0.....                              | 0.....      | 1.....                   | 1.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2006.....    | 0.....                   | 0.....      | 3.....                   | 3.....      | 0.....                              | 0.....      | 2.....                   | 2.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2007.....    | 0.....                   | 0.....      | 53.....                  | 53.....     | 0.....                              | 0.....      | 37.....                  | 37.....     | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2008.....    | 0.....                   | 0.....      | 63.....                  | 59.....     | 0.....                              | 0.....      | 55.....                  | 42.....     | 1.....                     | 0.....      | 0.....                                    | 18.....                                    | 0.....  |
| 5. 2009.....    | 0.....                   | 0.....      | 81.....                  | 68.....     | 0.....                              | 0.....      | 68.....                  | 48.....     | 2.....                     | 0.....      | 0.....                                    | 35.....                                    | 0.....  |
| 6. 2010.....    | 0.....                   | 0.....      | 90.....                  | 79.....     | 10.....                             | 0.....      | 86.....                  | 56.....     | 2.....                     | 0.....      | 0.....                                    | 53.....                                    | 1.....  |
| 7. 2011.....    | 0.....                   | 0.....      | 110.....                 | 78.....     | 28.....                             | 0.....      | 137.....                 | 54.....     | 8.....                     | 0.....      | 0.....                                    | 151.....                                   | 1.....  |
| 8. 2012.....    | 150.....                 | 0.....      | 388.....                 | 126.....    | 95.....                             | 0.....      | 280.....                 | 88.....     | 33.....                    | 0.....      | 0.....                                    | 732.....                                   | 12.....   |
| 9. 2013.....    | 273.....                 | 0.....      | 1,057.....               | 251.....    | 127.....                            | 0.....      | 670.....                 | 176.....    | 86.....                    | 0.....      | 0.....                                    | 1,786.....                                 | 11.....   |
| 10. 2014.....   | 740.....                 | 0.....      | 1,323.....               | 327.....    | 103.....                            | 0.....      | 1,274.....               | 229.....    | 141.....                   | 0.....      | 0.....                                    | 3,025.....                                 | 18.....   |
| 11. 2015.....   | 319.....                 | 0.....      | 2,206.....               | 364.....    | 159.....                            | 0.....      | 1,527.....               | 255.....    | 193.....                   | 0.....      | 0.....                                    | 3,785.....                                 | 47.....   |
| 12. Totals..... | 1,482.....               | 0.....      | 5,375.....               | 1,409.....  | 522.....                            | 0.....      | 4,137.....               | 988.....    | 466.....                   | 0.....      | 0.....                                    | 9,585.....                                 | 90.....   |

|                 | Total Losses and Loss Expenses Incurred |             |            | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|------------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net  | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2006.....    | 3,710.....                              | 5.....      | 3,705..... | 51.5.....   | 0.3.....    | 69.2..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2007.....    | 3,482.....                              | 90.....     | 3,392..... | 45.7.....   | 4.5.....    | 60.3..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2008.....    | 3,815.....                              | 525.....    | 3,290..... | 59.4.....   | 34.0.....   | 67.4..... | 0.....              | 0.....             | 0.00.....  | 4.....                                    | 14.....                    |
| 5. 2009.....    | 4,311.....                              | 583.....    | 3,728..... | 54.8.....   | 47.1.....   | 56.3..... | 0.....              | 0.....             | 0.00.....  | 13.....                                   | 22.....                    |
| 6. 2010.....    | 1,858.....                              | 135.....    | 1,723..... | 32.1.....   | 11.4.....   | 37.4..... | 0.....              | 0.....             | 0.00.....  | 11.....                                   | 42.....                    |
| 7. 2011.....    | 2,065.....                              | 132.....    | 1,933..... | 39.6.....   | 14.6.....   | 44.8..... | 0.....              | 0.....             | 0.00.....  | 32.....                                   | 119.....                   |
| 8. 2012.....    | 3,696.....                              | 214.....    | 3,482..... | 65.9.....   | 23.7.....   | 73.9..... | 0.....              | 0.....             | 0.00.....  | 412.....                                  | 320.....                   |
| 9. 2013.....    | 3,510.....                              | 427.....    | 3,083..... | 63.9.....   | 48.8.....   | 66.8..... | 0.....              | 0.....             | 0.00.....  | 1,079.....                                | 707.....                   |
| 10. 2014.....   | 4,036.....                              | 556.....    | 3,480..... | 77.0.....   | 76.0.....   | 77.2..... | 0.....              | 0.....             | 0.00.....  | 1,736.....                                | 1,289.....                 |
| 11. 2015.....   | 4,697.....                              | 619.....    | 4,078..... | 95.0.....   | 81.9.....   | 97.4..... | 0.....              | 0.....             | 0.00.....  | 2,161.....                                | 1,624.....                 |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 5,448.....                                | 4,137.....                 |

**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

(\$000 omitted)

| Years in Which<br>Premiums<br>Were<br>Earned and<br>Losses Were<br>Incurred | Premiums Earned               |            |                           | Loss and Loss Expense Payments |            |  |            |                                 |            |   | 12<br>Number<br>of<br>Claims<br>Reported-<br>Direct and<br>Assumed |   |
|---|-------------------------------|------------|---------------------------|--------------------------------|------------|--|------------|---------------------------------|------------|---|--|---|
|   | 1<br>Direct<br>and<br>Assumed | 2<br>Ceded | 3<br>Net<br>(Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost<br>Containment Payments |            | Adjusting and Other<br>Payments |            | 10<br>Salvage<br>and<br>Subrogation<br>Received |  | 11<br>Total<br>Net Paid<br>(Cols. 4 - 5 +<br>6 - 7 + 8 - 9) |
|   |                               |            |                           | 4<br>Direct<br>and<br>Assumed  | 5<br>Ceded | 6<br>Direct<br>and<br>Assumed            | 7<br>Ceded | 8<br>Direct<br>and<br>Assumed   | 9<br>Ceded |   |  |   |
| 1. Prior.....   | XXX                           | XXX        | XXX                       | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 2. 2006.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 3. 2007.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 4. 2008.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 5. 2009.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 6. 2010.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 7. 2011.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 8. 2012.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 9. 2013.....  | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 10. 2014.....   | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 11. 2015.....   | 0                             | 0          | 0                         | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |
| 12. Totals....  | XXX                           | XXX        | XXX                       | 0                              | 0          | 0  | 0          | 0                               | 0          | 0   | 0  | XXX   |

|                | Losses Unpaid                  |             |                                |             | Defense and Cost Containment Unpaid |             |                                |             | Adjusting and Other<br>Unpaid  |             | 23<br>Salvage<br>and<br>Subrogation<br>Anticipated | 24<br>Total<br>Net<br>Losses<br>and<br>Expenses<br>Unpaid | 25<br>Number of<br>Claims<br>Outstanding-<br>Direct and<br>Assumed |
|----------------|--------------------------------|-------------|--------------------------------|-------------|-------------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|--|---|--|
|                | Case Basis                     |             | Bulk + IBNR                    |             | Case Basis                          |             | Bulk + IBNR                    |             | 21<br>Direct<br>and<br>Assumed | 22<br>Ceded |  |   |  |
|                | 13<br>Direct<br>and<br>Assumed | 14<br>Ceded | 15<br>Direct<br>and<br>Assumed | 16<br>Ceded | 17<br>Direct<br>and<br>Assumed      | 18<br>Ceded | 19<br>Direct<br>and<br>Assumed | 20<br>Ceded |                                |             |  |   |  |
| 1. Prior.....  | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 2. 2006.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 3. 2007.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 4. 2008.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 5. 2009.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 6. 2010.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 7. 2011.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 8. 2012.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 9. 2013.....   | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 10. 2014.....  | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 11. 2015.....  | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |
| 12. Totals.... | 0                              | 0           | 0                              | 0           | 0                                   | 0           | 0                              | 0           | 0                              | 0           | 0  | 0   | 0  |

**NONE**

|            | Total Losses and<br>Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage<br>(Incurred/Premiums Earned) |             |           | Nontabular<br>Discount |                       | 34<br>Inter-Company<br>Pooling<br>Participation<br>Percentage | Net Balance Sheet<br>Reserves after Discount |                                  |
|------------|--|-------------|-----------|--|-------------|-----------|------------------------|-----------------------|---|--|----------------------------------|
|            | 26<br>Direct<br>and<br>Assumed             | 27<br>Ceded | 28<br>Net | 29<br>Direct<br>and<br>Assumed                                 | 30<br>Ceded | 31<br>Net | 32<br>Loss             | 33<br>Loss<br>Expense |   | 35<br>Losses<br>Unpaid                       | 36<br>Loss<br>Expenses<br>Unpaid |
| 1. Prior.. | XXX  | XXX         | XXX       | XXX  | XXX         | XXX       | 0                      | 0                     | XXX   | 0  | 0                                |
| 2. 2006.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 3. 2007.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 4. 2008.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 5. 2009.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 6. 2010.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 7. 2011.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 8. 2012.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 9. 2013.   | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 10. 2014.  | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 11. 2015.  | 0  | 0           | 0         | 0.0  | 0.0         | 0.0       | 0                      | 0                     | 0.00  | 0  | 0                                |
| 12. Totals | XXX  | XXX         | XXX       | XXX  | XXX         | XXX       | 0                      | 0                     | XXX   | 0  | 0                                |

**SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2006.....   | 30.....                 | 0.....     | 30.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 5.....   |
| 3. 2007.....   | 32.....                 | 0.....     | 32.....                | 3.....                         | 0.....     | 4.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 3.....   |
| 4. 2008.....   | 35.....                 | 0.....     | 35.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 4.....   |
| 5. 2009.....   | 26.....                 | 0.....     | 26.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 4.....   |
| 6. 2010.....   | 27.....                 | 0.....     | 27.....                | 8.....                         | 0.....     | 5.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 6.....   |
| 7. 2011.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 0.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 8. 2012.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 1.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 16.....  |
| 9. 2013.....   | 27.....                 | 0.....     | 27.....                | 21.....                        | 0.....     | 10.....                               | 0.....     | 2.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 10. 2014.....  | 27.....                 | 0.....     | 27.....                | 0.....                         | 0.....     | 0.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 3.....   |
| 11. 2015.....  | 27.....                 | 0.....     | 27.....                | 135.....                       | 0.....     | 1.....                                | 0.....     | 11.....                      | 0.....     | 0.....                                 | 0.....   | 5.....   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 175.....                       | 0.....     | 21.....                               | 0.....     | 17.....                      | 0.....     | 0.....                                 | 0.....   | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2006.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2007.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2008.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 5. 2009.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 6. 2010.....    | 0.....                   | 0.....      | 2.....                   | 0.....      | 0.....                              | 0.....      | 1.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 3.....                                     | 0.....  |
| 7. 2011.....    | 0.....                   | 0.....      | 1.....                   | 0.....      | 0.....                              | 0.....      | 1.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 2.....                                     | 0.....  |
| 8. 2012.....    | 0.....                   | 0.....      | 5.....                   | 0.....      | 0.....                              | 0.....      | 3.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 8.....                                     | 0.....  |
| 9. 2013.....    | 0.....                   | 0.....      | 14.....                  | 0.....      | 0.....                              | 0.....      | 10.....                  | 0.....      | 1.....                     | 0.....      | 0.....                                    | 25.....                                    | 0.....  |
| 10. 2014.....   | 0.....                   | 0.....      | 12.....                  | 0.....      | 0.....                              | 0.....      | 8.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 21.....                                    | 0.....  |
| 11. 2015.....   | 0.....                   | 0.....      | 12.....                  | 0.....      | 0.....                              | 0.....      | 9.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 22.....                                    | 2.....  |
| 12. Totals..... | 0.....                   | 0.....      | 46.....                  | 0.....      | 0.....                              | 0.....      | 32.....                  | 0.....      | 3.....                     | 0.....      | 0.....                                    | 81.....                                    | 2.....  |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |            | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|------------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net  | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2006.....    | 2.....                                  | 0.....      | 2.....    | 6.7.....  | 0.0.....    | 6.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2007.....    | 8.....                                  | 0.....      | 8.....    | 25.0.....   | 0.0.....    | 25.0.....  | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2008.....    | 2.....                                  | 0.....      | 2.....    | 5.7.....  | 0.0.....    | 5.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 5. 2009.....    | 2.....                                  | 0.....      | 2.....    | 7.7.....  | 0.0.....    | 7.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 6. 2010.....    | 17.....                                 | 0.....      | 17.....   | 63.0.....   | 0.0.....    | 63.0.....  | 0.....              | 0.....             | 0.00.....  | 2.....                                    | 1.....                     |
| 7. 2011.....    | 4.....                                  | 0.....      | 4.....    | 14.8.....   | 0.0.....    | 14.8.....  | 0.....              | 0.....             | 0.00.....  | 1.....                                    | 1.....                     |
| 8. 2012.....    | 10.....                                 | 0.....      | 10.....   | 37.0.....   | 0.0.....    | 37.0.....  | 0.....              | 0.....             | 0.00.....  | 5.....                                    | 3.....                     |
| 9. 2013.....    | 58.....                                 | 0.....      | 58.....   | 214.8.....  | 0.0.....    | 214.8..... | 0.....              | 0.....             | 0.00.....  | 14.....                                   | 11.....                    |
| 10. 2014.....   | 22.....                                 | 0.....      | 22.....   | 81.5.....   | 0.0.....    | 81.5.....  | 0.....              | 0.....             | 0.00.....  | 12.....                                   | 9.....                     |
| 11. 2015.....   | 169.....                                | 0.....      | 169.....  | 625.9.....  | 0.0.....    | 625.9..... | 0.....              | 0.....             | 0.00.....  | 12.....                                   | 10.....                    |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 46.....                                   | 35.....                    |

**SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 2. 2006.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 3. 2007.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 4. 2008.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 5. 2009.....   | 29                      | 0          | 29                     | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 6. 2010.....   | 29                      | 0          | 29                     | 1                              | 0          | 23                                    | 0          | 0                            | 0          | 0                                      | 0  | 24   |
| 7. 2011.....   | 25                      | 0          | 25                     | 14                             | 0          | 2                                     | 0          | 1                            | 0          | 0                                      | 0  | 17   |
| 8. 2012.....   | 24                      | 0          | 24                     | 1                              | 0          | 2                                     | 0          | 0                            | 0          | 0                                      | 0  | 3  |
| 9. 2013.....   | 22                      | 0          | 22                     | 1                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 1  |
| 10. 2014.....  | 17                      | 0          | 17                     | 61                             | 0          | 58                                    | 0          | 7                            | 0          | 0                                      | 0  | 126  |
| 11. 2015.....  | 18                      | 0          | 18                     | 5                              | 0          | 0                                     | 0          | 3                            | 0          | 0                                      | 0  | 8  |
| 12. Totals.....  | XXX                     | XXX        | XXX                    | 83                             | 0          | 85                                    | 0          | 11                           | 0          | 0                                      | 0  | 179  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2006.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2007.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2008.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2009.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2010.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2011.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 8. 2012.....    | 0                        | 0           | 1                        | 0           | 0                                   | 0           | 1                        | 0           | 0                          | 0           | 0   | 2  | 0   |
| 9. 2013.....    | 0                        | 0           | 2                        | 0           | 0                                   | 0           | 1                        | 0           | 0                          | 0           | 0   | 3  | 0   |
| 10. 2014.....   | 0                        | 0           | 8                        | 0           | 0                                   | 0           | 6                        | 0           | 1                          | 0           | 0   | 15   | 0   |
| 11. 2015.....   | 0                        | 0           | 9                        | 0           | 0                                   | 0           | 6                        | 0           | 1                          | 0           | 0   | 16   | 1   |
| 12. Totals..... | 0                        | 0           | 20                       | 0           | 0                                   | 0           | 14                       | 0           | 2                          | 0           | 0   | 36   | 1   |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2006.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 3. 2007.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 4. 2008.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 5. 2009.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 6. 2010.....    | 24                                      | 0           | 24        | 82.8  | 0.0         | 82.8      | 0                   | 0                  | 0.00   | 0   | 0                          |
| 7. 2011.....    | 17                                      | 0           | 17        | 68.0  | 0.0         | 68.0      | 0                   | 0                  | 0.00   | 0   | 0                          |
| 8. 2012.....    | 5                                       | 0           | 5         | 20.8  | 0.0         | 20.8      | 0                   | 0                  | 0.00   | 1   | 1                          |
| 9. 2013.....    | 4                                       | 0           | 4         | 18.2  | 0.0         | 18.2      | 0                   | 0                  | 0.00   | 2   | 1                          |
| 10. 2014.....   | 141                                     | 0           | 141       | 829.4   | 0.0         | 829.4     | 0                   | 0                  | 0.00   | 8   | 7                          |
| 11. 2015.....   | 24                                      | 0           | 24        | 133.3   | 0.0         | 133.3     | 0                   | 0                  | 0.00   | 9   | 7                          |
| 12. Totals..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 20  | 16                         |

**Sch. P - Pt. 1I  
NONE**

**Sch. P - Pt. 1J  
NONE**

**Sch. P - Pt. 1K  
NONE**

**Sch. P - Pt. 1L  
NONE**

**Sch. P - Pt. 1M  
NONE**

**Sch. P - Pt. 1N  
NONE**

**Sch. P - Pt. 1O  
NONE**

**Sch. P - Pt. 1P  
NONE**

**Sch. P - Pt. 1R - Sn. 1  
NONE**

**Sch. P - Pt. 1R - Sn. 2  
NONE**

**Sch. P - Pt. 1S  
NONE**

**Sch. P - Pt. 1T  
NONE**

**Sch. P - Pt. 2A  
NONE**

**Sch. P - Pt. 2B  
NONE**

**Sch. P - Pt. 2C  
NONE**

**Sch. P - Pt. 2D  
NONE**

**Sch. P - Pt. 2E  
NONE**

**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |        |        |        |        |        |        |        |        |        | Development |          |
|-------------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|----------|
|                                     | 1  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |
|                                     | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | One Year    | Two Year |
| 1. Prior.....                       | 18,774   | 17,206 | 17,890 | 17,367 | 17,397 | 17,224 | 17,331 | 16,839 | 16,597 | 16,406 | (191)       | (433)    |
| 2. 2006.....                        | 9,991  | 9,018  | 7,554  | 6,106  | 6,359  | 6,009  | 5,884  | 5,982  | 6,241  | 6,196  | (45)        | 214      |
| 3. 2007.....                        | XXX  | 10,510 | 10,995 | 9,104  | 6,876  | 5,641  | 5,185  | 5,122  | 5,098  | 5,259  | 161         | 137      |
| 4. 2008.....                        | XXX  | XXX    | 11,024 | 12,490 | 12,209 | 10,239 | 8,889  | 8,388  | 8,811  | 8,747  | (64)        | 359      |
| 5. 2009.....                        | XXX  | XXX    | XXX    | 10,519 | 10,185 | 9,820  | 8,046  | 6,657  | 6,419  | 7,018  | 599         | 361      |
| 6. 2010.....                        | XXX  | XXX    | XXX    | XXX    | 9,118  | 8,833  | 8,167  | 7,578  | 7,671  | 7,385  | (286)       | (193)    |
| 7. 2011.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 7,985  | 7,606  | 6,669  | 5,082  | 3,950  | (1,132)     | (2,719)  |
| 8. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 7,729  | 8,102  | 6,793  | 5,960  | (833)       | (2,142)  |
| 9. 2013.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 8,031  | 7,678  | 7,330  | (348)       | (701)    |
| 10. 2014.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 6,800  | 6,894  | 94          | XXX      |
| 11. 2015.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 7,102  | XXX         | XXX      |
| 12. Totals                          |  |        |        |        |        |        |        |        |        |        | (2,045)     | (5,117)  |

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |       |         |         |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
| 1. Prior..... | 5,691 | 4,723 | 2,845 | 2,922 | 2,890 | 2,990 | 2,989 | 3,001 | 2,989 | 2,986 | (3)     | (15)    |
| 2. 2006.....  | 4,641 | 4,194 | 4,707 | 4,091 | 3,660 | 3,593 | 3,578 | 3,578 | 3,565 | 3,565 | 0       | (13)    |
| 3. 2007.....  | XXX   | 4,570 | 3,890 | 4,032 | 3,555 | 3,310 | 3,272 | 3,263 | 3,246 | 3,246 | 0       | (17)    |
| 4. 2008.....  | XXX   | XXX   | 3,903 | 3,170 | 3,844 | 3,776 | 3,131 | 3,147 | 3,117 | 3,119 | 2       | (28)    |
| 5. 2009.....  | XXX   | XXX   | XXX   | 4,064 | 3,767 | 4,384 | 3,446 | 3,584 | 3,563 | 3,561 | (2)     | (23)    |
| 6. 2010.....  | XXX   | XXX   | XXX   | XXX   | 3,628 | 3,080 | 2,236 | 1,867 | 1,595 | 1,620 | 25      | (247)   |
| 7. 2011.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 3,632 | 3,128 | 2,296 | 1,870 | 1,818 | (52)    | (478)   |
| 8. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 4,180 | 4,249 | 3,690 | 3,303 | (387)   | (946)   |
| 9. 2013.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 4,000 | 3,349 | 2,913 | (436)   | (1,087) |
| 10. 2014..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,679 | 3,262 | (417)   | XXX     |
| 11. 2015..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,821 | XXX     | XXX     |
| 12. Totals    |       |       |       |       |       |       |       |       |       |       | (1,270) | (2,854) |

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER & MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |     |     |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 5. 2009.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 | 0   | 0   |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 | 0   | 0   |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 | 0   | XXX |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | XXX | XXX |
| 12. Totals    |     |     |     |     |     |     |     |     |     |   | 0   | 0   |

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |     |      |      |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior..... | 44  | 26  | 13  | 12  | 9   | 1   | 1   | 1   | 1   | 1   | 0    | 0    |
| 2. 2006.....  | 27  | 22  | 15  | 7   | 5   | 2   | 2   | 2   | 2   | 2   | 0    | 0    |
| 3. 2007.....  | XXX | 34  | 34  | 21  | 13  | 10  | 9   | 8   | 8   | 7   | (1)  | (1)  |
| 4. 2008.....  | XXX | XXX | 30  | 25  | 22  | 7   | 3   | 2   | 2   | 2   | 0    | 0    |
| 5. 2009.....  | XXX | XXX | XXX | 23  | 18  | 16  | 10  | 4   | 3   | 2   | (1)  | (2)  |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 28  | 33  | 28  | 20  | 17  | 16  | (1)  | (4)  |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 26  | 26  | 16  | 4   | 3   | (1)  | (13) |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 25  | 22  | 16  | 10  | (6)  | (12) |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 100 | 61  | 55  | (6)  | (45) |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | (3)  | XXX  |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 157 | XXX  | XXX  |
| 12. Totals    |     |     |     |     |     |     |     |     |     |     | (19) | (77) |

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |     |     |      |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    |
| 5. 2009.....  | XXX | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0    |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 31  | 39  | 32  | 26  | 24  | 24  | 0   | (2)  |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 34  | 29  | 23  | 16  | 16  | 0   | (7)  |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 24  | 18  | 12  | 5   | (7) | (13) |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 17  | 11  | 4   | (7) | (13) |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60  | 133 | 73  | XXX  |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 20  | XXX | XXX  |
| 12. Totals    |     |     |     |     |     |     |     |     |     |     | 59  | (35) |

**Sch. P - Pt. 2I  
NONE**

**Sch. P - Pt. 2J  
NONE**

**Sch. P - Pt. 2K  
NONE**

**Sch. P - Pt. 2L  
NONE**

**Sch. P - Pt. 2M  
NONE**

**Sch. P - Pt. 2N  
NONE**

**Sch. P - Pt. 2O  
NONE**

**Sch. P - Pt. 2P  
NONE**

**Sch. P - Pt. 2R - Sn. 1  
NONE**

**Sch. P - Pt. 2R - Sn. 2  
NONE**

**Sch. P - Pt. 2S  
NONE**

**Sch. P - Pt. 2T  
NONE**

**Sch. P - Pt. 3A  
NONE**

**Sch. P - Pt. 3B  
NONE**

**Sch. P - Pt. 3C  
NONE**

**Sch. P - Pt. 3D  
NONE**

**Sch. P - Pt. 3E  
NONE**

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|--|
|                                     | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |   |  |
| 1. Prior.....                       | 000   | 4,566     | 9,741     | 12,857    | 13,968    | 15,133    | 15,803    | 16,016    | 15,996    | 16,273     | 107   | 240  |
| 2. 2006.....                        | 77  | 309       | 942       | 2,079     | 3,780     | 4,799     | 5,090     | 5,276     | 6,093     | 6,093      | 51  | 90   |
| 3. 2007.....                        | XXX   | 252       | 800       | 1,993     | 3,036     | 4,370     | 4,597     | 4,747     | 4,882     | 5,010      | 65  | 76   |
| 4. 2008.....                        | XXX   | XXX       | 296       | 849       | 1,915     | 3,947     | 6,445     | 7,701     | 7,755     | 8,347      | 74  | 135  |
| 5. 2009.....                        | XXX   | XXX       | XXX       | 144       | 582       | 1,832     | 3,053     | 4,994     | 5,478     | 6,584      | 57  | 129  |
| 6. 2010.....                        | XXX   | XXX       | XXX       | XXX       | 691       | 1,367     | 1,979     | 3,327     | 5,294     | 6,464      | 61  | 110  |
| 7. 2011.....                        | XXX   | XXX       | XXX       | XXX       | XXX       | 152       | 530       | 1,238     | 2,011     | 2,440      | 50  | 82   |
| 8. 2012.....                        | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 128       | 1,314     | 1,556     | 2,263      | 38  | 81   |
| 9. 2013.....                        | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 202       | 507       | 1,357      | 41  | 70   |
| 10. 2014.....                       | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 118       | 682        | 27  | 51   |
| 11. 2015.....                       | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 133        | 15  | 22   |

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |     |       |       |       |       |       |       |       |       |       |     |     |
|---------------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|
| 1. Prior..... | 000 | 1,422 | 2,264 | 2,705 | 2,769 | 2,982 | 2,982 | 2,986 | 2,986 | 2,986 | 140 | 195 |
| 2. 2006.....  | 168 | 946   | 2,738 | 3,493 | 3,565 | 3,565 | 3,565 | 3,565 | 3,565 | 3,565 | 27  | 76  |
| 3. 2007.....  | XXX | 220   | 639   | 1,526 | 2,688 | 3,246 | 3,246 | 3,246 | 3,246 | 3,246 | 29  | 49  |
| 4. 2008.....  | XXX | XXX   | 139   | 459   | 1,003 | 1,954 | 2,941 | 2,976 | 3,102 | 3,102 | 21  | 69  |
| 5. 2009.....  | XXX | XXX   | XXX   | 230   | 684   | 3,056 | 3,124 | 3,324 | 3,526 | 3,528 | 31  | 54  |
| 6. 2010.....  | XXX | XXX   | XXX   | XXX   | 200   | 431   | 835   | 1,260 | 1,453 | 1,569 | 17  | 62  |
| 7. 2011.....  | XXX | XXX   | XXX   | XXX   | XXX   | 281   | 604   | 1,079 | 1,669 | 1,675 | 16  | 69  |
| 8. 2012.....  | XXX | XXX   | XXX   | XXX   | XXX   | XXX   | 149   | 652   | 1,795 | 2,604 | 22  | 64  |
| 9. 2013.....  | XXX | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 230   | 894   | 1,213 | 16  | 71  |
| 10. 2014..... | XXX | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 108   | 378   | 1   | 58  |
| 11. 2015..... | XXX | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 229   | 9   | 38  |

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |     |     |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|
| 1. Prior..... | 000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 5. 2009.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 | XXX | XXX |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 | XXX | XXX |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 | XXX | XXX |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 | XXX | XXX |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | XXX | XXX |

NONE

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |     |   |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|
| 1. Prior..... | 000 | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 5 | 0  |
| 2. 2006.....  | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 4 | 1  |
| 3. 2007.....  | XXX | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 2 | 1  |
| 4. 2008.....  | XXX | XXX | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 3 | 1  |
| 5. 2009.....  | XXX | XXX | XXX | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2 | 2  |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 3   | 13  | 13  | 13  | 13  | 13  | 5 | 1  |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 0   | 4   | 1   | 1   | 1   | 1 | 1  |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 2   | 2   | 2   | 2   | 2 | 14 |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 8   | 31  | 31  | 1 | 1  |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 | 3  |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 136 | 1 | 2  |

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |     |    |   |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|---|
| 1. Prior..... | 000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 5. 2009.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 8   | 23  | 24  | 24  | 24  | 24  | 1  | 2 |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 16  | 16  | 16  | 16  | 16  | 19 | 2 |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 2   | 3   | 3   | 3   | 2  | 4 |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1   | 1   | 1   | 4  | 0 |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 38  | 119 | 6  | 2 |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 5   | 6  | 0 |



**Sch. P - Pt. 3I  
NONE**

**Sch. P - Pt. 3J  
NONE**

**Sch. P - Pt. 3K  
NONE**

**Sch. P - Pt. 3L  
NONE**

**Sch. P - Pt. 3M  
NONE**

**Sch. P - Pt. 3N  
NONE**

**Sch. P - Pt. 3O  
NONE**

**Sch. P - Pt. 3P  
NONE**

**Sch. P - Pt. 3R - Sn. 1  
NONE**

**Sch. P - Pt. 3R - Sn. 2  
NONE**

**Sch. P - Pt. 3S  
NONE**

**Sch. P - Pt. 3T  
NONE**

**Sch. P - Pt. 4A  
NONE**

**Sch. P - Pt. 4B  
NONE**

**Sch. P - Pt. 4C  
NONE**

**Sch. P - Pt. 4D  
NONE**

**Sch. P - Pt. 4E  
NONE**

**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| 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   | 2      | 3      | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|                                     | 2006  | 2007   | 2008   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  |
| 1. Prior.....                       | 13,339  | 7,151  | 3,589  | 2,290 | 1,439 | 820   | 583   | 414   | 193   | 106   |
| 2. 2006.....                        | 9,669   | 8,170  | 5,110  | 1,654 | 964   | 335   | 237   | 182   | 148   | 103   |
| 3. 2007.....                        | XXX   | 10,137 | 8,795  | 5,617 | 1,896 | 943   | 306   | 223   | 173   | 74    |
| 4. 2008.....                        | XXX   | XXX    | 10,349 | 8,884 | 6,050 | 3,021 | 1,047 | 659   | 527   | 399   |
| 5. 2009.....                        | XXX   | XXX    | XXX    | 9,929 | 8,417 | 5,395 | 3,105 | 867   | 563   | 343   |
| 6. 2010.....                        | XXX   | XXX    | XXX    | XXX   | 8,014 | 6,736 | 4,446 | 1,910 | 947   | 762   |
| 7. 2011.....                        | XXX   | XXX    | XXX    | XXX   | XXX   | 7,610 | 6,336 | 4,268 | 1,863 | 807   |
| 8. 2012.....                        | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | 7,393 | 6,293 | 4,575 | 2,515 |
| 9. 2013.....                        | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | XXX   | 7,603 | 6,089 | 3,698 |
| 10. 2014.....                       | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | 6,451 | 5,083 |
| 11. 2015.....                       | XXX   | XXX    | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,285 |

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Prior..... | 2,544 | 1,168 | 318   | 105   | 35    | 4     | 3     | 12    | 1     | 0     |
| 2. 2006.....  | 3,576 | 1,558 | 853   | 267   | 95    | 28    | 13    | 13    | 0     | 0     |
| 3. 2007.....  | XXX   | 3,443 | 1,716 | 887   | 327   | 64    | 26    | 17    | 0     | 0     |
| 4. 2008.....  | XXX   | XXX   | 3,133 | 1,581 | 802   | 277   | 68    | 31    | 15    | 17    |
| 5. 2009.....  | XXX   | XXX   | XXX   | 3,115 | 1,429 | 1,246 | 268   | 83    | 25    | 33    |
| 6. 2010.....  | XXX   | XXX   | XXX   | XXX   | 2,934 | 1,713 | 1,038 | 170   | 57    | 41    |
| 7. 2011.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 3,017 | 1,699 | 815   | 165   | 115   |
| 8. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 2,925 | 1,510 | 646   | 454   |
| 9. 2013.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 2,974 | 1,815 | 1,300 |
| 10. 2014..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,199 | 2,041 |
| 11. 2015..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,114 |

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 5. 2009.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |

**NONE**

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 44  | 25  | 12  | 11  | 8   | 0   | 0   | 0   | 0   | 0  |
| 2. 2006.....  | 25  | 20  | 13  | 5   | 3   | 0   | 0   | 0   | 0   | 0  |
| 3. 2007.....  | XXX | 26  | 21  | 13  | 6   | 3   | 2   | 1   | 1   | 0  |
| 4. 2008.....  | XXX | XXX | 28  | 23  | 15  | 5   | 1   | 0   | 0   | 0  |
| 5. 2009.....  | XXX | XXX | XXX | 21  | 16  | 14  | 8   | 2   | 1   | 0  |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 21  | 20  | 15  | 7   | 4   | 3  |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 21  | 20  | 15  | 3   | 2  |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 14  | 8  |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 25  | 30  | 24 |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20 |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 21 |

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 2. 2006.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 3. 2007.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 4. 2008.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 5. 2009.....  | XXX | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0  |
| 6. 2010.....  | XXX | XXX | XXX | XXX | 18  | 11  | 8   | 2   | 0   | 0  |
| 7. 2011.....  | XXX | XXX | XXX | XXX | XXX | 18  | 13  | 7   | 0   | 0  |
| 8. 2012.....  | XXX | XXX | XXX | XXX | XXX | XXX | 13  | 8   | 2   | 2  |
| 9. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10  | 3  |
| 10. 2014..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3   | 14 |
| 11. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 15 |

**Sch. P - Pt. 4I  
NONE**

**Sch. P - Pt. 4J  
NONE**

**Sch. P - Pt. 4K  
NONE**

**Sch. P - Pt. 4L  
NONE**

**Sch. P - Pt. 4M  
NONE**

**Sch. P - Pt. 4N  
NONE**

**Sch. P - Pt. 4O  
NONE**

**Sch. P - Pt. 4P  
NONE**

**Sch. P - Pt. 4R - Sn. 1  
NONE**

**Sch. P - Pt. 4R - Sn. 2  
NONE**

**Sch. P - Pt. 4S  
NONE**

**Sch. P - Pt. 4T  
NONE**

**Sch. P - Pt. 5A - Sn. 1  
NONE**

**Sch. P - Pt. 5A - Sn. 2  
NONE**

**Sch. P - Pt. 5A - Sn. 3  
NONE**

**Sch. P - Pt. 5B - Sn. 1  
NONE**

**Sch. P - Pt. 5B - Sn. 2  
NONE**

**Sch. P - Pt. 5B - Sn. 3  
NONE**

**Sch. P - Pt. 5C - Sn. 1**  
**NONE**

**Sch. P - Pt. 5C - Sn. 2**  
**NONE**

**Sch. P - Pt. 5C - Sn. 3**  
**NONE**

**Sch. P - Pt. 5D - Sn. 1**  
**NONE**

**Sch. P - Pt. 5D - Sn. 2**  
**NONE**

**Sch. P - Pt. 5D - Sn. 3**  
**NONE**

**Sch. P - Pt. 5E - Sn. 1**  
**NONE**

**Sch. P - Pt. 5E - Sn. 2**  
**NONE**

**Sch. P - Pt. 5E - Sn. 3**  
**NONE**

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 162   | 146       | 145       | 161       | 4         | 2         | 6         | 3         | 0         | 0          |
| 2. 2006.....   | 10  | 22        | 28        | 35        | 41        | 46        | 48        | 49        | 51        | 51         |
| 3. 2007.....   | XXX   | 11        | 16        | 46        | 54        | 61        | 63        | 63        | 64        | 65         |
| 4. 2008.....   | XXX   | XXX       | 15        | 37        | 56        | 64        | 67        | 72        | 72        | 74         |
| 5. 2009.....   | XXX   | XXX       | XXX       | 8         | 23        | 37        | 42        | 52        | 56        | 57         |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 14        | 33        | 41        | 49        | 56        | 61         |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 18        | 35        | 42        | 48        | 50         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 15        | 32        | 38        | 38         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 13        | 37        | 41         |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12        | 27         |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 15         |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 100   | 100       | 78        | 34        | 32        | 33        | 17        | 5         | 7         | 3          |
| 2. 2006.....   | 29  | 34        | 46        | 34        | 15        | 9         | 5         | 4         | 0         | 0          |
| 3. 2007.....   | XXX   | 32        | 67        | 45        | 24        | 12        | 4         | 7         | 4         | 3          |
| 4. 2008.....   | XXX   | XXX       | 72        | 77        | 61        | 36        | 12        | 8         | 4         | 1          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 43        | 60        | 62        | 42        | 22        | 14        | 10         |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 44        | 53        | 67        | 37        | 20        | 12         |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 33        | 35        | 32        | 32        | 20         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 49        | 30        | 24        | 25         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 46        | 31        | 41         |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 31        | 23         |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 43         |

**SECTION 3A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 371   | 336       | 317       | 295       | 10        | 9         | 0         | 1         | 0         | 0          |
| 2. 2006.....   | 41  | 66        | 95        | 110       | 112       | 112       | 114       | 114       | 115       | 141        |
| 3. 2007.....   | XXX   | 45        | 91        | 112       | 120       | 127       | 127       | 130       | 131       | 144        |
| 4. 2008.....   | XXX   | XXX       | 94        | 132       | 172       | 180       | 184       | 192       | 196       | 210        |
| 5. 2009.....   | XXX   | XXX       | XXX       | 53        | 113       | 157       | 169       | 180       | 184       | 196        |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 65        | 117       | 163       | 171       | 176       | 183        |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 59        | 100       | 125       | 140       | 152        |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 70        | 103       | 116       | 144        |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 66        | 105       | 152        |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 53        | 101        |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 80         |

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 27  | 17        | 6         | 8         | 1         | 1         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 4   | 9         | 13        | 22        | 27        | 27        | 27        | 27        | 27        | 27         |
| 3. 2007.....   | XXX   | 4         | 9         | 19        | 24        | 29        | 29        | 29        | 29        | 29         |
| 4. 2008.....   | XXX   | XXX       | 4         | 8         | 16        | 17        | 20        | 20        | 21        | 21         |
| 5. 2009.....   | XXX   | XXX       | XXX       | 6         | 16        | 28        | 29        | 29        | 30        | 31         |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 4         | 10        | 13        | 15        | 16        | 17         |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 5         | 10        | 13        | 14        | 16         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 4         | 12        | 19        | 22         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5         | 13        | 16         |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 9          |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 56  | 34        | 13        | 5         | 4         | 1         | 1         | 1         | 1         | 0          |
| 2. 2006.....   | 63  | 47        | 34        | 9         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....   | XXX   | 50        | 52        | 26        | 9         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....   | XXX   | XXX       | 55        | 48        | 17        | 10        | 2         | 1         | 0         | 0          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 54        | 23        | 4         | 1         | 2         | 1         | 0          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 60        | 22        | 12        | 6         | 3         | 1          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 48        | 28        | 16        | 4         | 1          |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 71        | 37        | 22        | 12         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 56        | 24        | 11         |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 35        | 18         |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47         |

**SECTION 3B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 32  | 28        | 31        | 29        | 0         | 0         | 0         | 2         | 0         | 0          |
| 2. 2006.....   | 76  | 88        | 89        | 90        | 92        | 92        | 92        | 92        | 92        | 103        |
| 3. 2007.....   | XXX   | 56        | 73        | 73        | 74        | 74        | 74        | 74        | 74        | 78         |
| 4. 2008.....   | XXX   | XXX       | 66        | 78        | 78        | 78        | 78        | 78        | 78        | 90         |
| 5. 2009.....   | XXX   | XXX       | XXX       | 70        | 76        | 76        | 76        | 77        | 77        | 85         |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 72        | 77        | 80        | 79        | 78        | 80         |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 73        | 84        | 85        | 83        | 86         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 85        | 93        | 97        | 98         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 71        | 74        | 98         |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47        | 77         |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 94         |

**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 3   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 0   | 3         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4          |
| 3. 2007.....   | XXX   | 1         | 1         | 2         | 2         | 2         | 2         | 2         | 2         | 2          |
| 4. 2008.....   | XXX   | XXX       | 2         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 2         | 2         | 2         | 2         | 2         | 2         | 2          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 3         | 5         | 5         | 5         | 5         | 5          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 0         | 1         | 1         | 1         | 1          |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 2         | 2         | 2          |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 1         | 1          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1          |

**SECTION 2A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 2   | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....   | XXX   | 2         | 3         | 1         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....   | XXX   | XXX       | 1         | 0         | 1         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 0         | 0         | 0          |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0          |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2          |

**SECTION 3A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 2   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 2   | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 5          |
| 3. 2007.....   | XXX   | 3         | 4         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 4. 2008.....   | XXX   | XXX       | 3         | 3         | 4         | 3         | 3         | 3         | 3         | 4          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 2         | 2         | 2         | 2         | 2         | 2         | 4          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 4         | 5         | 5         | 5         | 5         | 6          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 2         | 1         | 1         | 2          |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3         | 16         |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 2          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 3          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5          |

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 1         | 1         | 1         | 1         | 1         | 1          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 17        | 19        | 19        | 19        | 19         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 2         | 2         | 2          |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 4         | 4          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4         | 6          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6          |

**SECTION 2B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 2         | 1         | 0         | 0         | 0         | 0          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0         | 0          |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 1         | 1         | 0          |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 0          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1          |

**SECTION 3B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 3         | 3         | 3         | 3         | 3         | 3          |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 19        | 19        | 19        | 19        | 21         |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3         | 6          |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 4         | 4         | 4          |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6         | 8          |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 7          |



**Sch. P - Pt. 5R - Sn. 1A  
NONE**

**Sch. P - Pt. 5R - Sn. 2A  
NONE**

**Sch. P - Pt. 5R - Sn. 3A  
NONE**

**Sch. P - Pt. 5R - Sn. 1B  
NONE**

**Sch. P - Pt. 5R - Sn. 2B  
NONE**

**Sch. P - Pt. 5R - Sn. 3B  
NONE**

**Sch. P - Pt. 5T - Sn. 1  
NONE**

**Sch. P - Pt. 5T - Sn. 2  
NONE**

**Sch. P - Pt. 5T - Sn. 3  
NONE**

**Sch. P - Pt. 6C - Sn. 1  
NONE**

**Sch. P - Pt. 6C - Sn. 2  
NONE**

**Sch. P - Pt. 6D - Sn. 1  
NONE**

**Sch. P - Pt. 6D - Sn. 2  
NONE**

**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 30  | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30         | 0                                  |
| 3. 2007.....   | XXX   | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32         | 0                                  |
| 4. 2008.....   | XXX   | XXX       | 35        | 35        | 35        | 35        | 35        | 35        | 35        | 35         | 0                                  |
| 5. 2009.....   | XXX   | XXX       | XXX       | 26        | 26        | 26        | 26        | 26        | 26        | 26         | 0                                  |
| 6. 2010.....   | XXX   | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27        | 27         | 0                                  |
| 7. 2011.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27         | 0                                  |
| 8. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27         | 0                                  |
| 9. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27         | 0                                  |
| 10. 2014.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27         | 0                                  |
| 11. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27         | 27                                 |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 27                                 |
| 13. Earned Prems.(P-Pt 1)                                    | 30  | 32        | 35        | 26        | 27        | 27        | 27        | 27        | 27        | 27         | XXX                                |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | .XXX  | .XXX      | .XXX      | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 6. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | 29        | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 7. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 25        | 25        | 25        | 25        | 25         | 0                                  |
| 8. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 25        | 25        | 25        | 25         | 0                                  |
| 9. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 17        | 17        | 17         | 0                                  |
| 10. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 17        | 17         | 0                                  |
| 11. 2015.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 18         | 18                                 |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 18                                 |
| 13. Earned Prens.(P-Pt 1)                                    | 0   | 0         | 0         | 29        | 29        | 25        | 24        | 22        | 17        | 18         | .XXX                               |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2015.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          | 0                                  |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 0                                  |
| 13. Earned Prens.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**SCHEDULE P - PART 6M - INTERNATIONAL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | .XXX  | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2015.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          | 0                                  |
| 12. Total.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 0                                  |
| 13. Earned Prens.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2006.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2007.....   | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2008.....   | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2009.....   | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2010.....   | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2011.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2012.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2013.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          | 0                                  |
| 10. 2014.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          | 0                                  |
| 11. 2015.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          | 0                                  |
| 12. Total.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | 0                                  |
| 13. Earned Prens.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | .XXX                               |

**Sch. P - Pt. 6N - Sn. 1  
NONE**

**Sch. P - Pt. 6N - Sn. 2  
NONE**

**Sch. P - Pt. 6O - Sn. 1  
NONE**

**Sch. P - Pt. 6O - Sn. 2  
NONE**

**Sch. P - Pt. 6R - Sn. 1A  
NONE**

**Sch. P - Pt. 6R - Sn. 2A  
NONE**

**Sch. P - Pt. 6R - Sn. 1B  
NONE**

**Sch. P - Pt. 6R - Sn. 2B  
NONE**

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 Omitted)

**SECTION 1**

| Schedule P - Part 1  | 1<br>Total Net<br>Losses and<br>Expenses<br>Unpaid | 2<br>Net Losses<br>and<br>Expenses<br>Unpaid on<br>Loss<br>Sensitive<br>Contracts | 3<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total | 4<br>Total Net<br>Premiums<br>Written | 5<br>Net<br>Premiums<br>Written on<br>Loss<br>Sensitive<br>Contracts | 6<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total |
|--|--|---|--|---------------------------------------|--|--|
| 1. Homeowners/farmowners.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 2. Private passenger auto liability/medical.....               | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 3. Commercial auto/truck liability/medical.....                | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 4. Workers' compensation.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 5. Commercial multiple peril.....                              | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 6. Medical professional liability - occurrence.....            | 27,948   | 0   | 0.0  | 7,583                                 | 0  | 0.0  |
| 7. Medical professional liability - claims-made.....           | 9,585  | 0   | 0.0  | 4,341                                 | 0  | 0.0  |
| 8. Special liability.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 9. Other liability - occurrence.....                           | 81   | 0   | 0.0  | 27                                    | 0  | 0.0  |
| 10. Other liability - claims-made.....                         | 36   | 0   | 0.0  | 18                                    | 0  | 0.0  |
| 11. Special property.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 12. Auto physical damage.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 13. Fidelity/surety.....                                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 14. Other.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 15. International.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 16. Reinsurance - nonproportional assumed property.....        | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 17. Reinsurance - nonproportional assumed liability.....       | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 18. Reinsurance - nonproportional assumed financial lines..... | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 19. Products liability - occurrence.....                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 20. Products liability - claims-made.....                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 21. Financial guaranty/mortgage guaranty.....                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 22. Warranty.....  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 23. Totals.....  | 37,650   | 0   | 0.0  | 11,969                                | 0  | 0.0  |

**SECTION 2**

| Years in Which Policies Were Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3**

| Years in Which Policies Were Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2006.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2007.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2008.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2009.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2010.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve for Premium Adjustments and Accrued Retrospective Premiums at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2006.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2007.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2008.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2009.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2010.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2011.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2014.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**

(\$000 Omitted)

**SECTION 1**

| Schedule P - Part 1  | 1<br>Total Net<br>Losses and<br>Expenses<br>Unpaid | 2<br>Net Losses<br>and<br>Expenses<br>Unpaid on<br>Loss<br>Sensitive<br>Contracts | 3<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total | 4<br>Total Net<br>Premiums<br>Written | 5<br>Net<br>Premiums<br>Written on<br>Loss<br>Sensitive<br>Contracts | 6<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total |
|--|--|---|--|---------------------------------------|--|--|
| 1. Homeowners/farmowners.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 2. Private passenger auto liability/medical.....               | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 3. Commercial auto/truck liability/medical.....                | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 4. Workers' compensation.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 5. Commercial multiple peril.....                              | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 6. Medical professional liability - occurrence.....            | 27,948   | 0   | 0.0  | 7,583                                 | 0  | 0.0  |
| 7. Medical professional liability - claims-made.....           | 9,585  | 0   | 0.0  | 4,341                                 | 0  | 0.0  |
| 8. Special liability.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 9. Other liability - occurrence.....                           | 81   | 0   | 0.0  | 27                                    | 0  | 0.0  |
| 10. Other liability - claims-made.....                         | 36   | 0   | 0.0  | 18                                    | 0  | 0.0  |
| 11. Special property.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 12. Auto physical damage.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 13. Fidelity/surety.....                                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 14. Other.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 15. International.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 16. Reinsurance - nonproportional assumed property.....        | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 17. Reinsurance - nonproportional assumed liability.....       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 18. Reinsurance - nonproportional assumed financial lines..... | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 19. Products liability - occurrence.....                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 20. Products liability - claims-made.....                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 21. Financial guaranty/mortgage guaranty.....                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 22. Warranty.....  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 23. Totals   | 37,650   | 0   | 0.0  | 11,969                                | 0  | 0.0  |

**SECTION 2**

| Years in Which<br>Policies Were<br>Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|   | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                             | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                              | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                              | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                              | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                              | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                              | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2013.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2014.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3**

| Years in Which<br>Policies Were<br>Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|   | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                             | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                              | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                              | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                              | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                              | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                              | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2013.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2014.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2015.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve For Premium Adjustments And Accrued Retrospective Premiums At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 6**

| Years in Which Policies Were Issued | Incurred Adjustable Commissions Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006  | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2014.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 7**

| Years in Which Policies Were Issued | Reserves For Commission Adjustments At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2006   | 2<br>2007 | 3<br>2008 | 4<br>2009 | 5<br>2010 | 6<br>2011 | 7<br>2012 | 8<br>2013 | 9<br>2014 | 10<br>2015 |
| 1. Prior.....                       | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2006.....                        | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2007.....                        | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2008.....                        | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2009.....                        | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2010.....                        | .XXX  | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2011.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2012.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2013.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2014.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2015.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims-Made insurance policies. EREs provided for reasons other than DDR are not be included.
- 1.1 Does the company issue Medical Professional Liability Claims-Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [X] No [ ]  
If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions.
- 1.2 What is the total amount of the reserve for that provision (DDR reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$.....1,613,000
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [X] No [ ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [ ] No [X]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [X] No [ ] N/A [ ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

| Years in Which Premiums Were Earned and Losses Were Incurred |             | DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid |                             |
|--|-------------|---|-----------------------------|
|  |             | 1<br>Section 1: Occurrence  | 2<br>Section 2: Claims-Made |
| 1.601  | Prior.....  | .....0  | .....0                      |
| 1.602  | 2006.....   | .....0  | .....0                      |
| 1.603  | 2007.....   | .....0  | .....0                      |
| 1.604  | 2008.....   | .....0  | .....0                      |
| 1.605  | 2009.....   | .....0  | .....0                      |
| 1.606  | 2010.....   | .....0  | .....0                      |
| 1.607  | 2011.....   | .....0  | .....0                      |
| 1.608  | 2012.....   | .....0  | .....0                      |
| 1.609  | 2013.....   | .....0  | .....0                      |
| 1.610  | 2014.....   | .....0  | .....0                      |
| 1.611  | 2015.....   | .....0  | .....0                      |
| 1.612  | Totals..... | .....0  | .....0                      |

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No [ ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this statement? Yes [ ] No [X]

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [ ] No [X]
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request. Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: (in thousands of dollars)
- 5.1 Fidelity \$.....0
- 5.2 Surety \$.....0

6. Claim count information is reported per claim or per claimant. (Indicate which). PER CLAIM  
If not the same in all years, explain in Interrogatory 7.

- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [ ] No [X]

- 7.2 An extended statement may be attached.
- #3: The calendar year A&O expense payments are allocated to year based on the current year loss and D&CC expense payments.
- #6: Claims counts are recorded separately for each hospital and physician named in a claim if both or all are insured.
- #6: One time CNP count adjustment occurred in 2015 increasing count by approx 300.

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|--------------------|--|-----------------------------|---|---|-----------------------------|---------------------------|---|--|
|                                     |                    | 2<br>Direct Premiums Written   | 3<br>Direct Premiums Earned |   |   |                             |                           |   |  |
| 1. Alabama.....AL                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 2. Alaska.....AK                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 3. Arizona.....AZ                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 4. Arkansas.....AR                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 5. California.....CA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 6. Colorado.....CO                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 7. Connecticut.....CT               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 8. Delaware.....DE                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 9. District of Columbia.....DC      | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 10. Florida.....FL                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 11. Georgia.....GA                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 12. Hawaii.....HI                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 13. Idaho.....ID                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 14. Illinois.....IL                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 15. Indiana.....IN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 16. Iowa.....IA                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 17. Kansas.....KS                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 18. Kentucky.....KY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 19. Louisiana.....LA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 20. Maine.....ME                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 21. Maryland.....MD                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 22. Massachusetts.....MA            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 23. Michigan.....MI                 | L                  | 13,922,943   | 13,673,456                  | 0   | 4,430,782                                   | 4,068,833                   | 25,426,341                | 0   | 0  |
| 24. Minnesota.....MN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 25. Mississippi.....MS              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 26. Missouri.....MO                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 27. Montana.....MT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 28. Nebraska.....NE                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 29. Nevada.....NV                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 30. New Hampshire.....NH            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 31. New Jersey.....NJ               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 32. New Mexico.....NM               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 33. New York.....NY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 34. North Carolina.....NC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 35. North Dakota.....ND             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 36. Ohio.....OH                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 37. Oklahoma.....OK                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 38. Oregon.....OR                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 39. Pennsylvania.....PA             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 40. Rhode Island.....RI             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 41. South Carolina.....SC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 42. South Dakota.....SD             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 43. Tennessee.....TN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 44. Texas.....TX                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 45. Utah.....UT                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 46. Vermont.....VT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 47. Virginia.....VA                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 48. Washington.....WA               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 49. West Virginia.....WV            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 50. Wisconsin.....WI                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 51. Wyoming.....WY                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 52. American Samoa.....AS           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 53. Guam.....GU                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 54. Puerto Rico.....PR              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 55. US Virgin Islands.....VI        | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 56. Northern Mariana Islands.....MP | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 57. Canada.....CAN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 58. Aggregate Other Alien.....OT    | XXX                | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 59. Totals.....                     | (a).....1          | 13,922,943   | 13,673,456                  | 0   | 4,430,782                                   | 4,068,833                   | 25,426,341                | 0   | 0  |

### DETAILS OF WRITE-INS

|  |     |   |   |   |   |   |   |   |   |
|--|-----|---|---|---|---|---|---|---|---|
| 58001.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58002.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58003.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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.

All business is written in Michigan

**Sch. T - Pt. 2 - Interstate Compact  
NONE**

**Sch. Y-Pt. 1  
NONE**

**Sch. Y - Pt. 1A  
NONE**

**Sch. Y - Pt. 2  
NONE**

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|  | Responses |
|--|-----------|
| 1. Will an actuarial opinion be filed by March 1?  | YES       |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                    | YES       |
| 3. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?                            | YES       |
| 4. Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1? | YES       |

### APRIL FILING

|  |     |
|--|-----|
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? | YES |
| 6. Will the Management's Discussion and Analysis be filed by April 1?                              | YES |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?                     | YES |

### MAY FILING

|   |    |
|---|----|
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1? | NO |
|---|----|

### JUNE FILING

|   |     |
|---|-----|
| 9. Will an audited financial report be filed by June 1?   | YES |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | YES |

### AUGUST FILING

|  |     |
|--|-----|
| 11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? | YES |
|--|-----|

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|   |     |
|---|-----|
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?  | NO  |
| 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?  | NO  |
| 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?  | YES |
| 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?  | NO  |
| 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?  | YES |
| 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?  | YES |
| 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?   | NO  |
| 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1? | NO  |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?        | NO  |
| 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                      | NO  |

### APRIL FILING

|  |     |
|--|-----|
| 28. Will the Credit Insurance Experience Exhibit be filed with state of domicile and the NAIC by April 1?  | NO  |
| 29. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | NO  |
| 30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | NO  |
| 31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                      | NO  |
| 32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? | NO  |
| 33. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?                           | YES |

### AUGUST FILING

|  |     |
|--|-----|
| 34. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | YES |
|--|-----|

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

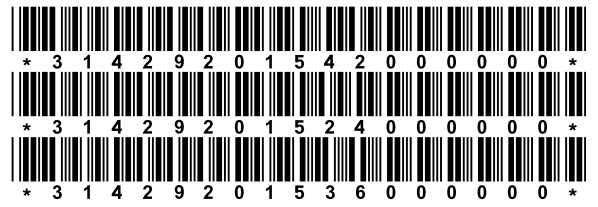
**EXPLANATIONS:**

**BAR CODE:**

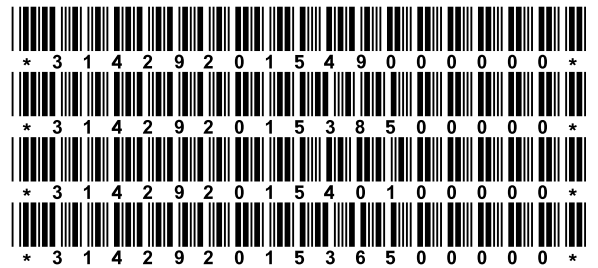
- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.



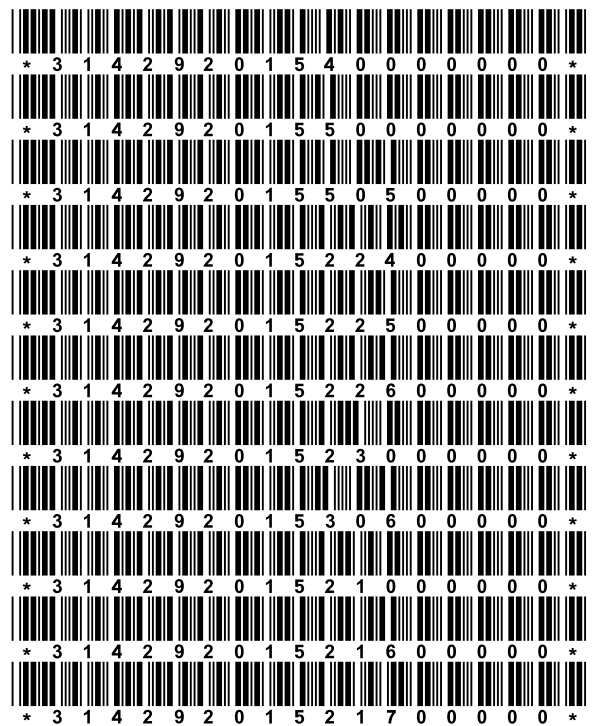
- 12. The data for this supplement is not required to be filed.
- 13. The data for this supplement is not required to be filed.
- 14. The data for this supplement is not required to be filed.
- 15.



- 16. The data for this supplement is not required to be filed.
- 17. The data for this supplement is not required to be filed.
- 18. The data for this supplement is not required to be filed.
- 19. The data for this supplement is not required to be filed.



- 20.
- 21.
- 22. The data for this supplement is not required to be filed.
- 23. The data for this supplement is not required to be filed.
- 24. The data for this supplement is not required to be filed.
- 25. The data for this supplement is not required to be filed.
- 26. The data for this supplement is not required to be filed.
- 27. The data for this supplement is not required to be filed.
- 28. The data for this supplement is not required to be filed.
- 29. The data for this supplement is not required to be filed.
- 30. The data for this supplement is not required to be filed.
- 31. The data for this supplement is not required to be filed.
- 32. The data for this supplement is not required to be filed.



- 33.
- 34.

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## SUMMARY INVESTMENT SCHEDULE

| Investment Categories   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |  |                                   |                 |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
|   | 1<br>Amount               | 2<br>Percentage | 3<br>Amount   | 4<br>Securities Lending Reinvested Collateral Amount | 5<br>Total (Col. 3 + 4)<br>Amount | 6<br>Percentage |
| 1. Bonds:   |                           |                 |   |  |                                   |                 |
| 1.1 U.S. treasury securities.....   | 8,571,817                 | 9.0             | 8,571,817   | 0  | 8,571,817                         | 9.0             |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities):  |                           |                 |   |  |                                   |                 |
| 1.21 Issued by U.S. government agencies.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.22 Issued by U.S. government sponsored agencies.....  | 1,421,863                 | 1.5             | 1,421,863   | 0  | 1,421,863                         | 1.5             |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities).....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:  |                           |                 |   |  |                                   |                 |
| 1.41 States, territories and possessions general obligations.....   | 1,816,718                 | 1.9             | 1,816,718   | 0  | 1,816,718                         | 1.9             |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations.....                                | 1,276,427                 | 1.3             | 1,276,427   | 0  | 1,276,427                         | 1.3             |
| 1.43 Revenue and assessment obligations.....  | 5,700,459                 | 6.0             | 5,700,459   | 0  | 5,700,459                         | 6.0             |
| 1.44 Industrial development and similar obligations.....  | 250,000                   | 0.3             | 250,000   | 0  | 250,000                           | 0.3             |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS):   |                           |                 |   |  |                                   |                 |
| 1.51 Pass-through securities:   |                           |                 |   |  |                                   |                 |
| 1.511 Issued or guaranteed by GNMA.....   | 187,244                   | 0.2             | 187,244   | 0  | 187,244                           | 0.2             |
| 1.512 Issued or guaranteed by FNMA and FHLMC.....   | 4,244,751                 | 4.4             | 4,244,751   | 0  | 4,244,751                         | 4.4             |
| 1.513 All other.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.52 CMOs and REMICs:   |                           |                 |   |  |                                   |                 |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....  | 4,850,263                 | 5.1             | 4,850,263   | 0  | 4,850,263                         | 5.1             |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521..... | 208,230                   | 0.2             | 208,230   | 0  | 208,230                           | 0.2             |
| 1.523 All other.....  | 9,179,395                 | 9.6             | 9,179,395   | 0  | 9,179,395                         | 9.6             |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |                 |   |  |                                   |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities).....  | 35,955,067                | 37.6            | 35,955,067  | 0  | 35,955,067                        | 37.6            |
| 2.2 Unaffiliated non-U.S. securities (including Canada).....  | 5,776,146                 | 6.0             | 5,776,146   | 0  | 5,776,146                         | 6.0             |
| 2.3 Affiliated securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3. Equity interests:  |                           |                 |   |  |                                   |                 |
| 3.1 Investments in mutual funds.....  | 13,502,578                | 14.1            | 13,502,578  | 0  | 13,502,578                        | 14.1            |
| 3.2 Preferred stocks:   |                           |                 |   |  |                                   |                 |
| 3.21 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.22 Unaffiliated.....  | 86,202                    | 0.1             | 86,202  | 0  | 86,202                            | 0.1             |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |                 |   |  |                                   |                 |
| 3.31 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.32 Unaffiliated.....  | 142,900                   | 0.1             | 142,900   | 0  | 142,900                           | 0.1             |
| 3.4 Other equity securities:  |                           |                 |   |  |                                   |                 |
| 3.41 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.42 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |                 |   |  |                                   |                 |
| 3.51 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.52 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4. Mortgage loans:  |                           |                 |   |  |                                   |                 |
| 4.1 Construction and land development.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.2 Agricultural.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.3 Single family residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.4 Multifamily residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.5 Commercial loans.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.6 Mezzanine real estate loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5. Real estate investments:   |                           |                 |   |  |                                   |                 |
| 5.1 Property occupied by company.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....                                     | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 6. Contract loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 7. Derivatives.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 8. Receivables for securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 9. Securities lending (Line 10, Asset Page reinvested collateral).....  | 0                         | 0.0             | 0   | XXX  | XXX                               | XXX             |
| 10. Cash, cash equivalents and short-term investments.....  | 2,420,367                 | 2.5             | 2,420,367   | 0  | 2,420,367                         | 2.5             |
| 11. Other invested assets.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 12. Total invested assets.....  | 95,590,428                | 100.0           | 95,590,428  | 0  | 95,590,428                        | 100.0           |

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

|   |   |   |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year.....                       |   | 0 |
| 2. Cost of acquired:  |   |   |
| 2.1 Actual cost at time of acquisition (Part 2, Column 6).....                        | 0 |   |
| 2.2 Additional investment made after acquisition (Part 2, Column 9).....              | 0 | 0 |
| 3. Current year change in encumbrances:   |   |   |
| 3.1 Totals, Part 1, Column 13.....  | 0 |   |
| 3.2 Totals, Part 3, Column 11.....  | 0 | 0 |
| 4. Total gain (loss) on disposals, Part 3, Column 18.....                             |   | 0 |
| 5. Deduct amounts received on disposals, Part 3, Column 15.....                       |   | 0 |
| 6. Total foreign exchange change in book/adjusted carrying value:                     |   |   |
| 6.1 Totals, Part 1, Column 15.....  | 0 |   |
| 6.2 Totals, Part 3, Column 13.....  | 0 | 0 |
| 7. Deduct current year's other-than-temporary impairment recognized:                  |   |   |
| 7.1 Totals, Part 1, Column 12.....  | 0 |   |
| 7.2 Totals, Part 3, Column 10.....  | 0 | 0 |
| 8. Deduct current year's depreciation:  |   |   |
| 8.1 Totals, Part 1, Column 11.....  | 0 |   |
| 8.2 Totals, Part 3, Column 9.....   | 0 | 0 |
| 9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)..... |   | 0 |
| 10. Deduct total nonadmitted amounts.....   |   | 0 |
| 11. Statement value at end of current period (Line 9 minus Line 10).....              |   | 0 |

**NONE**

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

|  |   |   |
|--|---|---|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....                             |   | 0 |
| 2. Cost of acquired:   |   |   |
| 2.1 Actual cost at time of acquisition (Part 2, Column 7).....   | 0 |   |
| 2.2 Additional investment made after acquisition (Part 2, Column 8).....   | 0 | 0 |
| 3. Capitalized deferred interest and other:  |   |   |
| 3.1 Totals, Part 1, Column 12.....   | 0 |   |
| 3.2 Totals, Part 3, Column 11.....   | 0 | 0 |
| 4. Accrual of discount.....  |   | 0 |
| 5. Unrealized valuation increase (decrease):   |   |   |
| 5.1 Totals, Part 1, Column 9.....  | 0 |   |
| 5.2 Totals, Part 3, Column 8.....  | 0 | 0 |
| 6. Total gain (loss) on disposals, Part 3, Column 18.....  |   | 0 |
| 7. Deduct amounts received on disposals, Part 3, Column 15.....  |   | 0 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees.....                                  |   | 0 |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest:                           |   |   |
| 9.1 Totals, Part 1, Column 13.....   | 0 |   |
| 9.2 Totals, Part 3, Column 13.....   | 0 | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized:  |   |   |
| 10.1 Totals, Part 1, Column 11.....  | 0 |   |
| 10.2 Totals, Part 3, Column 10.....  | 0 | 0 |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12. Total valuation allowance.....   |   | 0 |
| 13. Subtotal (Line 11 plus Line 12).....   |   | 0 |
| 14. Deduct total nonadmitted amounts.....  |   | 0 |
| 15. Statement value at end of current period (Line 13 minus Line 14).....  |   | 0 |

**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Other Long-Term Invested Assets

|      |   |   |   |
|------|---|---|---|
| 1.   | Book/adjusted carrying value, December 31 of prior year.....                            |   | 0 |
| 2.   | Cost of acquired:   |   |   |
| 2.1  | Actual cost at time of acquisition (Part 2, Column 8).....                              | 0 |   |
| 2.2  | Additional investment made after acquisition (Part 2, Column 9).....                    | 0 | 0 |
| 3.   | Capitalized deferred interest and other:  |   |   |
| 3.1  | Totals, Part 1, Column 16.....  | 0 |   |
| 3.2  | Totals, Part 3, Column 12.....  | 0 | 0 |
| 4.   | Accrual of discount.....  |   | 0 |
| 5.   | Unrealized valuation increase (decrease):   |   |   |
| 5.1  | Totals, Part 1, Column 13.....  | 0 |   |
| 5.2  | Totals, Part 3, Column 9.....   | 0 | 0 |
| 6.   | Total gain (loss) on disposals, Part 3, Column 19.....                                  |   | 0 |
| 7.   | Deduct amounts received on disposals, Part 3, Column 16.....                            |   | 0 |
| 8.   | Deduct amortization of premium and depreciation.....                                    |   | 0 |
| 9.   | Total foreign exchange change in book/adjusted carrying value:                          |   |   |
| 9.1  | Totals, Part 1, Column 17.....  | 0 |   |
| 9.2  | Totals, Part 3, Column 14.....  | 0 | 0 |
| 10.  | Deduct current year's other-than-temporary impairment recognized:                       |   |   |
| 10.1 | Totals, Part 1, Column 15.....  | 0 |   |
| 10.2 | Totals, Part 3, Column 11.....  | 0 | 0 |
| 11.  | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12.  | Deduct total nonadmitted amounts.....   |   | 0 |
| 13.  | Statement value at end of current period (Line 11 minus Line 12).....                   |   | 0 |

NONE

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

|     |  |           |            |
|-----|--|-----------|------------|
| 1.  | Book/adjusted carrying value, December 31 of prior year.....                         |           | 92,501,844 |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7.....                             |           | 23,554,772 |
| 3.  | Accrual of discount.....   |           | 77,765     |
| 4.  | Unrealized valuation increase (decrease):  |           |            |
| 4.1 | Part 1, Column 12.....   | (327,177) |            |
| 4.2 | Part 2, Section 1, Column 15.....  | 0         |            |
| 4.3 | Part 2, Section 2, Column 13.....  | (298,072) |            |
| 4.4 | Part 4, Column 11.....   | (278,588) | (903,837)  |
| 5.  | Total gain (loss) on disposals, Part 4, Column 19.....                               |           | 1,075,516  |
| 6.  | Deduct consideration for bonds and stocks disposed of, Part 4, Column 7.....         |           | 22,591,265 |
| 7.  | Deduct amortization of premium.....  |           | 544,735    |
| 8.  | Total foreign exchange change in book/adjusted carrying value:                       |           |            |
| 8.1 | Part 1, Column 15.....   | 0         |            |
| 8.2 | Part 2, Section 1, Column 19.....  | 0         |            |
| 8.3 | Part 2, Section 2, Column 16.....  | 0         |            |
| 8.4 | Part 4, Column 15.....   | 0         | 0          |
| 9.  | Deduct current year's other-than-temporary impairment recognized:                    |           |            |
| 9.1 | Part 1, Column 14.....   | 0         |            |
| 9.2 | Part 2, Section 1, Column 17.....  | 0         |            |
| 9.3 | Part 2, Section 2, Column 14.....  | 0         |            |
| 9.4 | Part 4, Column 13.....   | 0         | 0          |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... |           | 93,170,061 |
| 11. | Deduct total nonadmitted amounts.....  |           | 0          |
| 12. | Statement value at end of current period (Line 10 minus Line 11).....                |           | 93,170,061 |



**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description   | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value   | 3<br>Actual Cost  | 4<br>Par Value<br>of Bonds |
|---|--------------------------------------|-------------------|-------------------|----------------------------|
| <b>BONDS</b>  |                                      |                   |                   |                            |
| 1. United States.....   | 11,952,183                           | 11,970,082        | 12,000,084        | 11,856,433                 |
| Governments (Including all obligations<br>guaranteed by governments)  |                                      |                   |                   |                            |
| 2. Canada.....  | 0                                    | 0                 | 0                 | 0                          |
| 3. Other Countries.....   | 0                                    | 0                 | 0                 | 0                          |
| 4. Totals.....  | 11,952,183                           | 11,970,082        | 12,000,084        | 11,856,433                 |
| U.S. States, Territories and Possessions<br>(Direct and guaranteed)   |                                      |                   |                   |                            |
| 5. Totals.....  | 1,816,718                            | 1,960,421         | 1,818,160         | 1,700,000                  |
| U.S. Political Subdivisions of States, Territories<br>and Possessions (Direct and guaranteed)   |                                      |                   |                   |                            |
| 6. Totals.....  | 1,276,427                            | 1,497,635         | 1,284,044         | 1,250,000                  |
| U.S. Special Revenue and Special Assessment<br>Obligations and All Non-Guaranteed Obligations<br>of Agencies and Authorities of Governments<br>and Their Political Subdivisions |                                      |                   |                   |                            |
| 7. Totals.....  | 13,482,445                           | 14,032,705        | 13,567,240        | 13,050,056                 |
| Industrial and Miscellaneous and Hybrid<br>Securities (Unaffiliated)  |                                      |                   |                   |                            |
| 8. United States.....   | 45,134,462                           | 45,859,361        | 45,835,768        | 44,893,262                 |
| 9. Canada.....  | 1,225,064                            | 1,312,591         | 1,266,392         | 1,200,000                  |
| 10. Other Countries.....  | 4,551,081                            | 4,656,234         | 4,753,078         | 4,439,297                  |
| 11. Totals.....   | 50,910,607                           | 51,828,186        | 51,855,238        | 50,532,559                 |
| Parent, Subsidiaries and Affiliates   |                                      |                   |                   |                            |
| 12. Totals.....   | 0                                    | 0                 | 0                 | 0                          |
| <b>13. Total Bonds.....</b>   | <b>79,438,380</b>                    | <b>81,289,028</b> | <b>80,524,766</b> | <b>78,389,049</b>          |
| <b>PREFERRED STOCKS</b>   |                                      |                   |                   |                            |
| 14. United States.....  | 86,202                               | 86,202            | 86,202            |                            |
| Industrial and Miscellaneous (Unaffiliated)   |                                      |                   |                   |                            |
| 15. Canada.....   | 0                                    | 0                 | 0                 |                            |
| 16. Other Countries.....  | 0                                    | 0                 | 0                 |                            |
| 17. Totals.....   | 86,202                               | 86,202            | 86,202            |                            |
| Parent, Subsidiaries and Affiliates   |                                      |                   |                   |                            |
| 18. Totals.....   | 0                                    | 0                 | 0                 |                            |
| <b>19. Total Preferred Stocks.....</b>  | <b>86,202</b>                        | <b>86,202</b>     | <b>86,202</b>     |                            |
| <b>COMMON STOCKS</b>  |                                      |                   |                   |                            |
| 20. United States.....  | 13,645,478                           | 13,645,478        | 10,973,175        |                            |
| Industrial and Miscellaneous (Unaffiliated)   |                                      |                   |                   |                            |
| 21. Canada.....   | 0                                    | 0                 | 0                 |                            |
| 22. Other Countries.....  | 0                                    | 0                 | 0                 |                            |
| 23. Totals.....   | 13,645,478                           | 13,645,478        | 10,973,175        |                            |
| Parent, Subsidiaries and Affiliates   |                                      |                   |                   |                            |
| 24. Totals.....   | 0                                    | 0                 | 0                 |                            |
| <b>25. Total Common Stocks.....</b>   | <b>13,645,478</b>                    | <b>13,645,478</b> | <b>10,973,175</b> |                            |
| <b>26. Total Stocks.....</b>  | <b>13,731,680</b>                    | <b>13,731,680</b> | <b>11,059,377</b> |                            |
| <b>27. Total Bonds and Stocks....</b>   | <b>93,170,061</b>                    | <b>95,020,709</b> | <b>91,584,143</b> |                            |

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments</b>  |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 1.1 NAIC 1.....   | 1,135,827              | 5,668,258                           | 3,099,871                             | 924,905                                | 1,123,322             | 11,952,183                 | 14.8                                | 10,777,309                             | 12.8                             | 11,952,183                     | 0                                   |
| 1.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 1.7 Totals.....   | 1,135,827              | 5,668,258                           | 3,099,871                             | 924,905                                | 1,123,322             | 11,952,183                 | 14.8                                | 10,777,309                             | 12.8                             | 11,952,183                     | 0                                   |
| <b>2. All Other Governments</b>   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 2.1 NAIC 1.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 2.7 Totals.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| <b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>                      |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 3.1 NAIC 1.....   | 0                      | 500,000                             | 500,000                               | 0                                      | 816,718               | 1,816,718                  | 2.3                                 | 1,000,000                              | 1.2                              | 1,816,718                      | 0                                   |
| 3.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 3.7 Totals.....   | 0                      | 500,000                             | 500,000                               | 0                                      | 816,718               | 1,816,718                  | 2.3                                 | 1,000,000                              | 1.2                              | 1,816,718                      | 0                                   |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 4.1 NAIC 1.....   | 0                      | 0                                   | 0                                     | 1,276,427                              | 0                     | 1,276,427                  | 1.6                                 | 1,277,802                              | 1.5                              | 1,276,427                      | 0                                   |
| 4.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 4.7 Totals.....   | 0                      | 0                                   | 0                                     | 1,276,427                              | 0                     | 1,276,427                  | 1.6                                 | 1,277,802                              | 1.5                              | 1,276,427                      | 0                                   |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 5.1 NAIC 1.....   | 2,026,324              | 5,357,985                           | 4,311,155                             | 1,024,586                              | 762,394               | 13,482,445                 | 16.7                                | 15,575,621                             | 18.5                             | 13,482,445                     | 0                                   |
| 5.2 NAIC 2.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.3 NAIC 3.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.4 NAIC 4.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.5 NAIC 5.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.6 NAIC 6.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 5.7 Totals.....   | 2,026,324              | 5,357,985                           | 4,311,155                             | 1,024,586                              | 762,394               | 13,482,445                 | 16.7                                | 15,575,621                             | 18.5                             | 13,482,445                     | 0                                   |

SIOIS

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation                                      | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Industrial and Miscellaneous (unaffiliated)</b> |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 6.1 NAIC 1.....                                       | 7,392,825              | 13,505,012                          | 7,593,993                             | 1,157,115                              | 1,842,815             | 31,491,760                 | 39.1                                | 34,717,363                             | 41.2                             | 23,934,654                     | 7,557,106                           |
| 6.2 NAIC 2.....                                       | 1,471,131              | 5,958,077                           | 7,495,044                             | 300,589                                | 1,165,283             | 16,390,123                 | 20.3                                | 18,479,029                             | 21.9                             | 15,672,503                     | 717,620                             |
| 6.3 NAIC 3.....                                       | 156,166                | 1,889,119                           | 752,599                               | 54,052                                 | 179,028               | 3,030,963                  | 3.8                                 | 1,597,867                              | 1.9                              | 2,097,812                      | 933,150                             |
| 6.4 NAIC 4.....                                       | 20,606                 | 914,406                             | 0                                     | 86,375                                 | 0                     | 1,021,387                  | 1.3                                 | 446,791                                | 0.5                              | 830,708                        | 190,679                             |
| 6.5 NAIC 5.....                                       | 0                      | 89,492                              | 32,150                                | 0                                      | 0                     | 121,642                    | 0.2                                 | 101,806                                | 0.1                              | 89,492                         | 32,150                              |
| 6.6 NAIC 6.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 342,133                                | 0.4                              | 0                              | 0                                   |
| 6.7 Totals.....                                       | 9,040,727              | 22,356,105                          | 15,873,786                            | 1,598,131                              | 3,187,125             | 52,055,874                 | 64.6                                | 55,684,989                             | 66.0                             | 42,625,169                     | 9,430,706                           |
| <b>7. Hybrid Securities</b>                           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 7.1 NAIC 1.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.2 NAIC 2.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.3 NAIC 3.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.4 NAIC 4.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.5 NAIC 5.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.6 NAIC 6.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 7.7 Totals.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| <b>8. Parent, Subsidiaries and Affiliates</b>         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 8.1 NAIC 1.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.2 NAIC 2.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.3 NAIC 3.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.4 NAIC 4.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.5 NAIC 5.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.6 NAIC 6.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |
| 8.7 Totals.....                                       | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | 0                              | 0                                   |

901S

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.7 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------------------------------|
| <b>9. Total Bonds Current Year</b>                        |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 9.1 NAIC 1.....   | (d).....10,554,976     | .....25,031,255                     | .....15,505,019                       | .....4,383,033                         | .....4,545,249        | .....60,019,533            | .....74.5                           | .....XXX                               | .....XXX                         | .....52,462,427                | .....7,557,106                      |
| 9.2 NAIC 2.....   | (d).....1,471,131      | .....5,958,077                      | .....7,495,044                        | .....300,589                           | .....1,165,283        | .....16,390,123            | .....20.3                           | .....XXX                               | .....XXX                         | .....15,672,503                | .....717,620                        |
| 9.3 NAIC 3.....   | (d).....156,166        | .....1,889,119                      | .....752,599                          | .....54,052                            | .....179,028          | .....3,030,963             | .....3.8                            | .....XXX                               | .....XXX                         | .....2,097,812                 | .....933,150                        |
| 9.4 NAIC 4.....   | (d).....20,606         | .....914,406                        | .....0                                | .....86,375                            | .....0                | .....1,021,387             | .....1.3                            | .....XXX                               | .....XXX                         | .....830,708                   | .....190,679                        |
| 9.5 NAIC 5.....   | (d).....0              | .....89,492                         | .....32,150                           | .....0                                 | .....0                | (c).....121,642            | .....0.2                            | .....XXX                               | .....XXX                         | .....89,492                    | .....32,150                         |
| 9.6 NAIC 6.....   | (d).....0              | .....0                              | .....0                                | .....0                                 | .....0                | (c).....0                  | .....0.0                            | .....XXX                               | .....XXX                         | .....0                         | .....0                              |
| 9.7 Totals.....   | .....12,202,879        | .....33,882,348                     | .....23,784,812                       | .....4,824,049                         | .....5,889,560        | (b).....80,583,647         | .....100.0                          | .....XXX                               | .....XXX                         | .....71,152,942                | .....9,430,706                      |
| 9.8 Line 9.7 as a % of Col. 6.....                        | .....15.1              | .....42.0                           | .....29.5                             | .....6.0                               | .....7.3              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....88.3                      | .....11.7                           |
| <b>10. Total Bonds Prior Year</b>                         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 10.1 NAIC 1.....  | .....12,624,789        | .....23,194,875                     | .....19,066,029                       | .....6,252,567                         | .....2,209,835        | .....XXX                   | .....XXX                            | .....63,348,095                        | .....75.1                        | .....58,786,276                | .....4,561,819                      |
| 10.2 NAIC 2.....  | .....1,403,401         | .....4,488,961                      | .....9,641,064                        | .....906,551                           | .....2,039,052        | .....XXX                   | .....XXX                            | .....18,479,029                        | .....21.9                        | .....17,695,596                | .....783,433                        |
| 10.3 NAIC 3.....  | .....365,670           | .....1,004,346                      | .....81,893                           | .....26,084                            | .....119,873          | .....XXX                   | .....XXX                            | .....1,597,867                         | .....1.9                         | .....1,478,147                 | .....119,719                        |
| 10.4 NAIC 4.....  | .....83,425            | .....363,366                        | .....0                                | .....0                                 | .....0                | .....XXX                   | .....XXX                            | .....446,791                           | .....0.5                         | .....290,723                   | .....156,067                        |
| 10.5 NAIC 5.....  | .....0                 | .....101,806                        | .....0                                | .....0                                 | .....0                | .....XXX                   | .....XXX                            | (c).....101,806                        | .....0.1                         | .....101,806                   | .....0                              |
| 10.6 NAIC 6.....  | .....33,495            | .....97,895                         | .....210,743                          | .....0                                 | .....0                | .....XXX                   | .....XXX                            | (c).....342,133                        | .....0.4                         | .....342,133                   | .....0                              |
| 10.7 Totals.....  | .....14,510,780        | .....29,251,249                     | .....28,999,729                       | .....7,185,202                         | .....4,368,760        | .....XXX                   | .....XXX                            | (b).....84,315,721                     | .....100.0                       | .....78,694,682                | .....5,621,039                      |
| 10.8 Line 10.7 as a % of Col. 8.....                      | .....17.2              | .....34.7                           | .....34.4                             | .....8.5                               | .....5.2              | .....XXX                   | .....XXX                            | .....100.0                             | .....XXX                         | .....93.3                      | .....6.7                            |
| <b>11. Total Publicly Traded Bonds</b>                    |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 11.1 NAIC 1.....  | .....9,712,354         | .....20,675,506                     | .....14,151,404                       | .....3,890,290                         | .....4,032,872        | .....52,462,427            | .....65.1                           | .....58,786,276                        | .....69.7                        | .....52,462,427                | .....XXX                            |
| 11.2 NAIC 2.....  | .....1,471,131         | .....5,823,240                      | .....6,912,260                        | .....300,589                           | .....1,165,283        | .....15,672,503            | .....19.4                           | .....17,695,596                        | .....21.0                        | .....15,672,503                | .....XXX                            |
| 11.3 NAIC 3.....  | .....150,760           | .....1,604,917                      | .....342,135                          | .....0                                 | .....0                | .....2,097,812             | .....2.6                            | .....1,478,147                         | .....1.8                         | .....2,097,812                 | .....XXX                            |
| 11.4 NAIC 4.....  | .....20,606            | .....723,727                        | .....0                                | .....86,375                            | .....0                | .....830,708               | .....1.0                            | .....290,723                           | .....0.3                         | .....830,708                   | .....XXX                            |
| 11.5 NAIC 5.....  | .....0                 | .....89,492                         | .....0                                | .....0                                 | .....0                | .....89,492                | .....0.1                            | .....101,806                           | .....0.1                         | .....89,492                    | .....XXX                            |
| 11.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                     | .....0.0                            | .....342,133                           | .....0.4                         | .....0                         | .....XXX                            |
| 11.7 Totals.....  | .....11,354,852        | .....28,916,882                     | .....21,405,799                       | .....4,277,255                         | .....5,198,155        | .....71,152,942            | .....88.3                           | .....78,694,682                        | .....93.3                        | .....71,152,942                | .....XXX                            |
| 11.8 Line 11.7 as a % of Col. 6.....                      | .....16.0              | .....40.6                           | .....30.1                             | .....6.0                               | .....7.3              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....100.0                     | .....XXX                            |
| 11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9..... | .....14.1              | .....35.9                           | .....26.6                             | .....5.3                               | .....6.5              | .....88.3                  | .....XXX                            | .....XXX                               | .....XXX                         | .....88.3                      | .....XXX                            |
| <b>12. Total Privately Placed Bonds</b>                   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                     |
| 12.1 NAIC 1.....  | .....842,622           | .....4,355,749                      | .....1,353,616                        | .....492,743                           | .....512,377          | .....7,557,106             | .....9.4                            | .....4,561,819                         | .....5.4                         | .....XXX                       | .....7,557,106                      |
| 12.2 NAIC 2.....  | .....0                 | .....134,836                        | .....582,784                          | .....0                                 | .....0                | .....717,620               | .....0.9                            | .....783,433                           | .....0.9                         | .....XXX                       | .....717,620                        |
| 12.3 NAIC 3.....  | .....5,405             | .....284,202                        | .....410,464                          | .....54,052                            | .....179,028          | .....933,150               | .....1.2                            | .....119,719                           | .....0.1                         | .....XXX                       | .....933,150                        |
| 12.4 NAIC 4.....  | .....0                 | .....190,679                        | .....0                                | .....0                                 | .....0                | .....190,679               | .....0.2                            | .....156,067                           | .....0.2                         | .....XXX                       | .....190,679                        |
| 12.5 NAIC 5.....  | .....0                 | .....0                              | .....32,150                           | .....0                                 | .....0                | .....32,150                | .....0.0                            | .....0                                 | .....0.0                         | .....XXX                       | .....32,150                         |
| 12.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                     | .....0.0                            | .....0                                 | .....0.0                         | .....XXX                       | .....0                              |
| 12.7 Totals.....  | .....848,027           | .....4,965,466                      | .....2,379,013                        | .....546,794                           | .....691,405          | .....9,430,706             | .....11.7                           | .....5,621,039                         | .....6.7                         | .....XXX                       | .....9,430,706                      |
| 12.8 Line 12.7 as a % of Col. 6.....                      | .....9.0               | .....52.7                           | .....25.2                             | .....5.8                               | .....7.3              | .....100.0                 | .....XXX                            | .....XXX                               | .....XXX                         | .....XXX                       | .....100.0                          |
| 12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9..... | .....1.1               | .....6.2                            | .....3.0                              | .....0.7                               | .....0.9              | .....11.7                  | .....XXX                            | .....XXX                               | .....XXX                         | .....XXX                       | .....11.7                           |

S107

- (a) Includes \$.....9,430,706 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....276,755 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
- (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type  |           | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.5 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed |
|---|-----------|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments</b>  |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 1.1 Issuer Obligations.....   | 839,600   | 4,760,945              | 2,469,662                           | 0                                     | 501,610                                | 8,571,817             | 10.6                       | 7,157,334                           | 8.5                                    | 8,571,817                        | 0                              |                                 |
| 1.2 Residential Mortgage-Backed Securities.....   | 138,799   | 277,599                | 0                                   | 0                                     | 0                                      | 416,398               | 0.5                        | 556,849                             | 0.7                                    | 416,398                          | 0                              |                                 |
| 1.3 Commercial Mortgage-Backed Securities.....  | 157,429   | 629,714                | 630,209                             | 924,905                               | 621,712                                | 2,963,968             | 3.7                        | 3,063,126                           | 3.6                                    | 2,963,968                        | 0                              |                                 |
| 1.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 1.5 Totals.....   | 1,135,827 | 5,668,258              | 3,099,871                           | 924,905                               | 1,123,322                              | 11,952,183            | 14.8                       | 10,777,309                          | 12.8                                   | 11,952,183                       | 0                              |                                 |
| <b>2. All Other Governments</b>   |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 2.1 Issuer Obligations.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.2 Residential Mortgage-Backed Securities.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 2.5 Totals.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| <b>3. U.S. States, Territories and Possessions, Guaranteed</b>                            |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 3.1 Issuer Obligations.....   | 0         | 500,000                | 500,000                             | 0                                     | 816,718                                | 1,816,718             | 2.3                        | 1,000,000                           | 1.2                                    | 1,816,718                        | 0                              |                                 |
| 3.2 Residential Mortgage-Backed Securities.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 3.5 Totals.....   | 0         | 500,000                | 500,000                             | 0                                     | 816,718                                | 1,816,718             | 2.3                        | 1,000,000                           | 1.2                                    | 1,816,718                        | 0                              |                                 |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 4.1 Issuer Obligations.....   | 0         | 0                      | 0                                   | 1,276,427                             | 0                                      | 1,276,427             | 1.6                        | 1,277,802                           | 1.5                                    | 1,276,427                        | 0                              |                                 |
| 4.2 Residential Mortgage-Backed Securities.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 4.5 Totals.....   | 0         | 0                      | 0                                   | 1,276,427                             | 0                                      | 1,276,427             | 1.6                        | 1,277,802                           | 1.5                                    | 1,276,427                        | 0                              |                                 |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 5.1 Issuer Obligations.....   | 350,000   | 965,237                | 4,028,416                           | 879,997                               | 762,394                                | 6,986,045             | 8.7                        | 6,371,540                           | 7.6                                    | 6,986,045                        | 0                              |                                 |
| 5.2 Residential Mortgage-Backed Securities.....   | 1,649,642 | 4,044,922              | 270,969                             | 144,589                               | 0                                      | 6,110,122             | 7.6                        | 8,793,270                           | 10.4                                   | 6,110,122                        | 0                              |                                 |
| 5.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 5.4 Other Loan-Backed and Structured Securities.....                                      | 26,682    | 347,825                | 11,770                              | 0                                     | 0                                      | 386,277               | 0.5                        | 410,812                             | 0.5                                    | 386,277                          | 0                              |                                 |
| 5.5 Totals.....   | 2,026,324 | 5,357,985              | 4,311,155                           | 1,024,586                             | 762,394                                | 13,482,445            | 16.7                       | 15,575,622                          | 18.5                                   | 13,482,445                       | 0                              |                                 |
| <b>6. Industrial and Miscellaneous (unaffiliated)</b>                                     |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 6.1 Issuer Obligations.....   | 4,279,336 | 15,928,201             | 13,981,228                          | 1,265,797                             | 3,051,475                              | 38,506,038            | 47.8                       | 40,348,426                          | 47.9                                   | 34,400,261                       | 4,105,777                      |                                 |
| 6.2 Residential Mortgage-Backed Securities.....   | 769,509   | 1,673,301              | 604,824                             | 309,930                               | 135,650                                | 3,493,214             | 4.3                        | 2,212,879                           | 2.6                                    | 1,266,516                        | 2,226,698                      |                                 |
| 6.3 Commercial Mortgage-Backed Securities.....  | 1,502,642 | 3,466,561              | 1,104,193                           | 0                                     | 0                                      | 6,073,397             | 7.5                        | 7,289,214                           | 8.6                                    | 2,975,166                        | 3,098,231                      |                                 |
| 6.4 Other Loan-Backed and Structured Securities.....                                      | 2,489,239 | 1,288,041              | 183,540                             | 22,404                                | 0                                      | 3,983,226             | 4.9                        | 5,834,470                           | 6.9                                    | 3,983,226                        | 0                              |                                 |
| 6.5 Totals.....   | 9,040,727 | 22,356,105             | 15,873,786                          | 1,598,131                             | 3,187,125                              | 52,055,874            | 64.6                       | 55,684,989                          | 66.0                                   | 42,625,169                       | 9,430,706                      |                                 |
| <b>7. Hybrid Securities</b>   |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 7.1 Issuer Obligations.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.2 Residential Mortgage-Backed Securities.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 7.5 Totals.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| <b>8. Parent, Subsidiaries and Affiliates</b>   |           |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 8.1 Issuer Obligations.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.2 Residential Mortgage-Backed Securities.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.3 Commercial Mortgage-Backed Securities.....  | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.4 Other Loan-Backed and Structured Securities.....                                      | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |
| 8.5 Totals.....   | 0         | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0.0                        | 0                                   | 0.0                                    | 0                                | 0                              |                                 |

801S

## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type                                      | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>Total<br>Current Year | 7<br>Column 6 as a<br>% of Line 9.5 | 8<br>Total from Column<br>6 Prior Year | 9<br>% from Col. 7<br>Prior Year | 10<br>Total<br>Publicly Traded | 11<br>Total<br>Privately Placed |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|---------------------------------|
| <b>9. Total Bonds Current Year</b>                        |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 9.1 Issuer Obligations.....                               | 5,468,936              | 22,154,384                          | 20,979,306                            | 3,422,222                              | 5,132,197             | 57,157,046                 | 70.9                                | XXX                                    | XXX                              | 53,051,269                     | 4,105,777                       |
| 9.2 Residential Mortgage-Backed Securities.....           | 2,557,950              | 5,995,821                           | 875,793                               | 454,519                                | 135,650               | 10,019,734                 | 12.4                                | XXX                                    | XXX                              | 7,793,036                      | 2,226,698                       |
| 9.3 Commercial Mortgage-Backed Securities.....            | 1,660,071              | 4,096,275                           | 1,734,402                             | 924,905                                | 621,712               | 9,037,365                  | 11.2                                | XXX                                    | XXX                              | 5,939,134                      | 3,098,231                       |
| 9.4 Other Loan-Backed and Structured Securities.....      | 2,515,921              | 1,635,867                           | 195,310                               | 22,404                                 | 0                     | 4,369,503                  | 5.4                                 | XXX                                    | XXX                              | 4,369,503                      | 0                               |
| 9.5 Totals.....   | 12,202,879             | 33,882,348                          | 23,784,812                            | 4,824,049                              | 5,889,560             | 80,583,647                 | 100.0                               | XXX                                    | XXX                              | 71,152,942                     | 9,430,706                       |
| 9.6 Line 9.5 as a % of Col. 6.....                        | 15.1                   | 42.0                                | 29.5                                  | 6.0                                    | 7.3                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | 88.3                           | 11.7                            |
| <b>10. Total Bonds Prior Year</b>                         |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 10.1 Issuer Obligations.....                              | 7,347,899              | 20,032,527                          | 19,959,566                            | 4,864,571                              | 3,950,538             | XXX                        | XXX                                 | 56,155,101                             | 66.6                             | 53,656,750                     | 2,498,351                       |
| 10.2 Residential Mortgage-Backed Securities.....          | 2,459,950              | 5,266,142                           | 2,445,913                             | 1,072,897                              | 318,096               | XXX                        | XXX                                 | 11,562,998                             | 13.7                             | 11,348,549                     | 214,449                         |
| 10.3 Commercial Mortgage-Backed Securities.....           | 1,702,172              | 1,352,774                           | 6,095,236                             | 1,202,158                              | 0                     | XXX                        | XXX                                 | 10,352,340                             | 12.3                             | 7,444,101                      | 2,908,239                       |
| 10.4 Other Loan-Backed and Structured Securities.....     | 3,000,759              | 2,599,807                           | 499,014                               | 45,577                                 | 100,126               | XXX                        | XXX                                 | 6,245,282                              | 7.4                              | 6,245,282                      | 0                               |
| 10.5 Totals.....  | 14,510,780             | 29,251,249                          | 28,999,729                            | 7,185,202                              | 4,368,760             | XXX                        | XXX                                 | 84,315,721                             | 100.0                            | 78,694,682                     | 5,621,039                       |
| 10.6 Line 10.5 as a % of Col. 8.....                      | 17.2                   | 34.7                                | 34.4                                  | 8.5                                    | 5.2                   | XXX                        | XXX                                 | 100.0                                  | XXX                              | 93.3                           | 6.7                             |
| <b>11. Total Publicly Traded Bonds</b>                    |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 11.1 Issuer Obligations.....                              | 5,440,424              | 20,258,836                          | 19,638,460                            | 3,137,105                              | 4,576,443             | 53,051,269                 | 65.8                                | 53,656,750                             | 63.6                             | 53,051,269                     | XXX                             |
| 11.2 Residential Mortgage-Backed Securities.....          | 2,262,210              | 4,984,299                           | 353,686                               | 192,840                                | 0                     | 7,793,036                  | 9.7                                 | 11,348,549                             | 13.5                             | 7,793,036                      | XXX                             |
| 11.3 Commercial Mortgage-Backed Securities.....           | 1,136,295              | 2,037,880                           | 1,218,342                             | 924,905                                | 621,712               | 5,939,134                  | 7.4                                 | 7,444,101                              | 8.8                              | 5,939,134                      | XXX                             |
| 11.4 Other Loan-Backed and Structured Securities.....     | 2,515,921              | 1,635,867                           | 195,310                               | 22,404                                 | 0                     | 4,369,503                  | 5.4                                 | 6,245,282                              | 7.4                              | 4,369,503                      | XXX                             |
| 11.5 Totals.....  | 11,354,852             | 28,916,882                          | 21,405,799                            | 4,277,255                              | 5,198,155             | 71,152,942                 | 88.3                                | 78,694,682                             | 93.3                             | 71,152,942                     | XXX                             |
| 11.6 Line 11.5 as a % of Col. 6.....                      | 16.0                   | 40.6                                | 30.1                                  | 6.0                                    | 7.3                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | 100.0                          | XXX                             |
| 11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9..... | 14.1                   | 35.9                                | 26.6                                  | 5.3                                    | 6.5                   | 88.3                       | XXX                                 | XXX                                    | XXX                              | 88.3                           | XXX                             |
| <b>12. Total Privately Placed Bonds</b>                   |                        |                                     |                                       |  |                       |                            |                                     |  |                                  |                                |                                 |
| 12.1 Issuer Obligations.....                              | 28,512                 | 1,895,549                           | 1,340,846                             | 285,116                                | 555,755               | 4,105,777                  | 5.1                                 | 2,498,351                              | 3.0                              | XXX                            | 4,105,777                       |
| 12.2 Residential Mortgage-Backed Securities.....          | 295,740                | 1,011,522                           | 522,107                               | 261,678                                | 135,650               | 2,226,698                  | 2.8                                 | 214,449                                | 0.3                              | XXX                            | 2,226,698                       |
| 12.3 Commercial Mortgage-Backed Securities.....           | 523,776                | 2,058,395                           | 516,060                               | 0                                      | 0                     | 3,098,231                  | 3.8                                 | 2,908,239                              | 3.4                              | XXX                            | 3,098,231                       |
| 12.4 Other Loan-Backed and Structured Securities.....     | 0                      | 0                                   | 0                                     | 0                                      | 0                     | 0                          | 0.0                                 | 0                                      | 0.0                              | XXX                            | 0                               |
| 12.5 Totals.....  | 848,027                | 4,965,466                           | 2,379,013                             | 546,794                                | 691,405               | 9,430,706                  | 11.7                                | 5,621,039                              | 6.7                              | XXX                            | 9,430,706                       |
| 12.6 Line 12.5 as a % of Col. 6.....                      | 9.0                    | 52.7                                | 25.2                                  | 5.8                                    | 7.3                   | 100.0                      | XXX                                 | XXX                                    | XXX                              | XXX                            | 100.0                           |
| 12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9..... | 1.1                    | 6.2                                 | 3.0                                   | 0.7                                    | 0.9                   | 11.7                       | XXX                                 | XXX                                    | XXX                              | XXX                            | 11.7                            |

## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

|  | 1          | 2          | 3                 | 4  | 5  |
|--|------------|------------|-------------------|--|--|
|  | Total      | Bonds      | Mortgage<br>Loans | Other Short-term<br>Investment<br>Assets (a) | Investments in<br>Parent, Subsidiaries<br>and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 5,143,051  | 5,143,051  | .0                | .0   | .0   |
| 2. Cost of short-term investments acquired.....  | 23,228,008 | 23,228,008 | .0                | .0   | .0   |
| 3. Accrual of discount.....  | .0         | .0         | .0                | .0   | .0   |
| 4. Unrealized valuation increase (decrease).....   | .0         | .0         | .0                | .0   | .0   |
| 5. Total gain (loss) on disposals.....   | 19,137     | 19,137     | .0                | .0   | .0   |
| 6. Deduct consideration received on disposals.....                                       | 27,209,428 | 27,209,428 | .0                | .0   | .0   |
| 7. Deduct amortization of premium.....   | 35,502     | 35,502     | .0                | .0   | .0   |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | .0         | .0         | .0                | .0   | .0   |
| 9. Deduct current year's other-than-temporary impairment recognized.....                 | .0         | .0         | .0                | .0   | .0   |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 1,145,266  | 1,145,266  | .0                | .0   | .0   |
| 11. Deduct total nonadmitted amounts.....  | .0         | .0         | .0                | .0   | .0   |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 1,145,266  | 1,145,266  | .0                | .0   | .0   |

0110

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:.....

**Sch. DB - Pt. A - Verification  
NONE**

**Sch. DB - Pt. B - Verification  
NONE**

**Sch. DB - Pt. C - Sn. 1  
NONE**

**Sch. DB - Pt. C - Sn. 2  
NONE**

**Sch. DB - Verification  
NONE**

**Sch. E - Verification  
NONE**

**Sch. A - Pt. 1  
NONE**

**Sch. A - Pt. 2  
NONE**

**Sch. A - Pt. 3  
NONE**

**Sch. B - Pt. 1  
NONE**

**Sch. B - Pt. 2  
NONE**

**Sch. B - Pt. 3  
NONE**

**Sch. BA - Pt. 1  
NONE**

**Sch. BA - Pt. 2  
NONE**

**Sch. BA - Pt. 3  
NONE**











SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

Table with columns: 1 (CUSIP Identification), 2 (Description), 3-5 (Codes), 6 (NAIC Designation), 7 (Actual Cost), 8-9 (Fair Value), 10 (Par Value), 11 (Book/Adjusted Carrying Value), 12-15 (Change in Book/Adjusted Carrying Value), 16-20 (Interest), 21 (Dates), 22 (Stated Contractual Maturity Date).

E10.4









**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1                    | 2  | Codes |                                 |              | 6                        | 7           | Fair Value                           |            | 10         | 11                              | Change in Book/Adjusted Carrying Value            |   |  |   | Interest |                      |              |                                  |                            | Dates    |   |
|----------------------|--|-------|---------------------------------|--------------|--------------------------|-------------|--------------------------------------|------------|------------|---------------------------------|---|---|--|---|----------|----------------------|--------------|----------------------------------|----------------------------|----------|---|
|                      |  | 3     | 4                               | 5            |                          |             | 8                                    | 9          |            |                                 | 12  | 13  | 14   | 15  | 16       | 17                   | 18           | 19                               | 20                         | 21       | 22  |
| CUSIP Identification | Description  | Code  | F<br>o<br>r<br>e<br>i<br>g<br>n | Bond<br>CHAR | NAIC<br>Desig-<br>nation | Actual Cost | Rate Used<br>to Obtain<br>Fair Value | Fair Value | Par Value  | Book/Adjusted<br>Carrying Value | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current Year's<br>(Amortization) /<br>Accretion | Current Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Rate of  | Effective<br>Rate of | When<br>Paid | Admitted Amount<br>Due & Accrued | Amount Rec.<br>During Year | Acquired | Stated<br>Contractual<br>Maturity<br>Date |
| 7899999              | Total - Residential Mortgage-Backed Securities.....      |       |                                 |              |                          | 10,056,558  | XXX                                  | 10,331,505 | 9,955,887  | 10,019,734                      | (1,414)   | (4,422)   | 0  | 0   | XXX      | XXX                  | XXX          | 32,999                           | 355,878                    | XXX      | XXX                                       |
| 7999999              | Total - Commercial Mortgage-Backed Securities.....       |       |                                 |              |                          | 9,147,264   | XXX                                  | 8,944,903  | 8,762,687  | 9,037,365                       | 0   | (43,838)  | 0  | 0   | XXX      | XXX                  | XXX          | 27,279                           | 318,618                    | XXX      | XXX                                       |
| 8099999              | Total - Other Loan-Backed and Structured Securities..... |       |                                 |              |                          | 4,416,073   | XXX                                  | 4,387,680  | 4,542,952  | 4,369,503                       | (1,625)   | 5,146   | 0  | 0   | XXX      | XXX                  | XXX          | 8,841                            | 62,940                     | XXX      | XXX                                       |
| 8399999              | Grand Total - Bonds.....                                 |       |                                 |              |                          | 80,524,766  | XXX                                  | 81,289,028 | 78,389,049 | 79,438,380                      | (327,177)   | (244,669)                                       | 0  | 0   | XXX      | XXX                  | XXX          | 626,361                          | 2,525,855                  | XXX      | XXX                                       |

**SCHEDULE D - PART 2 - SECTION 1**

Showing all PREFERRED STOCKS Owned December 31 of Current Year

| 1<br>CUSIP Identification   | 2<br>Description   | Codes     |              | 5<br>Number of Shares | 6<br>Par Value per Share | 7<br>Rate per Share | 8<br>Book/Adjusting Carrying Value | Fair Value                                    |                  | 11<br>Actual Cost | Dividends                 |                                   |                                       | Change in Book/Adjusted Carrying Value         |   |   |  |  | 20<br>NAIC Designation | 21<br>Date Acquired |      |            |
|---|--|-----------|--------------|-----------------------|--------------------------|---------------------|------------------------------------|---|------------------|-------------------|---------------------------|-----------------------------------|---------------------------------------|--|---|---|--|--|------------------------|---------------------|------|------------|
|   |  | 3<br>Code | 4<br>Foreign |                       |                          |                     |                                    | 9<br>Rate per Share Used to Obtain Fair Value | 10<br>Fair Value |                   | 12<br>Declared but Unpaid | 13<br>Amount Received During Year | 14<br>Nonadmitted Declared but Unpaid | 15<br>Unrealized Valuation Increase (Decrease) | 16<br>Current Year's (Amortization) / Accretion | 17<br>Current Year's Other-Than-Temporary Impairment Recognized | 18<br>Total Change in B./A.C.V. (15+16-17) | 19<br>Total Foreign Exchange Change in B./A.C.V. |                        |                     |      |            |
| <b>Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)</b> |  |           |              |                       |                          |                     |                                    |   |                  |                   |                           |                                   |                                       |  |   |   |  |  |                        |                     |      |            |
| 12493V AC 4   | ABS - CBO HLDGS VII LTD  |           |              | 200,470,490           | 100.00                   | 0.430               | 86,202                             | 0.430   | 86,202           | 86,202            | 0                         | 0                                 | 0                                     | 0  | 0   | 0   | 0  | 0  | 0                      | 0                   | RP6A | 06/14/2001 |
| 8499999   | Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) |           |              |                       |                          |                     | 86,202                             | XXX   | 86,202           | 86,202            | 0                         | 0                                 | 0                                     | 0  | 0   | 0   | 0  | 0  | 0                      | 0                   | XXX  | XXX        |
| 8999999   | Total - Preferred Stocks   |           |              |                       |                          |                     | 86,202                             | XXX   | 86,202           | 86,202            | 0                         | 0                                 | 0                                     | 0  | 0   | 0   | 0  | 0  | 0                      | 0                   | XXX  | XXX        |

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

| 1   | 2                                  |  | Codes |    | 5                | 6                            | Fair Value                               |            | 9           | Dividends           |                             |                                 | Change in Book/Adjusted Carrying Value   |   |                                   | 17   | 18                        |               |            |
|---|------------------------------------|--|-------|----|------------------|------------------------------|--|------------|-------------|---------------------|-----------------------------|---------------------------------|--|---|-----------------------------------|--|---------------------------|---------------|------------|
|   |                                    |  | 3     | 4  |                  |                              | 7  | 8          |             | 10                  | 11                          | 12                              | 13                                       | 14  | 15                                |  |                           | 16            |            |
| CUSIP Identification  | Description                        |  | Code  | gn | Number of Shares | Book/Adjusted Carrying Value | Rate per Share Used to Obtain Fair Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received During Year | Nonadmitted Declared but Unpaid | Unrealized Valuation Increase (Decrease) | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (13-14) | Total Foreign Exchange Change in B./A.C.V. | NAIC Market Indicator (a) | Date Acquired |            |
| <b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>          |                                    |  |       |    |                  |                              |  |            |             |                     |                             |                                 |  |   |                                   |  |                           |               |            |
| BFHLB0 00 9   | FHLB I COMMON STOCK                |  | RF    |    | 1,429,000        | 142,900                      | 100.000                                  | 142,900    | 142,900     | 0                   | 2,995                       | 0                               | 0  | 0   | 0                                 | 0  |                           | V             | 12/15/2014 |
| 9099999 Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated) |                                    |  |       |    |                  | 142,900                      | XXX                                      | 142,900    | 142,900     | 0                   | 2,995                       | 0                               | 0  | 0   | 0                                 | 0  |                           | XXX           | XXX        |
| <b>Common Stocks - Mutual Funds</b>   |                                    |  |       |    |                  |                              |  |            |             |                     |                             |                                 |  |   |                                   |  |                           |               |            |
| 256210 10 5   | DODGE & COX INC MF                 |  |       |    | 149,648,895      | 1,988,834                    | 13.290                                   | 1,988,834  | 2,075,679   | 0                   | 60,344                      | 0                               | (74,990)                                 | 0   | (74,990)                          | 0  |                           | L             | 12/22/2015 |
| 4812C0 38 1   | JPMORGAN CORE CL SLCT MF           |  |       |    | 174,473,341      | 2,013,422                    | 11.540                                   | 2,013,422  | 2,058,343   | 0                   | 50,145                      | 0                               | (41,953)                                 | 0   | (41,953)                          | 0  |                           | U             | 12/30/2015 |
| 921943 80 9   | VANGUARD DVLDP MKT INDX CL ADMI MF |  |       |    | 192,432,796      | 2,274,556                    | 11.820                                   | 2,274,556  | 2,593,178   | 0                   | 64,992                      | 0                               | (69,148)                                 | 0   | (69,148)                          | 0  |                           | U             | 12/21/2015 |
| 922908 30 6   | VANGRD INX TRS INX CL INV MF       |  |       |    | 142,295,513      | 7,225,766                    | 50.780                                   | 7,225,766  | 4,103,073   | 0                   | 133,108                     | 0                               | (111,981)                                | 0   | (111,981)                         | 0  |                           | U             | 12/21/2015 |
| 9299999 Total - Common Stocks - Mutual Funds                                |                                    |  |       |    |                  | 13,502,578                   | XXX                                      | 13,502,578 | 10,830,275  | 0                   | 308,590                     | 0                               | (298,072)                                | 0   | (298,072)                         | 0  |                           | XXX           | XXX        |
| 9799999 Total - Common Stock  |                                    |  |       |    |                  | 13,645,478                   | XXX                                      | 13,645,478 | 10,973,175  | 0                   | 311,585                     | 0                               | (298,072)                                | 0   | (298,072)                         | 0  |                           | XXX           | XXX        |
| 9899999 Total Common and Preferred Stock                                    |                                    |  |       |    |                  | 13,731,680                   | XXX                                      | 13,731,680 | 11,059,377  | 0                   | 311,585                     | 0                               | (298,072)                                | 0   | (298,072)                         | 0  |                           | XXX           | XXX        |

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues....3, the total \$ value (included in Column 8) of all such issues \$.....11,513,744.

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1  | 2  |   | 3       | 4             | 5                               | 6                         | 7           | 8         | 9                                       |
|--|--|---|---------|---------------|---------------------------------|---------------------------|-------------|-----------|---|
| CUSIP Identification                                       | Description  |   | Foreign | Date Acquired | Name of Vendor                  | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| <b>Bonds - U.S. Government</b>                             |  |   |         |               |                                 |                           |             |           |   |
| 912828   | H4   | 5 |         | 08/13/2015    | GREENWICH CAPITAL MARKETS, INC. |                           | 486,447     | 500,000   | 102                                     |
| 912828   | J2   | 7 |         | 05/13/2015    | MORGAN STANLEY & CO INC, NY     |                           | 975,902     | 1,000,000 | 5,083                                   |
| 912828   | NT   | 3 |         | 06/02/2015    | GOLDMAN SACHS & CO, NY          |                           | 1,047,699   | 1,000,000 | 7,831                                   |
| 0599999  | Total - Bonds - U.S. Government                              |   |         |               |                                 |                           | 2,510,049   | 2,500,000 | 13,017                                  |
| <b>Bonds - U.S. States, Territories and Possessions</b>    |  |   |         |               |                                 |                           |             |           |   |
| 93974C   | RE   | 2 |         | 06/15/2015    | FUNB FUNDS II                   |                           | 818,160     | 700,000   | 13,692                                  |
| 1799999  | Total - Bonds - U.S. States, Territories & Possessions       |   |         |               |                                 |                           | 818,160     | 700,000   | 13,692                                  |
| <b>Bonds - U.S. Special Revenue and Special Assessment</b> |  |   |         |               |                                 |                           |             |           |   |
| 45528S   | 4Z   | 6 |         | 03/12/2015    | CITIGROUP GLOBAL MARKETS INC.   |                           | 765,408     | 600,000   | 6,204                                   |
| 3199999  | Total - Bonds - U.S. Special Revenue and Special Assessments |   |         |               |                                 |                           | 765,408     | 600,000   | 6,204                                   |
| <b>Bonds - Industrial and Miscellaneous</b>                |  |   |         |               |                                 |                           |             |           |   |
| 002824   | BB   | 5 |         | 03/05/2015    | BANC / AMERICA SECUR. LLC, MONT |                           | 229,524     | 230,000   | 0                                       |
| 00287Y   | AP   | 4 |         | 06/30/2015    | VARIOUS                         |                           | 347,890     | 350,000   | 1,340                                   |
| 004446   | AC   | 4 |         | 11/12/2015    | VARIOUS                         |                           | 64,790      | 65,000    | 1                                       |
| 00842A   | AD   | 1 |         | 06/08/2015    | CREDIT SUISSE SECURITIES (USA)  |                           | 500,703     | 500,000   | 1,361                                   |
| 00912X   | AK   | 0 |         | 12/14/2015    | VARIOUS                         |                           | 266,930     | 200,000   | 851                                     |
| 00971T   | AG   | 6 |         | 12/01/2015    | JEFFERIES & CO INC, NEW YORK    |                           | 139,178     | 140,000   | 0                                       |
| 037833   | BG   | 4 |         | 05/06/2015    | GOLDMAN SACHS & CO, NY          |                           | 114,600     | 115,000   | 0                                       |
| 05541T   | AD   | 3 |         | 06/09/2015    | VARIOUS                         |                           | 117,330     | 110,000   | 2,221                                   |
| 17324V   | AH   | 7 |         | 11/13/2015    | CITIGROUP GLOBAL MARKETS INC.   |                           | 584,339     | 575,000   | 2,695                                   |
| 19624R   | AB   | 2 |         | 06/26/2015    | Merrill Lynch                   |                           | 20,583      | 20,000    | 356                                     |
| 223622   | AA   | 9 |         | 12/17/2015    | VARIOUS                         |                           | 187,069     | 185,000   | 814                                     |
| 267475   | AA   | 9 |         | 09/10/2015    | GOLDMAN SACHS & CO, NY          |                           | 45,000      | 45,000    | 0                                       |
| 31816Q   | AC   | 5 |         | 05/28/2015    | MORGAN STANLEY & CO INC, NY     |                           | 40,000      | 40,000    | 0                                       |
| 320209   | AA   | 7 |         | 08/20/2015    | RBC CAPITAL MARKETS             |                           | 220,000     | 220,000   | 0                                       |
| 406216   | BG   | 5 |         | 11/05/2015    | CREDIT SUISSE SECURITIES (USA)  |                           | 139,607     | 140,000   | 0                                       |
| 427056   | BC   | 9 |         | 11/13/2015    | VARIOUS                         |                           | 92,400      | 100,000   | 1,184                                   |
| 432748   | AB   | 7 |         | 06/22/2015    | Unknown                         |                           | 200,000     | 200,000   | 2,028                                   |
| 45772F   | AA   | 5 |         | 12/18/2015    | VARIOUS                         |                           | 53,885      | 55,000    | 14                                      |
| 458118   | AB   | 2 |         | 11/01/2015    | VARIOUS                         |                           | 35,000      | 35,000    | 0                                       |
| 458140   | AF   | 7 |         | 03/10/2015    | JEFFERIES & CO INC, NEW YORK    |                           | 80,000      | 50,000    | 190                                     |
| 46643K   | AC   | 5 |         | 07/01/2015    | VARIOUS                         |                           | 448,375     | 446,075   | 93                                      |
| 46644M   | AS   | 5 |         | 05/27/2015    | JP MORGAN SECURITIES LLC        |                           | 709,953     | 700,000   | 1,906                                   |
| 47787W   | AC   | 3 |         | 09/01/2015    | RBC CAPITAL MARKETS             |                           | 484,908     | 485,000   | 0                                       |
| 483548   | AD   | 5 |         | 11/01/2015    | VARIOUS                         |                           | 95,295      | 80,000    | 1,192                                   |
| 512807   | AL   | 2 |         | 09/23/2015    | VARIOUS                         |                           | 160,205     | 125,000   | 492                                     |
| 530610   | AB   | 0 |         | 05/01/2015    | VARIOUS                         |                           | 209,679     | 186,542   | 288                                     |
| 531229   | AB   | 8 |         | 06/29/2015    | VARIOUS                         |                           | 324,134     | 330,000   | 723                                     |
| 539830   | BH   | 1 |         | 11/16/2015    | JP MORGAN SECURITIES LLC        |                           | 128,996     | 130,000   | 0                                       |
| 55608B   | AA   | 3 |         | 08/25/2015    | VARIOUS                         |                           | 264,920     | 230,000   | 1,334                                   |
| 55616X   | AH   | 0 |         | 06/04/2015    | US BANCORP                      |                           | 291,879     | 300,000   | 2,731                                   |
| 594918   | BD   | 5 |         | 02/09/2015    | BARCLAYS CAPITAL INC            |                           | 631,488     | 635,000   | 0                                       |
| 595017   | AC   | 8 |         | 03/10/2015    | BNP PARIBAS PRIME BROKERAGE     |                           | 311,429     | 300,000   | 433                                     |
| 595112   | AY   | 9 |         | 06/15/2015    | VARIOUS                         |                           | 152,804     | 145,000   | 333                                     |
| 60687U   | AE   | 7 |         | 04/01/2015    | Adjustment                      |                           | 0           | 0         | (3)                                     |

E13

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1                                   | 2  |   | 3       | 4             | 5                                       | 6                         | 7           | 8          | 9                                       |
|-------------------------------------|--|---|---------|---------------|---|---------------------------|-------------|------------|---|
| CUSIP Identification                | Description                                  |   | Foreign | Date Acquired | Name of Vendor                          | Number of Shares of Stock | Actual Cost | Par Value  | Paid for Accrued Interest and Dividends |
| 60855R                              | AD   | 2 |         | 12/10/2015    | JP MORGAN SECURITIES INC                |                           | 89,238      | 75,000     | 403                                     |
| 617446                              | 8C   | 6 |         | 07/20/2015    | MORGAN STANLEY & CO INC, NY             |                           | 59,951      | 60,000     | 0                                       |
| 61747Y                              | DW   | 2 |         | 01/22/2015    | MORGAN STANLEY & CO INC, NY             |                           | 159,859     | 160,000    | 0                                       |
| 62942X                              | AA   | 6 |         | 12/07/2015    | VARIOUS                                 |                           | 50,637      | 55,000     | 401                                     |
| 62942X                              | AD   | 0 |         | 11/20/2015    | VARIOUS                                 |                           | 123,205     | 135,000    | 590                                     |
| 62952Q                              | AA   | 8 | R       | 08/19/2015    | JEFFERIES & CO INC, NEW YORK            |                           | 220,250     | 200,000    | 461                                     |
| 63633D                              | AE   | 4 |         | 12/08/2015    | NOMURA SECURITIES INTL INC              |                           | 88,094      | 90,000     | 569                                     |
| 64828Y                              | AR   | 2 |         | 08/01/2015    | Adjustment                              |                           | (4,865)     | 0          | (16)                                    |
| 67020Y                              | AH   | 3 |         | 12/02/2015    | BARCLAYS CAPITAL INC                    |                           | 120,000     | 120,000    | 0                                       |
| 67066G                              | AC   | 8 |         | 07/15/2015    | VARIOUS                                 |                           | 114,398     | 100,000    | 129                                     |
| 677071                              | AU   | 6 |         | 11/17/2015    | BANK OF AMERICA SEC OPSNK OF AMERICA NC |                           | 554,637     | 500,000    | 3,999                                   |
| 694308                              | HM   | 2 |         | 06/09/2015    | JP MORGAN SECURITIES LLC                |                           | 69,556      | 70,000     | 0                                       |
| 73640Q                              | AB   | 1 |         | 11/13/2015    | VARIOUS                                 |                           | 139,525     | 150,000    | 1,005                                   |
| 741503                              | AQ   | 9 |         | 11/16/2015    | VARIOUS                                 |                           | 260,327     | 210,000    | 523                                     |
| 74348T                              | AQ   | 5 |         | 12/01/2015    | VARIOUS                                 |                           | 357,921     | 390,000    | 4,414                                   |
| 749685                              | AT   | 0 |         | 09/29/2015    | VARIOUS                                 |                           | 136,201     | 120,000    | 810                                     |
| 74973W                              | AB   | 3 |         | 11/10/2015    | VARIOUS                                 |                           | 400,481     | 375,000    | 1,661                                   |
| 761283                              | AB   | 6 |         | 09/01/2015    | VARIOUS                                 |                           | 211,146     | 215,000    | 0                                       |
| 780287                              | AA   | 6 |         | 03/26/2015    | CITIGROUP GLOBAL MARKETS INC            |                           | 72,488      | 70,000     | 540                                     |
| 86074Q                              | AL   | 6 |         | 11/05/2015    | VARIOUS                                 |                           | 113,132     | 105,000    | 381                                     |
| 87165L                              | AF   | 8 |         | 05/21/2015    | NOMURA SECURITIES INTL INC              |                           | 507,500     | 500,000    | 395                                     |
| 87265K                              | AB   | 8 |         | 06/15/2015    | Unknown                                 |                           | 353,361     | 350,000    | 0                                       |
| 88163V                              | AE   | 9 | R       | 10/22/2015    | VARIOUS                                 |                           | 119,494     | 85,000     | 75                                      |
| 89231T                              | AD   | 2 |         | 08/18/2015    | BARCLAYS CAPITAL INC                    |                           | 499,927     | 500,000    | 0                                       |
| 896522                              | AF   | 6 |         | 12/09/2015    | VARIOUS                                 |                           | 191,812     | 150,000    | 675                                     |
| 914744                              | AD   | 9 |         | 01/13/2015    | WELLS FARGO SECURITIES LLC              |                           | 300,000     | 300,000    | 0                                       |
| 92826C                              | AC   | 6 |         | 12/18/2015    | RBC CAPITAL MARKETS                     |                           | 501,795     | 500,000    | 350                                     |
| 928298                              | AJ   | 7 |         | 01/27/2015    | CITIGROUP GLOBAL MARKETS INC            |                           | 34,500      | 40,000     | 188                                     |
| 92890N                              | AU   | 3 |         | 03/27/2015    | NOMURA SECURITIES INTL INC              |                           | 514,102     | 500,000    | 0                                       |
| 92936C                              | AJ   | 8 |         | 07/29/2015    | SEAPORT GROUP SECURITIES, LLC           |                           | 207,084     | 185,000    | 756                                     |
| 94986R                              | XR   | 7 |         | 07/01/2015    | WELLS FARGO SECURITIES LLC              |                           | 377,683     | 380,000    | 8                                       |
| 96950F                              | AD   | 6 |         | 06/05/2015    | DEUTSCHE BANK SECURITIES, INC           |                           | 220,342     | 200,000    | 2,479                                   |
| 98138H                              | AC   | 5 |         | 06/09/2015    | VARIOUS                                 |                           | 91,577      | 80,000     | 244                                     |
| 983919                              | AF   | 8 |         | 02/01/2015    | Adjustment                              |                           | 208,523     | 150,000    | 536                                     |
| 3899999                             | Total - Bonds - Industrial and Miscellaneous |   |         |               |   |                           | 15,156,773  | 14,587,617 | 44,153                                  |
| 8399997                             | Total - Bonds - Part 3                       |   |         |               |   |                           | 19,250,390  | 18,387,617 | 77,066                                  |
| 8399998                             | Total - Bonds - Summary Item from Part 5     |   |         |               |   |                           | 2,593,335   | 2,490,000  | 11,920                                  |
| 8399999                             | Total - Bonds                                |   |         |               |   |                           | 21,843,725  | 20,877,617 | 88,986                                  |
| <b>Common Stocks - Mutual Funds</b> |  |   |         |               |   |                           |             |            |   |
| 256210                              | 10   | 5 |         | 12/22/2015    | VARIOUS                                 | 40,542.975                | 560,344     | XXX        | 0                                       |
| 4812C0                              | 38   | 1 |         | 12/30/2015    | VARIOUS                                 | 46,390.029                | 550,396     | XXX        | 0                                       |
| 921943                              | 80   | 9 |         | 12/21/2015    | Not Available                           | 5,192.754                 | 64,992      | XXX        | 0                                       |
| 922908                              | 30   | 6 |         | 12/21/2015    | Not Available                           | 2,771.154                 | 141,081     | XXX        | 0                                       |
| 9299999                             | Total - Common Stocks - Mutual Funds         |   |         |               |   |                           | 1,316,814   | XXX        | 0                                       |
| 9799997                             | Total - Common Stocks - Part 3               |   |         |               |   |                           | 1,316,814   | XXX        | 0                                       |

E13.1

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1                    | 2  | 3       | 4             | 5              | 6                         | 7           | 8         | 9                                       |
|----------------------|--|---------|---------------|----------------|---------------------------|-------------|-----------|---|
| CUSIP Identification | Description                                      | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 9799998              | Total - Common Stocks - Summary Item from Part 5 |         |               |                |                           | 394,233     | XXX       | 0                                       |
| 9799999              | Total - Common Stocks                            |         |               |                |                           | 1,711,047   | XXX       | 0                                       |
| 9899999              | Total - Preferred and Common Stocks              |         |               |                |                           | 1,711,047   | XXX       | 0                                       |
| 9999999              | Total - Bonds, Preferred and Common Stocks       |         |               |                |                           | 23,554,772  | XXX       | 88,986                                  |











**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1<br>CUSIP Identification | 2<br>Description                                      | 3<br>F<br>or<br>e<br>i<br>g<br>n | 4<br>Disposal<br>Date | 5<br>Name of Purchaser | 6<br>Number of Shares of<br>Stock | 7<br>Consideration | 8<br>Par Value | 9<br>Actual Cost | 10<br>Prior Year<br>Book/Adjusted<br>Carrying Value | Change in Book/Adjusted Carrying Value                  |   |  |  |   | 16<br>Book/Adjusted<br>Carrying Value at<br>Disposal Date | 17<br>Foreign<br>Exchange<br>Gain (Loss) on<br>Disposal | 18<br>Realized Gain<br>(Loss) on<br>Disposal | 19<br>Total Gain<br>(Loss) on<br>Disposal | 20<br>Bond Interest /<br>Stock<br>Dividends<br>Received<br>During Year | 21<br>Stated<br>Contractual<br>Maturity Date |
|---------------------------|---|----------------------------------|-----------------------|------------------------|-----------------------------------|--------------------|----------------|------------------|---|---|---|--|--|---|---|---|--|---|--|--|
|                           |   |                                  |                       |                        |                                   |                    |                |                  |   | 11<br>Unrealized<br>Valuation<br>Increase<br>(Decrease) | 12<br>Current Year's<br>(Amortization) /<br>Accretion | 13<br>Current Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | 14<br>Total Change in<br>B./A.C.V.<br>(11+12-13) | 15<br>Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. |   |   |  |   |  |  |
| 9299999                   | Total - Common Stocks - Mutual Funds.....             |                                  |                       |                        |                                   | 603,957            | XXX            | 270,294          | 605,636   | (335,342)   | 0   | 0  | (335,342)  | 0   | 270,294   | 0   | 333,664                                      | 333,664                                   | 7,973  | XXX  |
| 9799997                   | Total - Common Stocks - Part 4.....                   |                                  |                       |                        |                                   | 614,557            | XXX            | 280,894          | 616,236   | (335,342)   | 0   | 0  | (335,342)  | 0   | 280,894   | 0   | 333,664                                      | 333,664                                   | 8,077  | XXX  |
| 9799998                   | Total - Common Stocks - Summary Item from Part 5..... |                                  |                       |                        |                                   | 399,445            | XXX            | 394,233          | 0   | 0   | 0   | 0  | 0  | 0   | 394,233   | 0   | 5,212  | 5,212                                     | 2,197  | XXX  |
| 9799999                   | Total - Common Stocks.....                            |                                  |                       |                        |                                   | 1,014,002          | XXX            | 675,127          | 616,236   | (335,342)   | 0   | 0  | (335,342)  | 0   | 675,127   | 0   | 338,876                                      | 338,876                                   | 10,274   | XXX  |
| 9899999                   | Total - Preferred and Common Stocks.....              |                                  |                       |                        |                                   | 1,014,002          | XXX            | 675,127          | 616,236   | (335,342)   | 0   | 0  | (335,342)  | 0   | 675,127   | 0   | 338,876                                      | 338,876                                   | 10,274   | XXX  |
| 9999999                   | Total - Bonds, Preferred and Common Stocks.....       |                                  |                       |                        |                                   | 22,591,265         | XXX            | 22,034,232       | 18,617,680  | (278,588)   | 0   | 0  | (500,889)  | 0   | 21,515,748  | 0   | 1,075,516                                    | 1,075,516                                 | 449,254  | XXX  |

E14.4

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1   | 2   | 3                   | 4                | 5                                   | 6                | 7                                   | 8   | 9           | 10            | 11   | Change in Book/Adjusted Carrying Value            |   |   |  |   | 17  | 18                                     | 19                                  | 20   | 21   |
|---|---|---------------------|------------------|-------------------------------------|------------------|-------------------------------------|---|-------------|---------------|--|---|---|---|--|---|---|--|-------------------------------------|--|--|
|   |   |                     |                  |                                     |                  |                                     |   |             |               |  | 12  | 13  | 14  | 15   | 16  |   |  |                                     |  |  |
| CUSIP Identification                                | Description   | For<br>ei<br>g<br>n | Date<br>Acquired | Name of Vendor                      | Disposal<br>Date | Name of Purchaser                   | Par Value (Bonds)<br>or Number of<br>Shares (Stock) | Actual Cost | Consideration | Book/Adjusted<br>Carrying Value at<br>Disposal | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current Year's<br>(Amortization) /<br>Accretion | Year's Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | Total Change in<br>B./A.C.V.<br>(12+13-14) | Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Foreign<br>Exchange<br>Gain (Loss)<br>on Disposal | Realized Gain<br>(Loss) on<br>Disposal | Total Gain<br>(Loss) on<br>Disposal | Interest and<br>Dividends<br>Received<br>During Year | Paid for<br>Accrued<br>Interest and<br>Dividends |
| <b>Bonds - Industrial and Miscellaneous</b>         |   |                     |                  |                                     |                  |                                     |   |             |               |  |   |   |   |  |   |   |  |                                     |  |  |
| 00184X  | AA 3 AOL INC.....   |                     | 03/13/2015       | NOMURA SECURITIES INTL INC.....     | 06/23/2015       | MORGAN STANLEY & CO INC, NY.....    | 100,000   | 98,872      | 106,730       | 98,938   | 0   | 66  | 0   | 66   | 0   | 0   | 7,792                                  | 7,792                               | 235  | 35   |
| 00206R  | CN 0 AT&T INC.....  |                     | 04/24/2015       | VARIOUS.....                        | 10/28/2015       | RBC CAPITAL MARKETS.....            | 350,000   | 351,449     | 341,240       | 351,389  | 0   | (60)  | 0   | (60)                                       | 0   | 0   | (10,150)                               | (10,150)                            | 5,884  | 0  |
| 110394  | AC 7 BRISTOW GROUP INC.....                               |                     | 03/17/2015       | CITIGROUP GLOBAL MARKETS INC.....   | 06/16/2015       | Redemption.....                     | 30,000  | 30,319      | 30,000        | 30,000   | 0   | (319)   | 0   | (319)                                      | 0   | 0   | 0                                      | 0                                   | 453  | 238  |
| 242309  | AB 8 DEALERTRACK TECHNOLOGIES.....                        |                     | 03/10/2015       | VARIOUS.....                        | 06/16/2015       | MORGAN STANLEY & CO INC, NY.....    | 55,000  | 66,257      | 93,267        | 64,169   | 0   | (2,088)   | 0   | (2,088)                                    | 0   | 0   | 29,098                                 | 29,098                              | 628  | 300  |
| 251591  | AX 1 DDR CORP.....  |                     | 09/09/2015       | VARIOUS.....                        | 11/19/2015       | Redemption.....                     | 375,000   | 431,944     | 432,438       | 375,324  | 0   | (56,619)  | 0   | (56,619)                                   | 0   | 0   | 57,113                                 | 57,113                              | 4,725  | 1,718  |
| 31816Q  | AA 9 FIREEYE INC.....                                     |                     | 08/03/2015       | MORGAN STANLEY & CO INC, NY.....    | 12/01/2015       | CREDIT SUISSE SECURITIES (USA)..... | 145,000   | 148,180     | 123,975       | 147,966  | 0   | (214)   | 0   | (214)                                      | 0   | 0   | (23,991)                               | (23,991)                            | 733  | 196  |
| 432748  | AA 9 HILLTOP HOLDINGS INC.....                            |                     | 04/06/2015       | SANDLER O'NEILL & PARTNERS, LP..... | 06/22/2015       | Unknown.....                        | 200,000   | 200,000     | 200,000       | 200,000  | 0   | 0   | 0   | 0  | 0   | 0   | 0                                      | 0                                   | 2,028  | 0  |
| 58933Y  | AQ 8 MERCK & CO INC.....                                  |                     | 02/05/2015       | DEUTSCHE BANK SECURITIES, INC.....  | 05/06/2015       | JEFFERIES & CO. - BONDS DIRECT..... | 225,000   | 224,696     | 221,481       | 224,706  | 0   | 10  | 0   | 10   | 0   | 0   | (3,225)                                | (3,225)                             | 1,337  | 0  |
| 595112  | AY 9 MICRON TECHNOLOGY INC.....                           |                     | 06/08/2015       | VARIOUS.....                        | 10/19/2015       | CREDIT SUISSE SECURITIES (USA)..... | 35,000  | 37,782      | 33,309        | 36,671   | 0   | (1,111)   | 0   | (1,111)                                    | 0   | 0   | (3,363)                                | (3,363)                             | 683  | 212  |
| 74348T  | AP 7 PROSPECT CAPITAL CORP.....                           |                     | 03/17/2015       | CITIGROUP GLOBAL MARKETS INC.....   | 04/13/2015       | Unknown.....                        | 135,000   | 127,238     | 127,327       | 127,327  | 0   | 89  | 0   | 89   | 0   | 0   | 0                                      | 0                                   | 3,171  | 2,761  |
| 87265K  | AA 0 TPG SPECIALTY LENDING IN.....                        |                     | 03/17/2015       | CITIGROUP GLOBAL MARKETS INC.....   | 06/15/2015       | Unknown.....                        | 350,000   | 353,500     | 353,361       | 353,361  | 0   | (139)   | 0   | (139)                                      | 0   | 0   | 0                                      | 0                                   | 7,875  | 4,156  |
| 888706  | AD 0 TIVO INC.....  |                     | 02/01/2015       | Adjustment.....                     | 09/29/2015       | BARCLAYS CAPITAL INC.....           | 45,000  | 50,578      | 46,125        | 47,272   | 0   | (3,305)   | 0   | (3,305)                                    | 0   | 0   | (1,147)                                | (1,147)                             | 1,885  | 695  |
| 912909  | AH 1 UNITED STATES STEEL CORP.....                        |                     | 01/23/2015       | VARIOUS.....                        | 10/01/2015       | VARIOUS.....                        | 145,000   | 173,210     | 153,958       | 168,786  | 0   | (4,424)   | 0   | (4,424)                                    | 0   | 0   | (14,828)                               | (14,828)                            | 3,737  | 1,082  |
| 966387  | AK 8 WHITING PETROLEUM CORP.....                          |                     | 07/23/2015       | VARIOUS.....                        | 10/06/2015       | VARIOUS.....                        | 300,000   | 299,311     | 288,295       | 299,396  | 0   | 84  | 0   | 84   | 0   | 0   | (11,100)                               | (11,100)                            | 1,513  | 527  |
| 3899999   | Total - Bonds - Industrial and Miscellaneous.....         |                     |                  |                                     |                  |                                     | 2,490,000   | 2,593,335   | 2,551,506     | 2,525,306                                      | 0   | (68,029)  | 0   | (68,029)                                   | 0   | 0   | 26,200                                 | 26,200                              | 34,885   | 11,920   |
| 8399998   | Total - Bonds.....  |                     |                  |                                     |                  |                                     | 2,490,000   | 2,593,335   | 2,551,506     | 2,525,306                                      | 0   | (68,029)  | 0   | (68,029)                                   | 0   | 0   | 26,200                                 | 26,200                              | 34,885   | 11,920   |
| <b>Common Stocks - Industrial and Miscellaneous</b> |   |                     |                  |                                     |                  |                                     |   |             |               |  |   |   |   |  |   |   |  |                                     |  |  |
| 23317H  | 10 2 DDR CORP.....  |                     | 11/24/2015       | Not Available.....                  | 12/02/2015       | VARIOUS.....                        | 3,386,660   | 57,438      | 58,065        | 57,438   | 0   | 0   | 0   | 0  | 0   | 0   | 627                                    | 627                                 | 0  | 0  |
| 44107P  | 10 4 HOST HOTELS & RESORTS INC.....                       |                     | 12/28/2015       | Not Available.....                  | 11/12/2015       | VARIOUS.....                        | 4,818,320   | 81,863      | 77,342        | 81,863   | 0   | 0   | 0   | 0  | 0   | 0   | (4,521)                                | (4,521)                             | 0  | 0  |
| 74340W  | 10 3 PROLOGIS INC.....                                    |                     | 03/15/2015       | Unknown.....                        | 03/31/2015       | VARIOUS.....                        | 5,681,368   | 240,625     | 250,013       | 240,625  | 0   | 0   | 0   | 0  | 0   | 0   | 9,388                                  | 9,388                               | 2,045  | 0  |
| 754907  | 10 3 RAYONIER INC.....                                    |                     | 08/15/2015       | Not Available.....                  | 10/07/2015       | VARIOUS.....                        | 606,512   | 14,308      | 14,026        | 14,308   | 0   | 0   | 0   | 0  | 0   | 0   | (282)                                  | (282)                               | 152  | 0  |
| 9099999   | Total - Common Stocks - Industrial and Miscellaneous..... |                     |                  |                                     |                  |                                     | 394,233   | 399,445     | 394,233       | 394,233  | 0   | 0   | 0   | 0  | 0   | 0   | 5,212                                  | 5,212                               | 2,197  | 0  |
| 9799998   | Total - Common Stocks.....                                |                     |                  |                                     |                  |                                     | 394,233   | 399,445     | 394,233       | 394,233  | 0   | 0   | 0   | 0  | 0   | 0   | 5,212                                  | 5,212                               | 2,197  | 0  |
| 9899999   | Total - Preferred and Common Stocks.....                  |                     |                  |                                     |                  |                                     | 394,233   | 399,445     | 394,233       | 394,233  | 0   | 0   | 0   | 0  | 0   | 0   | 5,212                                  | 5,212                               | 2,197  | 0  |
| 9999999   | Total - Bonds, Preferred and Common Stocks.....           |                     |                  |                                     |                  |                                     | 2,987,568   | 2,950,951   | 2,919,539     | 2,919,539                                      | 0   | (68,029)  | 0   | (68,029)                                   | 0   | 0   | 31,412                                 | 31,412                              | 37,082   | 11,920   |

E15

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

| 1<br>CUSIP Identification | 2<br>Description<br>Name of Subsidiary, Controlled or Affiliated Company | 3<br>Foreign | 4<br>NAIC Company<br><br>Code of Alien Insurer Identification Number | 5<br>Naic Valuation Method (See Purposes and Procedures Manual of the NAIC Investment Analysis Office) | 6<br>Do Insurer's Assets Include<br><br>Intangible Assets Connected with Holding of Such Company's Stock? | 7<br>Total Amount of Such Intangible Assets | 8<br>Book/Adjusted Carrying Value | Stock of Such Company Owned by Insurer on Statement Date |                        |
|---------------------------|--|--------------|--|--|---|---|-----------------------------------|--|------------------------|
|                           |  |              |  |  |   |   |                                   | 9<br>Number of Shares                                    | 10<br>% of Outstanding |

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

**NONE**

**SCHEDULE D - PART 6 - SECTION 2**

| 1<br>CUSIP Identification | 2<br>Name of Lower-Tier Company | 3<br>Name of Company Listed in Section 1 Which Controls Lower-Tier Company | 4<br>Total Amount of Intangible Assets<br><br>Included in Amount Shown in Column 7, Section 1 | Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date |                       |
|---------------------------|---------------------------------|--|---|---|-----------------------|
|                           |                                 |  |   | 5<br>Number of Shares   | 6<br>% of Outstanding |

**NONE**

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| 1<br>CUSIP Identification                  | 2<br>Description                            | Codes     |                                      | 5<br>Date Acquired | 6<br>Name of Vendor | 7<br>Maturity Date | 8<br>Book/Adjusted Carrying Value | Change in Book/Adjusted Carrying Value        |   |   |  | 13<br>Par Value | 14<br>Actual Cost | Interest  |                                   |               |                         |                 |                                   | 21<br>Paid for Accrued Interest |
|--|---|-----------|--------------------------------------|--------------------|---------------------|--------------------|-----------------------------------|---|---|---|--|-----------------|-------------------|---|-----------------------------------|---------------|-------------------------|-----------------|-----------------------------------|---------------------------------|
|  |   | 3<br>Code | 4<br>F<br>o<br>r<br>e<br>i<br>g<br>n |                    |                     |                    |                                   | 9<br>Unrealized Valuation Increase (Decrease) | 10<br>Current Year's (Amortization) / Accretion | 11<br>Current Year's Other-Than-Temporary Impairment Recognized | 12<br>Total Foreign Exchange Change in B./A.C.V. |                 |                   | 15<br>Amount Due and Accrued December 31 of Current Year on Bond Not in Default | 16<br>Nonadmitted Due and Accrued | 17<br>Rate of | 18<br>Effective Rate of | 19<br>When Paid | 20<br>Amount Received During Year |                                 |
| <b>Class One Money Market Mutual Funds</b> |   |           |                                      |                    |                     |                    |                                   |   |   |   |  |                 |                   |   |                                   |               |                         |                 |                                   |                                 |
| 60934N                                     | 62 5 FEDERATED PRIME CASH OBLIGATION MMF    |           |                                      | 12/31/2015         | Direct              | XXX                | 1,145,267                         | 0   | 0   | 0   | 0  | 1,145,267       | 1,145,267         | 199   | 0                                 | 0.290         | 0.000                   | N/A             | 8                                 | 0                               |
| 8999999                                    | Total - Class One Money Market Mutual Funds |           |                                      |                    |                     |                    | 1,145,267                         | 0   | 0   | 0   | 0  | XXX             | 1,145,267         | 199   | 0                                 | XXX           | XXX                     | XXX             | 8                                 | 0                               |
| 9199999                                    | Total - Short-Term Investments              |           |                                      |                    |                     |                    | 1,145,267                         | 0   | 0   | 0   | 0  | XXX             | 1,145,267         | 199   | 0                                 | XXX           | XXX                     | XXX             | 8                                 | 0                               |

**Sch. DB - Pt. A - Sn. 1  
NONE**

**Sch. DB - Pt. A - Sn. 2  
NONE**

**Sch. DB - Pt. B - Sn. 1  
NONE**

**Sch. DB - Pt. B - Sn. 2  
NONE**

**Sch. DB - Pt. D - Sn. 1  
NONE**

**Sch. DB-Pt. D-Sn. 2  
NONE**

**Sch. DL - Pt. 1  
NONE**

**Sch. DL - Pt. 2  
NONE**

Annual Statement for the year 2015 of the **MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE E - PART 1 - CASH**

| 1                                       | 2    | 3                | 4                                       | 5  | 6         | 7   |
|---|------|------------------|---|--|-----------|-----|
| Depository                              | Code | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued December 31 of Current Year | Balance   | *   |
| <b>Open Depositories</b>                |      |                  |   |  |           |     |
| Fifth Third Bank.....                   |      | 0.000            | 0                                       | 0  | 1,275,100 | XXX |
| 0199999. Total - Open Depositories..... | XXX  | XXX              | 0                                       | 0  | 1,275,100 | XXX |
| 0399999. Total Cash on Deposit.....     | XXX  | XXX              | 0                                       | 0  | 1,275,100 | XXX |
| 0599999. Total Cash.....                | XXX  | XXX              | 0                                       | 0  | 1,275,100 | XXX |

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

|                  |           |               |           |                   |           |                   |           |
|------------------|-----------|---------------|-----------|-------------------|-----------|-------------------|-----------|
| 1. January.....  | 3,851,611 | 4. April..... | 87,639    | 7. July.....      | 1,185,547 | 10. October.....  | 171,116   |
| 2. February..... | 3,954,895 | 5. May.....   | 1,291,996 | 8. August.....    | 2,381,099 | 11. November..... | 790,330   |
| 3. March.....    | (259,047) | 6. June.....  | 172,823   | 9. September..... | 462,072   | 12. December..... | 1,240,169 |



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|

**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.                         | 1               |                    | 2                             |            | Deposits for the Benefit of All Policyholders |            | All Other Special Deposits |  |
|--------------------------------------|-----------------|--------------------|-------------------------------|------------|---|------------|----------------------------|--|
|                                      | Type of Deposit | Purpose of Deposit | 3                             | 4          | 5   | 6          |                            |  |
|                                      |                 |                    | Book/Adjusting Carrying Value | Fair Value | Book/Adjusting Carrying Value                 | Fair Value |                            |  |
| 1. Alabama.....AL                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 2. Alaska.....AK                     |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 3. Arizona.....AZ                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 4. Arkansas.....AR                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 5. California.....CA                 |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 6. Colorado.....CO                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 7. Connecticut.....CT                |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 8. Delaware.....DE                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 9. District of Columbia.....DC       |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 10. Florida.....FL                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 11. Georgia.....GA                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 12. Hawaii.....HI                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 13. Idaho.....ID                     |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 14. Illinois.....IL                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 15. Indiana.....IN                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 16. Iowa.....IA                      |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 17. Kansas.....KS                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 18. Kentucky.....KY                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 19. Louisiana.....LA                 |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 20. Maine.....ME                     |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 21. Maryland.....MD                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 22. Massachusetts.....MA             |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 23. Michigan.....MI                  | B               |                    | 309,814                       | 310,112    | .....0  | .....0     |                            |  |
| 24. Minnesota.....MN                 |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 25. Mississippi.....MS               |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 26. Missouri.....MO                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 27. Montana.....MT                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 28. Nebraska.....NE                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 29. Nevada.....NV                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 30. New Hampshire.....NH             |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 31. New Jersey.....NJ                |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 32. New Mexico.....NM                |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 33. New York.....NY                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 34. North Carolina.....NC            |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 35. North Dakota.....ND              |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 36. Ohio.....OH                      |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 37. Oklahoma.....OK                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 38. Oregon.....OR                    |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 39. Pennsylvania.....PA              |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 40. Rhode Island.....RI              |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 41. South Carolina.....SC            |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 42. South Dakota.....SD              |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 43. Tennessee.....TN                 |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 44. Texas.....TX                     |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 45. Utah.....UT                      |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 46. Vermont.....VT                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 47. Virginia.....VA                  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 48. Washington.....WA                |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 49. West Virginia.....WV             |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 50. Wisconsin.....WI                 |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 51. Wyoming.....WY                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 52. American Samoa.....AS            |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 53. Guam.....GU                      |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 54. Puerto Rico.....PR               |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 55. US Virgin Islands.....VI         |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 56. Northern Mariana Islands.....MP  |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 57. Canada.....CAN                   |                 |                    | .....0                        | .....0     | .....0  | .....0     |                            |  |
| 58. Aggregate Alien and Other.....OT | XXX             | XXX                | 3,943,808                     | 3,885,009  | .....0  | .....0     |                            |  |
| 59. Total.....                       | XXX             | XXX                | 4,253,622                     | 4,195,121  | .....0  | .....0     |                            |  |

**DETAILS OF WRITE-INS**

|  |     |                                  |           |           |        |        |
|--|-----|----------------------------------|-----------|-----------|--------|--------|
| 5801. FHLBI.....   | B   | Collateral pledged for debt..... | 3,943,808 | 3,885,009 | .....0 | .....0 |
| 5802. ....   |     |                                  | .....0    | .....0    | .....0 | .....0 |
| 5803. ....   |     |                                  | .....0    | .....0    | .....0 | .....0 |
| 5898. Summary of remaining write-ins for line 58 from overflow page..... | XXX | XXX                              | .....0    | .....0    | .....0 | .....0 |
| 5899. Total (Lines 5801 thru 5803+5898) (Line 58 above).....             | XXX | XXX                              | 3,943,808 | 3,885,009 | .....0 | .....0 |



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN**

**Physicians - Including Surgeons and Osteopaths**

**ALLOCATED BY STATES AND TERRITORIES**

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 11,011,508                         | 10,789,655                        | 3,688,196          | 79                          | 3,100,259                         | 5,783,215               | 223                         | 15,487,901  |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 11,011,508                         | 10,789,655                        | 3,688,196          | 79                          | 3,100,259                         | 5,783,215               | 223                         | 15,487,901  |

**DETAILS OF WRITE-INS**

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



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

**Hospitals**

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 2,866,435                          | 2,839,219                         | 525,979            | 30                          | 739,068                           | 943,296                 | 48                          | 3,145,001   |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 2,866,435                          | 2,839,219                         | 525,979            | 30                          | 739,068                           | 943,296                 | 48                          | 3,145,001   |

**DETAILS OF WRITE-INS**

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

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Michigan Professional  
Insurance Exchange

*Years Ended December 31, 2015 and 2014  
with Report of Independent Auditors*

Michigan Professional Insurance Exchange

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Years Ended December 31, 2015 and 2014

**Contents**

Audited Statutory Basis Financial Statements

|   |   |
|---|---|
| Report of Independent Auditors .....                                    | 1 |
| Balance Sheets - Statutory Basis .....                                  | 3 |
| Statements of Operations - Statutory Basis .....                        | 4 |
| Statements of Changes in Policyholders' Surplus - Statutory Basis ..... | 5 |
| Statements of Cash Flows - Statutory Basis .....                        | 6 |
| Notes to Statutory Basis Financial Statements .....                     | 7 |

Other Supplementary Information

|   |    |
|---|----|
| Report of Independent Auditors on Other Supplementary Information ..... | 30 |
| Supplemental Summary of Investments .....                               | 31 |
| Supplemental Investment Risks Interrogatories .....                     | 32 |
| General Interrogatories Part 2, No. 7, 8, & 9 .....                     | 38 |

## Report of Independent Auditors

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

We have audited the accompanying statutory basis financial statements of Michigan Professional Insurance Exchange (Exchange), which comprise the statutory balance sheets as of December 31, 2015 and 2014, and the related statutory statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these statutory basis financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the statutory basis financial statements, the statutory basis financial statements are prepared by the Exchange on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, practices of which differ from accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Exchange as of December 31, 2015 and 2014, or the changes in financial position or cash flows thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Exchange as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services.

*Andrews Hooper Paulik PLC*

Grand Rapids, Michigan  
May 16, 2016



# Michigan Professional Insurance Exchange

## Balance Sheets - Statutory Basis

|   | <b>December 31</b>   |                       |
|---|----------------------|-----------------------|
|   | <b>2015</b>          | <b>2014</b>           |
| <b>Admitted assets</b>  |                      |                       |
| Cash and investments:   |                      |                       |
| Bonds at amortized cost (market value of \$81,289,028 in 2015 and \$82,922,107 in 2014) | \$ 79,438,380        | \$ 79,172,670         |
| Common stock at fair market value   | 13,645,478           | 13,242,972            |
| Preferred stock at statement value  | 86,202               | 86,202                |
| Cash and short-term investments   | 2,420,368            | 11,125,532            |
| Total cash and investments  | <u>95,590,428</u>    | <u>103,627,376</u>    |
| Other assets:   |                      |                       |
| Accrued investment income   | 624,735              | 621,828               |
| Premiums receivable   | 864,963              | 536,781               |
| Deferred premiums   | 1,384,898            | 1,441,789             |
| Federal income tax recoverable  | 187,773              | -                     |
| Net deferred tax asset  | 293,828              | 393,371               |
|   | <u>\$ 98,946,625</u> | <u>\$ 106,621,145</u> |
| <b>Reserves, other liabilities, and policyholders' surplus</b>                          |                      |                       |
| Reserves:   |                      |                       |
| Unpaid losses   | \$ 21,035,410        | \$ 21,386,668         |
| Loss adjustment expenses  | 16,617,921           | 16,371,837            |
| Total reserves  | <u>37,653,331</u>    | <u>37,758,505</u>     |
| Other liabilities:  |                      |                       |
| Unearned premiums (net of ceded reinsurance of \$155,153 in 2015 and \$139,391 in 2014) | 3,823,233            | 3,589,731             |
| Advance premiums  | 1,002,231            | 940,743               |
| Ceded reinsurance premiums payable  | (98,743)             | (242,952)             |
| Accrued other expenses  | 722,923              | 316,895               |
| Taxes, licenses, and fees   | (14,235)             | (4,235)               |
| Federal income taxes payable  | -                    | 9,800                 |
| Self insurance funds held   | 2,042,624            | 6,222,569             |
| Subscribers savings accounts payable to terminated policyholders                        | 3,320,000            | 3,257,000             |
|   | <u>10,798,033</u>    | <u>14,089,551</u>     |
| Policyholders' surplus:   |                      |                       |
| Surplus note  | 1,000,000            | 2,000,000             |
| Unassigned funds  | 49,495,261           | 52,773,089            |
|   | <u>50,495,261</u>    | <u>54,773,089</u>     |
|   | <u>\$ 98,946,625</u> | <u>\$ 106,621,145</u> |

## Michigan Professional Insurance Exchange

### Statements of Operations - Statutory Basis

|  | <b>Year Ended December 31</b> |               |
|--|-------------------------------|---------------|
|  | <b>2015</b>                   | <b>2014</b>   |
| Net premiums earned  | <b>\$ 11,735,145</b>          | \$ 11,804,532 |
| Losses incurred  | <b>4,079,524</b>              | 2,582,222     |
| Loss adjustment expenses incurred  | <b>4,510,086</b>              | 3,420,947     |
| Other underwriting expenses incurred   | <b>1,611,140</b>              | 2,662,759     |
|  | <b>10,200,750</b>             | 8,665,928     |
| Underwriting income  | <b>1,534,395</b>              | 3,138,604     |
| Net investment income  | <b>2,297,298</b>              | 2,025,815     |
| Net realized gains on sale of investments (net of tax of<br>\$372,183 in 2015 and \$577,820 in 2014) | <b>722,471</b>                | 1,121,650     |
| Net gain from premium balances charged off   | <b>4,114</b>                  | -             |
| Miscellaneous income   | <b>77,722</b>                 | 2,350,869     |
| Income before federal income taxes   | <b>4,636,000</b>              | 8,636,938     |
| Federal income tax (benefit)   | <b>157,513</b>                | (22,776)      |
| Net income   | <b>\$ 4,478,487</b>           | \$ 8,659,714  |

## Michigan Professional Insurance Exchange

### Statements of Changes in Policyholders' Surplus - Statutory Basis

|   | <b>Surplus<br/>Note</b> | <b>Unassigned<br/>Surplus</b> | <b>Total</b>         |
|---|-------------------------|-------------------------------|----------------------|
| Balances at January 1, 2014   | \$ 3,740,000            | \$48,873,404                  | \$ 52,613,404        |
| Net income  |                         | 8,659,714                     | 8,659,714            |
| Distribution of subscriber savings                                  |                         | (1,285,060)                   | (1,285,060)          |
| Terminated subscriber savings payable                               |                         | (3,257,000)                   | (3,257,000)          |
| Unrealized gain on investments, net of deferred<br>tax of \$25,949  |                         | 223,344                       | 223,344              |
| Surplus note change   | (1,740,000)             |                               | (1,740,000)          |
| Change in nonadmitted assets  |                         | (72,526)                      | (72,526)             |
| Change in net deferred income tax                                   |                         | (368,787)                     | (368,787)            |
| Balances at December 31, 2014                                       | 2,000,000               | 52,773,089                    | 54,773,089           |
| Net income  |                         | <b>4,478,487</b>              | <b>4,478,487</b>     |
| Distribution of subscriber savings                                  |                         | <b>(2,281,480)</b>            | <b>(2,281,480)</b>   |
| Terminated subscriber savings payable                               |                         | <b>(3,320,000)</b>            | <b>(3,320,000)</b>   |
| Unrealized loss on investments, net of deferred<br>tax of \$228,323 |                         | <b>(669,908)</b>              | <b>(669,908)</b>     |
| Surplus note change   | <b>(1,000,000)</b>      |                               | <b>(1,000,000)</b>   |
| Change in nonadmitted assets  |                         | <b>(1,157,061)</b>            | <b>(1,157,061)</b>   |
| Change in net deferred income tax                                   |                         | <b>(327,866)</b>              | <b>(327,866)</b>     |
| Balances at December 31, 2015                                       | <b>\$ 1,000,000</b>     | <b>\$ 49,495,261</b>          | <b>\$ 50,495,261</b> |

## Michigan Professional Insurance Exchange

### Statements of Cash Flows - Statutory Basis

|  | <b>Year Ended December 31</b> |               |
|--|-------------------------------|---------------|
|  | <b>2015</b>                   | <b>2014</b>   |
| <b>Operating activities</b>                              |                               |               |
| Premiums collected                                       | \$ 11,922,992                 | \$ 10,723,061 |
| Net investment income                                    | 2,528,112                     | 2,578,848     |
| Miscellaneous income                                     | 81,836                        | 2,350,869     |
| Benefit and loss related payments                        | (4,430,782)                   | (3,840,346)   |
| Commissions, expenses paid, and other deductions         | (5,479,251)                   | (7,242,753)   |
| Federal income taxes paid                                | (727,132)                     | (404,497)     |
| Net cash from operating activities                       | 3,895,775                     | 4,165,182     |
| <b>Investing activities</b>                              |                               |               |
| Proceeds from investments sold, matured, or repaid       | 22,610,402                    | 30,342,522    |
| Investments acquired                                     | (23,554,772)                  | (24,981,021)  |
| Net cash from investing activities                       | (944,370)                     | 5,361,501     |
| <b>Financing activities</b>                              |                               |               |
| Surplus note repayment                                   | (1,000,000)                   | (1,740,000)   |
| Other cash provided (applied)                            | (10,656,569)                  | 89,723        |
| Net cash from financing activities                       | (11,656,569)                  | (1,650,277)   |
| <br>Net change in cash and short-term investments        | <br>(8,705,164)               | <br>7,876,406 |
| <br>Cash and short-term investments at beginning of year | <br>11,125,532                | <br>3,249,126 |
| Cash and short-term investments at end of year           | \$ 2,420,368                  | \$ 11,125,532 |

*See accompanying notes.*

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2015

### **1. Organization and Significant Accounting Policies**

Michigan Professional Insurance Exchange (Exchange), a reciprocal insurance exchange, was issued a final certificate of authority to conduct operations on October 1, 1988. The purpose of the Exchange is to provide medical professional liability and general liability insurance to certain hospitals and physicians. Hospitals that had policies or agreements with the Exchange during the years ended December 31, 2015 and 2014 included Spectrum Health Hospitals, North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Lakeland Regional Health System, Memorial Medical Center of West Michigan, Holland Hospital, and Watervliet Community Hospital. As more fully described in Note 9, the Exchange has a deposit premium agreement with Spectrum Health Hospitals.

The eligible subscribers of the Exchange are limited to certain hospitals and physicians as specified in the Bylaws of the Exchange. The Exchange prefers to write policies for both the hospital organization and its associated medical staff. Insureds that are exceptions to this model are physicians who are members of a partnership or corporation, of which at least 66% are on the medical staff of the above mentioned hospitals insured by the Exchange. The Exchange's Board of Directors can approve or revoke eligibility for any other physician licensed to practice in Michigan. See Note 8 for a discussion of reinsurance arrangements.

The Exchange has no employees and contracts with a related entity, Michigan Professional Exchange Services (MPES), for its staff, building space, fidelity bond coverage, equipment, supplies, and other administrative costs. The Exchange used Spectrum Health's network to run many of its computer programs except policy administration, document imaging, and investments for 2014 and most of 2015. In November 2015, the Exchange moved all of these operations in-house. The Exchange uses the services of 18 employees of MPES, including the following: President, CFO/COO, Financial Analyst, Finance Assistant, Director of Risk Management and Underwriting, Underwriting Managers, Director of Claims, Litigation Manager, Claims Manager, Claims Representative, Claims Intake, Claims Secretary, Information Security Manager, Information Security Coordinator, and Education Program Coordinator.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 1. Organization and Significant Accounting Policies (continued)

##### Basis of Presentation

The financial statements are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services and the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP). The Michigan prescribed and permitted accounting practices used in preparation of the accompanying financial statements did not differ from NAIC SAP. NAIC SAP practices and presentation vary in some respects from accounting principles generally accepted in the United States of America (U.S. GAAP). The more significant variances between NAIC SAP and U.S. GAAP are as follows:

Bonds are reported at amortized cost rather than reporting certain bonds at fair value.

Redeemable preferred stock is reported at the lower of cost or amortized cost rather than reporting at fair value.

Unpaid losses, loss adjustment expenses, and unearned premiums are presented net of reinsurance in accordance with NAIC SAP.

Certain assets are designated as nonadmitted to the balance sheet by a direct charge to surplus.

Deferred income taxes are calculated in accordance with NAIC SAP practices.

Comprehensive income is not presented.

The statement of cash flows is prepared in accordance with NAIC SAP.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 1. Organization and Significant Accounting Policies (continued)

##### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Exchange uses various methods including market, income, and cost approaches. Based on these approaches, the Exchange often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and of the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Exchange utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Exchange is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing as asset or liability.

In determining the appropriate levels, the Exchange performs a detailed analysis of the assets and liabilities that are subject to the authoritative guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the year ended December 31, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent.

##### Investments

Cash and short-term investments include cash, cash equivalents, money market funds, corporate notes, and certificates of deposit with initial terms of less than one year. Short-term investments are stated at cost.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **1. Organization and Significant Accounting Policies (continued)**

##### **Investments (continued)**

Fixed maturities (bonds) with an NAIC designation of one or two are reported at amortized cost using the scientific method. Fixed maturities with an NAIC designation of three or greater are carried at the lower of amortized cost or fair value. The Exchange held 32 such securities as of December 31, 2015 and 16 as of December 31, 2014. The Exchange has the ability and intent to hold these investments until maturity.

The Exchange's management continually monitors investments for impairment that is other than temporary. Management takes into account industry analyst reports, sector credit ratings, volatility of the security's market price, and/or any other information that management considers relevant in determining if the impairment is an other-than-temporary impairment (OTTI). If management determines that an investment is OTTI, the investment would be written down at that time. There were no write downs on OTTI securities during 2015 or 2014.

The Exchange has elected to use book value of loan-backed securities on January 1, 1994 as the cost for applying the retroactive adjustment method to securities purchased before that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

Common stock equity securities represent investments in four mutual funds and the Federal Home Loan Bank (FHLB) of Indianapolis, and are reported at fair value. Realized gains and losses were calculated using the specific identification method. Unrealized gains and losses are recorded in unappropriated surplus, net of deferred income tax.

Preferred stock equity securities are investments in bonds with certain characteristics that require reporting as preferred stocks in accordance with the NAIC Valuation of Securities Manual.

##### **Premium Revenue and Unearned Premiums**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. In addition, unearned premiums include death, disability, and retirement (DDR) reserves for tail coverage for independent practitioners with claims-made coverage. Such reserves are computed by prorata methods for direct business. The Exchange anticipates investment income as a factor in premium deficiency calculations. The results of this calculation did not indicate a premium deficiency reserve at December 31, 2015 or 2014.



## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **1. Organization and Significant Accounting Policies (continued)**

##### **Losses and Loss Adjustment Expenses**

The reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience of the Exchange and other relevant Michigan professional insurance company liability data, for losses incurred but not reported.

The estimated liability is continually reviewed and any adjustments which become necessary are included in operations. In the opinion of the Exchange, the reserves for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate net cost of losses and loss adjustment expenses. However, because the reserve determination involves predictions of the timing and amount of future claim payments, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Loss and loss adjustment expenses are charged to income as incurred.

##### **Federal Income Taxes**

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases based on enacting laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income, with certain limitations.

##### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

##### **Concentrations, Risks, and Uncertainties**

Financial instruments, which potentially subject the Exchange to concentrations of credit risk, consist principally of cash and investments.

##### **Reclassification**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**1. Organization and Significant Accounting Policies (continued)**

**Subsequent Events**

Management has evaluated subsequent events through May 16, 2016, which is the date the financial statements were available to be issued.

**2. Investments in Bonds and Equity Securities**

The amortized cost or cost for debt and equity securities, unrealized gains (losses), and fair value of debt and equity securities are summarized as follows:

|   | Amortized<br>Cost    | Unrealized<br>Gains (Losses) | Fair Value           |
|---|----------------------|------------------------------|----------------------|
| <b>December 31, 2015</b>                            |                      |                              |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 18,651,008        | \$ 700,198                   | \$ 19,351,206        |
| Mortgage-backed securities                          | 23,426,602           | 237,486                      | 23,664,088           |
| Corporate securities                                | 37,360,770           | 912,964                      | 38,273,734           |
| Total debt securities                               | <u>\$ 79,438,380</u> | <u>\$ 1,850,648</u>          | <u>\$ 81,289,028</u> |

|                                       | Cost                 | Unrealized<br>Gains (Losses) | Fair Value           |
|---------------------------------------|----------------------|------------------------------|----------------------|
| <b>December 31, 2015</b>              |                      |                              |                      |
| Vanguard Developed Markets Index Fund | \$ 2,593,178         | \$ (318,622)                 | \$ 2,274,556         |
| Vanguard Total Market Index Fund      | 4,103,073            | 3,122,693                    | 7,225,766            |
| JP Morgan Core                        | 2,058,343            | (44,921)                     | 2,013,422            |
| FHLB common stock                     | 142,900              | -                            | 142,900              |
| Dodge and Cox Income Fund             | 2,075,679            | (86,845)                     | 1,988,834            |
| Total common stock                    | <u>\$ 10,973,173</u> | <u>\$ 2,672,305</u>          | <u>\$ 13,645,478</u> |

|                          | Cost             | Unrealized<br>Gains (Losses) | Fair Value       |
|--------------------------|------------------|------------------------------|------------------|
| <b>December 31, 2015</b> |                  |                              |                  |
| CBO Holdings             | \$ 86,202        | \$ -                         | \$ 86,202        |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ -</u>                  | <u>\$ 86,202</u> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**2. Investments in Bonds and Equity Securities (continued)**

|   | <b>Amortized<br/>Cost</b> | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---|---------------------------|--------------------------------------|----------------------|
| <b>December 31, 2014</b>                            |                           |                                      |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 15,806,676             | \$ 950,785                           | \$ 16,757,461        |
| Mortgage-backed securities                          | 28,160,620                | 479,805                              | 28,640,425           |
| Corporate securities                                | 35,205,374                | 2,318,847                            | 37,524,221           |
| Total debt securities                               | <u>\$ 79,172,670</u>      | <u>\$ 3,749,437</u>                  | <u>\$ 82,922,107</u> |

|                                       | <b>Cost</b>         | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---------------------------------------|---------------------|--------------------------------------|----------------------|
| <b>December 31, 2014</b>              |                     |                                      |                      |
| Vanguard Developed Markets Index Fund | \$ 2,528,186        | \$ (249,475)                         | \$ 2,278,711         |
| Vanguard Total Market Index Fund      | 4,232,286           | 3,570,016                            | 7,802,302            |
| JPMorgan Core Fund                    | 1,507,947           | (2,968)                              | 1,504,979            |
| FHLB of Indianapolis                  | 153,500             | —                                    | 153,500              |
| Dodge and Cox Income Fund             | 1,515,335           | (11,855)                             | 1,503,480            |
| Total common stock                    | <u>\$ 9,937,254</u> | <u>\$ 3,305,718</u>                  | <u>\$ 13,242,972</u> |

|                          | <b>Cost</b>      | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b> |
|--------------------------|------------------|--------------------------------------|-------------------|
| <b>December 31, 2014</b> |                  |                                      |                   |
| CBO Holdings             | \$ 74,260        | \$ 11,942                            | \$ 86,202         |
| Total preferred stock    | <u>\$ 74,260</u> | <u>\$ 11,942</u>                     | <u>\$ 86,202</u>  |

The fair value of investment securities is determined using quoted market values as shown in the NAIC Valuation of Securities Manual or other sources as of December 31. The fair value of mortgage-backed securities is determined using quotes from Interactive Data Corporation (IDC) or other sources including Fifth Third Bank in 2015 and 2014.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

**2. Investments in Bonds and Equity Securities (continued)**

The gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

|   | Less Than 12 Months  |                       | 12 Months or More   |                     | Total                |                       |
|---|----------------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|
|   | Fair Value           | Unrealized Losses     | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses     |
| <b>December 31, 2015</b>                            |                      |                       |                     |                     |                      |                       |
| Mortgage-backed securities                          | \$ 11,920,770        | \$ (124,035)          | \$ 2,697,322        | \$ (120,450)        | \$ 14,618,092        | \$ (244,485)          |
| U.S. Treasury and other U.S.<br>Government Agencies | 4,310,713            | (33,109)              | –                   | –                   | 4,310,713            | (33,109)              |
| Corporate securities                                | 14,800,218           | (881,054)             | 666,521             | (228,148)           | 15,466,739           | (1,109,202)           |
| State securities                                    | 1,813,742            | (43,650)              | –                   | –                   | 1,813,742            | (43,650)              |
| Total debt securities                               | <u>\$ 32,845,443</u> | <u>\$ (1,081,848)</u> | <u>\$ 3,363,843</u> | <u>\$ (348,598)</u> | <u>\$ 36,209,286</u> | <u>\$ (1,430,446)</u> |
|   |                      |                       |                     |                     |                      |                       |
|   | Less Than 12 Months  |                       | 12 Months or More   |                     | Total                |                       |
|   | Fair Value           | Unrealized Losses     | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses     |
| <b>December 31, 2015</b>                            |                      |                       |                     |                     |                      |                       |
| Mutual funds  | \$ 4,253,934         | \$ (150,687)          | \$ 1,910,735        | \$ (324,413)        | \$ 6,164,669         | \$ (475,100)          |
| Total common stock                                  | <u>\$ 4,253,934</u>  | <u>\$ (150,687)</u>   | <u>\$ 1,910,735</u> | <u>\$ (324,413)</u> | <u>\$ 6,164,669</u>  | <u>\$ (475,100)</u>   |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

2. Investments in Bonds and Equity Securities (continued)

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2014</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 5,183,964        | \$ (33,506)       | \$ 5,577,440      | \$ (216,147)      | \$ 10,761,404 | \$ (249,653)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 2,124,770           | (1,073)           | 1,268,250         | (22,858)          | 3,393,020     | (23,931)          |
| Corporate securities                                | 7,079,838           | (196,558)         | 1,225,487         | (28,008)          | 8,305,325     | (224,566)         |
| State securities                                    | –                   | –                 | 876,533           | (14,110)          | 876,533       | (14,110)          |
| Total debt securities                               | \$14,388,572        | \$ (231,137)      | \$ 8,947,710      | \$ (281,123)      | \$ 23,336,282 | \$ (512,260)      |

|                          | Less Than 12 Months |                   | 12 Months or More |                   | Total        |                   |
|--------------------------|---------------------|-------------------|-------------------|-------------------|--------------|-------------------|
|                          | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value   | Unrealized Losses |
| <b>December 31, 2014</b> |                     |                   |                   |                   |              |                   |
| Mutual funds             | \$ 4,612,015        | \$ (291,462)      | \$ –              | \$ –              | \$ 4,612,015 | \$ (291,462)      |
| Total common stock       | \$ 4,612,015        | \$ (291,462)      | \$ –              | \$ –              | \$ 4,612,015 | \$ (291,462)      |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

Management believes that the unrealized losses indicated previously are temporary based on management's review for both 2015 and 2014. The unrealized losses for corporate securities and mortgage-backed securities are considered temporary based on management's intent and ability to hold to maturity and the security rating of the individual securities included.

The amortized cost and fair value of debt securities, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|                                       | <b>Amortized</b> |                   |
|---------------------------------------|------------------|-------------------|
|                                       | <b>Cost</b>      | <b>Fair Value</b> |
| <b>December 31, 2015</b>              |                  |                   |
| Due in one year or less               | \$ 4,263,654     | \$ 4,787,152      |
| Due after one year through five years | 21,914,323       | 22,457,463        |
| Due after five years                  | 29,833,801       | 30,380,325        |
|                                       | 56,011,778       | 57,624,940        |
| Mortgage-backed securities            | 23,426,602       | 23,664,088        |
| Total debt securities                 | \$ 79,438,380    | \$ 81,289,028     |
| <br>                                  |                  |                   |
|                                       | <b>Amortized</b> |                   |
|                                       | <b>Cost</b>      | <b>Fair Value</b> |
| <b>December 31, 2014</b>              |                  |                   |
| Due in one year or less               | \$ 2,184,222     | \$ 2,789,033      |
| Due after one year through five years | 19,950,022       | 20,622,351        |
| Due after five years                  | 28,877,806       | 30,870,298        |
|                                       | 51,012,050       | 54,281,682        |
| Mortgage-backed securities            | 28,160,620       | 28,640,425        |
| Total debt securities                 | \$ 79,172,670    | \$ 82,922,107     |

Proceeds from sales and maturities of investments in debt and equity securities were \$22,610,402 during 2015 and \$30,342,522 during 2014. Net gains of \$1,094,653 in 2015 and \$1,699,470 in 2014 were realized on those sales.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

Major categories of net investment income are summarized as follows for the years ended December 31:

|  | 2015         | 2014         |
|--|--------------|--------------|
| Interest on bonds                      | \$ 2,416,045 | \$ 2,337,987 |
| Amortization on short-term investments | (28,271)     | (82,877)     |
| Dividends                              | 412,073      | 489,906      |
|  | 2,799,847    | 2,745,016    |
| Less investment expenses               | 502,549      | 719,201      |
|  | \$ 2,297,298 | \$ 2,025,815 |

Short-term investments with a cost of \$309,814 at December 31, 2015 and \$309,471 at December 31, 2014 were on deposit in trust for the State of Michigan to comply with regulatory requirements.

The Exchange held an investment at December 31, 2015 and 2014 that has characteristics of both a bond and a preferred stock. The book/adjusted carrying value of the security is summarized as follows:

|                          | Cusip       | Issuer  | Book/Adjusted<br>Carrying Value |
|--------------------------|-------------|---|---------------------------------|
| <b>December 31, 2015</b> |             |   |                                 |
| CBO Holdings             | 12493V-AC-4 | Diversified Asset<br>Securitization<br>Holdings III | \$ 86,202                       |
|                          | Cusip       | Issuer  | Book/Adjusted<br>Carrying Value |
| <b>December 31, 2014</b> |             |   |                                 |
| CBO Holdings             | 12493V-AC-4 | Diversified Asset<br>Securitization<br>Holdings III | \$ 86,202                       |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

The Exchange utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Common stocks and debt securities with NAIC designations higher than two are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss and liquidity assumptions. The Exchange has no assets or liabilities that are recorded at fair value on a non-recurring basis.

Fair values of assets measured on a recurring basis are as follows:

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>December 31, 2015</b>           |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ –  | \$ 3,557,492   | \$ –   | \$ 3,557,492  |
| Total bonds                        | –   | 3,557,492  | –  | 3,557,492     |
| Preferred stock:                   |   |  |  |               |
| Redeemable – industrial and misc.  | –   | 86,202   | –  | 86,202        |
| Total redeemable preferred stocks  | –   | 86,202   | –  | 86,202        |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | –   | 142,900  | –  | 142,900       |
| Mutual funds                       | 13,502,578  | –  | –  | 13,502,578    |
| Total common stocks                | 13,502,578  | 142,900  | –  | 13,645,478    |
| Total assets at fair value         | \$ 13,502,578   | \$ 3,786,594   | \$ –   | \$ 17,289,172 |

There were no transfers to or from Levels 1 and 2.



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements (continued)

2. Investments in Bonds and Equity Securities (continued)

|                                    | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>and Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total         |
|------------------------------------|---|---|--|---------------|
| <b>December 31, 2014</b>           |   |   |  |               |
| Assets at fair value               |   |   |  |               |
| Bonds and asset-backed securities: |   |   |  |               |
| Bonds – issuer obligations         | \$ –  | \$ 1,770,399  | \$ –   | \$ 1,770,399  |
| Total bonds                        | –   | 1,770,399   | –  | 1,770,399     |
| Preferred stock:                   |   |   |  |               |
| Redeemable – industrial and misc.  | –   | 86,202  | –  | 86,202        |
| Total redeemable preferred stocks  | –   | 86,202  | –  | 86,202        |
| Common stock:                      |   |   |  |               |
| Industrial and misc.               | –   | 153,500   | –  | 153,500       |
| Mutual funds                       | 13,089,472  | –   | –  | 13,089,472    |
| Total common stocks                | 13,089,472  | 153,500   | –  | 13,242,972    |
| Total assets at fair value         | \$ 13,089,472   | \$ 2,010,101  | \$ –   | \$ 15,099,573 |

There were no transfers to or from Levels 1 and 2.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 2. Investments in Bonds and Equity Securities (continued)

Fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall are as follows at December 31:

|                               | Fair Value           | Admitted<br>Value    | Level 1             | Level 2             | Level 3     | Not<br>Practicable<br>(Carrying<br>Value) |
|-------------------------------|----------------------|----------------------|---------------------|---------------------|-------------|---|
| <b>December 31,<br/>2015</b>  |                      |                      |                     |                     |             |   |
| Assets                        |                      |                      |                     |                     |             |   |
| Bonds                         | \$ 81,289,028        | \$ 79,438,380        | \$ -                | \$81,289,028        | \$ -        | \$ -                                      |
| Common stocks                 | 13,645,478           | 13,645,478           | 13,502,578          | 142,900             | -           | -   |
| Redeemable<br>preferred stock | 86,202               | 86,202               | -                   | 86,202              | -           | -   |
| Total assets                  | <u>\$ 95,020,708</u> | <u>\$ 93,170,060</u> | <u>\$13,502,578</u> | <u>\$81,518,130</u> | <u>\$ -</u> | <u>\$ -</u>                               |

|                               | Fair Value           | Admitted<br>Value    | Level 1             | Level 2             | Level 3     | Not<br>Practicable<br>(Carrying<br>Value) |
|-------------------------------|----------------------|----------------------|---------------------|---------------------|-------------|---|
| <b>December 31,<br/>2014</b>  |                      |                      |                     |                     |             |   |
| Assets                        |                      |                      |                     |                     |             |   |
| Bonds                         | \$ 82,922,107        | \$ 79,172,670        | \$ -                | \$82,922,107        | \$ -        | \$ -                                      |
| Common stocks                 | 13,242,972           | 13,242,972           | 13,089,472          | 153,500             | -           | -   |
| Redeemable<br>preferred stock | 86,202               | 86,202               | -                   | 86,202              | -           | -   |
| Total assets                  | <u>\$ 96,251,281</u> | <u>\$ 92,501,844</u> | <u>\$13,089,472</u> | <u>\$83,161,809</u> | <u>\$ -</u> | <u>\$ -</u>                               |

#### 3. Line of Credit

Through its membership in the Federal Home Loan Bank of Indianapolis, the Exchange has pledged collateral with a fair value of \$3,885,009 and carrying value of \$3,943,808 in 2015 (\$3,865,970 and \$3,694,424 in 2014) and has a borrowing capacity available of \$3,000,000 in 2015 and 2014. The December 31, 2015 pledged collateral was the maximum amount pledged during the year. It is part of the Exchange's strategy to have cash advances available for liquidity purposes. In addition, FHLB stock has been purchased and had a balance of \$142,900 as of December 31, 2015 (\$153,500 as of December 31, 2014). The Exchange has no outstanding borrowings as of December 31, 2015 or 2014.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### **4. Policyholders' Surplus**

The Exchange established subscriber savings accounts as permitted by Section 832(f) of the Internal Revenue Code. The accounts represent allocations of some or all of the net income or losses of the Exchange. Disbursements of amounts allocated in the subscriber savings accounts require approval of the Exchange's Board of Directors. As of December 31, 2015, the Exchange had identified \$30,825,000 (\$36,363,491 in 2014) for subscriber savings accounts. Of this amount, \$3,320,000 in 2015 and \$3,257,000 in 2014 was reported as a liability for amounts due to terminated policyholders. The remaining \$27,505,000 in 2015 and \$33,106,491 in 2014 was reported as policyholders' surplus-unassigned funds. The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Exchange.

On January 1, 2005, the subscriber savings account of Spectrum Health in the amount of \$5,059,908 was converted to a surplus note with no stated maturity, paying interest per annum (4.75% at December 31, 2015 and 2014). The Exchange must obtain approval from the State of Michigan Department of Insurance and Financial Services (DIFS) related to principal and interest payments on the surplus note prior to the payment being made. In 2010, Spectrum Health issued a second surplus note in the amount of \$2,000,000. In 2015, the Exchange repaid \$1,000,000 (\$1,740,000 in 2014) of the surplus notes to Spectrum Health with the approval of DIFS.

The Exchange obtained approval in 2005 from DIFS related to the conversion of the Spectrum Health account as noted above. The 2013 interest of \$226,733 was approved and paid January 2014. The 2014 interest of \$136,326 was approved and paid June 2015. As of December 31, 2015, accrued interest of \$71,249 is included in unassigned surplus.

#### **5. Losses and Loss Adjustment Expenses**

Reserves for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years have decreased by approximately \$3,224,000 in 2015 and \$5,217,000 in 2014, as a result of re-estimation of unpaid losses and LAE. This decrease is generally the result of ongoing analysis of recent loss development trends.

Original estimates are increased or decreased as additional information becomes known regarding individual claims.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 5. Losses and Loss Adjustment Expenses (continued)

Activity in the liability for losses and loss adjustment expenses is summarized as follows for the years ended December 31:

|                             | <b>2015</b>          | <b>2014</b>   |
|-----------------------------|----------------------|---------------|
| Reserves, beginning of year | <b>\$ 37,758,505</b> | \$ 40,160,012 |
| Incurring losses            |                      |               |
| Current year                | <b>11,814,000</b>    | 11,220,443    |
| Prior years                 | <b>(3,224,390)</b>   | (5,217,274)   |
|                             | <b>8,589,610</b>     | 6,003,169     |
| Paid losses                 |                      |               |
| Current year                | <b>640,000</b>       | 346,850       |
| Prior years                 | <b>8,054,784</b>     | 8,057,826     |
|                             | <b>8,694,784</b>     | 8,404,676     |
| Reserves, end of year       | <b>\$ 37,653,331</b> | \$ 37,758,505 |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes

The components of the Exchange's net deferred tax asset (liability) are as follows at December 31:

|   | 2015       |              |              | 2014         |              |              | Change       |            |              |
|---|------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|
|   | Ordinary   | Capital      | Total        | Ordinary     | Capital      | Total        | Ordinary     | Capital    | Total        |
| Total gross deferred tax assets                 | \$ 967,770 | \$ 104,778   | \$ 1,072,548 | \$ 1,295,636 | \$ 104,778   | \$ 1,400,414 | \$ (327,866) | \$ -       | \$ (327,866) |
| Statutory valuation allowance                   |            |              |              |              |              |              |              |            |              |
| Adjustment                                      | -          | -            | -            | -            | -            | -            | -            | -          | -            |
| Adjusted gross deferred tax assets              | 967,770    | 104,778      | 1,072,548    | 1,295,636    | 104,778      | 1,400,414    | (327,866)    | -          | (327,866)    |
| Deferred tax assets nonadmitted                 | -          | -            | -            | -            | -            | -            | -            | -          | -            |
| Subtotal net admitted deferred tax assets       | 967,770    | 104,778      | 1,072,548    | 1,295,636    | 104,778      | 1,400,414    | (327,866)    | -          | (327,866)    |
| Deferred tax liabilities                        | -          | (778,720)    | (778,720)    | -            | (1,007,043)  | (1,007,043)  | -            | 228,323    | 228,323      |
| Net admitted deferred tax assets (net deferred) | \$ 967,770 | \$ (673,942) | \$ 293,828   | \$ 1,295,636 | \$ (902,265) | \$ 393,371   | \$ (327,866) | \$ 228,323 | \$ (99,543)  |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The amount of each result or component of the calculation by tax character of paragraphs 11.a., 11.b.i., 11.b.ii., and 11.c. of SSAP 101 is as follows at December 31:

|   | 2015       |            |              | 2014         |            |              | Change       |          |              |
|---|------------|------------|--------------|--------------|------------|--------------|--------------|----------|--------------|
|   | Ordinary   | Capital    | Total        | Ordinary     | Capital    | Total        | Ordinary     | Capital  | Total        |
| Admission Calculation Components SSAP 101, paragraphs 11.a., 11.b., and 11.c:   |            |            |              |              |            |              |              |          |              |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 669,286 | \$ (320)   | \$ 668,966   | \$ 802,543   | \$ —       | \$ 802,543   | \$ (133,257) | \$ (320) | \$ (133,577) |
| (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) | 131,833    | —          | 131,833      | 141,399      | —          | 141,399      | (9,566)      | —        | (9,566)      |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 131,971    | —          | 131,971      | 141,399      | —          | 141,399      | (9,428)      | —        | (9,428)      |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold  | —          | —          | 7,727,898    | —            | —          | 8,156,958    | —            | —        | (429,060)    |
| (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  | 166,651    | 105,098    | 271,749      | 351,694      | 104,778    | 456,472      | (185,043)    | 320      | (184,723)    |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total 2(a)+2(b)+2(c))  | \$ 967,770 | \$ 104,778 | \$ 1,072,548 | \$ 1,295,636 | \$ 104,778 | \$ 1,400,414 | \$ (327,866) | \$ —     | \$ (327,866) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

| Other Admissibility Criteria   | 2015          | 2014          |
|--|---------------|---------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                               | 1,144.90%     | 1,208.40%     |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 51,519,319 | \$ 54,379,718 |

|   | 2015     |         |       | 2014     |         |       | Change   |         |       |
|---|----------|---------|-------|----------|---------|-------|----------|---------|-------|
|   | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Impact of Tax Planning Strategies   |          |         |       |          |         |       |          |         |       |
| (a) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |
| (b) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |

Does the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

The provision for incurred taxes on earnings are as follows for the years ended December 31:

|   | 2015       | 2014        | Change      |
|---|------------|-------------|-------------|
| Federal                                   | \$ 157,513 | \$ (22,776) | \$ 180,289  |
| Foreign                                   | -          | -           | -           |
| Subtotal                                  | 157,513    | (22,776)    | 180,289     |
| Federal income tax on net capital gains   | 372,183    | 577,819     | (205,636)   |
| Utilization of capital loss carryforwards | -          | -           | -           |
| Other                                     | -          | -           | -           |
| Federal and foreign income taxes incurred | \$ 529,696 | \$ 555,043  | \$ (25,347) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows at December 31:

|  | 2015       | 2014       | Change       |
|--|------------|------------|--------------|
| Deferred tax assets                      |            |            |              |
| Ordinary:                                |            |            |              |
| Discounting of unpaid loss and LAE       | \$ 639,540 | \$ 987,564 | \$ (348,024) |
| Unearned premiums                        | 328,230    | 308,072    | 20,158       |
| Other                                    | —          | —          | —            |
|  | 967,770    | 1,295,636  | (327,866)    |
| Statutory valuation allowance adjustment | —          | —          | —            |
| Nonadmitted                              | —          | —          | —            |
| Admitted ordinary deferred tax assets    | 967,770    | 1,295,636  | (327,866)    |
| Capital:                                 |            |            |              |
| Investments                              | 104,778    | 104,778    | —            |
| Nonadmitted                              | —          | —          | —            |
| Admitted capital deferred tax assets     | 104,778    | 104,778    | —            |
| Admitted deferred tax assets             | 1,072,548  | 1,400,414  | (327,866)    |
| Deferred tax liabilities                 |            |            |              |
| Capital:                                 |            |            |              |
| Other                                    | 778,720    | 1,007,043  | (228,323)    |
| Admitted deferred tax liabilities        | 778,720    | 1,007,043  | (228,323)    |
| Net deferred tax asset                   | \$ 293,828 | \$ 393,371 | \$ (99,543)  |



## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 6. Federal Income Taxes (continued)

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

The significant items causing a difference between the statutory federal income tax rate and the Exchange's effective tax rate in 2015 and 2014 were as follows:

|  | 2015              | Effective<br>Tax Rate | 2014              | Effective<br>Tax Rate |
|--|-------------------|-----------------------|-------------------|-----------------------|
| Provision computed at statutory rate         | \$ 1,702,782      | 34.0 %                | \$ 3,132,882      | 34.0 %                |
| Allocation to subscriber savings             | (844,286)         | (16.9)%               | (2,197,157)       | (23.8)%               |
| Proration of tax exempt investment<br>income | 189               | 0.0 %                 | 2,613             | 0.0 %                 |
| Tax exempt income deduction                  | -                 | 0.0 %                 | (15,419)          | (0.2)%                |
| Dividends received deduction                 | (1,260)           | 0.0 %                 | (1,998)           | 0.0 %                 |
| Prior period adjustment, taxes               | 137               | 0.0 %                 | 2,910             | 0.0 %                 |
| <b>Total tax provision</b>                   | <b>\$ 857,562</b> | <b>17.1 %</b>         | <b>\$ 923,831</b> | <b>10.0 %</b>         |
| Federal and foreign income taxes<br>expense  | \$ 157,513        | 3.1%                  | \$ (22,776)       | (0.3)%                |
| Realized capital gains tax                   | 372,183           | 7.4 %                 | 577,820           | 6.3 %                 |
| Change in net deferred income taxes          | 327,866           | 6.6 %                 | 368,787           | 4.0 %                 |
| <b>Total statutory income taxes</b>          | <b>\$ 857,562</b> | <b>17.1 %</b>         | <b>\$ 923,831</b> | <b>10.0 %</b>         |

At December 31, 2015 and 2014, the Exchange had no alternative minimum tax credit carryforwards available to offset future regular income tax. The Exchange has no operating loss carryforwards available.

The following are income taxes incurred in the current and prior year, which will be available for recoupment in the event of future net losses:

|             |                   |
|-------------|-------------------|
| <b>2015</b> | <b>\$ 529,696</b> |
| <b>2014</b> | <b>550,044</b>    |

Federal income tax reported in the Annual Statement was allocated to realized capital gains in the amount of \$372,183 in 2015 and \$577,820 in 2014.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 7. Related Party Transactions

Michigan Professional Exchange Services, a non-profit corporation organized on a directorship basis, serves as attorney-in-fact for the Exchange. A management agreement exists between the two entities whereby Michigan Professional Exchange Services provides financial and technical support, including personnel, accounting, and legal services, on a cost reimbursement basis. Total expenses incurred by the Exchange under this management agreement were \$4,936,126 in 2015 and \$3,924,798 in 2014.

Direct premium revenues recognized from North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Lakeland Regional Health System, Holland Hospital, and Watervliet Community Hospital amounted to \$762,000, \$373,007, \$1,356,611, \$203,545, and \$188,638, respectively in 2015 and \$696,750, \$374,739, \$1,350,000, \$202,835, and \$197,479, respectively in 2014.

#### 8. Reinsurance

The Exchange has fully reinsured all claims made under the North Ottawa Community Hospital and Holland Hospital excess professional liability and general liability lines of business with Ace American Insurance Co. No claims have been made on the general liability line since inception. Total ceded premiums earned for the hospital professional liability and general liability lines were \$455,452 in 2015 and \$442,335 in 2014. For physician professional liability claims, the reinsurance arrangement for the Exchange effective December 18, 2015 is a loss event contract where any claim over \$1,000,000 up to \$5,000,000 is covered. All physicians and all limits participate. A loss event can include multiple physicians and multiple days of treatment. Ceded premiums earned on the physician professional liability line of business were \$1,382,859 in 2015 and \$1,344,493 in 2014.

The net amount of return commissions recoverable (payable) at December 31, 2015, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| Total                           | \$ -                | \$ -              | \$ 155,153        | \$ 3,843          | \$ (155,153)    | \$ (3,843)        |
| Direct unearned premium reserve |                     |                   | \$ 3,798,609      |                   |                 |                   |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements (continued)

#### 8. Reinsurance (continued)

The net amount of return commissions recoverable (payable) at December 31, 2014, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| Total                           | \$ -                | \$ -              | \$ 139,391        | \$ 2,244          | \$ (139,391)    | \$ (2,244)        |
| Direct unearned premium reserve |                     |                   | \$ 3,729,122      |                   |                 |                   |

As of December 31, 2015 and 2014, the Exchange has no reinsurance recoverables in dispute or deemed to be uncollectible. Further, the Exchange had not entered into any retroactive reinsurance agreements and had not commuted any contracts.

#### 9. Deposit Premium Agreement

Effective July 1, 2004, the Exchange entered into a Deposit Premium Agreement with Spectrum Health Hospitals (Spectrum) for the purpose of providing loss administration services for professional medical liability after that date. Risk of loss on professional medical liability after July 1, 2004 will be retained by Spectrum. Prior to July 1, 2004, Spectrum accounted for about one third of the Exchange's net written premiums.

Under this agreement, Spectrum has agreed to deposit monies (self insurance funds held) with the Exchange in an amount necessary to fund anticipated outlays for claims, allocated overhead expenses, defense and cost containment expenses, loss adjusting, and other payments defined under the agreement. The Exchange held \$2,042,624 at December 31, 2015 and \$6,222,569 at December 31, 2014 related to this agreement. The Exchange pays Spectrum an interest charge (0.09% beginning in July of 2013 through June of 2015 and 0.11% beginning July of 2015) on deposit balances, computed monthly. Interest incurred under the arrangement was \$7,063 for 2015 and \$5,500 for 2014.

## Other Supplementary Information

Report of Independent Auditors  
on Other Supplementary Information

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

The report on our audit of the basic statutory basis financial statements (financial statements) of Michigan Professional Insurance Exchange (Exchange) as of December 31, 2015 and for the year then ended is presented on pages one and two of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the Exchange as of December 31, 2015, and for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Exchange as of December 31, 2015, and for the year then ended. The Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 16, 2016

**Michigan Professional Insurance Exchange**  
**Supplemental Summary of Investments**  
December 31, 2015

|   | Gross Investment Holdings |        | Admitted Assets as Reported in the Annual Statement |   |               |        |
|---|---------------------------|--------|---|---|---------------|--------|
|   | Amount                    | %      | Amount  | Securities Lending<br>Reinvested<br>Collateral Amount | Total         | %      |
| 1. Bonds  |                           |        |   |   |               |        |
| 1.1 U.S. Treasury securities  | \$ 8,571,817              | 9.0%   | \$ 8,571,817  | \$ -  | \$ 8,571,817  | 9.0%   |
| 1.2 U.S. Government agency obligations (including mortgage-backed securities)   |                           |        |   |   |               |        |
| 1.21 Issued by U.S. Government agencies   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 1.22 Issued by U.S. Government-sponsored agencies   | 1,421,863                 | 1.5%   | 1,421,863   | -   | 1,421,863     | 1.5%   |
| 1.3 Foreign government (including Canada, excluding mortgage-backed securities)   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 1.4 Securities issued by states, territories and possessions, and political subdivisions in the U.S.  |                           |        |   |   |               |        |
| 1.41 U.S. states and territories and possessions general obligations  | 1,816,718                 | 1.9%   | 1,816,718   | -   | 1,816,718     | 1.9%   |
| 1.42 Political subdivisions of U.S. states, territories, and possessions general obligations  | 1,276,427                 | 1.3%   | 1,276,427   | -   | 1,276,427     | 1.3%   |
| 1.43 Revenue and assessment obligations   | 5,700,459                 | 6.0%   | 5,700,459   | -   | 5,700,459     | 6.0%   |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.3%   | 250,000   | -   | 250,000       | 0.3%   |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS)  |                           |        |   |   |               |        |
| 1.51 Pass-through securities  |                           |        |   |   |               |        |
| 1.511 Issued or guaranteed by GNMA  | 187,244                   | 0.2%   | 187,244   | -   | 187,244       | 0.2%   |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 4,244,751                 | 4.4%   | 4,244,751   | -   | 4,244,751     | 4.4%   |
| 1.513 All other   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 1.52 CMOs and REMICs  |                           |        |   |   |               |        |
| 1.521 Issued or guaranteed by FNMA, FHLMC, GNMA or VA   | 4,850,263                 | 5.1%   | 4,850,263   | -   | 4,850,263     | 5.1%   |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | 208,230                   | 0.2%   | 208,230   | -   | 208,230       | 0.2%   |
| 1.523 All other   | 9,179,395                 | 9.6%   | 9,179,395   | -   | 9,179,395     | 9.6%   |
| 2. Other debt and other fixed income securities (excluding short-term)  |                           |        |   |   |               |        |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans related by the SVO)  | 35,955,067                | 37.6%  | 35,955,067  | -   | 35,955,067    | 37.6%  |
| 2.2 Unaffiliated foreign securities   | 5,776,146                 | 6.0%   | 5,776,146   | -   | 5,776,146     | 6.0%   |
| 2.3 Affiliated securities   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3. Equity interests   |                           |        |   |   |               |        |
| 3.1 Investments in mutual funds   | 13,502,578                | 14.1%  | 13,502,578  | -   | 13,502,578    | 14.1%  |
| 3.2 Preferred stocks  |                           |        |   |   |               |        |
| 3.21 Affiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3.22 Unaffiliated   | 86,202                    | 0.1%   | 86,202  | -   | 86,202        | 0.1%   |
| 3.3 Publicly traded equity securities (excluding preferred stocks)  |                           |        |   |   |               |        |
| 3.31 Affiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3.32 Unaffiliated   | 142,900                   | 0.2%   | 142,900   | -   | 142,900       | 0.2%   |
| 3.4 Other equity securities   |                           |        |   |   |               |        |
| 3.41 Affiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3.42 Unaffiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3.5 Other equity interests including tangible personal property under leases  |                           |        |   |   |               |        |
| 3.51 Affiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 3.52 Unaffiliated   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4. Mortgage loans   |                           |        |   |   |               |        |
| 4.1 Construction and land development   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4.2 Agricultural  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4.3 Single family residential properties  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4.4 Multifamily residential properties  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4.5 Commercial loans  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 4.6 Mezzanine real estate loans   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 5. Real estate investments  |                           |        |   |   |               |        |
| 5.1 Property occupied by the company  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 5.2 Property held for production of income  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 5.3 Property held for sale  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 6. Contract loans   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 7. Derivatives  | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 8. Receivables for securities   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 9. Securities lending (line 10, Asset Page reinvested collateral)   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 10. Cash and short-term investments   | 2,420,368                 | 2.5%   | 2,420,368   | -   | 2,420,368     | 2.5%   |
| 11. Other invested assets   | -                         | 0.0%   | -   | -   | -             | 0.0%   |
| 12. Total invested assets   | \$ 95,590,428             | 100.0% | \$ 95,590,428                                       | \$ -  | \$ 95,590,428 | 100.0% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

1. Report entity's total admitted assets as reported on page two of the NAIC Annual Statement. \$98,946,625

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

|      | 1                                     | 2                       | 3            | 4                                   |
|------|---------------------------------------|-------------------------|--------------|-------------------------------------|
|      | Issuer                                | Description of Exposure | Amount       | Percentage of Total Admitted Assets |
| 2.01 | Vanguard Index Funds                  | Equity                  | \$ 7,225,770 | 7.303%                              |
| 2.02 | Federal National Mortgage Association | CMO, ABS, MBS           | \$ 5,027,220 | 5.081%                              |
| 2.03 | Federal Home Loan Mortgage Corp       | CMO, ABS, Bonds, MBS    | \$ 2,504,770 | 2.531%                              |
| 2.04 | Vanguard Tax-Management Funds         | Equity                  | \$ 2,274,560 | 2.299%                              |
| 2.05 | JPMorgan Trust II                     | Equity                  | \$ 2,013,420 | 2.035%                              |
| 2.06 | Dodge & Cox Income Fund               | Equity                  | \$ 1,988,830 | 2.010%                              |
| 2.07 | Money Market Obligations Trust        | MMFund                  | \$ 1,145,270 | 1.157%                              |
| 2.08 | Oklahoma, State of                    | Municipal               | \$ 959,390   | 0.970%                              |
| 2.09 | Texas Department of Transportation    | Municipal               | \$ 880,000   | 0.889%                              |
| 2.10 | Washington, State of                  | Municipal               | \$ 816,720   | 0.825%                              |

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

|      | Bonds    | 1             | 2       | Preferred Stock | 1        | 2         |        |
|------|----------|---------------|---------|-----------------|----------|-----------|--------|
| 3.01 | NAIC - 1 | \$ 60,019,533 | 60.658% | 3.07            | P/RP - 1 | \$ -      | 0.000% |
| 3.02 | NAIC - 2 | \$ 16,390,123 | 16.565% | 3.08            | P/RP - 2 | \$ -      | 0.000% |
| 3.03 | NAIC - 3 | \$ 3,030,963  | 3.063%  | 3.09            | P/RP - 3 | \$ -      | 0.000% |
| 3.04 | NAIC - 4 | \$ 1,021,387  | 1.032%  | 3.10            | P/RP - 4 | \$ -      | 0.000% |
| 3.05 | NAIC - 5 | \$ 121,642    | 0.123%  | 3.11            | P/RP - 5 | \$ -      | 0.000% |
| 3.06 | NAIC - 6 | \$ -          | 0.000%  | 3.12            | P/RP - 6 | \$ 86,202 | 0.087% |

4. Assets held in foreign investments:

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

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

4.02 Total admitted assets held in foreign investments \$4,551,081 4.600%

*See Report of Independent Auditors on Other Supplementary Information.*

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

|      |   |    |   |        |
|------|---|----|---|--------|
| 4.03 | Foreign currency denominated investments                        | \$ | - | 0.000% |
| 4.04 | Insurance liabilities denominated in that same foreign currency | \$ | - | 0.000% |

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

|      |                                      | <u>1</u>     |  | <u>2</u> |
|------|--------------------------------------|--------------|--|----------|
| 5.01 | Countries designated NAIC-1          | \$ 4,551,081 |  | 4.600%   |
| 5.02 | Countries designated NAIC-2          | \$ -         |  | 0.000%   |
| 5.03 | Countries designated NAIC-3 or below | \$ -         |  | 0.000%   |

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

|      |                                      | <u>1</u>   |  | <u>2</u> |
|------|--------------------------------------|------------|--|----------|
|      | Countries designated NAIC-1          |            |  |          |
| 6.01 | Country 1: Sweden                    | \$ 994,513 |  | 1.005%   |
| 6.02 | Country 2: Ireland                   | \$ 773,786 |  | 0.782%   |
|      | Countries designated NAIC-2          |            |  |          |
| 6.03 | Country 1:                           | \$ -       |  | 0.000%   |
| 6.04 | Country 2:                           | \$ -       |  | 0.000%   |
|      | Countries designated NAIC-3 or below |            |  |          |
| 6.05 | Country 1:                           | \$ -       |  | 0.000%   |
| 6.06 | Country 2:                           | \$ -       |  | 0.000%   |

7. Aggregate unhedged foreign currency exposure:

|  |  | <u>1</u> |  | <u>2</u> |
|--|--|----------|--|----------|
|  |  | \$ -     |  | 0.000%   |

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

|      |                                      | <u>1</u> |  | <u>2</u> |
|------|--------------------------------------|----------|--|----------|
| 8.01 | Countries designated NAIC-1          | \$ -     |  | 0.000%   |
| 8.02 | Countries designated NAIC-2          | \$ -     |  | 0.000%   |
| 8.03 | Countries designated NAIC-3 or below | \$ -     |  | 0.000%   |



## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

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

|      |                                      | 1    | 2      |
|------|--------------------------------------|------|--------|
|      | Countries designated NAIC-1          |      |        |
| 9.01 | Country 1:                           | \$ - | 0.000% |
| 9.02 | Country 2:                           | \$ - | 0.000% |
|      | Countries designated NAIC-2          |      |        |
| 9.03 | Country 1:                           | \$ - | 0.000% |
| 9.04 | Country 2:                           | \$ - | 0.000% |
|      | Countries desingated NAIC-3 or below |      |        |
| 9.05 | Country 1:                           | \$ - | 0.000% |
| 9.06 | Country 2:                           | \$ - | 0.000% |

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

|       |  | 1                   | 2          | 3      | 4 |
|-------|--|---------------------|------------|--------|---|
|       | Issuer                                 | NAIC<br>Designation |            |        |   |
| 10.01 | Svenska Handelsbanken AB               | 1FE                 | \$ 694,661 | 0.702% |   |
| 10.02 | Siemens Financieringsmaatschappij N.V. | 1FE                 | \$ 531,284 | 0.537% |   |
| 10.03 | Eaton Corporation                      | 2FE                 | \$ 374,105 | 0.378% |   |
| 10.04 | Rio Tinto Finance (USA) Limited        | 1FE                 | \$ 316,143 | 0.320% |   |
| 10.05 | EnSCO PLC                              | 2FE                 | \$ 307,308 | 0.311% |   |
| 10.06 | Medtronic, Inc.                        | 1FE                 | \$ 300,271 | 0.303% |   |
| 10.07 | Skandinaviska Enskilda Banken AB       | 1FE                 | \$ 299,852 | 0.303% |   |
| 10.08 | HSBC USA Inc.                          | 1FE                 | \$ 296,251 | 0.299% |   |
| 10.09 | Teva Pharmaceutical Industries Limited | 2FE                 | \$ 294,571 | 0.298% |   |
| 10.10 | Transocean Inc.                        | 3FE                 | \$ 265,500 | 0.268% |   |

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

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

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

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

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets, therefore detail is not required for the remainder of Interrogatory 12.

Yes  No

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

13. Amounts and percentages of admitted assets held in the 10 largest equity interests:

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

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

|       | 1<br>Issuer                | 2            | 3      |
|-------|----------------------------|--------------|--------|
| 13.02 | Vanguard Index Funds       | \$ 7,225,766 | 7.303% |
| 13.03 | Vanguard Tax-Managed Funds | \$ 2,274,556 | 2.299% |
| 13.04 | JPMorgan Trust II          | \$ 2,013,422 | 2.035% |
| 13.05 | Dodge & Cox Income Fund    | \$ 1,988,834 | 2.010% |
| 13.06 | CBO HLDGS VII LTD          | \$ 86,202    | 0.087% |
| 13.07 |                            | \$ -         | 0.000% |
| 13.08 |                            | \$ -         | 0.000% |
| 13.09 |                            | \$ -         | 0.000% |
| 13.10 |                            | \$ -         | 0.000% |
| 13.11 |                            | \$ -         | 0.000% |

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

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

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

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

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

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

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

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

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

17. Not applicable.

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

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

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

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

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

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

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

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

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

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

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

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

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

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories (continued)

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

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

*See Report of Independent Auditors on Other Supplementary Information.*

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9

- 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)?
- 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(s) 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. An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are triggered only 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]

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9 (continued)

- 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:
- 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
  - 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? 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:
- The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
  - 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
  - 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:
- 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
  - Accounted for that contract as reinsurance under GAAP and as 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:
- The entity does not utilize reinsurance; or Yes [ ] No [X]
  - The entity engages in only a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
  - 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]



# ANNUAL STATEMENT

For the Year Ended December 31, 2016  
of the Condition and Affairs of the

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

|  |  |  |
|--|--|--|
| NAIC Group Code..... 0, 0<br>(Current Period) (Prior Period) | NAIC Company Code..... 31429   | Employer's ID Number..... 38-2838578   |
| Organized under the Laws of MI                               | State of Domicile or Port of Entry MI  | Country of Domicile US   |
| Incorporated/Organized..... May 24, 1988                     | Commenced Business..... October 1, 1988  |  |
| Statutory Home Office  | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>              |  |
| Main Administrative Office                                   | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US..... 49504<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>               | 616-202-2288<br><i>(Area Code) (Telephone Number)</i>  |
| Mail Address   | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i> |  |
| Primary Location of Books and Records                        | 333 Bridge St NW, Suite 810..... Grand Rapids ..... MI ..... US ..... 49504<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>              | 616-202-2782<br><i>(Area Code) (Telephone Number)</i>  |
| Internet Web Site Address                                    | www.mpie.org   |  |
| Statutory Statement Contact                                  | Cathryn Joy Peterson<br><i>(Name)</i><br>kpeterson@mpie.org<br><i>(E-Mail Address)</i>   | 616-202-2782<br><i>(Area Code) (Telephone Number) (Extension)</i><br>616-741-1999<br><i>(Fax Number)</i> |

### OFFICERS

| Name                     | Title         | Name                    | Title                   |
|--------------------------|---------------|-------------------------|-------------------------|
| 1. Michelle Marie Hoppes | President     | 2. Cathryn Joy Peterson | Chief Financial Officer |
| 3. John Clifton Throop # | Vice-Chairman | 4. Donald Harper Jones  | Chairman                |

### OTHER

|                        |                                    |                       |                       |
|------------------------|------------------------------------|-----------------------|-----------------------|
| Margaret Anne Curtin # | Vice President Risk & Business Dev | Jill Suzanne Mulder # | Vice President Claims |
|------------------------|------------------------------------|-----------------------|-----------------------|

### DIRECTORS OR TRUSTEES

|                     |                      |                          |                      |
|---------------------|----------------------|--------------------------|----------------------|
| Donald Harper Jones | John Martin Koetsier | Kimberly Kay McCoy       | Terrence John Endres |
| Ronald Joseph Knaus | Joseph John Junewick | John Clifton Throop      | Samuel Ernest Logan  |
| Paul Henry Karsten  | Shelleye Jene Yaklin | David Michael Krhovsky # |                      |

State of..... Michigan  
County of..... Kent

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.

|  |   |  |
|--|---|--|
| _____<br>(Signature)<br>Michelle Marie Hoppes<br>_____<br>1. (Printed Name)<br>President<br>_____<br>(Title) | _____<br>(Signature)<br>Cathryn Joy Peterson<br>_____<br>2. (Printed Name)<br>Chief Financial Officer<br>_____<br>(Title) | _____<br>(Signature)<br>John Clifton Throop<br>_____<br>3. (Printed Name)<br>Vice-Chairman<br>_____<br>(Title) |
|--|---|--|

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2017

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

## ASSETS

|   | Current Year |                            |  | Prior Year                  |
|---|--------------|----------------------------|--|-----------------------------|
|   | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....  | 79,447,779   | 0                          | 79,447,779                                   | 79,438,380                  |
| 2. Stocks (Schedule D):   |              |                            |  |                             |
| 2.1 Preferred stocks.....   | 0            | 0                          | 0  | 86,202                      |
| 2.2 Common stocks.....  | 13,866,301   | 0                          | 13,866,301                                   | 13,645,478                  |
| 3. Mortgage loans on real estate (Schedule B):  |              |                            |  |                             |
| 3.1 First liens.....  | 0            | 0                          | 0  | 0                           |
| 3.2 Other than first liens.....   | 0            | 0                          | 0  | 0                           |
| 4. Real estate (Schedule A):  |              |                            |  |                             |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....  | 0            | 0                          | 0  | 0                           |
| 5. Cash (\$.....1,516,684, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....762,049, Schedule DA)..... | 2,278,733    | 0                          | 2,278,733                                    | 2,420,367                   |
| 6. Contract loans (including \$.....0 premium notes).....   | 0            | 0                          | 0  | 0                           |
| 7. Derivatives (Schedule DB).....   | 0            | 0                          | 0  | 0                           |
| 8. Other invested assets (Schedule BA).....   | 0            | 0                          | 0  | 0                           |
| 9. Receivables for securities.....  | 0            | 0                          | 0  | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  | 0            | 0                          | 0  | 0                           |
| 11. Aggregate write-ins for invested assets.....  | 0            | 0                          | 0  | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....  | 95,592,813   | 0                          | 95,592,813                                   | 95,590,428                  |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....   | 0            | 0                          | 0  | 0                           |
| 14. Investment income due and accrued.....  | 597,130      | 0                          | 597,130                                      | 624,735                     |
| 15. Premiums and considerations:  |              |                            |  |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 1,057,822    | 33,827                     | 1,023,995                                    | 864,963                     |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....        | 1,814,977    | 0                          | 1,814,977                                    | 1,384,898                   |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....   | 0            | 0                          | 0  | 0                           |
| 16. Reinsurance:  |              |                            |  |                             |
| 16.1 Amounts recoverable from reinsurers.....   | 0            | 0                          | 0  | 0                           |
| 16.2 Funds held by or deposited with reinsured companies.....   | 0            | 0                          | 0  | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts.....  | 0            | 0                          | 0  | 0                           |
| 17. Amounts receivable relating to uninsured plans.....   | 0            | 0                          | 0  | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | 2,274        | 0                          | 2,274  | 187,773                     |
| 18.2 Net deferred tax asset.....  | 0            | 0                          | 0  | 293,828                     |
| 19. Guaranty funds receivable or on deposit.....  | 0            | 0                          | 0  | 0                           |
| 20. Electronic data processing equipment and software.....  | 0            | 0                          | 0  | 0                           |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....  | 0            | 0                          | 0  | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | 0            | 0                          | 0  | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates.....   | 0            | 0                          | 0  | 0                           |
| 24. Health care (\$.....0) and other amounts receivable.....  | 0            | 0                          | 0  | 0                           |
| 25. Aggregate write-ins for other-than-invested assets.....   | 1,578,914    | 1,537,000                  | 41,914                                       | 0                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....   | 100,643,930  | 1,570,827                  | 99,073,104                                   | 98,946,625                  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | 0            | 0                          | 0  | 0                           |
| 28. TOTAL (Lines 26 and 27).....  | 100,643,930  | 1,570,827                  | 99,073,104                                   | 98,946,625                  |

### DETAILS OF WRITE-INS

|  |           |           |        |   |
|--|-----------|-----------|--------|---|
| 1101.....  | 0         | 0         | 0      | 0 |
| 1102.....  | 0         | 0         | 0      | 0 |
| 1103.....  | 0         | 0         | 0      | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0         | 0         | 0      | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0         | 0         | 0      | 0 |
| 2501. Cash advance to AIF receivable.....                                | 1,537,000 | 1,537,000 | 0      | 0 |
| 2502. Deductible recoverable.....  | 41,914    | 0         | 41,914 | 0 |
| 2503.....  | 0         | 0         | 0      | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0         | 0         | 0      | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 1,578,914 | 1,537,000 | 41,914 | 0 |



## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....   | 22,324,086        | 21,035,410      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....  | 0                 | 0               |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....   | 17,415,882        | 16,617,921      |
| 4. Commissions payable, contingent commissions and other similar charges.....   | 7,718             | 0               |
| 5. Other expenses (excluding taxes, licenses and fees).....   | 479,220           | 722,923         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....   | 46,329            | (14,235)        |
| 7.1 Current federal and foreign income taxes (including \$..... on realized capital gains (losses)).....  | 0                 | 0               |
| 7.2 Net deferred tax liability.....   | 3,063             | 0               |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....   | 0                 | 0               |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....236,732 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)..... | 4,944,598         | 3,823,233       |
| 10. Advance premium.....  | 1,025,100         | 1,002,231       |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders.....  | 0                 | 0               |
| 11.2 Policyholders.....   | 0                 | 0               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....   | 36,982            | (98,743)        |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....   | 0                 | 0               |
| 14. Amounts withheld or retained by company for account of others.....  | 0                 | 0               |
| 15. Remittances and items not allocated.....  | 0                 | 0               |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....  | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....  | 0                 | 0               |
| 18. Drafts outstanding.....   | 0                 | 0               |
| 19. Payable to parent, subsidiaries and affiliates.....   | 0                 | 0               |
| 20. Derivatives.....  | 0                 | 0               |
| 21. Payable for securities.....   | 0                 | 0               |
| 22. Payable for securities lending.....   | 0                 | 0               |
| 23. Liability for amounts held under uninsured plans.....   | 0                 | 0               |
| 24. Capital notes \$.....0 and interest thereon \$.....0.....   | 0                 | 0               |
| 25. Aggregate write-ins for liabilities.....  | 2,129,012         | 5,362,624       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....  | 48,411,990        | 48,451,364      |
| 27. Protected cell liabilities.....   | 0                 | 0               |
| 28. Total liabilities (Lines 26 and 27).....  | 48,411,990        | 48,451,364      |
| 29. Aggregate write-ins for special surplus funds.....  | 0                 | 0               |
| 30. Common capital stock.....   | 0                 | 0               |
| 31. Preferred capital stock.....  | 0                 | 0               |
| 32. Aggregate write-ins for other-than-special surplus funds.....   | 0                 | 0               |
| 33. Surplus notes.....  | 0                 | 1,000,000       |
| 34. Gross paid in and contributed surplus.....  | 0                 | 0               |
| 35. Unassigned funds (surplus).....   | 50,661,115        | 49,495,261      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....   | 0                 | 0               |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....  | 0                 | 0               |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....   | 50,661,115        | 50,495,261      |
| 38. TOTAL (Page 2, Line 28, Col. 3).....  | 99,073,105        | 98,946,625      |

### DETAILS OF WRITE-INS

|  |           |           |
|--|-----------|-----------|
| 2501. Subscriber savings accounts payable to terminated policyholders..... | 1,660,000 | 3,320,000 |
| 2502. Self Insurance funds held.....                                       | 469,012   | 2,042,624 |
| 2503. ....   | 0         | 0         |
| 2598. Summary of remaining write-ins for Line 25 from overflow page.....   | 0         | 0         |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....      | 2,129,012 | 5,362,624 |
| 2901. ....   | 0         | 0         |
| 2902. ....   | 0         | 0         |
| 2903. ....   | 0         | 0         |
| 2998. Summary of remaining write-ins for Line 29 from overflow page.....   | 0         | 0         |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....      | 0         | 0         |
| 3201. ....   | 0         | 0         |
| 3202. ....   | 0         | 0         |
| 3203. ....   | 0         | 0         |
| 3298. Summary of remaining write-ins for Line 32 from overflow page.....   | 0         | 0         |
| 3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....      | 0         | 0         |

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE STATEMENT OF INCOME

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 13,531,041        | 11,735,145      |
| DEDUCTIONS:  |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 5,199,971         | 4,079,524       |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 4,936,372         | 4,510,086       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 1,709,635         | 1,611,140       |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 11,845,978        | 10,200,750      |
| 7. Net income of protected cells.....  | 0                 | 0               |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....   | 1,685,063         | 1,534,395       |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 2,266,628         | 2,297,298       |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....113,482 (Exhibit of Capital Gains (Losses)).....                                    | 220,289           | 722,471         |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 2,486,917         | 3,019,769       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....934 amount charged off \$.....19,836).....                         | (18,902)          | 4,113           |
| 13. Finance and service charges not included in premiums.....  | 0                 | 0               |
| 14. Aggregate write-ins for miscellaneous income.....  | 131,038           | 77,722          |
| 15. Total other income (Lines 12 through 14).....  | 112,136           | 81,835          |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 4,284,116         | 4,636,000       |
| 17. Dividends to policyholders.....  | 0                 | 0               |
| 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)..... | 4,284,116         | 4,636,000       |
| 19. Federal and foreign income taxes incurred.....   | 407,566           | 157,513         |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....   | 3,876,550         | 4,478,487       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 50,495,261        | 54,773,089      |
| 22. Net income (from Line 20).....   | 3,876,550         | 4,478,487       |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                 | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....287,925.....   | 791,212           | (675,514)       |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                 | 0               |
| 26. Change in net deferred income tax.....   | (8,965)           | (327,866)       |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....   | 82,594            | (1,157,061)     |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | 0                 | 0               |
| 29. Change in surplus notes.....   | (1,000,000)       | (1,000,000)     |
| 30. Surplus (contributed to) withdrawn from Protected Cells.....   | 0                 | 0               |
| 31. Cumulative effect of changes in accounting principles.....   | 0                 | 0               |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  | 0                 | 0               |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 32.3 Transferred to surplus.....   | 0                 | 0               |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  | 0                 | 0               |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                 | 0               |
| 33.3. Transferred from capital.....  | 0                 | 0               |
| 34. Net remittances from or (to) Home Office.....  | 0                 | 0               |
| 35. Dividends to stockholders.....   | 0                 | 0               |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus.....   | (3,575,538)       | (5,595,873)     |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | 165,853           | (4,277,827)     |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 50,661,115        | 50,495,261      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   | 0                 | 0               |
| 0502. ....   | 0                 | 0               |
| 0503. ....   | 0                 | 0               |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....  | 0                 | 0               |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....   | 0                 | 0               |
| 1401. Self Insurance Admin Income.....   | 2,774,394         | 2,493,444       |
| 1402. Self Insurance Admin Expense.....  | (2,643,356)       | (2,415,722)     |
| 1403. ....   | 0                 | 0               |
| 1498. Summary of remaining write-ins for Line 14 from overflow page.....   | 0                 | 0               |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....  | 131,038           | 77,722          |
| 3701. Subscriber savings accounts due to terminated policyholders.....   | (1,660,000)       | (3,320,000)     |
| 3702. Distribution of Subscriber's Savings Accounts.....   | (1,757,443)       | (2,281,480)     |
| 3703. Adjustments to prior year balances.....  | (158,095)         | 5,607           |
| 3798. Summary of remaining write-ins for Line 37 from overflow page.....   | 0                 | 0               |
| 3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....  | (3,575,538)       | (5,595,873)     |

## CASH FLOW

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 14,036,388        | 11,922,992      |
| 2. Net investment income.....  | 2,744,176         | 2,528,112       |
| 3. Miscellaneous income.....   | 111,202           | 81,835          |
| 4. Total (Lines 1 through 3).....  | 16,891,766        | 14,532,939      |
| 5. Benefit and loss related payments.....  | 3,909,099         | 4,430,782       |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    | 0                 | 0               |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 6,031,170         | 5,479,251       |
| 8. Dividends paid to policyholders.....  | 0                 | 0               |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....113,482 tax on capital gains (losses).....  | 335,550           | 727,132         |
| 10. Total (Lines 5 through 9).....   | 10,275,819        | 10,637,165      |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 6,615,947         | 3,895,775       |
| <b>CASH FROM INVESTMENTS</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 20,985,902        | 21,577,262      |
| 12.2 Stocks.....   | 900,000           | 1,014,002       |
| 12.3 Mortgage loans.....   | 0                 | 0               |
| 12.4 Real estate.....  | 0                 | 0               |
| 12.5 Other invested assets.....  | 0                 | 0               |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           | 0                 | 19,137          |
| 12.7 Miscellaneous proceeds.....   | 0                 | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 21,885,902        | 22,610,402      |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 20,740,830        | 21,843,725      |
| 13.2 Stocks.....   | 326,126           | 1,711,047       |
| 13.3 Mortgage loans.....   | 0                 | 0               |
| 13.4 Real estate.....  | 0                 | 0               |
| 13.5 Other invested assets.....  | 0                 | 0               |
| 13.6 Miscellaneous applications.....   | 0                 | 0               |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 21,066,955        | 23,554,772      |
| 14. Net increase (decrease) in contract loans and premium notes.....   | 0                 | 0               |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | 818,947           | (944,370)       |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>   |                   |                 |
| 16. Cash provided (applied):   |                   |                 |
| 16.1 Surplus notes, capital notes.....   | (1,000,000)       | (1,000,000)     |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                 | 0               |
| 16.3 Borrowed funds.....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               | 0                 | 0               |
| 16.5 Dividends to stockholders.....  | 0                 | 0               |
| 16.6 Other cash provided (applied).....  | (6,576,528)       | (10,656,569)    |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (7,576,528)       | (11,656,569)    |
| <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 Lines 15 and 17).....       | (141,634)         | (8,705,164)     |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 2,420,367         | 11,125,531      |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 2,278,733         | 2,420,367       |
| Note: Supplemental disclosures of cash flow information for non-cash transactions:                             |                   |                 |
| 20.0001 .....  | 0                 | 0               |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

|  | 1   | 2  | 3   | 4  |
|--|---|--|---|--|
| Line of Business   | Net<br>Premiums<br>Written per<br>Column 6, Part 1B | Unearned Premiums<br>December 31<br>Prior Year-<br>per Col. 3,<br>Last Year's Part 1 | Unearned Premiums<br>December 31<br>Current Year-<br>per Col. 5,<br>Part 1A | Premiums<br>Earned<br>During Year<br>(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.....          | 7,393,110   | 717,595  | 820,121   | 7,290,584  |
| 11.2 Medical professional liability - claims-made.....         | 7,107,640   | 3,089,185  | 4,086,255   | 6,110,570  |
| 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.....                         | 67,626  | 11,978   | 12,341  | 67,263   |
| 17.2 Other liability - claims-made.....                        | 84,030  | 4,475  | 25,881  | 62,624   |
| 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.....        | .0  | .0   | .0  | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | .0  | .0   | .0  | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | .0  | .0   | .0  | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0  | .0   | .0  | .0   |
| 35. TOTALS.....  | 14,652,406  | 3,823,233  | 4,944,598   | 13,531,041   |

### 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 |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | .0 | .0 | .0 | .0 |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

|  | 1   | 2   | 3                              | 4  | 5  |
|--|---|---|--------------------------------|--|--|
| Line of Business   | Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | Earned But<br>Unbilled Premium | Reserve for<br>Rate Credits<br>and Retrospective<br>Adjustments Based<br>on Experience | Total Reserve<br>for Unearned<br>Premiums<br>Cols. 1 + 2 + 3 + 4 |
| 1. Fire.....   | .0  | .0  | .0                             | .0   | .0   |
| 2. Allied lines.....   | .0  | .0  | .0                             | .0   | .0   |
| 3. Farmowners multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 4. Homeowners multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 5. Commercial multiple peril.....                              | .0  | .0  | .0                             | .0   | .0   |
| 6. Mortgage guaranty.....                                      | .0  | .0  | .0                             | .0   | .0   |
| 8. Ocean marine.....   | .0  | .0  | .0                             | .0   | .0   |
| 9. Inland marine.....  | .0  | .0  | .0                             | .0   | .0   |
| 10. Financial guaranty.....                                    | .0  | .0  | .0                             | .0   | .0   |
| 11.1 Medical professional liability - occurrence.....          | 820,121   | .0  | .0                             | .0   | 820,121  |
| 11.2 Medical professional liability - claims-made.....         | 2,313,255   | 1,773,000   | .0                             | .0   | 4,086,255  |
| 12. Earthquake.....  | .0  | .0  | .0                             | .0   | .0   |
| 13. Group accident and health.....                             | .0  | .0  | .0                             | .0   | .0   |
| 14. Credit accident and health (group and individual).....     | .0  | .0  | .0                             | .0   | .0   |
| 15. Other accident and health.....                             | .0  | .0  | .0                             | .0   | .0   |
| 16. Workers' compensation.....                                 | .0  | .0  | .0                             | .0   | .0   |
| 17.1 Other liability - occurrence.....                         | 12,341  | .0  | .0                             | .0   | 12,341   |
| 17.2 Other liability - claims-made.....                        | 25,881  | .0  | .0                             | .0   | 25,881   |
| 17.3 Excess workers' compensation.....                         | .0  | .0  | .0                             | .0   | .0   |
| 18.1 Products liability - occurrence.....                      | .0  | .0  | .0                             | .0   | .0   |
| 18.2 Products liability - claims-made.....                     | .0  | .0  | .0                             | .0   | .0   |
| 19.1, 19.2 Private passenger auto liability.....               | .0  | .0  | .0                             | .0   | .0   |
| 19.3, 19.4 Commercial auto liability.....                      | .0  | .0  | .0                             | .0   | .0   |
| 21. Auto physical damage.....                                  | .0  | .0  | .0                             | .0   | .0   |
| 22. Aircraft (all perils).....                                 | .0  | .0  | .0                             | .0   | .0   |
| 23. Fidelity.....  | .0  | .0  | .0                             | .0   | .0   |
| 24. Surety.....  | .0  | .0  | .0                             | .0   | .0   |
| 26. Burglary and theft.....                                    | .0  | .0  | .0                             | .0   | .0   |
| 27. Boiler and machinery.....                                  | .0  | .0  | .0                             | .0   | .0   |
| 28. Credit.....  | .0  | .0  | .0                             | .0   | .0   |
| 29. International.....   | .0  | .0  | .0                             | .0   | .0   |
| 30. Warranty.....  | .0  | .0  | .0                             | .0   | .0   |
| 31. Reinsurance - nonproportional assumed property.....        | .0  | .0  | .0                             | .0   | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | .0  | .0  | .0                             | .0   | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | .0  | .0  | .0                             | .0   | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0  | .0  | .0                             | .0   | .0   |
| 35. TOTALS.....  | 3,171,598   | 1,773,000   | .0                             | .0   | 4,944,598  |
| 36. Accrued retrospective premiums based on experience.....    |   |   |                                |  | .0   |
| 37. Earned but unbilled premiums.....                          |   |   |                                |  | .0   |
| 38. Balance (sum of Lines 35 through 37).....                  |   |   |                                |  | 4,944,598  |

### DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: Col. 1 Daily Prorata; Col. 2 Actuarial Calculation

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| Line of Business   | 1                         | Reinsurance Assumed     |                             | Reinsurance Ceded     |                           | 6<br>Net Premiums<br>Written<br>(Cols. 1 + 2 + 3<br>- 4 - 5) |
|--|---------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|--|
|  | Direct<br>Business<br>(a) | 2<br>From<br>Affiliates | 3<br>From<br>Non-Affiliates | 4<br>To<br>Affiliates | 5<br>To<br>Non-Affiliates |  |
| 1. Fire.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 2. Allied lines.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 3. Farmowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 4. Homeowners multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 5. Commercial multiple peril.....                              | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 6. Mortgage guaranty.....                                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 8. Ocean marine.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 9. Inland marine.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 10. Financial guaranty.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 11.1 Medical professional liability - occurrence.....          | 8,450,263                 | .0                      | .0                          | .0                    | 1,057,153                 | 7,393,110  |
| 11.2 Medical professional liability - claims-made.....         | 8,065,109                 | .0                      | .0                          | .0                    | 957,469                   | 7,107,640  |
| 12. Earthquake.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 13. Group accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 14. Credit accident and health (group and individual).....     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 15. Other accident and health.....                             | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 16. Workers' compensation.....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 17.1 Other liability - occurrence.....                         | 67,626                    | .0                      | .0                          | .0                    | .0                        | 67,626   |
| 17.2 Other liability - claims-made.....                        | 84,030                    | .0                      | .0                          | .0                    | .0                        | 84,030   |
| 17.3 Excess workers' compensation.....                         | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.1 Products liability - occurrence.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 18.2 Products liability - claims-made.....                     | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.1, 19.2 Private passenger auto liability.....               | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 19.3, 19.4 Commercial auto liability.....                      | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 21. Auto physical damage.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 22. Aircraft (all perils).....                                 | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 23. Fidelity.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 24. Surety.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 26. Burglary and theft.....                                    | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 27. Boiler and machinery.....                                  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 28. Credit.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 29. International.....   | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 30. Warranty.....  | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 31. Reinsurance - nonproportional assumed property.....        | .XXX                      | .0                      | .0                          | .0                    | .0                        | .0   |
| 32. Reinsurance - nonproportional assumed liability.....       | .XXX                      | .0                      | .0                          | .0                    | .0                        | .0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | .XXX                      | .0                      | .0                          | .0                    | .0                        | .0   |
| 34. Aggregate write-ins for other lines of business.....       | .0                        | .0                      | .0                          | .0                    | .0                        | .0   |
| 35. TOTALS.....  | 16,667,028                | .0                      | .0                          | .0                    | 2,014,622                 | 14,652,406   |

### DETAILS OF WRITE-INS

|   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| 3401. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3402. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3403. ....  | .0 | .0 | .0 | .0 | .0 | .0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page.... | .0 | .0 | .0 | .0 | .0 | .0 |
| 3499. Totals (Lines 3401 through 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<br>Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | 6<br>Net Losses<br>Unpaid<br>Prior Year | 7<br>Losses<br>Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--|--------------------------|-----------------------------|-------------------------------|--|--|---|--|---|
|  | 1<br>Direct<br>Business  | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |  |   |  |   |
| 1. Fire.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 2. Allied lines.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 3. Farmowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 4. Homeowners multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 5. Commercial multiple peril.....                              | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 6. Mortgage guaranty.....                                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 8. Ocean marine.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 9. Inland marine.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 10. Financial guaranty.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 11.1 Medical professional liability - occurrence.....          | 2,670,942                | 0                           | 0                             | 2,670,942                              | 15,230,344   | 15,520,336                              | 2,380,950  | 32.7  |
| 11.2 Medical professional liability - claims-made.....         | 1,178,015                | 0                           | 0                             | 1,178,015                              | 6,964,908  | 5,448,146                               | 2,694,777  | 44.1  |
| 12. Earthquake.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 13. Group accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 14. Credit accident and health (group and individual).....     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 15. Other accident and health.....                             | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 16. Workers' compensation.....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 17.1 Other liability - occurrence.....                         | 58,004                   | 0                           | 0                             | 58,004                                 | 81,133   | 46,747                                  | 92,390   | 137.4   |
| 17.2 Other liability - claims-made.....                        | 4,334                    | 0                           | 0                             | 4,334                                  | 47,701   | 20,181                                  | 31,854   | 50.9  |
| 17.3 Excess workers' compensation.....                         | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.1 Products liability - occurrence.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 18.2 Products liability - claims-made.....                     | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.1, 19.2 Private passenger auto liability.....               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 19.3, 19.4 Commercial auto liability.....                      | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 21. Auto physical damage.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 22. Aircraft (all perils).....                                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 23. Fidelity.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 24. Surety.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 26. Burglary and theft.....                                    | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 27. Boiler and machinery.....                                  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 28. Credit.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 29. International.....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 30. Warranty.....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 34. Aggregate write-ins for other lines of business.....       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0  | 0.0   |
| 35. TOTALS.....  | 3,911,295                | 0                           | 0                             | 3,911,295                              | 22,324,086   | 21,035,410                              | 5,199,971  | 38.4  |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |     |
|--|---|---|---|---|---|---|---|-----|
| 3401. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3402. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3403. ....   | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 0 | 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<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|-------------------------------------|---|---------------------------|--------------------------|------------------------|---|--|
|  | 1<br>Direct     | 2<br>Reinsurance Assumed | 3<br>Deduct Reinsurance Recoverable | 4<br>Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance Assumed | 7<br>Reinsurance Ceded |   |  |
| 1. Fire.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 2. Allied lines.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3. Farmowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 4. Homeowners multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 5. Commercial multiple peril.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 6. Mortgage guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 8. Ocean marine.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 9. Inland marine.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 10. Financial guaranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 11.1 Medical professional liability - occurrence.....                    | 5,433,232       | 0                        | 0                                   | 5,433,232   | 12,686,745                | 0                        | 2,889,633              | 15,230,344                                      | 12,546,182                               |
| 11.2 Medical professional liability - claims-made.....                   | 4,443,535       | 0                        | 0                                   | 4,443,535   | 3,717,585                 | 0                        | 1,196,212              | 6,964,908                                       | 4,768,043                                |
| 12. Earthquake.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 13. Group accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a).....0                                       | 0  |
| 14. Credit accident and health (group and individual).....               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 15. Other accident and health.....                                       | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | (a).....0                                       | 0  |
| 16. Workers' compensation.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 17.1 Other liability - occurrence.....                                   | 10              | 0                        | 0                                   | 10  | 81,123                    | 0                        | 0                      | 81,133  | 64,026                                   |
| 17.2 Other liability - claims-made.....                                  | 21              | 0                        | 0                                   | 21  | 47,680                    | 0                        | 0                      | 47,701  | 37,631                                   |
| 17.3 Excess workers' compensation.....                                   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.1 Products liability - occurrence.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 18.2 Products liability - claims-made.....                               | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability.....                         | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 19.3, 19.4 Commercial auto liability.....                                | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 21. Auto physical damage.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 22. Aircraft (all perils).....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 23. Fidelity.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 24. Surety.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 26. Burglary and theft.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 27. Boiler and machinery.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 28. Credit.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 29. International.....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 30. Warranty.....  | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property.....                  | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability.....                 | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines.....           | XXX             | 0                        | 0                                   | 0   | XXX                       | 0                        | 0                      | 0   | 0  |
| 34. Aggregate write-ins for other lines of business.....                 | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 35. TOTALS.....  | 9,876,798       | 0                        | 0                                   | 9,876,798   | 16,533,133                | 0                        | 4,085,845              | 22,324,086                                      | 17,415,882                               |
| <b>DETAILS OF WRITE-INS</b>  |                 |                          |                                     |   |                           |                          |                        |   |  |
| 3401. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3402. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3403. ....   | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 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 through 3403 plus 3498) (Line 34 above).....    | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |

10

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



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other<br>Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total    |
|---|----------------------------------|--|-----------------------------|---------------|
| 1. Claim adjustment services:   |                                  |  |                             |               |
| 1.1 Direct.....   | 3,708,062                        | 0                                      | 0                           | 3,708,062     |
| 1.2 Reinsurance assumed.....  | 0                                | 0                                      | 0                           | 0             |
| 1.3 Reinsurance ceded.....  | (213,561)                        | 0                                      | 0                           | (213,561)     |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....  | 3,921,623                        | 0                                      | 0                           | 3,921,623     |
| 2. Commission and brokerage:  |                                  |  |                             |               |
| 2.1 Direct, excluding contingent.....   | 0                                | 20,000                                 | 0                           | 20,000        |
| 2.2 Reinsurance assumed, excluding contingent.....  | 0                                | 0                                      | 0                           | 0             |
| 2.3 Reinsurance ceded, excluding contingent.....  | 0                                | 163,860                                | 0                           | 163,860       |
| 2.4 Contingent - direct.....  | 0                                | 0                                      | 0                           | 0             |
| 2.5 Contingent - reinsurance assumed.....   | 0                                | 0                                      | 0                           | 0             |
| 2.6 Contingent - reinsurance ceded.....   | 0                                | 0                                      | 0                           | 0             |
| 2.7 Policy and membership fees.....   | 0                                | 0                                      | 0                           | 0             |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....                 | 0                                | (143,860)                              | 0                           | (143,860)     |
| 3. Allowances to manager and agents.....  | 0                                | 0                                      | 0                           | 0             |
| 4. Advertising.....   | 0                                | 0                                      | 0                           | 0             |
| 5. Boards, bureaus and associations.....  | 0                                | 0                                      | 0                           | 0             |
| 6. Surveys and underwriting reports.....  | 0                                | 0                                      | 0                           | 0             |
| 7. Audit of assureds' records.....  | 0                                | 0                                      | 0                           | 0             |
| 8. Salary and related items:  |                                  |  |                             |               |
| 8.1 Salaries.....   | 0                                | 0                                      | 0                           | 0             |
| 8.2 Payroll taxes.....  | 0                                | 0                                      | 0                           | 0             |
| 9. Employee relations and welfare.....  | 155,325                          | 186,110                                | 8,396                       | 349,831       |
| 10. Insurance.....  | 20,539                           | 24,610                                 | 1,110                       | 46,259        |
| 11. Directors' fees.....  | 1,652                            | 1,979                                  | 89                          | 3,720         |
| 12. Travel and travel items.....  | 0                                | 125,468                                | 0                           | 125,468       |
| 13. Rent and rent items.....  | 38,981                           | 46,707                                 | 2,107                       | 87,795        |
| 14. Equipment.....  | 10,801                           | 12,942                                 | 584                         | 24,327        |
| 15. Cost or depreciation of EDP equipment and software.....                                     | 242,848                          | 290,982                                | 13,126                      | 546,956       |
| 16. Printing and stationery.....  | 28,439                           | 34,076                                 | 1,538                       | 64,053        |
| 17. Postage, telephone and telegraph, exchange and express.....                                 | 341                              | 4,172                                  | 188                         | 4,701         |
| 18. Legal and auditing.....   | 174,779                          | 328,973                                | 222,267                     | 726,019       |
| 19. Totals (Lines 3 to 18).....   | 673,705                          | 1,056,019                              | 249,405                     | 1,979,129     |
| 20. Taxes, licenses and fees:   |                                  |  |                             |               |
| 20.1 State and local insurance taxes deducting guaranty association credits<br>of \$.....0..... | 0                                | 211,616                                | 0                           | 211,616       |
| 20.2 Insurance department licenses and fees.....  | 0                                | 11,039                                 | 0                           | 11,039        |
| 20.3 Gross guaranty association assessments.....  | 0                                | 0                                      | 0                           | 0             |
| 20.4 All other (excluding federal and foreign income and real estate).....                      | 0                                | 0                                      | 0                           | 0             |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                            | 0                                | 222,655                                | 0                           | 222,655       |
| 21. Real estate expenses.....   | 0                                | 0                                      | 0                           | 0             |
| 22. Real estate taxes.....  | 0                                | 0                                      | 0                           | 0             |
| 23. Reimbursements by uninsured plans.....  | 0                                | 0                                      | 0                           | 0             |
| 24. Aggregate write-ins for miscellaneous expenses.....   | 341,044                          | 574,821                                | 25,932                      | 941,797       |
| 25. Total expenses incurred.....  | 4,936,372                        | 1,709,635                              | 275,337                     | (a) 6,921,344 |
| 26. Less unpaid expenses - current year.....  | 17,415,882                       | 999,551                                | 0                           | 18,415,433    |
| 27. Add unpaid expenses - prior year.....   | 16,617,921                       | 722,923                                | 0                           | 17,340,844    |
| 28. Amounts receivable relating to uninsured plans, prior year.....                             | 0                                | 0                                      | 0                           | 0             |
| 29. Amounts receivable relating to uninsured plans, current year.....                           | 0                                | 0                                      | 0                           | 0             |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                     | 4,138,411                        | 1,433,007                              | 275,337                     | 5,846,755     |

### DETAILS OF WRITE-INS

|  |           |         |        |           |
|--|-----------|---------|--------|-----------|
| 2401. Purchased Services.....  | 479,737   | 574,821 | 25,932 | 1,080,490 |
| 2402. Change in IBNR for ULAE.....                                       | (138,693) | 0       | 0      | (138,693) |
| 2403. ....   | 0         | 0       | 0      | 0         |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | 0         | 0       | 0      | 0         |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....    | 341,044   | 574,821 | 25,932 | 941,797   |

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

**EXHIBIT OF NET INVESTMENT INCOME**

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds.....  | (a).....252,865               | .....257,995               |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....0                     | .....0                     |
| 1.2 Other bonds (unaffiliated).....  | (a).....2,080,607             | .....2,054,680             |
| 1.3 Bonds of affiliates.....   | (a).....0                     | .....0                     |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....0                     | .....0                     |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....0                     | .....0                     |
| 2.2 Common stocks (unaffiliated).....  | .....327,656                  | .....327,656               |
| 2.21 Common stocks of affiliates.....  | .....0                        | .....0                     |
| 3. Mortgage loans.....   | (c).....0                     | .....0                     |
| 4. Real estate.....  | (d).....0                     | .....0                     |
| 5. Contract loans.....   | .....0                        | .....0                     |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....4,986                 | .....5,069                 |
| 7. Derivative instruments.....   | (f).....0                     | .....0                     |
| 8. Other invested assets.....  | .....0                        | .....0                     |
| 9. Aggregate write-ins for investment income.....                            | .....0                        | .....0                     |
| 10. Total gross investment income.....                                       | .....2,666,115                | .....2,645,400             |
| 11. Investment expenses.....   |                               | (g).....275,337            |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... |                               | (g).....0                  |
| 13. Interest expense.....  |                               | (h).....103,436            |
| 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).....                              |                               | .....378,773               |
| 17. Net investment income (Line 10 minus Line 16).....                       |                               | .....2,266,628             |

**DETAILS OF WRITE-INS**

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

- (a) Includes \$.....95,370 accrual of discount less \$.....545,313 amortization of premium and less \$.....49,956 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 \$.....0 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 \$.....94,605 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<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. government bonds.....                             | .....63,724   | .....0                                | .....63,724   | .....656  | .....0  |
| 1.1 Bonds exempt from U.S. tax.....                       | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 1.2 Other bonds (unaffiliated).....                       | .....350,278  | .....0                                | .....350,278  | .....289,756  | .....0  |
| 1.3 Bonds of affiliates.....                              | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 2.1 Preferred stocks (unaffiliated).....                  | .....0  | .....0                                | .....0  | .....(86,202)                                       | .....0  |
| 2.11 Preferred stocks of affiliates.....                  | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 2.2 Common stocks (unaffiliated).....                     | .....(80,229)   | .....0                                | .....(80,229)   | .....874,927  | .....0  |
| 2.21 Common stocks of affiliates.....                     | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 3. Mortgage loans.....                                    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 4. Real estate.....                                       | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 5. Contract loans.....                                    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 6. Cash, cash equivalents and short-term investments..... | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 7. Derivative instruments.....                            | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 8. Other invested assets.....                             | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 9. Aggregate write-ins for capital gains (losses).....    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 10. Total capital gains (losses).....                     | .....333,773  | .....0                                | .....333,773  | .....1,079,137                                      | .....0  |

**DETAILS OF WRITE-INS**

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

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

### EXHIBIT OF NONADMITTED ASSETS

|   | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D).....  | 0  | 0  | 0   |
| 2. Stocks (Schedule D):   |  |  |   |
| 2.1 Preferred stocks.....   | 0  | 0  | 0   |
| 2.2 Common stocks.....  | 0  | 0  | 0   |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |   |
| 3.1 First liens.....  | 0  | 0  | 0   |
| 3.2 Other than first liens.....   | 0  | 0  | 0   |
| 4. Real estate (Schedule A):  |  |  |   |
| 4.1 Properties occupied by the company.....   | 0  | 0  | 0   |
| 4.2 Properties held for the production of income.....   | 0  | 0  | 0   |
| 4.3 Properties held for sale.....   | 0  | 0  | 0   |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          | 0  | 0  | 0   |
| 6. Contract loans.....  | 0  | 0  | 0   |
| 7. Derivatives (Schedule DB).....   | 0  | 0  | 0   |
| 8. Other invested assets (Schedule BA).....   | 0  | 0  | 0   |
| 9. Receivables for securities.....  | 0  | 0  | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  | 0  | 0  | 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  | 0  | 0   |
| 14. Investment income due and accrued.....  | 0  | 0  | 0   |
| 15. Premiums and considerations:  |  |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 33,827   | 6,421  | (27,406)  |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       | 0  | 0  | 0   |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination.....   | 0  | 0  | 0   |
| 16. Reinsurance:  |  |  |   |
| 16.1 Amounts recoverable from reinsurers.....   | 0  | 0  | 0   |
| 16.2 Funds held by or deposited with reinsured companies.....   | 0  | 0  | 0   |
| 16.3 Other amounts receivable under reinsurance contracts.....  | 0  | 0  | 0   |
| 17. Amounts receivable relating to uninsured plans.....   | 0  | 0  | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | 0  | 0  | 0   |
| 18.2 Net deferred tax asset.....  | 0  | 0  | 0   |
| 19. Guaranty funds receivable or on deposit.....  | 0  | 0  | 0   |
| 20. Electronic data processing equipment and software.....  | 0  | 0  | 0   |
| 21. Furniture and equipment, including health care delivery assets.....   | 0  | 0  | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | 0  | 0  | 0   |
| 23. Receivables from parent, subsidiaries and affiliates.....   | 0  | 0  | 0   |
| 24. Health care and other amounts receivable.....   | 0  | 0  | 0   |
| 25. Aggregate write-ins for other-than-invested assets.....   | 1,537,000  | 1,647,000                                      | 110,000   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | 1,570,827  | 1,653,421                                      | 82,594  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | 0  | 0  | 0   |
| 28. TOTALS (Lines 26 and 27).....   | 1,570,827  | 1,653,421                                      | 82,594  |

#### DETAILS OF WRITE-INS

|  |           |           |         |
|--|-----------|-----------|---------|
| 1101.....  | 0         | 0         | 0       |
| 1102.....  | 0         | 0         | 0       |
| 1103.....  | 0         | 0         | 0       |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0         | 0         | 0       |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0         | 0         | 0       |
| 2501. Cash advance to AIF receivable.....                                | 1,537,000 | 1,647,000 | 110,000 |
| 2502.....  | 0         | 0         | 0       |
| 2503.....  | 0         | 0         | 0       |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0         | 0         | 0       |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 1,537,000 | 1,647,000 | 110,000 |

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern**

## A. Accounting Practices

|  | SSAP # | F/S Page | F/S Line # | 2016          | 2015          |
|--|--------|----------|------------|---------------|---------------|
| <b>NET INCOME</b>  |        |          |            |               |               |
| (1) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis<br>(Page 4, Line 20, Columns 1 & 2) | XXX    | XXX      | XXX        | \$ 3,876,550  | \$ 4,478,487  |
| (2) State Prescribed Practices that increase/decrease NAIC SAP                               |        |          |            | 0             | 0             |
| (3) State Permitted Practices that increase/decrease NAIC SAP                                |        |          |            | 0             | 0             |
| (4) NAIC SAP (1 – 2 – 3 = 4)   | XXX    | XXX      | XXX        | \$ 3,876,550  | \$ 4,478,487  |
| <b>SURPLUS</b>   |        |          |            |               |               |
| (5) MICHIGAN PROFESSIONAL INSURANCE EXCHANGE state basis<br>(Page 3, line 37, Columns 1 & 2) | XXX    | XXX      | XXX        | \$ 50,661,115 | \$ 50,495,261 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP                               |        |          |            | 0             | 0             |
| (7) State Permitted Practices that increase/decrease NAIC SAP                                |        |          |            | 0             | 0             |
| (8) NAIC SAP (5 – 6 – 7 = 8)   | XXX    | XXX      | XXX        | \$ 50,661,115 | \$ 50,495,261 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

## C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate: N/A
- (6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) The Company does not have any investments in subsidiaries.
- (8) The Company does not have any investments in joint ventures or partnerships.
- (9) The Company does not hold any derivatives.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount 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 not modified its capitalization policy from the prior period.
- (13) The company does not anticipate any pharmaceutical rebate receivables.

## D. Going Concern

Management does not have any substantial doubt about the company's ability to continue as a going concern.

**Note 2 – Accounting Changes and Corrections of Errors**

None

**Note 3 – Business Combinations and Goodwill**

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Impairment Loss: None

**Note 4 – Discontinued Operations**

A. Discontinued Operation Disposed of or Classified as Held for Sale: None

- (1) None
- (2) None
- (3) None
- (4) None

**NOTES TO FINANCIAL STATEMENTS**

- B. Change in Plan of Sale of Discontinued Operation: None
- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal: None
- D. Equity Interest Retained in the Discontinued Operation After Disposal: None

**Note 5 – Investments**

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

- (1) Not applicable
- (2) Not applicable.
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable

- B. Debt Restructuring: None

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

- C. Reverse Mortgages: None

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

- D. Loan-Backed Securities

- (1) Prepayment assumptions for mortgage-backed and structured securities were obtained from broker dealer survey values or internal estimates.
- (2) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the Company had either the intent to sell the securities or the inability or lack of intent to retain.
- (3) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the present value of cash flows expected to be collected is less than the amortized cost basis of the securities.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

|    |  |    |                     |    |           |
|----|--|----|---------------------|----|-----------|
| a. | The aggregate amount of unrealized losses:                             | 1. | Less than 12 Months | \$ | 14,152    |
|    |  | 2. | 12 Months or Longer | \$ | 63,119    |
| b. | The aggregate related fair value of securities with unrealized losses: | 1. | Less than 12 Months | \$ | 3,447,952 |
|    |  | 2. | 12 Months or Longer | \$ | 1,203,425 |

- (5) None

- E. Repurchase Agreements and/or Securities Lending Transactions: None

- (1) Not applicable
- (2) Not applicable.
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable

---

## NOTES TO FINANCIAL STATEMENTS

---

(7) Not applicable

F. Real Estate: None

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

G. Investments in Low-Income Housing Trade Credits (LIHTC): None

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) Not applicable

(7) Not applicable

H. Restricted Assets: None

(1) Not applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

I. Working Capital Finance Investments: None

(1) Not applicable

(2) Not applicable

J. Offsetting and Netting of Assets and Liabilities: None

K. Structured Notes: None

L. 5\* Securities: None

### Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. None

B. None

### Note 7 – Investment Income

A. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Not applicable

### Note 8 – Derivative Instruments

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

(1) Not applicable

(2) None

## NOTES TO FINANCIAL STATEMENTS

### Note 9 – Income Taxes

#### A. Deferred Tax Assets/(Liabilities)

##### 1. Components of Net Deferred Tax Asset/(Liability)

|  | 2016          |              |                         | 2015          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets   | \$ 958,804    | \$ 104,778   | \$ 1,063,582            | \$ 967,770    | \$ 104,778   | \$ 1,072,548            | \$ (8,966)                 | \$ 0                      | \$ (8,966)              |
| b. Statutory valuation allowance adjustment                              | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| c. Adjusted gross deferred tax assets (1a-1b)                            | 958,804       | 104,778      | 1,063,582               | 967,770       | 104,778      | 1,072,548               | (8,966)                    | 0                         | (8,966)                 |
| d. Deferred tax assets nonadmitted                                       | 0             | 0            | 0                       | 0             | 0            | 0                       | 0                          | 0                         | 0                       |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | 958,804       | 104,778      | 1,063,582               | 967,770       | 104,778      | 1,072,548               | (8,966)                    | 0                         | (8,966)                 |
| f. Deferred tax liabilities  | 0             | 1,066,645    | 1,066,645               | 0             | 778,720      | 778,720                 | 0                          | 287,925                   | 287,925                 |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | \$ 958,804    | \$ (961,867) | \$ (3,063)              | \$ 967,770    | \$ (673,942) | \$ 293,828              | \$ (8,966)                 | \$ (287,925)              | \$ (296,891)            |

##### 2. Admission Calculation Components

|  | 2016          |              |                         | 2015          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 605,577    | \$ 0         | \$ 605,577              | \$ 669,286    | \$ (320)     | \$ 668,966              | \$ (63,709)                | \$ 320                    | \$ (63,389)             |
| 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: | 168,799       | 0            | 168,799                 | 131,833       | 0            | 131,833                 | 36,966                     | 0                         | 36,966                  |
| Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 168,799       | 0            | 168,799                 | 131,833       | 0            | 131,833                 | 36,966                     | 0                         | 36,966                  |
| Adjusted gross deferred tax assets allowed per limitation threshold  |               |              | 7,538,109               |               |              | 7,996,912               |                            |                           | (458,803)               |
| 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  | 353,227       | 104,778      | 458,005                 | 166,651       | 105,098      | 271,749                 | 186,576                    | (320)                     | 186,256                 |
| d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c)  | \$ 1,127,603  | \$ 104,778   | \$ 1,232,381            | \$ 967,770    | \$ 104,778   | \$ 1,072,548            | \$ 159,833                 | \$ 0                      | \$ 159,833              |

##### 3. Other Admissibility Criteria

**NOTES TO FINANCIAL STATEMENTS**

|    |  | 2016          | 2015          |
|----|--|---------------|---------------|
| a. | Ratio percentage used to determine recovery period and threshold limitation amount                               | 1,171.000%    | 1,196.400%    |
| b. | Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 50,254,059 | \$ 53,312,747 |

## 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.

|  | 12/31/2016    |              | 12/31/2015    |              | Change                      |                            |
|--|---------------|--------------|---------------|--------------|-----------------------------|----------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col. 1-3)<br>Ordinary | 6<br>(Col. 2-4)<br>Capital |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | \$ 958,804    | \$ 104,778   | \$ 967,770    | \$ 104,778   | \$ (8,966)                  | \$ 0                       |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0.000%        | 0.000%       | 0.000%        | 0.000%       | 0.000%                      | 0.000%                     |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)  | \$ 958,804    | \$ 104,778   | \$ 967,770    | \$ 104,778   | \$ (8,966)                  | \$ 0                       |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0.000%        | 0.000%       | 0.000%        | 0.000%       | 0.000%                      | 0.000%                     |

(b) Does the company's tax planning strategies include the use of reinsurance? No

B. Deferred Tax Liabilities Not Recognized: None

C. Current and Deferred Income Taxes

## 1. Current Income Tax

|   | 1<br>2016  | 2<br>2015  | 3<br>(Col 1-2)<br>Change |
|---|------------|------------|--------------------------|
| a. Federal                                    | \$ 407,566 | \$ 157,513 | \$ 250,053               |
| b. Foreign                                    | 0          | 0          | 0                        |
| c. Subtotal                                   | \$ 407,566 | \$ 157,513 | \$ 250,053               |
| d. Federal income tax on net capital gains    | 113,482    | 372,184    | (258,702)                |
| e. Utilization of capital loss carry-forwards | 0          | 0          | 0                        |
| f. Other                                      | 0          | 0          | 0                        |
| g. Federal and Foreign income taxes incurred  | \$ 521,048 | \$ 529,697 | \$ (8,649)               |

## 2. Deferred Tax Assets

|  | 1<br>2016  | 2<br>2015  | 3<br>(Col 1-2)<br>Change |
|--|------------|------------|--------------------------|
| a. Ordinary:   |            |            |                          |
| 1. Discounting of unpaid losses                              | \$ 552,864 | \$ 639,540 | \$ (86,676)              |
| 2. Unearned premium reserve                                  | 405,940    | 328,230    | 77,710                   |
| 3. Policyholder reserves                                     | 0          | 0          | 0                        |
| 4. Investments   | 0          | 0          | 0                        |
| 5. Deferred acquisition costs                                | 0          | 0          | 0                        |
| 6. Policyholder dividends accrual                            | 0          | 0          | 0                        |
| 7. Fixed assets  | 0          | 0          | 0                        |
| 8. Compensation and benefits accrual                         | 0          | 0          | 0                        |
| 9. Pension accrual   | 0          | 0          | 0                        |
| 10. Receivables - nonadmitted                                | 0          | 0          | 0                        |
| 11. Net operating loss carry-forward                         | 0          | 0          | 0                        |
| 12. Tax credit carry-forward                                 | 0          | 0          | 0                        |
| 13. Other (including items <5% of total ordinary tax assets) | 0          | 0          | 0                        |
| 99. Subtotal   | \$ 958,804 | \$ 967,770 | \$ (8,966)               |
| b. Statutory valuation allowance adjustment                  | 0          | 0          | 0                        |
| c. Nonadmitted   | 0          | 0          | 0                        |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)        | \$ 958,804 | \$ 967,770 | \$ (8,966)               |
| e. Capital:  |            |            |                          |
| 1. Investments   | \$ 104,778 | \$ 104,778 | \$ 0                     |
| 2. Net capital loss carry-forward                            | 0          | 0          | 0                        |
| 3. Real estate   | 0          | 0          | 0                        |
| 4. Other (including items <5% of total capital tax           | 0          | 0          | 0                        |



**NOTES TO FINANCIAL STATEMENTS**

|  |    |           |    |            |
|--|----|-----------|----|------------|
| assets)  |    |           |    |            |
| 99. Subtotal   | \$ | 104,778   | \$ | 104,778    |
| f. Statutory valuation allowance adjustment          |    | 0         |    | 0          |
| g. Nonadmitted                                       |    | 0         |    | 0          |
| h. Admitted capital deferred tax assets (2e99-2f-2g) |    | 104,778   |    | 104,778    |
| i. Admitted deferred tax assets (2d+2h)              | \$ | 1,063,582 | \$ | 1,072,548  |
|  |    |           |    | \$ (8,966) |

## 3. Deferred Tax Liabilities

|  | 1            | 2          | 3                   |
|--|--------------|------------|---------------------|
|  | 2016         | 2015       | (Col 1-2)<br>Change |
| <b>a. Ordinary:</b>  |              |            |                     |
| 1. Investments   | \$ 0         | \$ 0       | \$ 0                |
| 2. Fixed assets  | 0            | 0          | 0                   |
| 3. Deferred and uncollected premium                              | 0            | 0          | 0                   |
| 4. Policyholder reserves   | 0            | 0          | 0                   |
| 5. Other (including items <5% of total ordinary tax liabilities) | 0            | 0          | 0                   |
| 99. Subtotal   | \$ 0         | \$ 0       | \$ 0                |
| <b>b. Capital:</b>   |              |            |                     |
| 1. Investments   | \$ 1,066,645 | \$ 778,720 | \$ 287,925          |
| 2. Real estate   | 0            | 0          | 0                   |
| 3. Other (including items <5% of total capital tax liabilities)  | 0            | 0          | 0                   |
| 99. Subtotal   | 1,066,645    | 778,720    | 287,925             |
| c. Deferred tax liabilities (3a99+3b99)                          | \$ 1,066,645 | \$ 778,720 | \$ 287,925          |

4. Net Deferred Tax Assets (2i - 3c) \$ (3,063) \$ 293,828 \$ (296,891)

## D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

|   | Amount       | Effective Tax Rate (%) |
|---|--------------|------------------------|
| <b>Permanent Differences:</b>             |              |                        |
| Provision computed at statutory rate      | \$ 1,494,866 | 34.0%                  |
| Proration of tax exempt investment income | 6689         | 0.2%                   |
| Tax exempt income deduction               |              | %                      |
| Dividends received deduction              | (44,594)     | -1.0%                  |
| Disallowed travel and entertainment       |              | %                      |
| Other permanent differences               | (907,800)    | -20.7%                 |
| <b>Temporary Differences:</b>             |              |                        |
| Total ordinary DTAs                       | \$           | %                      |
| Total ordinary DTLs                       |              | %                      |
| Total capital DTAs                        |              | %                      |
| Total capital DTLs                        |              | %                      |
| <b>Other:</b>                             |              |                        |
| Statutory valuation allowance adjustment  | \$           | %                      |
| Accrual adjustment - prior year           | (19,146)     | -0.4%                  |
| Other                                     |              | %                      |
| Totals                                    | \$ 530,015   | 12.1%                  |
| Federal and foreign income taxes incurred | 407,556      | 9.3%                   |
| Realized capital gains (losses) tax       | 113,483      | 2.6%                   |
| Change in net deferred income taxes       | 8,966        | 0.2%                   |
| Total statutory income taxes              | \$ 530,015   | 12.1%                  |

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

At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2016 and 2015 that is available for recoupment in the event of future net losses:

| Year | Amount     |
|------|------------|
| 2016 | \$ 521,049 |
| 2015 | \$ 510,822 |

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

## F. Consolidated Federal Income Tax Return

1. The company's federal income tax return is not consolidated
2. Not applicable

## 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.

---

## NOTES TO FINANCIAL STATEMENTS

---

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

- A. Not applicable
- B. Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable
  - (6) Not applicable
  - (7) Not applicable
  - (8) Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable
- G. Not applicable
- H. Not applicable
- I. Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable
- J. Not applicable
  - (1) Not applicable
  - (2) Not applicable
- K. Not applicable
- L. Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable
- M. All SCA Investments: Not applicable
  - (1) Not applicable
  - (2) Not applicable
- N. Investment in Insurance SCAs: Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable

## NOTES TO FINANCIAL STATEMENTS

**Note 11 – Debt**

A. Not applicable

- (1) Not applicable  
 (2) Not applicable  
 (3) Not applicable  
 (4) Not applicable  
 (5) Not applicable  
 (6) Not applicable  
 (7) Not applicable  
 (8) Not applicable  
 (9) Not applicable  
 (10) Not applicable  
 (11) Not applicable  
 (12) Not applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI). The Company does not have any outstanding cash advances as of 12/31/2016. The company has pledged securities as collateral to maintain a \$3,000,000 line of credit and an additional \$1,000,000 cash advance if needed. It is part of the Company's strategy to have a line of credit and cash advances available for liquidity purposes. Any funds obtained from the FHLBI would be accounted for consistent with SSAP No. 15 - Debt and Holding Company Obligations as borrowed money. The table below indicates the amount of FHLBI stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBI.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | \$ 142,900          | \$ 142,900              | \$ 0                            |
| (b) Membership Stock – Class B  | 0                   | 0                       | 0                               |
| (c) Activity Stock  | 0                   | 0                       | 0                               |
| (d) Excess Stock  | 0                   | 0                       | 0                               |
| (e) Aggregate Total (a+b+c+d)   | \$ 142,900          | \$ 142,900              | \$ 0                            |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 4,000,000        | XXX                     | XXX                             |

2. Prior Year

|   | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|---|---------------------|-------------------------|---------------------------------|
| (a) Membership Stock – Class A  | \$ 0                | \$ 0                    | \$ 0                            |
| (b) Membership Stock – Class B  | 0                   | 0                       | 0                               |
| (c) Activity Stock  | 0                   | 0                       | 0                               |
| (d) Excess Stock  | 0                   | 0                       | 0                               |
| (e) Aggregate Total (a+b+c+d)   | \$ 0                | \$ 0                    | \$ 0                            |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 3,000,000        | XXX                     | XXX                             |

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

| Membership Stock | 1<br>Current Year Total<br>(2+3+4+5+6) | 2<br>Not Eligible for<br>Redemption | Eligible for Redemption    |                                      |                                |                   |
|------------------|--|-------------------------------------|----------------------------|--------------------------------------|--------------------------------|-------------------|
|                  |  |                                     | 3<br>Less than<br>6 Months | 4<br>6 Months to Less<br>Than 1 Year | 5<br>1 to Less Than<br>3 Years | 6<br>3 to 5 Years |
| 1. Class A       | \$ 142,900                             | \$ 142,900                          | \$ 0                       | \$ 0                                 | \$ 0                           | \$ 0              |
| 2. Class B       | \$ 0                                   | \$ 0                                | \$ 0                       | \$ 0                                 | \$ 0                           | \$ 0              |

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

|  | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Aggregate Total Borrowing |
|--|-----------------|---------------------|--------------------------------|
|  |                 |                     |                                |

**NOTES TO FINANCIAL STATEMENTS**

|   |              |              |      |
|---|--------------|--------------|------|
| 1. Current Year Total General and Protected Cell Total Collateral Pledged (Lines 2+3) | \$ 4,363,917 | \$ 4,457,101 | \$ 0 |
| 2. Current Year General Account Total Collateral Pledged                              | \$ 4,363,917 | \$ 4,457,101 | \$ 0 |
| 3. Current Year Protected Cell Total Collateral Pledged                               | \$ 0         | \$ 0         | \$ 0 |
| 4. Prior Year Total General and Protected Cell Total Collateral Pledged               | \$ 3,885,009 | \$ 3,943,808 | \$ 0 |

## b. Maximum Amount Pledged During Reporting Period

|   | 1<br>Fair Value | 2<br>Carrying Value | 3<br>Amount Borrowed at Time of Maximum Collateral |
|---|-----------------|---------------------|--|
| 1. Current Year Total General and Protected Cell Total Collateral Pledged (Lines 2+3) | \$ 4,363,917    | \$ 4,457,101        | \$ 2,000,000                                       |
| 2. Current Year General Account Total Collateral Pledged                              | \$ 4,363,917    | \$ 4,457,101        | \$ 2,000,000                                       |
| 3. Current Year Protected Cell Total Collateral Pledged                               | \$ 0            | \$ 0                | \$ 0   |
| 4. Prior Year Total General and Protected Cell Total Collateral Pledged               | \$ 3,885,009    | \$ 3,943,808        | \$ 2,500,000                                       |

## (4) Borrowing from FHLB

## a. Amount as of the Reporting Date

## 1. Current Year

|                                | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|--------------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt                       | \$ 0                | \$ 0                    | \$ 0                           | XXX   |
| (b) Funding Agreements         | 0                   | 0                       | 0                              | \$ 0  |
| (c) Other                      | 0                   | 0                       | 0                              | XXX   |
| (d) Aggregate Total<br>(a+b+c) | \$ 0                | \$ 0                    | \$ 0                           | \$ 0  |

## 2. Prior Year

|                                | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Account | 4<br>Funding Agreements<br>Reserves Established |
|--------------------------------|---------------------|-------------------------|--------------------------------|---|
| (a) Debt                       | \$ 0                | \$ 0                    | \$ 0                           | XXX   |
| (b) Funding Agreements         | 0                   | 0                       | 0                              | \$ 0  |
| (c) Other                      | 0                   | 0                       | 0                              | XXX   |
| (d) Aggregate Total<br>(a+b+c) | \$ 0                | \$ 0                    | \$ 0                           | \$ 0  |

## b. Maximum Amount During Reporting Period (Current Year)

|                                  | 1<br>Total<br>2 + 3 | 2<br>General<br>Account | 3<br>Protected Cell<br>Accounts |
|----------------------------------|---------------------|-------------------------|---------------------------------|
| 1. Debt                          | \$ 2,000,000        | \$ 2,000,000            | \$ 0                            |
| 2. Funding Agreements            | 0                   | 0                       | 0                               |
| 3. Other                         | 0                   | 0                       | 0                               |
| 4. Aggregate Total (Lines 1+2+3) | \$ 2,000,000        | \$ 2,000,000            | \$ 0                            |

## c. FHLB – Prepayment Obligations

|                       | Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO) |
|-----------------------|--|
| 1. Debt               | NO   |
| 2. Funding Agreements | NO   |
| 3. Other              | NO   |

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan: The company does not have a defined benefit plan
- B. Investment Policies and Strategies: Not applicable
- C. Fair Value of Plan Assets: Not applicable
- D. Basis Used to Determine Expected Long-Term Rate-of-Return: Not applicable
- E. Defined Contribution Plans: Not applicable
- F. Multiemployer Plans: Not applicable
- G. Consolidated/Holding Company Plans: Not applicable
- H. Postemployment Benefits and Compensated Absences: Not applicable

**NOTES TO FINANCIAL STATEMENTS**

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17): Not applicable

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

- (1) The Company has no common or preferred stock authorized, issued or outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is: \$3,137,191

(11) The reporting entity issued the following surplus debentures or similar obligations:

| Date Issued | Interest Rate | Par Value<br>(Face Amount of<br>Notes) | Carrying Value of<br>Note* | Principal and/or<br>Interest Paid<br>Current Year | Total Principal<br>and/or Interest<br>Paid | Unapproved<br>Principal and/or<br>Interest | Date of Maturity |
|-------------|---------------|--|----------------------------|---|--|--|------------------|
| 06/30/2010  | 4.750 %       | \$ 0                                   | \$ 0                       | \$ 1,094,605                                      | \$ 2,569,604                               | \$ 0                                       |                  |
| Total       | XXX           | \$ 0                                   | \$ 0                       | \$ 1,094,605                                      | \$ 2,569,604                               | \$ 0                                       | XXX              |

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

- (12) The impact of any restatement due to prior quasi-reorganizations is as follows: Not applicable
- (13) Not applicable

**Note 14 – Liabilities, Contingencies and Assessments**

A. Contingent Commitments: Not applicable

- (1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$0.
- (2) Detail of other contingent commitments: None
- (3) None

B. Assessments

- (1) Where Amount is Unknown: None  
Where Amount is Known: None
- (2) The Company has not accrued a liability for guaranty fund assessments. No assessment is anticipated for 2015 at this time.

C. Gain Contingencies: None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

MICHIGAN PROFESSIONAL INSURANCE EXCHANGE paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

|  | Direct |
|--|--------|
| Claims related ECO and bad faith losses paid during the reporting period | \$ 0   |

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period: None

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
|                    |                     |                      |                       |                             |

Indicate whether claim count information is disclosed per claim or per claimant: N/A

(f) Per Claim [ ] (g) Per Claimant [ ]

E. Product Warranties: The Company does not insure for product warranties.

F. Joint and Several Liabilities

G. All Other Contingencies

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 assets that is considers to be impaired.

**Note 15 – Leases**

**NOTES TO FINANCIAL STATEMENTS**

- A. Lessee Operating Lease: None
- B. Revenue, Net Income or Assets with Respect to Leases: None

**Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

1. None
2. Not applicable
3. Not applicable
4. Not applicable

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfers of Receivables Reported as Sales
- (1) Not applicable
- (2) Not applicable
- B. Transfer and Servicing of Financial Assets
- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- C. Wash Sales
- (1) The Company does not utilize wash sales to enhance the yield on its investment portfolio.

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans**

## A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016:

|    |  | ASO<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASO |
|----|--|------------------------|---|--------------|
| a. | Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses | \$ 131,038             | \$ 0  | \$ 131,038   |
| b. | Total net other income or expenses (including interest paid to or receive from plans)                      | (2,168)                | 0   | (2,168)      |
| c. | Net gain or (loss) from operations   | 128,870                | 0   | 128,870      |
| d. | Total claim payment volume   | \$ 8,443,017           | \$ 0  | \$ 8,443,017 |

## B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016: None

|    |  | ASC<br>Uninsured Plans | Uninsured Portion of<br>Partially Insured Plans | Total<br>ASC |
|----|--|------------------------|---|--------------|
| a. | Gross reimbursement for medical cost incurred                                | \$ 0                   | \$ 0  | \$ 0         |
| b. | Gross administrative fees accrued  | 0                      | 0   | 0            |
| c. | Other income or expenses (including interest paid to or received from plans) | 0                      | 0   | 0            |
| d. | Gross expenses incurred (claims and administrative)                          | 0                      | 0   | 0            |
| e. | Total net gain or loss from operations                                       | \$ 0                   | \$ 0  | \$ 0         |

- C. Medicare or Similarly Structured Cost Based Reimbursement Contract: None
- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:**

Not applicable

## NOTES TO FINANCIAL STATEMENTS

### Note 20 – Fair Value Measurements

- A. 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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: This category for items measured at fair value on a recurring basis includes bonds and preferred stocks which are not exchange-traded.

(1) Fair Value Measurements at Reporting Date

| Assets at Fair Value | Level 1              | Level 2             | Level 3     | Total                |
|----------------------|----------------------|---------------------|-------------|----------------------|
| Indust. & Misc.      | \$ 0                 | \$ 1,514,300        | \$ 0        | \$ 1,514,300         |
| Mutual Funds         | 13,723,401           | 0                   | 0           | 13,723,401           |
| <b>Total</b>         | <b>\$ 13,723,401</b> | <b>\$ 1,514,300</b> | <b>\$ 0</b> | <b>\$ 15,237,702</b> |

| Liabilities at Fair Value | Level 1     | Level 2     | Level 3     | Total       |
|---------------------------|-------------|-------------|-------------|-------------|
|                           | \$ 0        | \$ 0        | \$ 0        | \$ 0        |
| <b>Total</b>              | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> |

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

| a. Assets    | Beginning Balance at 1/1/2016 | 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 12/31/2016 |
|--------------|-------------------------------|------------------------|--------------------------|---|--|-------------|-------------|-------------|-------------|------------------------------|
|              | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0                         |
| <b>Total</b> | <b>\$ 0</b>                   | <b>\$ 0</b>            | <b>\$ 0</b>              | <b>\$ 0</b>                                     | <b>\$ 0</b>                                  | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b>                  |

| b. Liabilities | Beginning Balance at 1/1/2016 | 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 12/31/2016 |
|----------------|-------------------------------|------------------------|--------------------------|---|--|-------------|-------------|-------------|-------------|------------------------------|
|                | \$ 0                          | \$ 0                   | \$ 0                     | \$ 0  | \$ 0   | \$ 0        | \$ 0        | \$ 0        | \$ 0        | \$ 0                         |
| <b>Total</b>   | <b>\$ 0</b>                   | <b>\$ 0</b>            | <b>\$ 0</b>              | <b>\$ 0</b>                                     | <b>\$ 0</b>                                  | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b> | <b>\$ 0</b>                  |

(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.

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted market prices for similar instruments in an inactive market were utilized or quoted market prices for similar instruments in an active market were utilized via matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Bonds carried at fair value categorized as Level 3 were valued using an income approach. These valuations were determined to be Level 3 valuations as the price was based on unobservable market data because the bonds are trading in an inactive market. The bonds were valued using present value techniques. In 2016, no bonds were categorized as Level 3.

Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for similar instruments in an active market were utilized via matrix pricing as described above.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

(5) Derivative assets and liabilities: None

- B. Not applicable

C. Aggregate Fair Value by Hierarchical Level

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)  | (Level 2)  | (Level 3) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|------------|------------|-----------|----------------------------------|
|                              | \$ 17,148            | \$ 17,148       | \$ 17,148  | \$ 0       | \$ 0      | \$ 0                             |
| Exempt MM Mutual Fund        | 762,049              | 762,049         | 762,049    | 0          | 0         | 0                                |
| Hybrid Securities            | 311,263              | 288,665         | 0          | 311,263    | 0         | 0                                |
| Indust. & Misc.              | 55,981,590           | 54,335,620      | 0          | 55,981,590 | 0         | 0                                |
| Mutual Funds                 | 13,723,401           | 13,723,401      | 13,723,401 | 0          | 0         | 0                                |
| Political Subdivision        | 1,486,752            | 1,274,969       | 0          | 1,486,752  | 0         | 0                                |
| Special Rev./Assess. Oblig.  | 12,118,799           | 11,685,218      | 0          | 12,118,799 | 0         | 0                                |
| States, Terr. & Poss.        | 1,948,183            | 1,813,880       | 0          | 1,948,183  | 0         | 0                                |
| US Government                | 10,043,615           | 10,192,327      | 0          | 10,043,615 | 0         | 0                                |
|                              | 0                    | 0               | 0          | 0          | 0         | 0                                |

**NOTES TO FINANCIAL STATEMENTS**

D. Not Practicable to Estimate Fair Value: None

**Note 21 – Other Items**

A. Unusual or Infrequent Items: None

B. Troubled Debt Restructuring Debtors: Not applicable

C. Other Disclosures: None

D. Business Interruption Insurance Recoveries: None

E. State Transferable and Non-Transferable Tax Credits: None

F. Subprime Mortgage Related Risk Exposure

(1) Not applicable

(2) Direct Exposure Through Investments in Subprime Mortgage Loans: None

(3) Direct Exposure Through Other Investments

|    |  | Actual Cost | Book/Adjusted Carrying Value (Excluding Interest) | Fair Value | Other-Than-Temporary Impairment Losses Recognized |
|----|--|-------------|---|------------|---|
| a. | Residential mortgage backed securities | \$ 583,781  | \$ 548,092  | \$ 488,523 | \$ 151,045  |
| b. | Commercial mortgage backed securities  | 0           | 0   | 0          | 0   |
| c. | Collateralized debt obligations        | 0           | 0   | 0          | 0   |
| d. | Structured securities                  | 0           | 0   | 0          | 0   |
| e. | Equity investments in SCAs*            | 0           | 0   | 0          | 0   |
| f. | Other assets                           | 0           | 0   | 0          | 0   |
| g. | Total                                  | \$ 583,781  | \$ 548,092  | \$ 488,523 | \$ 151,045  |

\* These investments comprise 0.000% of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage: None

G. Insurance-Linked Securities (ILS) Contracts: None

**Note 22 – Events Subsequent**

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [ ] No [X]

|    |   |              |      |
|----|---|--------------|------|
| B. | ACA fee assessment payable for the upcoming year                                | \$ 0         | \$ 0 |
| C. | ACA fee assessment paid   | 0            | 0    |
| D. | Premium written subject to ACA 9010 assessment                                  | 0            | 0    |
| E. | Total adjusted capital before surplus adjustment (Five-Year Historical Line 28) | 50,819,210   |      |
| F. | Total adjusted capital (Five-Year Historical Line 28 minus 22B above)           | 50,819,210   |      |
| G. | Authorized control level (Five-Year Historical Line 29)                         | \$ 4,568,154 |      |

H. Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)?

Yes [ ] No [X]

**Note 23 – Reinsurance**

A. Unsecured Reinsurance Recoverables: None

B. Reinsurance Recoverable in Dispute: None

C. Reinsurance Assumed and Ceded

| (1) | Assumed Reinsurance              |                   |                 |                   | Ceded Reinsurance |              | Net               |  |
|-----|----------------------------------|-------------------|-----------------|-------------------|-------------------|--------------|-------------------|--|
|     | Premium Reserve                  | Commission Equity | Premium Reserve | Commission Equity | Premium Reserve   |              | Commission Equity |  |
| a.  | Affiliates                       | \$ 0              | \$ 0            | \$ 236,732        | \$ 6,293          | \$ (236,732) | \$ (6,293)        |  |
| b.  | All Other                        | 0                 | 0               | 0                 | 0                 | 0            | 0                 |  |
| c.  | Total                            | \$ 0              | \$ 0            | \$ 236,732        | \$ 6,293          | \$ (236,732) | \$ (6,293)        |  |
| d.  | Direct Unearned Premium Reserves |                   |                 | \$ 5,181,330      |                   |              |                   |  |

(2) Not applicable

(3) Not applicable

D. Uncollectible Reinsurance: None

E. Commutation of Ceded Reinsurance: None

F. Retroactive Reinsurance: None

G. Reinsurance Accounted for as a Deposit: None

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements: None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None



**NOTES TO FINANCIAL STATEMENTS**

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation: None

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A. The Company does not write retrospectively rated policies

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions  
Yes [ ] No [ X ]

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$2,195,000 in 2016 as a result of re-estimation of unpaid losses and loss adjustment expenses on medical professional and other liability lines of business. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not write retrospectively rated policies.

**Note 26 – Intercompany Pooling Arrangements: None**

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

**Note 27 – Structured Settlements**

A. Not applicable

B. Not applicable

**Note 28 – Health Care Receivables**

A. Pharmaceutical Rebate Receivables: Not applicable

B. Risk Sharing Receivables: Not applicable

**Note 29 – Participating Policies**

Not applicable

**Note 30 – Premium Deficiency Reserves**

|    |  |                   |
|----|--|-------------------|
| 1. | Liability carried for premium deficiency reserve:              | \$0               |
| 2. | Date of most recent evaluation of this liability:              | December 31, 2016 |
| 3. | Was anticipated investment income utilized in the calculation? | Yes [ X ] No [ ]  |

**Note 31 – High Deductibles**

As of December 31, 2016, the amount of reserve credit recorded for high deductibles on unpaid claims was \$389,348 and the amount recoverable on paid claims was \$41,914.

**Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

A. Tabular Discount: Not applicable

---

## NOTES TO FINANCIAL STATEMENTS

---

B. Nontabular Discount: Not applicable

C. Not applicable

**Note 33 – Asbestos/Environmental Reserves**

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? No

B. Not applicable

C. Not applicable

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? No

E. Not applicable

F. Not applicable

**Note 34 – Subscriber Savings Accounts**

At December 31, 2016, the Company has \$28,248,000 identified to subscriber savings accounts, all from company operations. Of this amount, \$1,660,000 is reported in Aggregate write-ins for liabilities (page 3, line 25) for amounts due to terminated policyholders. The balance identified to subscriber savings accounts, \$26,588,000 is reported in Unassigned funds (surplus) (page 3, line 35). The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Company.

**Note 35 – Multiple Peril Crop Insurance**

Not applicable

**Note 36 – Financial Guaranty Insurance**

A. The company does not write financial guaranty insurance

# 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 [X]  
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 [X]
- 1.3 State regulating? State of Michigan, Department of Insurance and Financial Services
- 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 [X] No [ ]
- 2.2 If yes, date of change: 06/23/2016
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
- 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. 12/31/2013
- 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). 06/21/2015
- 3.4 By what department or departments?  
State of Michigan, Department of Insurance and Financial Services
- 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 [X] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [X]
- 4.12 renewals? Yes [ ] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [X]
- 4.22 renewals? Yes [ ] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 5.2 If yes, provide the name of entity, 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<br>Company<br>Code | 3<br>State of<br>Domicile |
|---------------------|------------------------------|---------------------------|
|                     | 0                            |                           |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 6.2 If yes, give full information:

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

- 7.21 State the percentage of foreign control 0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

- 8.4 If the response to 8.3 is yes, please provide below 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?  
Andrews Hooper Pavlik PLC, 2311 E. Beltline Ave SE Suite 200, Grand Rapids, MI 49546
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain:

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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?  
Jeremy Pecora, FCAS, Willis Towers Watson, 26555 Evergreen Suite 1600, Southfield, MI 40876 Consulting Actuary
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$ 0
- 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? Yes [ ] No [ ]
- 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 [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]
- 15.2 If the response to 15.1 is yes, 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<br>American Bankers Association (ABA)<br>Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger<br>the Letter of Credit | 4<br>Amount |
|---|--------------------------------------|---|-------------|
| 0   |                                      |   | 0           |

### 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 subordinator committee thereof? Yes [X] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 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 reporting in the statement? Yes [ ] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 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 \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### INVESTMENT

24.01 Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes  No

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).

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0

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

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A

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

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: \$ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.103 Total payable for securities lending reported on the liability page: \$ 0

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes  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 sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 142,900

25.28 On deposit with states \$ 303,591

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 \$ 4,457,101

25.32 Other \$ 0

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  | \$ <u>0</u> |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No

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

27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

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  No

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

| 1<br>Name of Custodian(s)              | 2<br>Custodian's Address                              |
|--|---|
| Fifth Third Bank                       | 5050 Kingsley Dr, Cincinnati, OH 45263                |
| Federal Home Loan Bank of Indianapolis | 8250 Woodfield Crossing Blvdl, Indianapolis, IN 46240 |

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<br>Name(s) | 2<br>Location(s) | 3<br>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

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

| 1<br>Name of Firm or Individual        | 2<br>Affiliation |
|--|------------------|
| Asset Allocation & Management Co., LLC | U                |

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

|                     |   |
|---------------------|---|
| Zazove/AAM Advisors | U |
|---------------------|---|

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes  No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes  No

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration Depository Number | 2<br>Name of Firm or Individual        | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment Management Agreement (IMA) Filed |
|---|--|------------------------------------|----------------------|--|
| 108975                                      | Asset Allocation & Management Co., LLC |                                    |                      | NO   |
| 104751                                      | Zazove/AAM Advisors                    |                                    |                      | NO   |

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  No

29.2 If yes, complete the following schedule:

| 1<br>CUSIP  | 2<br>Name of Mutual Fund           | 3<br>Book/Adjusted Carrying Value |
|-------------|------------------------------------|-----------------------------------|
| 256210 10 5 | DODGE & COX INC MF                 | 1,896,411                         |
| 4812C0 38 1 | JPMORGAN CORE CL SLCT MF           | 1,862,457                         |
| 921943 80 9 | VANGUARD DVLDP MKT INDX CL ADMI MF | 1,833,139                         |
| 922908 30 6 | VANGRD INX TRS INX CL INV MF       | 8,131,394                         |
| 29.2999     | TOTAL                              | 13,723,401                        |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4<br>Date of Valuation |
|---|---|---|------------------------|
| DODGE & COX INC MF                          | Charter Communications, Inc.                        | 37,928  | 12/31/2016             |
| DODGE & COX INC MF                          | Verizon Communications, Inc.                        | 36,032  | 12/31/2016             |
| DODGE & COX INC MF                          | Petroleos Mexicanos                                 | 36,032  | 12/31/2016             |
| DODGE & COX INC MF                          | State of California GO                              | 34,135  | 12/31/2016             |
| DODGE & COX INC MF                          | Rio Oil Finance Trust                               | 34,135  | 12/31/2016             |
| JPMORGAN CORE CL SLCT MF                    | U.S. Treasury STRIPS, 0.00%, 05/15/2020             | 22,349  | 12/31/2016             |
| JPMORGAN CORE CL SLCT MF                    | U.S. Treasury STRIPS, 0.00%, 05/15/2023             | 14,900  | 12/31/2016             |
| JPMORGAN CORE CL SLCT MF                    | Resolution Funding Corp. STRIPS, 0.00%, 07/15/2020  | 14,900  | 12/31/2016             |
| JPMORGAN CORE CL SLCT MF                    | U.S. Treasury STRIPS, 0.00%, 08/15/2020             | 14,900  | 12/31/2016             |
| JPMORGAN CORE CL SLCT MF                    | U.S. Treasury STRIPS, 0.00%, 02/15/2023             | 13,037  | 12/31/2016             |
| VANGUARD DVLDP MKT INDX CL ADMI MF          | Nestle SA (NESN)                                    | 25,114  | 12/31/2016             |
| VANGUARD DVLDP MKT INDX CL ADMI MF          | Novartis AG (NOVN)                                  | 19,615  | 12/31/2016             |
| VANGUARD DVLDP MKT INDX CL ADMI MF          | HSBC Holdings plc (HSBA)                            | 18,331  | 12/31/2016             |
| VANGUARD DVLDP MKT INDX CL ADMI MF          | Roche Holding AG (ROG)                              | 18,148  | 12/31/2016             |
| VANGUARD DVLDP MKT INDX CL ADMI MF          | Toyota Motor Corp. (7203)                           | 18,148  | 12/31/2016             |
| VANGRD INX TRS INX CL INV MF                | Apple Inc. (AAPL)                                   | 203,285   | 12/31/2016             |
| VANGRD INX TRS INX CL INV MF                | Microsoft Corp. (MSFT)                              | 158,562   | 12/31/2016             |
| VANGRD INX TRS INX CL INV MF                | Exxon Mobil Corp. (XOM)                             | 129,289   | 12/31/2016             |
| VANGRD INX TRS INX CL INV MF                | Johnson & Johnson (JNJ)                             | 108,148   | 12/31/2016             |
| VANGRD INX TRS INX CL INV MF                | JPMorgan Chase & Co. (JPM)                          | 106,521   | 12/31/2016             |

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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|------|------------------|---------------------------------|-----------------|--|
| 30.1 | Bonds            | 80,209,828                      | 82,509,351      | 2,299,523  |
| 30.2 | Preferred Stocks | 0                               | 0               | 0  |
| 30.3 | Totals           | 80,209,828                      | 82,509,351      | 2,299,523  |

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

Most securities are priced using IDC or NAIC-SVO

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  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  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 Investment Analysis Office* been followed? Yes  No

32.2 If no, list exceptions:

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ <u>0</u>      |

34.1 Amount of payments for legal expenses, if any? \$ 136,981

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ <u>0</u>      |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 5,750

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$ <u>0</u>      |

## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; 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?   |              | \$         |            | 0                        |
| 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.   |              | \$         |            | 0                        |
| 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  |              | \$         |            | 0                        |
| 1.62 | Total incurred claims   |              | \$         |            | 0                        |
| 1.63 | Number of covered lives   |              |            |            | 0                        |
|      | All years prior to most current three years:  |              |            |            |                          |
| 1.64 | Total premium earned  |              | \$         |            | 0                        |
| 1.65 | Total incurred claims   |              | \$         |            | 0                        |
| 1.66 | Number of covered lives   |              |            |            | 0                        |
| 1.7  | Group policies:   |              |            |            |                          |
|      | Most current three years:   |              |            |            |                          |
| 1.71 | Total premium earned  |              | \$         |            | 0                        |
| 1.72 | Total incurred claims   |              | \$         |            | 0                        |
| 1.73 | Number of covered lives   |              |            |            | 0                        |
|      | All years prior to most current three years:  |              |            |            |                          |
| 1.74 | Total premium earned  |              | \$         |            | 0                        |
| 1.75 | Total incurred claims   |              | \$         |            | 0                        |
| 1.76 | Number of covered lives   |              |            |            | 0                        |
| 2.   | Health Test:  |              |            |            |                          |
|      |   | 1            |            | 2          |                          |
|      |   | Current Year |            | Prior Year |                          |
| 2.1  | Premium Numerator   | \$           | 0          | \$         | 0                        |
| 2.2  | Premium Denominator   | \$           | 13,531,041 | \$         | 11,735,145               |
| 2.3  | Premium Ratio (2.1/2.2)   |              | 0.000      |            | 0.000                    |
| 2.4  | Reserve Numerator   | \$           | 0          | \$         | 0                        |
| 2.5  | Reserve Denominator   | \$           | 44,684,566 | \$         | 41,476,564               |
| 2.6  | Reserve Ratio (2.4/2.5)   |              | 0.000      |            | 0.000                    |
| 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  |              | \$         |            | 0                        |
| 3.22 | Non-participating policies  |              | \$         |            | 0                        |
| 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?   |              |            |            | 0.000%                   |
| 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 [ X ] No [ ]         |
| 5.2  | If yes, is the commission paid:   |              |            |            |                          |
| 5.21 | Out of Attorney's-in-fact compensation  |              |            |            | Yes [ ] No [ X ] N/A [ ] |
| 5.22 | As a direct expense of the exchange   |              |            |            | Yes [ X ] No [ ] N/A [ ] |
| 5.3  | What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?<br><u>Investment management expenses, regulatory fees and taxes.</u>  |              |            |            |                          |
| 5.4  | Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?  |              |            |            | Yes [ ] No [ X ]         |
| 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?<br><u>The company does not insure for worker's compensation.</u>  |              |            |            |                          |
| 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:<br><u>The company's actuary occasionally uses a stochastic simulation to estimate the amount of variability in the book of business. This information is used in setting the company's net retention.</u> |              |            |            |                          |
| 6.3  | What provision has this reporting entity made (such as 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?<br><u>The company does not insure for property loss.</u>  |              |            |            |                          |
| 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:<br><u>The reinsurance treaty for physicians excess of loss coverage covers over a limit per occurrence, regardless of the number of insured defendants.</u>  |              |            |            |                          |
| 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 ]         |



## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; CASUALTY INTERROGATORIES

|      |   |  |
|------|---|--|
| 7.2  | If yes, indicate the number of reinsurance contracts containing such provisions.  | 1  |
| 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 [ ]                                     |
| 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:<br>(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;<br>(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;<br>(c) Aggregate stop loss reinsurance coverage;<br>(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;<br>(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<br>(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 common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:<br>(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<br>(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:<br>(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;<br>(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<br>(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, <i>Property and Casualty Reinsurance</i> , 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:<br>(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<br>(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:<br>(a) The entity does not utilize reinsurance; or,<br>(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<br>(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]<br>Yes [ ] No [X]<br>Yes [ ] No [X] |
| 10.  | If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?  | Yes [ ] No [ ] N/A [X]                             |
| 11.1 | Has the reporting entity guaranteed policies issued by any other entity and now in force?   | Yes [ ] No [X]                                     |
| 11.2 | If yes, give full information   |  |
| 12.1 | If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:<br>12.11 Unpaid losses<br>12.12 Unpaid underwriting expenses (including loss adjustment expenses)   | \$ 0<br>\$ 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:<br>12.41 From<br>12.42 To   | 0.000%<br>0.000%                                   |
| 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 [ ] No [X]                                     |
| 12.6 | If yes, state the amount thereof at December 31 of current year:<br>12.61 Letters of Credit<br>12.62 Collateral and other funds   | \$ 0<br>\$ 0                                       |
| 13.1 | Largest net aggregate amount insured in any one risk (excluding workers' compensation):   | \$ 2,000,000                                       |
| 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  | 0  |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the reporting entity 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                         | 2                       | 3                         | 4                          | 5                        |
|-------|------------|---------------------------|-------------------------|---------------------------|----------------------------|--------------------------|
|       |            | Direct Losses<br>Incurred | Direct Losses<br>Unpaid | Direct Written<br>Premium | Direct Premium<br>Unearned | Direct Premium<br>Earned |
| 16.11 | Home       | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.12 | Products   | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.13 | Automobile | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |
| 16.14 | Other*     | \$ 0                      | \$ 0                    | \$ 0                      | \$ 0                       | 0                        |

\* 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 | \$ 0 |
| 17.12 | Unfunded portion of Interrogatory 17.11   | \$ 0 |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11                       | \$ 0 |
| 17.14 | Case reserves portion of Interrogatory 17.11  | \$ 0 |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11                                      | \$ 0 |
| 17.16 | Unearned premium portion of Interrogatory 17.11   | \$ 0 |
| 17.17 | Contingent commission portion of Interrogatory 17.11  | \$ 0 |

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 | \$ 0 |
| 17.19 | Unfunded portion of Interrogatory 17.18   | \$ 0 |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18                       | \$ 0 |
| 17.21 | Case reserves portion of Interrogatory 17.18  | \$ 0 |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18                                      | \$ 0 |
| 17.23 | Unearned premium portion of Interrogatory 17.18   | \$ 0 |
| 17.24 | Contingent commission portion of Interrogatory 17.18  | \$ 0 |

18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

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. \$ 0

## FIVE-YEAR HISTORICAL DATA

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

|   | 1<br>2016  | 2<br>2015  | 3<br>2014   | 4<br>2013   | 5<br>2012   |
|---|------------|------------|-------------|-------------|-------------|
| <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).....   | 16,667,028 | 13,922,943 | 12,981,918  | 15,178,804  | 15,041,163  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0          | 0          | 0           | 0           | 0           |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0          | 0          | 0           | 0           | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....  | 0          | 0          | 0           | 0           | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....   | 0          | 0          | 0           | 0           | 0           |
| 6. Total (Line 35).....   | 16,667,028 | 13,922,943 | 12,981,918  | 15,178,804  | 15,041,163  |
| <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).....   | 14,652,406 | 11,968,647 | 11,247,823  | 12,952,832  | 12,961,411  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 0          | 0          | 0           | 0           | 0           |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 0          | 0          | 0           | 0           | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0          | 0          | 0           | 0           | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0          | 0          | 0           | 0           | 0           |
| 12. Total (Line 35).....  | 14,652,406 | 11,968,647 | 11,247,823  | 12,952,832  | 12,961,411  |
| <b>Statement of Income (Page 4)</b>   |            |            |             |             |             |
| 13. Net underwriting gain (loss) (Line 8).....  | 1,685,063  | 1,534,395  | 3,138,604   | 2,189,863   | 5,775,539   |
| 14. Net investment gain (loss) (Line 11).....   | 2,486,917  | 3,019,769  | 3,147,465   | 4,340,431   | 4,238,208   |
| 15. Total other income (Line 15).....   | 112,136    | 81,835     | 2,350,869   | 521,976     | 681,433     |
| 16. Dividends to policyholders (Line 17).....   | 0          | 0          | 0           | 0           | 0           |
| 17. Federal and foreign income taxes incurred (Line 19).....  | 407,566    | 157,513    | (22,776)    | (157,353)   | 242,392     |
| 18. Net income (Line 20).....   | 3,876,550  | 4,478,487  | 8,659,714   | 7,209,623   | 10,452,788  |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |            |            |             |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....  | 99,073,104 | 98,946,625 | 106,621,145 | 103,117,624 | 106,959,417 |
| 20. Premiums and considerations (Page 2, Col. 3):   |            |            |             |             |             |
| 20.1 In course of collection (Line 15.1).....   | 1,023,995  | 864,963    | 536,781     | 796,158     | 786,939     |
| 20.2 Deferred and not yet due (Line 15.2).....  | 1,814,977  | 1,384,898  | 1,441,789   | 1,238,763   | 1,534,408   |
| 20.3 Accrued retrospective premiums (Line 15.3).....  | 0          | 0          | 0           | 0           | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....  | 48,411,990 | 48,451,364 | 51,848,056  | 50,504,219  | 56,071,592  |
| 22. Losses (Page 3, Line 1).....  | 22,324,086 | 21,035,410 | 21,386,668  | 22,644,793  | 24,370,712  |
| 23. Loss adjustment expenses (Page 3, Line 3).....  | 17,415,882 | 16,617,921 | 16,371,837  | 17,515,219  | 17,381,898  |
| 24. Unearned premiums (Page 3, Line 9).....   | 4,944,598  | 3,823,233  | 3,589,731   | 4,146,440   | 4,086,397   |
| 25. Capital paid up (Page 3, Lines 30 & 31).....  | 0          | 0          | 0           | 0           | 0           |
| 26. Surplus as regards policyholders (Page 3, Line 37).....   | 50,661,115 | 50,495,261 | 54,773,089  | 52,613,404  | 50,887,829  |
| <b>Cash Flow (Page 5)</b>   |            |            |             |             |             |
| 27. Net cash from operations (Line 11).....   | 6,615,947  | 3,895,775  | 4,165,181   | 4,447,625   | 5,007,925   |
| <b>Risk-Based Capital Analysis</b>  |            |            |             |             |             |
| 28. Total adjusted capital.....   | 50,819,210 | 50,495,261 | 54,773,089  | 52,613,404  | 50,887,830  |
| 29. Authorized control level risk-based capital.....  | 4,568,154  | 4,196,025  | 4,385,830   | 4,752,592   | 4,919,799   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |            |            |             |             |             |
| 30. Bonds (Line 1).....   | 83.1       | 83.1       | 76.4        | 81.2        | 78.0        |
| 31. Stocks (Lines 2.1 & 2.2).....   | 14.5       | 14.4       | 12.9        | 15.6        | 16.7        |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....  | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....   | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5).....   | 2.4        | 2.5        | 10.7        | 3.3         | 5.3         |
| 35. Contract loans (Line 6).....  | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 36. Derivatives (Line 7).....   | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 37. Other invested assets (Line 8).....   | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 38. Receivables for securities (Line 9).....  | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10).....  | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11).....  | 0.0        | 0.0        | 0.0         | 0.0         | 0.0         |
| 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).....  | 0          | 0          | 0           | 0           | 0           |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....   | 0          | 0          | 0           | 0           | 0           |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....  | 0          | 0          | 0           | 0           | 0           |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....  | 0          | 0          | 0           | 0           | 0           |
| 46. Affiliated mortgage loans on real estate.....   | 0          | 0          | 0           | 0           | 0           |
| 47. All other affiliated.....   | 0          | 0          | 0           | 0           | 0           |
| 48. Total of above lines 42 to 47.....  | 0          | 0          | 0           | 0           | 0           |
| 49. Total investment in parent included in Lines 42 to 47 above.....  | 0          | 0          | 0           | 0           | 0           |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>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         |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## FIVE-YEAR HISTORICAL DATA

(Continued)

|   | 1         | 2           | 3         | 4         | 5          |
|---|-----------|-------------|-----------|-----------|------------|
|   | 2016      | 2015        | 2014      | 2013      | 2012       |
| <b>Capital and Surplus Accounts (Page 4)</b>  |           |             |           |           |            |
| 51. Net unrealized capital gains (losses) (Line 24).....  | 791,212   | (675,514)   | 224,842   | 1,026,521 | 1,157,041  |
| 52. Dividends to stockholders (Line 35).....  | 0         | 0           | 0         | 0         | 0          |
| 53. Change in surplus as regards policyholders for the year (Line 38).....  | 165,853   | (4,277,827) | 2,159,683 | 1,725,573 | 10,984,751 |
| <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).....  | 3,911,295 | 4,430,782   | 3,840,347 | 8,782,502 | 4,499,441  |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0         | 0           | 0         | 0         | 0          |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0         | 0           | 0         | 0         | 0          |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0         | 0           | 0         | 0         | 0          |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0         | 0           | 0         | 0         | 0          |
| 59. Total (Line 35).....  | 3,911,295 | 4,430,782   | 3,840,347 | 8,782,502 | 4,499,441  |
| <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).....  | 3,911,295 | 4,430,782   | 3,840,347 | 5,432,502 | 4,099,441  |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 0         | 0           | 0         | 0         | 0          |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 0         | 0           | 0         | 0         | 0          |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   | 0         | 0           | 0         | 0         | 0          |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  | 0         | 0           | 0         | 0         | 0          |
| 65. Total (Line 35).....  | 3,911,295 | 4,430,782   | 3,840,347 | 5,432,502 | 4,099,441  |
| <b>Operating Percentages (Page 4)</b><br>(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).....   | 38.4      | 34.8        | 21.9      | 28.8      | 9.1        |
| 68. Loss expenses incurred (Line 3).....  | 36.5      | 38.4        | 29.0      | 32.5      | 26.7       |
| 69. Other underwriting expenses incurred (Line 4).....  | 12.6      | 13.7        | 22.6      | 21.8      | 18.9       |
| 70. Net underwriting gain (loss) (Line 8).....  | 12.5      | 13.1        | 26.6      | 17.0      | 45.2       |
| <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).....   | 10.9      | 12.8        | 2.8       | 17.6      | 13.4       |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....   | 74.9      | 73.2        | 50.9      | 61.2      | 35.9       |
| 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).....  | 28.9      | 23.7        | 20.5      | 24.6      | 25.5       |
| <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).....  | (2,957)   | (3,275)     | (5,061)   | (4,522)   | (7,663)    |
| 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).....                   | (5.9)     | (6.0)       | (9.6)     | (8.9)     | (19.2)     |
| <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).....                           | (5,745)   | (8,083)     | (8,534)   | (12,618)  | (11,383)   |
| 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)..... | (10.5)    | (15.4)      | (16.8)    | (31.6)    | (32.3)     |

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:

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**



NAIC Group Code....0 NAIC Company Code....31429

BUSINESS IN GRAND TOTAL DURING THE YEAR

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.1 Allied lines.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.2 Multiple peril crop.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.3 Federal flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.4 Private crop.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.5 Private flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 3. Farmowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 4. Homeowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.1 Commercial multiple peril (non-liability portion).....             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.2 Commercial multiple peril (liability portion).....                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 6. Mortgage guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 8. Ocean marine.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 9. Inland marine.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 10. Financial guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 11. Medical professional liability.....                                | 16,515,372  | 15,334,420                  | 0   | 0                                     | 3,848,958                                   | 4,770,641                   | 26,281,097                | 2,975,191   | 3,652,412   | 18,504,036   | 14,974                                   | 0                              |
| 12. Earthquake.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 13. Group accident and health (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 14. Credit A&H (group and individual).....                             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.1 Collectively renewable A&H (b).....                               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.2 Non-cancelable A&H (b).....                                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.3 Guaranteed renewable A&H (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.4 Non-renewable for stated reasons only (b).....                    | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.5 Other accident only.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.7 All other A&H (b).....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.8 Federal employees health benefits plan premium.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 16. Workers' compensation.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 17.1 Other liability-occurrence.....                                   | 67,626  | 67,263                      | 0   | 0                                     | 58,004                                      | 92,390                      | 81,133                    | 7,691   | 31,761  | 56,786   | 0  | 0                              |
| 17.2 Other liability-claims-made.....                                  | 84,030  | 62,624                      | 0   | 0                                     | 4,334                                       | 31,854                      | 47,701                    | 4,394   | 23,889  | 33,376   | 0  | 0                              |
| 17.3 Excess workers' compensation.....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 18. Products liability.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.2 Other private passenger auto liability.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.3 Commercial auto no-fault (personal injury protection).....        | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.4 Other commercial auto liability.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.1 Private passenger auto physical damage.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.2 Commercial auto physical damage.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 22. Aircraft (all perils).....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 23. Fidelity.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 24. Surety.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 26. Burglary and theft.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 27. Boiler and machinery.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 28. Credit.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 30. Warranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 34. Aggregate write-ins for other lines of business.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 35. TOTALS (a).....  | 16,667,028  | 15,464,307                  | 0   | 0                                     | 3,911,296                                   | 4,894,885                   | 26,409,931                | 2,987,276   | 3,708,062   | 18,594,198   | 14,974                                   | 0                              |

**DETAILS OF WRITE-INS**

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

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**



BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR

NAIC Group Code....0 NAIC Company Code....31429

| Line of Business   | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|--|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|  | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.1 Allied lines.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.2 Multiple peril crop.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.3 Federal flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.4 Private crop.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 2.5 Private flood.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 3. Farmowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 4. Homeowners multiple peril.....                                      | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.1 Commercial multiple peril (non-liability portion).....             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 5.2 Commercial multiple peril (liability portion).....                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 6. Mortgage guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 8. Ocean marine.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 9. Inland marine.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 10. Financial guaranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 11. Medical professional liability.....                                | 16,515,372  | 15,334,420                  | 0   | 0                                     | 3,848,958                                   | 4,770,641                   | 26,281,097                | 2,975,191   | 3,652,412   | 18,504,036   | 14,974                                   | 0                              |
| 12. Earthquake.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 13. Group accident and health (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 14. Credit A&H (group and individual).....                             | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.1 Collectively renewable A&H (b).....                               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.2 Non-cancelable A&H (b).....                                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.3 Guaranteed renewable A&H (b).....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.4 Non-renewable for stated reasons only (b).....                    | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.5 Other accident only.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.6 Medicare Title XVIII exempt from state taxes or fees.....         | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.7 All other A&H (b).....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 15.8 Federal employees health benefits plan premium.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 16. Workers' compensation.....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 17.1 Other liability-occurrence.....                                   | 67,626  | 67,263                      | 0   | 0                                     | 58,004                                      | 92,390                      | 81,133                    | 7,691   | 31,761  | 56,786   | 0  | 0                              |
| 17.2 Other liability-claims-made.....                                  | 84,030  | 62,624                      | 0   | 0                                     | 4,334                                       | 31,854                      | 47,701                    | 4,394   | 23,889  | 33,376   | 0  | 0                              |
| 17.3 Excess workers' compensation.....                                 | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 18. Products liability.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.1 Private passenger auto no-fault (personal injury protection)..... | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.2 Other private passenger auto liability.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.3 Commercial auto no-fault (personal injury protection).....        | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 19.4 Other commercial auto liability.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.1 Private passenger auto physical damage.....                       | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 21.2 Commercial auto physical damage.....                              | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 22. Aircraft (all perils).....   | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 23. Fidelity.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 24. Surety.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 26. Burglary and theft.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 27. Boiler and machinery.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 28. Credit.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 30. Warranty.....  | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 34. Aggregate write-ins for other lines of business.....               | 0   | 0                           | 0   | 0                                     | 0   | 0                           | 0                         | 0   | 0   | 0  | 0  | 0                              |
| 35. TOTALS (a).....  | 16,667,028  | 15,464,307                  | 0   | 0                                     | 3,911,296                                   | 4,894,885                   | 26,409,931                | 2,987,276   | 3,708,062   | 18,594,198   | 14,974                                   | 0                              |

**DETAILS OF WRITE-INS**

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

(a) Finance and service charges not included in Lines 1 to 35 \$.....0.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**Sch. F - Pt. 1  
NONE**

**Sch. F - Pt. 2  
NONE**

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

| 1<br>ID<br>Number                                  | 2<br>NAIC<br>Company<br>Code                                    | 3<br>Name of Reinsurer                | 4<br>Domiciliary<br>Jurisdiction | 5<br>Special<br>Code | 6<br>Reinsurance<br>Premiums<br>Ceded | Reinsurance Recoverable on |                  |  |  |                                |                               |                            |                                 |                                       | Reinsurance Payable                |  | 18<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Col. 15-[16+17] | 19<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties |
|--|---|---------------------------------------|----------------------------------|----------------------|---------------------------------------|----------------------------|------------------|--|--|--------------------------------|-------------------------------|----------------------------|---------------------------------|---------------------------------------|------------------------------------|--|--|--|
|  |   |                                       |                                  |                      |                                       | 7<br>Paid<br>Losses        | 8<br>Paid<br>LAE | 9<br>Known<br>Case<br>Loss<br>Reserves | 10<br>Known<br>Case<br>LAE<br>Reserves | 11<br>IBNR<br>Loss<br>Reserves | 12<br>IBNR<br>LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commissions | 15<br>Cols.<br>7 through 14<br>Totals | 16<br>Ceded<br>Balances<br>Payable | 17<br>Other<br>Amounts<br>Due to<br>Reinsurers |  |  |
| <b>Authorized Other U.S. Unaffiliated Insurers</b> |   |                                       |                                  |                      |                                       |                            |                  |  |  |                                |                               |                            |                                 |                                       |                                    |  |  |  |
| 48-0921045.  | 39845...  | Westport Insurance Corp (ERC).....    | MO.....                          |                      | 0                                     | 0                          | 0                | 0                                      | 0                                      | 11                             | 27                            | 0                          | 0                               | 38                                    | 0                                  | 0  | 38   | 0  |
| 95-2371728.  | 22667...  | Ace American Insurance Company.....   | PA.....                          |                      | 467                                   | 0                          | 0                | 0                                      | 0                                      | 788                            | 533                           | 46                         | 0                               | 1,367                                 | 0                                  | 0  | 1,367  | 0  |
| 35-0506406.  | 11843...  | Medical Protective Co.....            | IN.....                          |                      | 206                                   | 0                          | 0                | 0                                      | 0                                      | 107                            | 74                            | 68                         | 0                               | 249                                   | 0                                  | 0  | 249  | 0  |
| 42-0635534.  | 15865...  | NCMIC Insurance Company.....          | IA.....                          |                      | 310                                   | 0                          | 0                | 0                                      | 0                                      | 770                            | 539                           | 31                         | 0                               | 1,340                                 | 9                                  | 0  | 1,331  | 0  |
| 47-0574325.  | 32603...  | Berkley Insurance Company.....        | DE.....                          |                      | 310                                   | 0                          | 0                | 0                                      | 0                                      | 770                            | 539                           | 31                         | 0                               | 1,340                                 | 9                                  | 0  | 1,331  | 0  |
| 13-4924125.  | 10227...  | Munich Reinsurance America Inc.....   | DE.....                          |                      | 310                                   | 0                          | 0                | 0                                      | 0                                      | 770                            | 539                           | 31                         | 0                               | 1,340                                 | 9                                  | 0  | 1,331  | 0  |
| 13-3138390.  | 42307...  | Navigators Insurance Company.....     | NY.....                          |                      | 124                                   | 0                          | 0                | 0                                      | 0                                      | 308                            | 216                           | 12                         | 0                               | 536                                   | 4                                  | 0  | 532  | 0  |
| 91-1160717.  | 40738...  | Physicians Insurance a Mutual Co..... | WA.....                          |                      | 186                                   | 0                          | 0                | 0                                      | 0                                      | 462                            | 323                           | 18                         | 0                               | 803                                   | 5                                  | 0  | 798  | 0  |
| 0999999.   | Total Authorized Other U.S. Unaffiliated Insurers.....          |                                       |                                  |                      | 1,913                                 | 0                          | 0                | 0                                      | 0                                      | 3,986                          | 2,790                         | 237                        | 0                               | 7,013                                 | 36                                 | 0  | 6,977  | 0  |
| <b>Authorized Other Non-U.S. Insurers</b>          |   |                                       |                                  |                      |                                       |                            |                  |  |  |                                |                               |                            |                                 |                                       |                                    |  |  |  |
| 1299998.   | Total Authorized Other Non-U.S. Insurers (Under \$100,000)..... |                                       |                                  |                      | 100                                   | 0                          | 0                | 0                                      | 0                                      | 100                            | 70                            | 0                          | 0                               | 170                                   | 0                                  | 0  | 170  | 0  |
| 1299999.   | Total Authorized Other Non-U.S. Insurers.....                   |                                       |                                  |                      | 100                                   | 0                          | 0                | 0                                      | 0                                      | 100                            | 70                            | 0                          | 0                               | 170                                   | 0                                  | 0  | 170  | 0  |
| 1399999.   | Total Authorized.....   |                                       |                                  |                      | 2,013                                 | 0                          | 0                | 0                                      | 0                                      | 4,086                          | 2,860                         | 237                        | 0                               | 7,183                                 | 36                                 | 0  | 7,147  | 0  |
| 4099999.   | Total Authorized, Unauthorized and Certified.....               |                                       |                                  |                      | 2,013                                 | 0                          | 0                | 0                                      | 0                                      | 4,086                          | 2,860                         | 237                        | 0                               | 7,183                                 | 36                                 | 0  | 7,147  | 0  |
| 9999999.   | Totals.....   |                                       |                                  |                      | 2,013                                 | 0                          | 0                | 0                                      | 0                                      | 4,086                          | 2,860                         | 237                        | 0                               | 7,183                                 | 36                                 | 0  | 7,147  | 0  |

22

Note: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000.

| 1<br>Name of Reinsurer                  | 2<br>Commission<br>Rate | 3<br>Ceded<br>Premium |
|---|-------------------------|-----------------------|
| (1) NCMIC Insurance Company.....        | 10.0                    | 0                     |
| (2) Ace American Insurance Comapny..... | 3.0                     | 0                     |
| (3).....                                | 0.0                     | 0                     |
| (4).....                                | 0.0                     | 0                     |
| (5).....                                | 0.0                     | 0                     |

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

| 1<br>Name of Reinsurer                  | 2<br>Total<br>Recoverables | 3<br>Ceded<br>Premiums | 4<br>Affiliated |          |
|---|----------------------------|------------------------|-----------------|----------|
| (1) Ace American Insurance Company..... | 1,367                      | 467                    | Yes [ ]         | No [ X ] |
| (2) NCMIC Insurance Company.....        | 1,331                      | 310                    | Yes [ ]         | No [ X ] |
| (3) Berkley Insurance Company.....      | 1,331                      | 310                    | Yes [ ]         | No [ X ] |
| (4) Munich Reinsurance America Inc..... | 1,331                      | 310                    | Yes [ ]         | No [ X ] |
| (5) Medical Protective Co.....          | 249                        | 206                    | Yes [ ]         | No [ X ] |



**Sch. F - Pt. 4  
NONE**

**Sch. F - Pt. 5  
NONE**

**Sch. F - Pt. 6 - Sn. 1  
NONE**

**Sch. F - Pt. 6 - Sn. 2  
NONE**

**Sch. F - Pt. 7  
NONE**

**Sch. F - Pt. 8  
NONE**

**SCHEDULE F - PART 9**

## Restatement of Balance Sheet to Identify Net Credit for Reinsurance

|  | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|--|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>   |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 12).....   | 95,592,813                         | 0                               | 95,592,813                        |
| 2. Premiums and considerations (Line 15).....  | 2,838,972                          | (36,982)                        | 2,801,990                         |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)..... | 0                                  | 0                               | 0                                 |
| 4. Funds held by or deposited with reinsured companies (Line 16.2).....                  | 0                                  | 0                               | 0                                 |
| 5. Other assets.....   | 641,318                            | 0                               | 641,318                           |
| 6. Net amount recoverable from reinsurers.....   | 0                                  | 7,256,630                       | 7,256,630                         |
| 7. Protected cell assets (Line 27).....  | 0                                  | 0                               | 0                                 |
| 8. Totals (Line 28).....   | 99,073,103                         | 7,219,648                       | 106,292,751                       |
| <b>LIABILITIES (Page 3)</b>  |                                    |                                 |                                   |
| 9. Losses and loss adjustment expenses (Lines 1 through 3).....                          | 39,739,968                         | 6,945,934                       | 46,685,902                        |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8).....                      | 536,330                            | 0                               | 536,330                           |
| 11. Unearned premiums (Line 9).....  | 4,944,598                          | 236,732                         | 5,181,330                         |
| 12. Advance premiums (Line 10).....  | 1,025,100                          | 0                               | 1,025,100                         |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2).....                              | 0                                  | 0                               | 0                                 |
| 14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12).....        | 36,982                             | 36,982                          | 73,964                            |
| 15. Funds held by company under reinsurance treaties (Line 13).....                      | 0                                  | 0                               | 0                                 |
| 16. Amounts withheld or retained by company for account of others (Line 14).....         | 0                                  | 0                               | 0                                 |
| 17. Provision for reinsurance (Line 16).....   | 0                                  | 0                               | 0                                 |
| 18. Other liabilities.....   | 2,129,012                          | 0                               | 2,129,012                         |
| 19. Total liabilities excluding protected cell business (Line 26).....                   | 48,411,990                         | 7,219,648                       | 55,631,638                        |
| 20. Protected cell liabilities (Line 27).....  | 0                                  | 0                               | 0                                 |
| 21. Surplus as regards policyholders (Line 37).....                                      | 50,661,115                         | XXX                             | 50,661,115                        |
| 22. Totals (Line 38).....  | 99,073,105                         | 7,219,648                       | 106,292,753                       |

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?..Yes [ ] No [ X ]

If yes, give full explanation:

---

**Sch. H - Pt. 1  
NONE**

**Sch. H - Pt. 2  
NONE**

**Sch. H - Pt. 3  
NONE**

**Sch. H - Pt. 4  
NONE**

**Sch. H - Pt. 5  
NONE**

**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<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|----|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |    |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |    |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 0                              | 0          | 1                                     | 0          | 0                            | 0          | 0  | 1                                      | XXX  |  |
| 2. 2007.....   | 19,763                  | 3,321      | 16,442                 | 5,438                          | 0          | 3,340                                 | 0          | 458                          | 0          | 0  | 9,236                                  | XXX  |  |
| 3. 2008.....   | 18,643                  | 2,920      | 15,723                 | 10,911                         | 3,750      | 4,595                                 | 304        | 649                          | 0          | 0  | 12,101                                 | XXX  |  |
| 4. 2009.....   | 19,865                  | 2,708      | 17,157                 | 7,365                          | 425        | 3,250                                 | 42         | 630                          | 0          | 14 | 10,778                                 | XXX  |  |
| 5. 2010.....   | 15,207                  | 2,350      | 12,857                 | 3,915                          | 0          | 4,204                                 | 0          | 460                          | 0          | 0  | 8,579                                  | XXX  |  |
| 6. 2011.....   | 14,535                  | 2,046      | 12,489                 | 1,913                          | 0          | 2,439                                 | 0          | 328                          | 0          | 0  | 4,680                                  | XXX  |  |
| 7. 2012.....   | 14,833                  | 2,067      | 12,766                 | 3,119                          | 0          | 2,516                                 | 0          | 410                          | 0          | 0  | 6,045                                  | XXX  |  |
| 8. 2013.....   | 15,166                  | 2,282      | 12,884                 | 2,549                          | 0          | 2,818                                 | 0          | 489                          | 0          | 0  | 5,856                                  | XXX  |  |
| 9. 2014.....   | 13,592                  | 1,789      | 11,803                 | 1,323                          | 0          | 1,151                                 | 0          | 350                          | 0          | 0  | 2,824                                  | XXX  |  |
| 10. 2015.....  | 13,673                  | 1,938      | 11,735                 | 781                            | 0          | 557                                   | 0          | 253                          | 0          | 0  | 1,591                                  | XXX  |  |
| 11. 2016.....  | 15,464                  | 1,932      | 13,532                 | 186                            | 0          | 220                                   | 0          | 142                          | 0          | 0  | 548                                    | XXX  |  |
| 12. Totals.....  | XXX                     | XXX        | XXX                    | 37,500                         | 4,175      | 25,091                                | 346        | 4,169                        | 0          | 14 | 62,239                                 | XXX  |  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0                        | 0           | 165                      | 111         | 0                                   | 0           | 187                      | 78          | 9                          | 0           | 0   | 172  | XXX   |
| 2. 2007.....    | 75                       | 0           | 115                      | 105         | 23                                  | 0           | 72                       | 74          | 3                          | 0           | 0   | 109  | XXX   |
| 3. 2008.....    | 0                        | 0           | 263                      | 146         | 0                                   | 0           | 282                      | 103         | 16                         | 0           | 0   | 312  | XXX   |
| 4. 2009.....    | 0                        | 0           | 305                      | 194         | 0                                   | 0           | 393                      | 136         | 19                         | 0           | 0   | 387  | XXX   |
| 5. 2010.....    | 0                        | 0           | 499                      | 199         | 4                                   | 0           | 610                      | 139         | 41                         | 0           | 0   | 816  | XXX   |
| 6. 2011.....    | 1,050                    | 0           | 351                      | 227         | 152                                 | 0           | 497                      | 159         | 56                         | 0           | 0   | 1,720                                      | XXX   |
| 7. 2012.....    | 860                      | 0           | 557                      | 292         | 148                                 | 0           | 962                      | 205         | 80                         | 0           | 0   | 2,110                                      | XXX   |
| 8. 2013.....    | 1,787                    | 0           | 1,717                    | 534         | 494                                 | 0           | 1,928                    | 374         | 204                        | 0           | 0   | 5,222                                      | XXX   |
| 9. 2014.....    | 2,211                    | 0           | 2,444                    | 594         | 490                                 | 0           | 2,566                    | 415         | 281                        | 0           | 0   | 6,983                                      | XXX   |
| 10. 2015.....   | 2,394                    | 0           | 3,914                    | 813         | 302                                 | 0           | 4,047                    | 569         | 417                        | 0           | 0   | 9,692                                      | XXX   |
| 11. 2016.....   | 1,499                    | 0           | 6,202                    | 872         | 558                                 | 0           | 4,880                    | 611         | 558                        | 0           | 0   | 12,214                                     | XXX   |
| 12. Totals..... | 9,876                    | 0           | 16,532                   | 4,087       | 2,171                               | 0           | 16,424                   | 2,863       | 1,684                      | 0           | 0   | 39,737                                     | XXX   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 54  | 118                        |
| 2. 2007.   | 9,524                                   | 179         | 9,345     | 48.2  | 5.4         | 56.8      | 0                   | 0                  | 0.00   | 85  | 24                         |
| 3. 2008.   | 16,716                                  | 4,303       | 12,413    | 89.7  | 147.4       | 78.9      | 0                   | 0                  | 0.00   | 117                                       | 195                        |
| 4. 2009.   | 11,962                                  | 797         | 11,165    | 60.2  | 29.4        | 65.1      | 0                   | 0                  | 0.00   | 111                                       | 276                        |
| 5. 2010.   | 9,733                                   | 338         | 9,395     | 64.0  | 14.4        | 73.1      | 0                   | 0                  | 0.00   | 300                                       | 516                        |
| 6. 2011.   | 6,786                                   | 386         | 6,400     | 46.7  | 18.9        | 51.2      | 0                   | 0                  | 0.00   | 1,174                                     | 546                        |
| 7. 2012.   | 8,652                                   | 497         | 8,155     | 58.3  | 24.0        | 63.9      | 0                   | 0                  | 0.00   | 1,125                                     | 985                        |
| 8. 2013.   | 11,986                                  | 908         | 11,078    | 79.0  | 39.8        | 86.0      | 0                   | 0                  | 0.00   | 2,970                                     | 2,252                      |
| 9. 2014.   | 10,816                                  | 1,009       | 9,807     | 79.6  | 56.4        | 83.1      | 0                   | 0                  | 0.00   | 4,061                                     | 2,922                      |
| 10. 2015.  | 12,665                                  | 1,382       | 11,283    | 92.6  | 71.3        | 96.1      | 0                   | 0                  | 0.00   | 5,495                                     | 4,197                      |
| 11. 2016.  | 14,245                                  | 1,483       | 12,762    | 92.1  | 76.8        | 94.3      | 0                   | 0                  | 0.00   | 6,829                                     | 5,385                      |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 22,321                                    | 17,416                     |

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  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |
|                                     | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | One Year    | Two Year |
| 1. Prior.....                       | 27,943   | 25,778 | 23,259 | 23,074 | 22,573 | 22,539 | 22,157 | 22,149 | 21,910 | 21,838 | (72)        | (311)    |
| 2. 2007.....                        | 15,114   | 14,919 | 13,157 | 10,444 | 8,961  | 8,466  | 8,393  | 8,352  | 8,512  | 8,884  | 372         | 532      |
| 3. 2008.....                        | XXX  | 14,957 | 15,685 | 16,075 | 14,022 | 12,023 | 11,537 | 11,930 | 11,868 | 11,748 | (120)       | (182)    |
| 4. 2009.....                        | XXX  | XXX    | 14,623 | 13,978 | 14,227 | 11,502 | 10,245 | 9,985  | 10,581 | 10,516 | (65)        | 531      |
| 5. 2010.....                        | XXX  | XXX    | XXX    | 12,805 | 11,985 | 10,463 | 9,491  | 9,307  | 9,045  | 8,894  | (151)       | (413)    |
| 6. 2011.....                        | XXX  | XXX    | XXX    | XXX    | 11,677 | 10,789 | 9,004  | 6,972  | 5,787  | 6,016  | 229         | (956)    |
| 7. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 11,958 | 12,391 | 10,511 | 9,278  | 7,665  | (1,613)     | (2,846)  |
| 8. 2013.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 12,148 | 11,099 | 10,302 | 10,385 | 83          | (714)    |
| 9. 2014.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 10,562 | 10,309 | 9,176  | (1,133)     | (1,386)  |
| 10. 2015.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 11,100 | 10,613 | (487)       | XXX      |
| 11. 2016.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 12,062 | XXX         | XXX      |
| 12. Totals.....                     |  |        |        |        |        |        |        |        |        |        | (2,957)     | (5,745)  |

**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   | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2007  | 2008  | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |   |  |
| 1. Prior.....                       | 000   | 8,442 | 13,891 | 16,839 | 19,236 | 20,197 | 20,600 | 21,397 | 21,674 | 21,675 | XXX                                       | XXX  |
| 2. 2007.....                        | 479   | 1,446 | 3,526  | 5,731  | 7,623  | 7,850  | 8,000  | 8,135  | 8,263  | 8,778  | XXX                                       | XXX  |
| 3. 2008.....                        | XXX   | 437   | 1,310  | 2,920  | 5,903  | 9,388  | 10,679 | 10,859 | 11,451 | 11,452 | XXX                                       | XXX  |
| 4. 2009.....                        | XXX   | XXX   | 376    | 1,268  | 4,890  | 6,179  | 8,320  | 9,006  | 10,114 | 10,148 | XXX                                       | XXX  |
| 5. 2010.....                        | XXX   | XXX   | XXX    | 902    | 1,834  | 2,851  | 4,624  | 6,784  | 8,070  | 8,119  | XXX                                       | XXX  |
| 6. 2011.....                        | XXX   | XXX   | XXX    | XXX    | 449    | 1,154  | 2,334  | 3,697  | 4,132  | 4,352  | XXX                                       | XXX  |
| 7. 2012.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | 281    | 1,971  | 3,356  | 4,872  | 5,635  | XXX                                       | XXX  |
| 8. 2013.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | 441    | 1,433  | 2,602  | 5,367  | XXX                                       | XXX  |
| 9. 2014.....                        | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 264    | 1,179  | 2,474  | XXX                                       | XXX  |
| 10. 2015.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 503    | 1,338  | XXX                                       | XXX  |
| 11. 2016.....                       | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 406    | 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   | 2      | 3      | 4      | 5      | 6      | 7      | 8     | 9     | 10    |
|                                     | 2007  | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014  | 2015  | 2016  |
| 1. Prior.....                       | 18,092  | 9,895  | 4,332  | 2,544  | 1,187  | 836    | 621    | 342   | 209   | 163   |
| 2. 2007.....                        | 13,606  | 10,532 | 6,517  | 2,229  | 1,010  | 334    | 241    | 174   | 74    | 8     |
| 3. 2008.....                        | XXX   | 13,510 | 10,488 | 6,867  | 3,303  | 1,116  | 690    | 542   | 416   | 296   |
| 4. 2009.....                        | XXX   | XXX    | 13,082 | 9,870  | 6,662  | 3,381  | 952    | 589   | 376   | 368   |
| 5. 2010.....                        | XXX   | XXX    | XXX    | 10,987 | 8,480  | 5,507  | 2,089  | 1,008 | 806   | 771   |
| 6. 2011.....                        | XXX   | XXX    | XXX    | XXX    | 10,666 | 8,068  | 5,105  | 2,031 | 924   | 462   |
| 7. 2012.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | 10,354 | 7,831  | 5,237 | 2,979 | 1,022 |
| 8. 2013.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 10,617 | 7,944 | 5,025 | 2,737 |
| 9. 2014.....                        | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 9,676 | 7,158 | 4,001 |
| 10. 2015.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX   | 9,435 | 6,579 |
| 11. 2016.....                       | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX   | XXX   | 9,599 |

**Sch. P - Pt. 1A  
NONE**

**Sch. P - Pt. 1B  
NONE**

**Sch. P - Pt. 1C  
NONE**

**Sch. P - Pt. 1D  
NONE**

**Sch. P - Pt. 1E  
NONE**

**SCHEDULE P - PART 1F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 1.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 1.....   | XXX.....   |
| 2. 2007.....   | 12,105.....             | 1,319..... | 10,786.....            | 3,504.....                     | 0.....     | 2,021.....                            | 0.....     | 311.....                     | 0.....     | 0.....                                 | 5,836.....   | 144.....   |
| 3. 2008.....   | 12,184.....             | 1,377..... | 10,807.....            | 8,844.....                     | 3,350..... | 3,134.....                            | 280.....   | 479.....                     | 0.....     | 0.....                                 | 8,827.....   | 210.....   |
| 4. 2009.....   | 11,948.....             | 1,471..... | 10,477.....            | 4,247.....                     | 0.....     | 2,371.....                            | 0.....     | 465.....                     | 0.....     | 14.....                                | 7,083.....   | 200.....   |
| 5. 2010.....   | 9,359.....              | 1,164..... | 8,195.....             | 3,454.....                     | 0.....     | 3,059.....                            | 0.....     | 358.....                     | 0.....     | 0.....                                 | 6,871.....   | 193.....   |
| 6. 2011.....   | 9,265.....              | 1,140..... | 8,125.....             | 1,189.....                     | 0.....     | 1,438.....                            | 0.....     | 216.....                     | 0.....     | 0.....                                 | 2,843.....   | 166.....   |
| 7. 2012.....   | 9,171.....              | 1,165..... | 8,006.....             | 1,684.....                     | 0.....     | 1,203.....                            | 0.....     | 253.....                     | 0.....     | 0.....                                 | 3,140.....   | 168.....   |
| 8. 2013.....   | 9,627.....              | 1,407..... | 8,220.....             | 1,411.....                     | 0.....     | 1,896.....                            | 0.....     | 343.....                     | 0.....     | 0.....                                 | 3,650.....   | 180.....   |
| 9. 2014.....   | 8,309.....              | 1,057..... | 7,252.....             | 1,005.....                     | 0.....     | 616.....                              | 0.....     | 237.....                     | 0.....     | 0.....                                 | 1,858.....   | 134.....   |
| 10. 2015.....  | 8,684.....              | 1,182..... | 7,502.....             | 305.....                       | 0.....     | 176.....                              | 0.....     | 130.....                     | 0.....     | 0.....                                 | 611.....   | 167.....   |
| 11. 2016.....  | 8,334.....              | 1,043..... | 7,291.....             | 61.....                        | 0.....     | 52.....                               | 0.....     | 54.....                      | 0.....     | 0.....                                 | 167.....   | 180.....   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 25,704.....                    | 3,350..... | 15,967.....                           | 280.....   | 2,846.....                   | 0.....     | 14.....                                | 40,887.....  | XXX.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 158.....                 | 104.....    | 0.....                              | 0.....      | 182.....                 | 73.....     | 9.....                     | 0.....      | 0.....                                    | 172.....                                   | 2.....  |
| 2. 2007.....    | 75.....                  | 0.....      | 82.....                  | 72.....     | 23.....                             | 0.....      | 49.....                  | 51.....     | 3.....                     | 0.....      | 0.....                                    | 109.....                                   | 0.....  |
| 3. 2008.....    | 0.....                   | 0.....      | 222.....                 | 108.....    | 0.....                              | 0.....      | 247.....                 | 76.....     | 15.....                    | 0.....      | 0.....                                    | 300.....                                   | 0.....  |
| 4. 2009.....    | 0.....                   | 0.....      | 255.....                 | 151.....    | 0.....                              | 0.....      | 352.....                 | 106.....    | 18.....                    | 0.....      | 0.....                                    | 368.....                                   | 2.....  |
| 5. 2010.....    | 0.....                   | 0.....      | 444.....                 | 149.....    | 4.....                              | 0.....      | 550.....                 | 104.....    | 39.....                    | 0.....      | 0.....                                    | 784.....                                   | 9.....  |
| 6. 2011.....    | 750.....                 | 0.....      | 291.....                 | 177.....    | 144.....                            | 0.....      | 421.....                 | 124.....    | 45.....                    | 0.....      | 0.....                                    | 1,350.....                                 | 10.....   |
| 7. 2012.....    | 860.....                 | 0.....      | 372.....                 | 217.....    | 143.....                            | 0.....      | 748.....                 | 152.....    | 66.....                    | 0.....      | 0.....                                    | 1,820.....                                 | 21.....   |
| 8. 2013.....    | 1,512.....               | 0.....      | 1,398.....               | 391.....    | 430.....                            | 0.....      | 1,603.....               | 274.....    | 174.....                   | 0.....      | 0.....                                    | 4,452.....                                 | 27.....   |
| 9. 2014.....    | 1,566.....               | 0.....      | 1,731.....               | 401.....    | 271.....                            | 0.....      | 1,963.....               | 280.....    | 206.....                   | 0.....      | 0.....                                    | 5,056.....                                 | 16.....   |
| 10. 2015.....   | 524.....                 | 0.....      | 3,542.....               | 572.....    | 112.....                            | 0.....      | 2,975.....               | 400.....    | 308.....                   | 0.....      | 0.....                                    | 6,489.....                                 | 60.....   |
| 11. 2016.....   | 146.....                 | 0.....      | 4,191.....               | 548.....    | 120.....                            | 0.....      | 3,013.....               | 384.....    | 336.....                   | 0.....      | 0.....                                    | 6,874.....                                 | 58.....   |
| 12. Totals..... | 5,433.....               | 0.....      | 12,686.....              | 2,890.....  | 1,247.....                          | 0.....      | 12,103.....              | 2,024.....  | 1,219.....                 | 0.....      | 0.....                                    | 27,774.....                                | 205.....  |

|                 | Total Losses and Loss Expenses Incurred |             |            | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|------------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net  | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 54.....                                   | 118.....                   |
| 2. 2007.....    | 6,068.....                              | 123.....    | 5,945..... | 50.1.....   | 9.3.....    | 55.1..... | 0.....              | 0.....             | 0.00.....  | 85.....                                   | 24.....                    |
| 3. 2008.....    | 12,941.....                             | 3,814.....  | 9,127..... | 106.2.....  | 277.0.....  | 84.5..... | 0.....              | 0.....             | 0.00.....  | 114.....                                  | 186.....                   |
| 4. 2009.....    | 7,708.....                              | 257.....    | 7,451..... | 64.5.....   | 17.5.....   | 71.1..... | 0.....              | 0.....             | 0.00.....  | 104.....                                  | 264.....                   |
| 5. 2010.....    | 7,908.....                              | 253.....    | 7,655..... | 84.5.....   | 21.7.....   | 93.4..... | 0.....              | 0.....             | 0.00.....  | 295.....                                  | 489.....                   |
| 6. 2011.....    | 4,494.....                              | 301.....    | 4,193..... | 48.5.....   | 26.4.....   | 51.6..... | 0.....              | 0.....             | 0.00.....  | 864.....                                  | 486.....                   |
| 7. 2012.....    | 5,329.....                              | 369.....    | 4,960..... | 58.1.....   | 31.7.....   | 62.0..... | 0.....              | 0.....             | 0.00.....  | 1,015.....                                | 805.....                   |
| 8. 2013.....    | 8,767.....                              | 665.....    | 8,102..... | 91.1.....   | 47.3.....   | 98.6..... | 0.....              | 0.....             | 0.00.....  | 2,519.....                                | 1,933.....                 |
| 9. 2014.....    | 7,595.....                              | 681.....    | 6,914..... | 91.4.....   | 64.4.....   | 95.3..... | 0.....              | 0.....             | 0.00.....  | 2,896.....                                | 2,160.....                 |
| 10. 2015.....   | 8,072.....                              | 972.....    | 7,100..... | 93.0.....   | 82.2.....   | 94.6..... | 0.....              | 0.....             | 0.00.....  | 3,494.....                                | 2,995.....                 |
| 11. 2016.....   | 7,973.....                              | 932.....    | 7,041..... | 95.7.....   | 89.4.....   | 96.6..... | 0.....              | 0.....             | 0.00.....  | 3,789.....                                | 3,085.....                 |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 15,229.....                               | 12,545.....                |

**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2007.....   | 7,626.....              | 2,002..... | 5,624.....             | 1,931.....                     | 0.....     | 1,315.....                            | 0.....     | 146.....                     | 0.....     | 0.....                                 | 0.....   | 3,392.....78                                       |
| 3. 2008.....   | 6,424.....              | 1,543..... | 4,881.....             | 2,065.....                     | 400.....   | 1,461.....                            | 24.....    | 170.....                     | 0.....     | 0.....                                 | 0.....   | 3,272.....88                                       |
| 4. 2009.....   | 7,862.....              | 1,237..... | 6,625.....             | 3,116.....                     | 425.....   | 879.....                              | 42.....    | 165.....                     | 0.....     | 0.....                                 | 0.....   | 3,693.....86                                       |
| 5. 2010.....   | 5,792.....              | 1,186..... | 4,606.....             | 452.....                       | 0.....     | 1,117.....                            | 0.....     | 101.....                     | 0.....     | 0.....                                 | 0.....   | 1,670.....78                                       |
| 6. 2011.....   | 5,218.....              | 906.....   | 4,312.....             | 709.....                       | 0.....     | 999.....                              | 0.....     | 110.....                     | 0.....     | 0.....                                 | 0.....   | 1,818.....98                                       |
| 7. 2012.....   | 5,611.....              | 902.....   | 4,709.....             | 1,433.....                     | 0.....     | 1,310.....                            | 0.....     | 157.....                     | 0.....     | 0.....                                 | 0.....   | 2,900.....99                                       |
| 8. 2013.....   | 5,490.....              | 875.....   | 4,615.....             | 1,116.....                     | 0.....     | 912.....                              | 0.....     | 144.....                     | 0.....     | 0.....                                 | 0.....   | 2,172.....110                                      |
| 9. 2014.....   | 5,239.....              | 732.....   | 4,507.....             | 257.....                       | 0.....     | 477.....                              | 0.....     | 105.....                     | 0.....     | 0.....                                 | 0.....   | 839.....126  |
| 10. 2015.....  | 4,944.....              | 756.....   | 4,188.....             | 329.....                       | 0.....     | 377.....                              | 0.....     | 108.....                     | 0.....     | 0.....                                 | 0.....   | 814.....177  |
| 11. 2016.....  | 7,000.....              | 889.....   | 6,111.....             | 121.....                       | 0.....     | 166.....                              | 0.....     | 88.....                      | 0.....     | 0.....                                 | 0.....   | 375.....176  |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 11,529.....                    | 825.....   | 9,013.....                            | 66.....    | 1,294.....                   | 0.....     | 0.....                                 | 0.....   | 20,945.....XXX.....                                |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 7.....                   | 7.....      | 0.....                              | 0.....      | 5.....                   | 5.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2007.....    | 0.....                   | 0.....      | 33.....                  | 33.....     | 0.....                              | 0.....      | 23.....                  | 23.....     | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2008.....    | 0.....                   | 0.....      | 41.....                  | 38.....     | 0.....                              | 0.....      | 35.....                  | 27.....     | 1.....                     | 0.....      | 0.....                                    | 12.....                                    | 0.....  |
| 4. 2009.....    | 0.....                   | 0.....      | 50.....                  | 43.....     | 0.....                              | 0.....      | 41.....                  | 30.....     | 1.....                     | 0.....      | 0.....                                    | 19.....                                    | 0.....  |
| 5. 2010.....    | 0.....                   | 0.....      | 54.....                  | 50.....     | 0.....                              | 0.....      | 59.....                  | 35.....     | 2.....                     | 0.....      | 0.....                                    | 30.....                                    | 0.....  |
| 6. 2011.....    | 300.....                 | 0.....      | 60.....                  | 50.....     | 8.....                              | 0.....      | 76.....                  | 35.....     | 11.....                    | 0.....      | 0.....                                    | 370.....                                   | 1.....  |
| 7. 2012.....    | 0.....                   | 0.....      | 183.....                 | 75.....     | 5.....                              | 0.....      | 212.....                 | 53.....     | 14.....                    | 0.....      | 0.....                                    | 286.....                                   | 1.....  |
| 8. 2013.....    | 275.....                 | 0.....      | 308.....                 | 143.....    | 64.....                             | 0.....      | 318.....                 | 100.....    | 29.....                    | 0.....      | 0.....                                    | 751.....                                   | 4.....  |
| 9. 2014.....    | 645.....                 | 0.....      | 691.....                 | 193.....    | 219.....                            | 0.....      | 588.....                 | 135.....    | 73.....                    | 0.....      | 0.....                                    | 1,888.....                                 | 11.....   |
| 10. 2015.....   | 1,870.....               | 0.....      | 342.....                 | 241.....    | 190.....                            | 0.....      | 1,051.....               | 169.....    | 106.....                   | 0.....      | 0.....                                    | 3,149.....                                 | 13.....   |
| 11. 2016.....   | 1,353.....               | 0.....      | 1,949.....               | 324.....    | 438.....                            | 0.....      | 1,823.....               | 227.....    | 216.....                   | 0.....      | 0.....                                    | 5,228.....                                 | 61.....   |
| 12. Totals..... | 4,443.....               | 0.....      | 3,718.....               | 1,197.....  | 924.....                            | 0.....      | 4,231.....               | 839.....    | 453.....                   | 0.....      | 0.....                                    | 11,733.....                                | 91.....   |

|                 | Total Losses and Loss Expenses Incurred |             |            | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|------------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net  | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2007.....    | 3,448.....                              | 56.....     | 3,392..... | 45.2.....   | 2.8.....    | 60.3..... | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2008.....    | 3,773.....                              | 489.....    | 3,284..... | 58.7.....   | 31.7.....   | 67.3..... | 0.....              | 0.....             | 0.00.....  | 3.....                                    | 9.....                     |
| 4. 2009.....    | 4,252.....                              | 540.....    | 3,712..... | 54.1.....   | 43.7.....   | 56.0..... | 0.....              | 0.....             | 0.00.....  | 7.....                                    | 12.....                    |
| 5. 2010.....    | 1,785.....                              | 85.....     | 1,700..... | 30.8.....   | 7.2.....    | 36.9..... | 0.....              | 0.....             | 0.00.....  | 4.....                                    | 26.....                    |
| 6. 2011.....    | 2,273.....                              | 85.....     | 2,188..... | 43.6.....   | 9.4.....    | 50.7..... | 0.....              | 0.....             | 0.00.....  | 310.....                                  | 60.....                    |
| 7. 2012.....    | 3,314.....                              | 128.....    | 3,186..... | 59.1.....   | 14.2.....   | 67.7..... | 0.....              | 0.....             | 0.00.....  | 108.....                                  | 178.....                   |
| 8. 2013.....    | 3,166.....                              | 243.....    | 2,923..... | 57.7.....   | 27.8.....   | 63.3..... | 0.....              | 0.....             | 0.00.....  | 440.....                                  | 311.....                   |
| 9. 2014.....    | 3,055.....                              | 328.....    | 2,727..... | 58.3.....   | 44.8.....   | 60.5..... | 0.....              | 0.....             | 0.00.....  | 1,143.....                                | 745.....                   |
| 10. 2015.....   | 4,373.....                              | 410.....    | 3,963..... | 88.5.....   | 54.2.....   | 94.6..... | 0.....              | 0.....             | 0.00.....  | 1,971.....                                | 1,178.....                 |
| 11. 2016.....   | 6,154.....                              | 551.....    | 5,603..... | 87.9.....   | 62.0.....   | 91.7..... | 0.....              | 0.....             | 0.00.....  | 2,978.....                                | 2,250.....                 |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....   | XXX.....  | XXX.....    | XXX.....  | 0.....              | 0.....             | XXX.....   | 6,964.....                                | 4,769.....                 |



**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            |  | 12<br>Number of Claims Reported-Direct and Assumed |  |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            | 10<br>Salvage and Subrogation Received |  | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 2. 2007.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 3. 2008.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 4. 2009.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 5. 2010.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 6. 2011.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 7. 2012.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 8. 2013.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 9. 2014.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 10. 2015.....  | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 11. 2016.....  | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 12. Totals....   | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2007.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2008.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2009.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2010.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2011.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2012.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 8. 2013.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 9. 2014.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 10. 2015..... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 11. 2016..... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 12. Totals... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |

**NONE**

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.. | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2007.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 3. 2008.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 4. 2009.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 5. 2010.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 6. 2011.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 7. 2012.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 8. 2013.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 9. 2014.   | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 10. 2015.  | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 11. 2016.  | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |

**SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX.....                | XXX.....   | XXX.....               | 0.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | XXX.....   |
| 2. 2007.....   | 32.....                 | 0.....     | 32.....                | 3.....                         | 0.....     | 4.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 8.....   |
| 3. 2008.....   | 35.....                 | 0.....     | 35.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 4. 2009.....   | 26.....                 | 0.....     | 26.....                | 2.....                         | 0.....     | 0.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 5. 2010.....   | 27.....                 | 0.....     | 27.....                | 8.....                         | 0.....     | 5.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 14.....  |
| 6. 2011.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 0.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 7. 2012.....   | 27.....                 | 0.....     | 27.....                | 1.....                         | 0.....     | 1.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 8. 2013.....   | 27.....                 | 0.....     | 27.....                | 21.....                        | 0.....     | 10.....                               | 0.....     | 2.....                       | 0.....     | 0.....                                 | 0.....   | 33.....  |
| 9. 2014.....   | 27.....                 | 0.....     | 27.....                | 0.....                         | 0.....     | 0.....                                | 0.....     | 1.....                       | 0.....     | 0.....                                 | 0.....   | 1.....   |
| 10. 2015.....  | 27.....                 | 0.....     | 27.....                | 142.....                       | 0.....     | 4.....                                | 0.....     | 12.....                      | 0.....     | 0.....                                 | 0.....   | 158.....   |
| 11. 2016.....  | 67.....                 | 0.....     | 67.....                | 0.....                         | 0.....     | 2.....                                | 0.....     | 0.....                       | 0.....     | 0.....                                 | 0.....   | 2.....   |
| 12. Totals.....  | XXX.....                | XXX.....   | XXX.....               | 180.....                       | 0.....     | 26.....                               | 0.....     | 18.....                      | 0.....     | 0.....                                 | 0.....   | 224.....   |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 2. 2007.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 3. 2008.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 4. 2009.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 5. 2010.....    | 0.....                   | 0.....      | 1.....                   | 0.....      | 0.....                              | 0.....      | 1.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 2.....                                     | 0.....  |
| 6. 2011.....    | 0.....                   | 0.....      | 0.....                   | 0.....      | 0.....                              | 0.....      | 0.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 0.....                                     | 0.....  |
| 7. 2012.....    | 0.....                   | 0.....      | 2.....                   | 0.....      | 0.....                              | 0.....      | 2.....                   | 0.....      | 0.....                     | 0.....      | 0.....                                    | 4.....                                     | 0.....  |
| 8. 2013.....    | 0.....                   | 0.....      | 10.....                  | 0.....      | 0.....                              | 0.....      | 7.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 18.....                                    | 0.....  |
| 9. 2014.....    | 0.....                   | 0.....      | 9.....                   | 0.....      | 0.....                              | 0.....      | 6.....                   | 0.....      | 1.....                     | 0.....      | 0.....                                    | 16.....                                    | 0.....  |
| 10. 2015.....   | 0.....                   | 0.....      | 24.....                  | 0.....      | 0.....                              | 0.....      | 17.....                  | 0.....      | 2.....                     | 0.....      | 0.....                                    | 43.....                                    | 0.....  |
| 11. 2016.....   | 0.....                   | 0.....      | 34.....                  | 0.....      | 0.....                              | 0.....      | 24.....                  | 0.....      | 3.....                     | 0.....      | 0.....                                    | 61.....                                    | 0.....  |
| 12. Totals..... | 0.....                   | 0.....      | 80.....                  | 0.....      | 0.....                              | 0.....      | 57.....                  | 0.....      | 7.....                     | 0.....      | 0.....                                    | 144.....                                   | 0.....  |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |            | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|------------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net  | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 0.....                                    | 0.....                     |
| 2. 2007.....    | 8.....                                  | 0.....      | 8.....    | 25.0.....   | 0.0.....    | 25.0.....  | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 3. 2008.....    | 2.....                                  | 0.....      | 2.....    | 5.7.....  | 0.0.....    | 5.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 4. 2009.....    | 2.....                                  | 0.....      | 2.....    | 7.7.....  | 0.0.....    | 7.7.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 5. 2010.....    | 16.....                                 | 0.....      | 16.....   | 59.3.....   | 0.0.....    | 59.3.....  | 0.....              | 0.....             | 0.00.....  | 1.....                                    | 1.....                     |
| 6. 2011.....    | 2.....                                  | 0.....      | 2.....    | 7.4.....  | 0.0.....    | 7.4.....   | 0.....              | 0.....             | 0.00.....  | 0.....                                    | 0.....                     |
| 7. 2012.....    | 6.....                                  | 0.....      | 6.....    | 22.2.....   | 0.0.....    | 22.2.....  | 0.....              | 0.....             | 0.00.....  | 2.....                                    | 2.....                     |
| 8. 2013.....    | 51.....                                 | 0.....      | 51.....   | 188.9.....  | 0.0.....    | 188.9..... | 0.....              | 0.....             | 0.00.....  | 10.....                                   | 8.....                     |
| 9. 2014.....    | 17.....                                 | 0.....      | 17.....   | 63.0.....   | 0.0.....    | 63.0.....  | 0.....              | 0.....             | 0.00.....  | 9.....                                    | 7.....                     |
| 10. 2015.....   | 201.....                                | 0.....      | 201.....  | 744.4.....  | 0.0.....    | 744.4..... | 0.....              | 0.....             | 0.00.....  | 24.....                                   | 19.....                    |
| 11. 2016.....   | 63.....                                 | 0.....      | 63.....   | 94.0.....   | 0.0.....    | 94.0.....  | 0.....              | 0.....             | 0.00.....  | 34.....                                   | 27.....                    |
| 12. Totals..... | XXX.....                                | XXX.....    | XXX.....  | XXX.....  | XXX.....    | XXX.....   | 0.....              | 0.....             | XXX.....   | 80.....                                   | 64.....                    |

**SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

(\$000 omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported-Direct and Assumed |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |  |  |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | XXX  |
| 2. 2007.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 3. 2008.....   | 0                       | 0          | 0                      | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 0  |
| 4. 2009.....   | 29                      | 0          | 29                     | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 1  |
| 5. 2010.....   | 29                      | 0          | 29                     | 1                              | 0          | 23                                    | 0          | 0                            | 0          | 0                                      | 0  | 3  |
| 6. 2011.....   | 25                      | 0          | 25                     | 14                             | 0          | 2                                     | 0          | 1                            | 0          | 0                                      | 0  | 23   |
| 7. 2012.....   | 24                      | 0          | 24                     | 1                              | 0          | 2                                     | 0          | 0                            | 0          | 0                                      | 0  | 6  |
| 8. 2013.....   | 22                      | 0          | 22                     | 1                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 4  |
| 9. 2014.....   | 17                      | 0          | 17                     | 61                             | 0          | 58                                    | 0          | 7                            | 0          | 0                                      | 0  | 6  |
| 10. 2015.....  | 18                      | 0          | 18                     | 5                              | 0          | 0                                     | 0          | 3                            | 0          | 0                                      | 0  | 7  |
| 11. 2016.....  | 63                      | 0          | 63                     | 4                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0  | 9  |
| 12. Totals.....  | XXX                     | XXX        | XXX                    | 87                             | 0          | 85                                    | 0          | 11                           | 0          | 0                                      | 0  | XXX  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2007.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2008.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2009.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2010.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2011.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2012.....    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 8. 2013.....    | 0                        | 0           | 1                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 1  | 0   |
| 9. 2014.....    | 0                        | 0           | 13                       | 0           | 0                                   | 0           | 9                        | 0           | 1                          | 0           | 0   | 23   | 0   |
| 10. 2015.....   | 0                        | 0           | 6                        | 0           | 0                                   | 0           | 4                        | 0           | 1                          | 0           | 0   | 11   | 0   |
| 11. 2016.....   | 0                        | 0           | 28                       | 0           | 0                                   | 0           | 20                       | 0           | 3                          | 0           | 0   | 51   | 2   |
| 12. Totals..... | 0                        | 0           | 48                       | 0           | 0                                   | 0           | 33                       | 0           | 5                          | 0           | 0   | 86   | 2   |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2007.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 3. 2008.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 4. 2009.....    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.00   | 0   | 0                          |
| 5. 2010.....    | 24                                      | 0           | 24        | 82.8  | 0.0         | 82.8      | 0                   | 0                  | 0.00   | 0   | 0                          |
| 6. 2011.....    | 17                                      | 0           | 17        | 68.0  | 0.0         | 68.0      | 0                   | 0                  | 0.00   | 0   | 0                          |
| 7. 2012.....    | 3                                       | 0           | 3         | 12.5  | 0.0         | 12.5      | 0                   | 0                  | 0.00   | 0   | 0                          |
| 8. 2013.....    | 2                                       | 0           | 2         | 9.1   | 0.0         | 9.1       | 0                   | 0                  | 0.00   | 1   | 0                          |
| 9. 2014.....    | 149                                     | 0           | 149       | 876.5   | 0.0         | 876.5     | 0                   | 0                  | 0.00   | 13  | 10                         |
| 10. 2015.....   | 19                                      | 0           | 19        | 105.6   | 0.0         | 105.6     | 0                   | 0                  | 0.00   | 6   | 5                          |
| 11. 2016.....   | 55                                      | 0           | 55        | 87.3  | 0.0         | 87.3      | 0                   | 0                  | 0.00   | 28  | 23                         |
| 12. Totals..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 48  | 38                         |

**Sch. P - Pt. 1I  
NONE**

**Sch. P - Pt. 1J  
NONE**

**Sch. P - Pt. 1K  
NONE**

**Sch. P - Pt. 1L  
NONE**

**Sch. P - Pt. 1M  
NONE**

**Sch. P - Pt. 1N  
NONE**

**Sch. P - Pt. 1O  
NONE**

**Sch. P - Pt. 1P  
NONE**

**Sch. P - Pt. 1R - Sn. 1  
NONE**

**Sch. P - Pt. 1R - Sn. 2  
NONE**

**Sch. P - Pt. 1S  
NONE**

**Sch. P - Pt. 1T  
NONE**

**Sch. P - Pt. 2A  
NONE**

**Sch. P - Pt. 2B  
NONE**

**Sch. P - Pt. 2C  
NONE**

**Sch. P - Pt. 2D  
NONE**

**Sch. P - Pt. 2E  
NONE**

**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |        |        |        |        |        |        |        |        |         | Development |          |
|-------------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|---------|-------------|----------|
|                                     | 1  | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10      | 11          | 12       |
|                                     | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016    | One Year    | Two Year |
| 1. Prior.....                       | 21,349   | 20,569 | 18,598 | 18,881 | 18,358 | 18,340 | 17,946 | 17,963 | 17,727 | 17,655  | (72)        | (308)    |
| 2. 2007.....                        | 10,510   | 10,995 | 9,104  | 6,876  | 5,641  | 5,185  | 5,122  | 5,098  | 5,259  | 5,631   | 372         | 533      |
| 3. 2008.....                        | XXX  | 11,024 | 12,490 | 12,209 | 10,239 | 8,889  | 8,388  | 8,811  | 8,747  | 8,633   | (114)       | (178)    |
| 4. 2009.....                        | XXX  | XXX    | 10,519 | 10,185 | 9,820  | 8,046  | 6,657  | 6,419  | 7,018  | 6,968   | (50)        | 549      |
| 5. 2010.....                        | XXX  | XXX    | XXX    | 9,118  | 8,833  | 8,167  | 7,578  | 7,671  | 7,385  | 7,258   | (127)       | (413)    |
| 6. 2011.....                        | XXX  | XXX    | XXX    | XXX    | 7,985  | 7,606  | 6,669  | 5,082  | 3,950  | 3,932   | (18)        | (1,150)  |
| 7. 2012.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | 7,729  | 8,102  | 6,793  | 5,960  | 4,641   | (1,319)     | (2,152)  |
| 8. 2013.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | 8,031  | 7,678  | 7,330  | 7,585   | 255         | (93)     |
| 9. 2014.....                        | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 6,800  | 6,894  | 6,471   | (423)       | (329)    |
| 10. 2015.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 7,102  | 6,662   | (440)       | XXX      |
| 11. 2016.....                       | XXX  | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 6,651   | XXX         | XXX      |
| 12. Totals                          |  |        |        |        |        |        |        |        |        | (1,936) | (3,541)     |          |

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |         |         |         |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|
| 1. Prior..... | 6,549 | 5,184 | 4,645 | 4,182 | 4,215 | 4,199 | 4,211 | 4,186 | 4,183 | 4,183   | 0       | (3)     |
| 2. 2007.....  | 4,570 | 3,890 | 4,032 | 3,555 | 3,310 | 3,272 | 3,263 | 3,246 | 3,246 | 3,246   | 0       | 0       |
| 3. 2008.....  | XXX   | 3,903 | 3,170 | 3,844 | 3,776 | 3,131 | 3,147 | 3,117 | 3,119 | 3,113   | (6)     | (4)     |
| 4. 2009.....  | XXX   | XXX   | 4,064 | 3,767 | 4,384 | 3,446 | 3,584 | 3,563 | 3,561 | 3,546   | (15)    | (17)    |
| 5. 2010.....  | XXX   | XXX   | XXX   | 3,628 | 3,080 | 2,236 | 1,867 | 1,595 | 1,620 | 1,597   | (23)    | 2       |
| 6. 2011.....  | XXX   | XXX   | XXX   | XXX   | 3,632 | 3,128 | 2,296 | 1,870 | 1,818 | 2,067   | 249     | 197     |
| 7. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 4,180 | 4,249 | 3,690 | 3,303 | 3,015   | (288)   | (675)   |
| 8. 2013.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 4,000 | 3,349 | 2,913 | 2,750   | (163)   | (599)   |
| 9. 2014.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,679 | 3,262 | 2,549   | (713)   | (1,130) |
| 10. 2015..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,821 | 3,749   | (72)    | XXX     |
| 11. 2016..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 5,299   | XXX     | XXX     |
| 12. Totals    |       |       |       |       |       |       |       |       |       | (1,031) | (2,229) |         |

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER & MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |     |     |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 2. 2007.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 3. 2008.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 4. 2009.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 5. 2010.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 | 0   | 0   |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 | 0   | 0   |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 | 0   | 0   |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 | 0   | XXX |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | XXX | XXX |
| 12. Totals    |     |     |     |     |     |     |     |     |     | 0 | 0   |     |

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |     |      |      |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior..... | 45  | 25  | 16  | 11  | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 2. 2007.....  | 34  | 34  | 21  | 13  | 10  | 9   | 8   | 8   | 7   | 7   | 0    | (1)  |
| 3. 2008.....  | XXX | 30  | 25  | 22  | 7   | 3   | 2   | 2   | 2   | 2   | 0    | 0    |
| 4. 2009.....  | XXX | XXX | 23  | 18  | 16  | 10  | 4   | 3   | 2   | 2   | 0    | (1)  |
| 5. 2010.....  | XXX | XXX | XXX | 28  | 33  | 28  | 20  | 17  | 16  | 15  | (1)  | (2)  |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 26  | 26  | 16  | 4   | 3   | 1   | (2)  | (3)  |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 25  | 22  | 16  | 10  | 6   | (4)  | (10) |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 100 | 61  | 55  | 48  | (7)  | (13) |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15  | (5)  | (8)  |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 157 | 187 | 30   | XXX  |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60  | XXX  | XXX  |
| 12. Totals    |     |     |     |     |     |     |     |     |     | 11  | (38) |      |

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2. 2007.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 3. 2008.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 4. 2009.....  | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 5. 2010.....  | XXX | XXX | XXX | 31  | 39  | 32  | 26  | 24  | 24  | 24  | 0   | 0   |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 34  | 29  | 23  | 16  | 16  | 16  | 0   | 0   |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 24  | 18  | 12  | 5   | 3   | (2) | (9) |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 17  | 11  | 4   | 2   | (2) | (9) |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60  | 133 | 141 | 8   | 81  |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 20  | 15  | (5) | XXX |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 52  | XXX | XXX |
| 12. Totals    |     |     |     |     |     |     |     |     |     | (1) | .63 |     |

**Sch. P - Pt. 2I  
NONE**

**Sch. P - Pt. 2J  
NONE**

**Sch. P - Pt. 2K  
NONE**

**Sch. P - Pt. 2L  
NONE**

**Sch. P - Pt. 2M  
NONE**

**Sch. P - Pt. 2N  
NONE**

**Sch. P - Pt. 2O  
NONE**

**Sch. P - Pt. 2P  
NONE**

**Sch. P - Pt. 2R - Sn. 1  
NONE**

**Sch. P - Pt. 2R - Sn. 2  
NONE**

**Sch. P - Pt. 2S  
NONE**

**Sch. P - Pt. 2T  
NONE**

**Sch. P - Pt. 3A  
NONE**

**Sch. P - Pt. 3B  
NONE**

**Sch. P - Pt. 3C  
NONE**

**Sch. P - Pt. 3D  
NONE**

**Sch. P - Pt. 3E  
NONE**

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |       |        |        |        |        |        |        |        |        | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|---|--|
|                                     | 1   | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |   |  |
|                                     | 2007  | 2008  | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |   |  |
| 1. Prior                            | .000  | 5,808 | 10,061 | 12,873 | 15,057 | 16,018 | 16,417 | 17,214 | 17,491 | 17,492 | 158   | 333  |
| 2. 2007                             | 252   | 800   | 1,993  | 3,036  | 4,370  | 4,597  | 4,747  | 4,882  | 5,010  | 5,525  | 67  | 77   |
| 3. 2008                             | XXX   | 296   | 849    | 1,915  | 3,947  | 6,445  | 7,701  | 7,755  | 8,347  | 8,348  | 74  | 136  |
| 4. 2009                             | XXX   | XXX   | 144    | 582    | 1,832  | 3,053  | 4,994  | 5,478  | 6,584  | 6,618  | 61  | 137  |
| 5. 2010                             | XXX   | XXX   | XXX    | 691    | 1,367  | 1,979  | 3,327  | 5,294  | 6,464  | 6,513  | 64  | 120  |
| 6. 2011                             | XXX   | XXX   | XXX    | XXX    | 152    | 530    | 1,238  | 2,011  | 2,440  | 2,627  | 60  | 96   |
| 7. 2012                             | XXX   | XXX   | XXX    | XXX    | XXX    | 128    | 1,314  | 1,556  | 2,263  | 2,887  | 49  | 98   |
| 8. 2013                             | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | 202    | 507    | 1,357  | 3,307  | 63  | 90   |
| 9. 2014                             | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 118    | 682    | 1,621  | 61  | 57   |
| 10. 2015                            | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 133    | 481    | 42  | 65   |
| 11. 2016                            | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 113    | 69  | 53   |

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|          |      |       |       |       |       |       |       |       |       |       |     |     |
|----------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|
| 1. Prior | .000 | 2,634 | 3,830 | 3,966 | 4,179 | 4,179 | 4,183 | 4,183 | 4,183 | 4,183 | 167 | 271 |
| 2. 2007  | 220  | 639   | 1,526 | 2,688 | 3,246 | 3,246 | 3,246 | 3,246 | 3,246 | 3,246 | 29  | 49  |
| 3. 2008  | XXX  | 139   | 459   | 1,003 | 1,954 | 2,941 | 2,976 | 3,102 | 3,102 | 3,102 | 21  | 67  |
| 4. 2009  | XXX  | XXX   | 230   | 684   | 3,056 | 3,124 | 3,324 | 3,526 | 3,528 | 3,528 | 32  | 54  |
| 5. 2010  | XXX  | XXX   | XXX   | 200   | 431   | 835   | 1,260 | 1,453 | 1,569 | 1,569 | 19  | 59  |
| 6. 2011  | XXX  | XXX   | XXX   | XXX   | 281   | 604   | 1,079 | 1,669 | 1,675 | 1,708 | 22  | 75  |
| 7. 2012  | XXX  | XXX   | XXX   | XXX   | XXX   | 149   | 652   | 1,795 | 2,604 | 2,743 | 27  | 71  |
| 8. 2013  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | 230   | 894   | 1,213 | 2,028 | 25  | 81  |
| 9. 2014  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 108   | 378   | 734   | 27  | 88  |
| 10. 2015 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 229   | 706   | 83  | 81  |
| 11. 2016 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 287   | 76  | 39  |

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|          |      |     |     |     |     |     |     |     |     |    |     |     |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|----|-----|-----|
| 1. Prior | .000 | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 2. 2007  | .0   | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 3. 2008  | XXX  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 4. 2009  | XXX  | XXX | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 5. 2010  | XXX  | XXX | XXX | .0  | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 6. 2011  | XXX  | XXX | XXX | XXX | .0  | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 7. 2012  | XXX  | XXX | XXX | XXX | XXX | .0  | .0  | .0  | .0  | .0 | XXX | XXX |
| 8. 2013  | XXX  | XXX | XXX | XXX | XXX | XXX | .0  | .0  | .0  | .0 | XXX | XXX |
| 9. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | .0  | .0  | .0 | XXX | XXX |
| 10. 2015 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .0  | .0 | XXX | XXX |
| 11. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .0 | XXX | XXX |

NONE

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|          |      |     |     |     |     |     |     |     |     |     |    |     |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|-----|
| 1. Prior | .000 | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .9 | .1  |
| 2. 2007  | .7   | .7  | .7  | .7  | .7  | .7  | .7  | .7  | .7  | .7  | .2 | .1  |
| 3. 2008  | XXX  | .2  | .2  | .2  | .2  | .2  | .2  | .2  | .2  | .2  | .3 | .1  |
| 4. 2009  | XXX  | XXX | .2  | .2  | .2  | .2  | .2  | .2  | .2  | .2  | .2 | .2  |
| 5. 2010  | XXX  | XXX | XXX | .3  | .13 | .13 | .13 | .13 | .13 | .13 | .5 | .1  |
| 6. 2011  | XXX  | XXX | XXX | XXX | .0  | .4  | .1  | .1  | .1  | .1  | .1 | .1  |
| 7. 2012  | XXX  | XXX | XXX | XXX | XXX | .2  | .2  | .2  | .2  | .2  | .2 | .14 |
| 8. 2013  | XXX  | XXX | XXX | XXX | XXX | XXX | .8  | .31 | .31 | .31 | .1 | .1  |
| 9. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | .0  | .0  | .0  | .0 | .3  |
| 10. 2015 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 136 | 146 | .3 | .3  |
| 11. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .2  | .0 | .2  |

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|          |      |     |     |     |     |     |     |     |      |      |     |    |
|----------|------|-----|-----|-----|-----|-----|-----|-----|------|------|-----|----|
| 1. Prior | .000 | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0   | .0   | .0  | .0 |
| 2. 2007  | .0   | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0   | .0   | .0  | .0 |
| 3. 2008  | XXX  | .0  | .0  | .0  | .0  | .0  | .0  | .0  | .0   | .0   | .0  | .0 |
| 4. 2009  | XXX  | XXX | .0  | .0  | .0  | .0  | .0  | .0  | .0   | .0   | .0  | .1 |
| 5. 2010  | XXX  | XXX | XXX | .8  | .23 | .24 | .24 | .24 | .24  | .24  | .1  | .2 |
| 6. 2011  | XXX  | XXX | XXX | XXX | .16 | .16 | .16 | .16 | .16  | .16  | .19 | .4 |
| 7. 2012  | XXX  | XXX | XXX | XXX | XXX | .2  | .3  | .3  | .3   | .3   | .2  | .4 |
| 8. 2013  | XXX  | XXX | XXX | XXX | XXX | XXX | .1  | .1  | .1   | .1   | .4  | .0 |
| 9. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | .38 | .119 | .119 | .6  | .0 |
| 10. 2015 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .5   | .5   | .7  | .0 |
| 11. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX  | .4   | .6  | .1 |

**Sch. P - Pt. 3I  
NONE**

**Sch. P - Pt. 3J  
NONE**

**Sch. P - Pt. 3K  
NONE**

**Sch. P - Pt. 3L  
NONE**

**Sch. P - Pt. 3M  
NONE**

**Sch. P - Pt. 3N  
NONE**

**Sch. P - Pt. 3O  
NONE**

**Sch. P - Pt. 3P  
NONE**

**Sch. P - Pt. 3R - Sn. 1  
NONE**

**Sch. P - Pt. 3R - Sn. 2  
NONE**

**Sch. P - Pt. 3S  
NONE**

**Sch. P - Pt. 3T  
NONE**

**Sch. P - Pt. 4A  
NONE**

**Sch. P - Pt. 4B  
NONE**

**Sch. P - Pt. 4C  
NONE**

**Sch. P - Pt. 4D  
NONE**

**Sch. P - Pt. 4E  
NONE**



**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| 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   | 2      | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|                                     | 2007  | 2008   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
| 1. Prior.....                       | 15,321  | 8,699  | 3,944 | 2,403 | 1,155 | 820   | 596   | 341   | 209   | 163   |
| 2. 2007.....                        | 10,137  | 8,795  | 5,617 | 1,896 | 943   | 306   | 223   | 173   | 74    | 8     |
| 3. 2008.....                        | XXX   | 10,349 | 8,884 | 6,050 | 3,021 | 1,047 | 659   | 527   | 399   | 285   |
| 4. 2009.....                        | XXX   | XXX    | 9,929 | 8,417 | 5,395 | 3,105 | 867   | 563   | 343   | 350   |
| 5. 2010.....                        | XXX   | XXX    | XXX   | 8,014 | 6,736 | 4,446 | 1,910 | 947   | 762   | 741   |
| 6. 2011.....                        | XXX   | XXX    | XXX   | XXX   | 7,610 | 6,336 | 4,268 | 1,863 | 807   | 411   |
| 7. 2012.....                        | XXX   | XXX    | XXX   | XXX   | XXX   | 7,393 | 6,293 | 4,575 | 2,515 | 751   |
| 8. 2013.....                        | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | 7,603 | 6,089 | 3,698 | 2,336 |
| 9. 2014.....                        | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | 6,451 | 5,083 | 3,013 |
| 10. 2015.....                       | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,285 | 5,545 |
| 11. 2016.....                       | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,272 |

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|               |       |       |       |       |       |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Prior..... | 2,726 | 1,171 | 372   | 130   | 32    | 16    | 25    | 1     | 0     | 0     |
| 2. 2007.....  | 3,443 | 1,716 | 887   | 327   | 64    | 26    | 17    | 0     | 0     | 0     |
| 3. 2008.....  | XXX   | 3,133 | 1,581 | 802   | 277   | 68    | 31    | 15    | 17    | 11    |
| 4. 2009.....  | XXX   | XXX   | 3,115 | 1,429 | 1,246 | 268   | 83    | 25    | 33    | 18    |
| 5. 2010.....  | XXX   | XXX   | XXX   | 2,934 | 1,713 | 1,038 | 170   | 57    | 41    | 28    |
| 6. 2011.....  | XXX   | XXX   | XXX   | XXX   | 3,017 | 1,699 | 815   | 165   | 115   | 51    |
| 7. 2012.....  | XXX   | XXX   | XXX   | XXX   | XXX   | 2,925 | 1,510 | 646   | 454   | 267   |
| 8. 2013.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 2,974 | 1,815 | 1,300 | 383   |
| 9. 2014.....  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,199 | 2,041 | 951   |
| 10. 2015..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,114 | 983   |
| 11. 2016..... | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,221 |

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|               |     |     |     |     |     |     |     |     |     |   |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 2. 2007.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 3. 2008.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 4. 2009.....  | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 5. 2010.....  | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0 |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0 |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0 |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |

**NONE**

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 45  | 25  | 16  | 11  | 0   | 0   | 0   | 0   | 0   | 0  |
| 2. 2007.....  | 26  | 21  | 13  | 6   | 3   | 2   | 1   | 1   | 0   | 0  |
| 3. 2008.....  | XXX | 28  | 23  | 15  | 5   | 1   | 0   | 0   | 0   | 0  |
| 4. 2009.....  | XXX | XXX | 21  | 16  | 14  | 8   | 2   | 1   | 0   | 0  |
| 5. 2010.....  | XXX | XXX | XXX | 21  | 20  | 15  | 7   | 4   | 3   | 2  |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 21  | 20  | 15  | 3   | 2   | 0  |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 14  | 8   | 4  |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 25  | 30  | 24  | 17 |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15 |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 21  | 41 |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 58 |

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|               |     |     |     |     |     |     |     |     |     |    |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior..... | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 2. 2007.....  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 3. 2008.....  | XXX | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  |
| 4. 2009.....  | XXX | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0  |
| 5. 2010.....  | XXX | XXX | XXX | 18  | 11  | 8   | 2   | 0   | 0   | 0  |
| 6. 2011.....  | XXX | XXX | XXX | XXX | 18  | 13  | 7   | 0   | 0   | 0  |
| 7. 2012.....  | XXX | XXX | XXX | XXX | XXX | 13  | 8   | 2   | 2   | 0  |
| 8. 2013.....  | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10  | 3   | 1  |
| 9. 2014.....  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3   | 14  | 22 |
| 10. 2015..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10 |
| 11. 2016..... | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 48 |

**Sch. P - Pt. 4I  
NONE**

**Sch. P - Pt. 4J  
NONE**

**Sch. P - Pt. 4K  
NONE**

**Sch. P - Pt. 4L  
NONE**

**Sch. P - Pt. 4M  
NONE**

**Sch. P - Pt. 4N  
NONE**

**Sch. P - Pt. 4O  
NONE**

**Sch. P - Pt. 4P  
NONE**

**Sch. P - Pt. 4R - Sn. 1  
NONE**

**Sch. P - Pt. 4R - Sn. 2  
NONE**

**Sch. P - Pt. 4S  
NONE**

**Sch. P - Pt. 4T  
NONE**

**Sch. P - Pt. 5A - Sn. 1  
NONE**

**Sch. P - Pt. 5A - Sn. 2  
NONE**

**Sch. P - Pt. 5A - Sn. 3  
NONE**

**Sch. P - Pt. 5B - Sn. 1  
NONE**

**Sch. P - Pt. 5B - Sn. 2  
NONE**

**Sch. P - Pt. 5B - Sn. 3  
NONE**

**Sch. P - Pt. 5C - Sn. 1**  
**NONE**

**Sch. P - Pt. 5C - Sn. 2**  
**NONE**

**Sch. P - Pt. 5C - Sn. 3**  
**NONE**

**Sch. P - Pt. 5D - Sn. 1**  
**NONE**

**Sch. P - Pt. 5D - Sn. 2**  
**NONE**

**Sch. P - Pt. 5D - Sn. 3**  
**NONE**

**Sch. P - Pt. 5E - Sn. 1**  
**NONE**

**Sch. P - Pt. 5E - Sn. 2**  
**NONE**

**Sch. P - Pt. 5E - Sn. 3**  
**NONE**

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 158   | 151       | 168       | 10        | 7         | 8         | 4         | 2         | 0         | 0          |
| 2. 2007.....   | 11  | 16        | 46        | 54        | 61        | 63        | 63        | 64        | 65        | 67         |
| 3. 2008.....   | XXX   | 15        | 37        | 56        | 64        | 67        | 72        | 72        | 74        | 74         |
| 4. 2009.....   | XXX   | XXX       | 8         | 23        | 37        | 42        | 52        | 56        | 57        | 61         |
| 5. 2010.....   | XXX   | XXX       | XXX       | 14        | 33        | 41        | 49        | 56        | 61        | 64         |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 18        | 35        | 42        | 48        | 50        | 60         |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 15        | 32        | 38        | 38        | 49         |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 13        | 37        | 41        | 63         |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12        | 27        | 61         |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 15        | 42         |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 69         |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 134   | 124       | 68        | 47        | 42        | 22        | 9         | 7         | 3         | 2          |
| 2. 2007.....   | 32  | 67        | 45        | 24        | 12        | 4         | 7         | 4         | 3         | 0          |
| 3. 2008.....   | XXX   | 72        | 77        | 61        | 36        | 12        | 8         | 4         | 1         | 0          |
| 4. 2009.....   | XXX   | XXX       | 43        | 60        | 62        | 42        | 22        | 14        | 10        | 2          |
| 5. 2010.....   | XXX   | XXX       | XXX       | 44        | 53        | 67        | 37        | 20        | 12        | 9          |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 33        | 35        | 32        | 32        | 20        | 10         |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 49        | 30        | 24        | 25        | 21         |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 46        | 31        | 41        | 27         |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 31        | 23        | 16         |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 43        | 60         |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 58         |

**SECTION 3A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 361   | 346       | 310       | 12        | 9         | 2         | 1         | 1         | 26        | 0          |
| 2. 2007.....   | 45  | 91        | 112       | 120       | 127       | 127       | 130       | 131       | 144       | 144        |
| 3. 2008.....   | XXX   | 94        | 132       | 172       | 180       | 184       | 192       | 196       | 210       | 210        |
| 4. 2009.....   | XXX   | XXX       | 53        | 113       | 157       | 169       | 180       | 184       | 196       | 200        |
| 5. 2010.....   | XXX   | XXX       | XXX       | 65        | 117       | 163       | 171       | 176       | 183       | 193        |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 59        | 100       | 125       | 140       | 152       | 166        |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 70        | 103       | 116       | 144       | 168        |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 66        | 105       | 152       | 180        |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 53        | 101       | 134        |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 80        | 167        |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 180        |

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 22  | 10        | 17        | 6         | 1         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....   | 4   | 9         | 19        | 24        | 29        | 29        | 29        | 29        | 29        | 29         |
| 3. 2008.....   | XXX   | 4         | 8         | 16        | 17        | 20        | 20        | 21        | 21        | 21         |
| 4. 2009.....   | XXX   | XXX       | 6         | 16        | 28        | 29        | 29        | 30        | 31        | 32         |
| 5. 2010.....   | XXX   | XXX       | XXX       | 4         | 10        | 13        | 15        | 16        | 17        | 19         |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 5         | 10        | 13        | 14        | 16        | 22         |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 4         | 12        | 19        | 22        | 27         |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 5         | 13        | 16        | 25         |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 27         |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 9         | 83         |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 76         |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 81  | 47        | 14        | 4         | 1         | 1         | 1         | 1         | 0         | 0          |
| 2. 2007.....   | 50  | 52        | 26        | 9         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....   | XXX   | 55        | 48        | 17        | 10        | 2         | 1         | 0         | 0         | 0          |
| 4. 2009.....   | XXX   | XXX       | 54        | 23        | 4         | 1         | 2         | 1         | 0         | 0          |
| 5. 2010.....   | XXX   | XXX       | XXX       | 60        | 22        | 12        | 6         | 3         | 1         | 0          |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 48        | 28        | 16        | 4         | 1         | 1          |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 71        | 37        | 22        | 12        | 1          |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 56        | 24        | 11        | 4          |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 35        | 18        | 11         |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47        | 13         |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 61         |

**SECTION 3B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 40  | 32        | 30        | 2         | 0         | 0         | 2         | 0         | 11        | 0          |
| 2. 2007.....   | 56  | 73        | 73        | 74        | 74        | 74        | 74        | 74        | 78        | 78         |
| 3. 2008.....   | XXX   | 66        | 78        | 78        | 78        | 78        | 78        | 78        | 90        | 88         |
| 4. 2009.....   | XXX   | XXX       | 70        | 76        | 76        | 76        | 77        | 77        | 85        | 86         |
| 5. 2010.....   | XXX   | XXX       | XXX       | 72        | 77        | 80        | 79        | 78        | 80        | 78         |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 73        | 84        | 85        | 83        | 86        | 98         |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 85        | 93        | 97        | 98        | 99         |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 71        | 74        | 98        | 110        |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 47        | 77        | 126        |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 94        | 177        |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 176        |

**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 3   | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....   | 1   | 1         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2          |
| 3. 2008.....   | XXX   | 2         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 4. 2009.....   | XXX   | XXX       | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2          |
| 5. 2010.....   | XXX   | XXX       | XXX       | 3         | 5         | 5         | 5         | 5         | 5         | 5          |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 0         | 1         | 1         | 1         | 1         | 1          |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 2         | 2         | 2         | 2         | 2          |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 1         | 1         | 1          |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 3          |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 2A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 1   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....   | 2   | 3         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....   | XXX   | 1         | 0         | 1         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....   | XXX   | XXX       | XXX       | 1         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 1         | 1         | 0         | 0         | 0         | 0          |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0         | 0          |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 0         | 0         | 0          |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2         | 0          |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3A**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | 2   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 1         | 0          |
| 2. 2007.....   | 3   | 4         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3          |
| 3. 2008.....   | XXX   | 3         | 3         | 4         | 3         | 3         | 3         | 3         | 4         | 4          |
| 4. 2009.....   | XXX   | XXX       | 2         | 2         | 2         | 2         | 2         | 2         | 4         | 4          |
| 5. 2010.....   | XXX   | XXX       | XXX       | 4         | 5         | 5         | 5         | 5         | 6         | 6          |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 1         | 2         | 1         | 1         | 2         | 2          |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 3         | 3         | 3         | 16        | 16         |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 1         | 1         | 2         | 2          |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 3         | 3          |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 5         | 6          |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 2          |

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 2. 2007.....   | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 3. 2008.....   | .XXX  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 4. 2009.....   | .XXX  | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 5. 2010.....   | .XXX  | .XXX      | .XXX      | .1        | .1        | .1        | .1        | .1        | .1        | .1         |
| 6. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .17       | .19       | .19       | .19       | .19       | .19        |
| 7. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .1        | .2        | .2        | .2        | .2         |
| 8. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .3        | .4        | .4        | .4         |
| 9. 2014.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .4        | .6        | .6         |
| 10. 2015.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .6        | .7         |
| 11. 2016.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .6         |

**SECTION 2B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Number of Claims Outstanding Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 2. 2007.....   | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 3. 2008.....   | .XXX  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 4. 2009.....   | .XXX  | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 5. 2010.....   | .XXX  | .XXX      | .XXX      | .2        | .1        | .0        | .0        | .0        | .0        | .0         |
| 6. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .1        | .0        | .0        | .0        | .0        | .0         |
| 7. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .2        | .1        | .1        | .0        | .0         |
| 8. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .1        | .0        | .0        | .0         |
| 9. 2014.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .2        | .0        | .0         |
| 10. 2015.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .1        | .0         |
| 11. 2016.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .2         |

**SECTION 3B**

| Years in Which<br>Premiums Were Earned<br>and Losses Were Incurred | Cumulative Number of Claims Reported Direct and Assumed at Year End |           |           |           |           |           |           |           |           |            |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....  | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 2. 2007.....   | .0  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 3. 2008.....   | .XXX  | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .0         |
| 4. 2009.....   | .XXX  | .XXX      | .0        | .0        | .0        | .0        | .0        | .0        | .0        | .1         |
| 5. 2010.....   | .XXX  | .XXX      | .XXX      | .3        | .3        | .3        | .3        | .3        | .3        | .3         |
| 6. 2011.....   | .XXX  | .XXX      | .XXX      | .XXX      | .19       | .19       | .19       | .19       | .21       | .23        |
| 7. 2012.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .3        | .3        | .3        | .6        | .6         |
| 8. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .4        | .4        | .4        | .4         |
| 9. 2014.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .6        | .8        | .6         |
| 10. 2015.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .7        | .7         |
| 11. 2016.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .9         |

**Sch. P - Pt. 5R - Sn. 1A  
NONE**

**Sch. P - Pt. 5R - Sn. 2A  
NONE**

**Sch. P - Pt. 5R - Sn. 3A  
NONE**

**Sch. P - Pt. 5R - Sn. 1B  
NONE**

**Sch. P - Pt. 5R - Sn. 2B  
NONE**

**Sch. P - Pt. 5R - Sn. 3B  
NONE**

**Sch. P - Pt. 5T - Sn. 1  
NONE**

**Sch. P - Pt. 5T - Sn. 2  
NONE**

**Sch. P - Pt. 5T - Sn. 3  
NONE**

**Sch. P - Pt. 6C - Sn. 1  
NONE**

**Sch. P - Pt. 6C - Sn. 2  
NONE**

**Sch. P - Pt. 6D - Sn. 1  
NONE**

**Sch. P - Pt. 6D - Sn. 2  
NONE**



**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 32  | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32        | 32         | 0                                  |
| 3. 2008.....   | XXX   | 35        | 35        | 35        | 35        | 35        | 35        | 35        | 35        | 35         | 0                                  |
| 4. 2009.....   | XXX   | XXX       | 26        | 26        | 26        | 26        | 26        | 26        | 26        | 26         | 0                                  |
| 5. 2010.....   | XXX   | XXX       | XXX       | 27        | 27        | 27        | 27        | 27        | 27        | 27         | 0                                  |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27        | 27         | 0                                  |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27         | 0                                  |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27         | 0                                  |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27         | 0                                  |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27         | 0                                  |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 67         | 67                                 |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 67                                 |
| 13. Earned Prems.(P-Pt 1)                                    | 32  | 35        | 26        | 27        | 27        | 27        | 27        | 27        | 27        | 67         | XXX                                |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX   | XXX       | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 5. 2010.....   | XXX   | XXX       | XXX       | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                                  |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 25        | 25        | 25        | 25        | 25        | 25         | 0                                  |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 25        | 25        | 25        | 25        | 25         | 0                                  |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 17        | 17        | 17        | 17         | 0                                  |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 17        | 17        | 17         | 0                                  |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 18        | 18         | 0                                  |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 63         | 63                                 |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 63                                 |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 29        | 29        | 25        | 24        | 22        | 17        | 18        | 63         | XXX                                |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SCHEDULE P - PART 6M - INTERNATIONAL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Direct and Assumed at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX   | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX   | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX   | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | Cumulative Premiums Earned Ceded at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            | 11<br>Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------------------|
|  | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |                                    |
| 1. Prior.....  | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 2. 2007.....   | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 3. 2008.....   | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 4. 2009.....   | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 5. 2010.....   | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 6. 2011.....   | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 7. 2012.....   | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          | 0                                  |
| 8. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          | 0                                  |
| 9. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          | 0                                  |
| 10. 2015.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          | 0                                  |
| 11. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          | 0                                  |
| 12. Total.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 0                                  |
| 13. Earned Prems.(P-Pt 1)                                    | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | XXX                                |

**Sch. P - Pt. 6N - Sn. 1  
NONE**

**Sch. P - Pt. 6N - Sn. 2  
NONE**

**Sch. P - Pt. 6O - Sn. 1  
NONE**

**Sch. P - Pt. 6O - Sn. 2  
NONE**

**Sch. P - Pt. 6R - Sn. 1A  
NONE**

**Sch. P - Pt. 6R - Sn. 2A  
NONE**

**Sch. P - Pt. 6R - Sn. 1B  
NONE**

**Sch. P - Pt. 6R - Sn. 2B  
NONE**

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 Omitted)

**SECTION 1**

| Schedule P - Part 1  | 1<br>Total Net<br>Losses and<br>Expenses<br>Unpaid | 2<br>Net Losses<br>and<br>Expenses<br>Unpaid on<br>Loss<br>Sensitive<br>Contracts | 3<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total | 4<br>Total Net<br>Premiums<br>Written | 5<br>Net<br>Premiums<br>Written on<br>Loss<br>Sensitive<br>Contracts | 6<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total |
|--|--|---|--|---------------------------------------|--|--|
| 1. Homeowners/farmowners.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 2. Private passenger auto liability/medical.....               | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 3. Commercial auto/truck liability/medical.....                | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 4. Workers' compensation.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 5. Commercial multiple peril.....                              | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 6. Medical professional liability - occurrence.....            | 27,774   | 0   | 0.0  | 7,393                                 | 0  | 0.0  |
| 7. Medical professional liability - claims-made.....           | 11,733   | 0   | 0.0  | 7,108                                 | 0  | 0.0  |
| 8. Special liability.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 9. Other liability - occurrence.....                           | 144  | 0   | 0.0  | 68                                    | 0  | 0.0  |
| 10. Other liability - claims-made.....                         | 86   | 0   | 0.0  | 84                                    | 0  | 0.0  |
| 11. Special property.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 12. Auto physical damage.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 13. Fidelity/surety.....                                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 14. Other.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 15. International.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 16. Reinsurance - nonproportional assumed property.....        | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 17. Reinsurance - nonproportional assumed liability.....       | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 18. Reinsurance - nonproportional assumed financial lines..... | XXX  | XXX   | XXX  | XXX                                   | XXX  | XXX  |
| 19. Products liability - occurrence.....                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 20. Products liability - claims-made.....                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 21. Financial guaranty/mortgage guaranty.....                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 22. Warranty.....  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 23. Totals.....  | 39,737   | 0   | 0.0  | 14,652                                | 0  | 0.0  |

**SECTION 2**

| Years in Which Policies Were Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2016.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3**

| Years in Which Policies Were Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2016.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2007.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2008.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2009.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2010.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2011.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2014.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2016.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve for Premium Adjustments and Accrued Retrospective Premiums at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 2. 2007.....                        | .....0   | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 3. 2008.....                        | XXX  | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 4. 2009.....                        | XXX  | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 5. 2010.....                        | XXX  | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 6. 2011.....                        | XXX  | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0    | .....0     |
| 7. 2012.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0    | .....0     |
| 8. 2013.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0    | .....0     |
| 9. 2014.....                        | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0    | .....0     |
| 10. 2015.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0    | .....0     |
| 11. 2016.....                       | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | .....0     |

**NONE**

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**

(\$000 Omitted)

**SECTION 1**

| Schedule P - Part 1  | 1<br>Total Net<br>Losses and<br>Expenses<br>Unpaid | 2<br>Net Losses<br>and<br>Expenses<br>Unpaid on<br>Loss<br>Sensitive<br>Contracts | 3<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total | 4<br>Total Net<br>Premiums<br>Written | 5<br>Net<br>Premiums<br>Written on<br>Loss<br>Sensitive<br>Contracts | 6<br>Loss<br>Sensitive<br>as<br>Percentage<br>of Total |
|--|--|---|--|---------------------------------------|--|--|
| 1. Homeowners/farmowners.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 2. Private passenger auto liability/medical.....               | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 3. Commercial auto/truck liability/medical.....                | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 4. Workers' compensation.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 5. Commercial multiple peril.....                              | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 6. Medical professional liability - occurrence.....            | 27,774   | 0   | 0.0  | 7,393                                 | 0  | 0.0  |
| 7. Medical professional liability - claims-made.....           | 11,733   | 0   | 0.0  | 7,108                                 | 0  | 0.0  |
| 8. Special liability.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 9. Other liability - occurrence.....                           | 144  | 0   | 0.0  | 68                                    | 0  | 0.0  |
| 10. Other liability - claims-made.....                         | 86   | 0   | 0.0  | 84                                    | 0  | 0.0  |
| 11. Special property.....                                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 12. Auto physical damage.....                                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 13. Fidelity/surety.....                                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 14. Other.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 15. International.....   | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 16. Reinsurance - nonproportional assumed property.....        | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 17. Reinsurance - nonproportional assumed liability.....       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 18. Reinsurance - nonproportional assumed financial lines..... | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 19. Products liability - occurrence.....                       | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 20. Products liability - claims-made.....                      | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 21. Financial guaranty/mortgage guaranty.....                  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 22. Warranty.....  | 0  | 0   | 0.0  | 0                                     | 0  | 0.0  |
| 23. Totals   | 39,737   | 0   | 0.0  | 14,652                                | 0  | 0.0  |

**SECTION 2**

| Years in Which<br>Policies Were<br>Issued | Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|   | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                             | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                              | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                              | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                              | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                              | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                              | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2014.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2016.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SECTION 3**

| Years in Which<br>Policies Were<br>Issued | Bulk and Incurred But Not Reported Reserves for Losses and Defense and Cost Containment Expenses at Year End (\$000 omitted) |           |           |           |           |           |           |           |           |            |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|   | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                             | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                              | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                              | XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                              | XXX  | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                              | XXX  | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                              | XXX  | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0         | 0          |
| 9. 2014.....                              | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0         | 0          |
| 10. 2015.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0         | 0          |
| 11. 2016.....                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 0          |

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (continued)**

**SECTION 4**

| Years in Which Policies Were Issued | Net Earned Premiums Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2016.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 5**

| Years in Which Policies Were Issued | Net Reserve For Premium Adjustments And Accrued Retrospective Premiums At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2016.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 6**

| Years in Which Policies Were Issued | Incurred Adjustable Commissions Reported At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007  | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | .XXX   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | .XXX   | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | .XXX   | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | .XXX   | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2015.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2016.....                       | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

**SECTION 7**

| Years in Which Policies Were Issued | Reserves For Commission Adjustments At Year End (\$000 Omitted) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2007   | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 | 6<br>2012 | 7<br>2013 | 8<br>2014 | 9<br>2015 | 10<br>2016 |
| 1. Prior.....                       | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 2. 2007.....                        | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 3. 2008.....                        | .XXX  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 4. 2009.....                        | .XXX  | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 5. 2010.....                        | .XXX  | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| 6. 2011.....                        | .XXX  | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0         | 0          |
| 7. 2012.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0         | 0          |
| 8. 2013.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0         | 0          |
| 9. 2014.....                        | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0         | 0          |
| 10. 2015.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0         | 0          |
| 11. 2016.....                       | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | 0          |

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims-Made insurance policies. EREs provided for reasons other than DDR are not be included.
- 1.1 Does the company issue Medical Professional Liability Claims-Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [X] No [ ]  
If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions.
- 1.2 What is the total amount of the reserve for that provision (DDR reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$.....1,773,000
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [X] No [ ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [ ] No [X]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [X] No [ ] N/A [ ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

| Years in Which Premiums Were Earned and Losses Were Incurred |             | DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid |                             |
|--|-------------|---|-----------------------------|
|  |             | 1<br>Section 1: Occurrence  | 2<br>Section 2: Claims-Made |
| 1.601  | Prior.....  | .....0  | .....0                      |
| 1.602  | 2007.....   | .....0  | .....0                      |
| 1.603  | 2008.....   | .....0  | .....0                      |
| 1.604  | 2009.....   | .....0  | .....0                      |
| 1.605  | 2010.....   | .....0  | .....0                      |
| 1.606  | 2011.....   | .....0  | .....0                      |
| 1.607  | 2012.....   | .....0  | .....0                      |
| 1.608  | 2013.....   | .....0  | .....0                      |
| 1.609  | 2014.....   | .....0  | .....0                      |
| 1.610  | 2015.....   | .....0  | .....0                      |
| 1.611  | 2016.....   | .....0  | .....0                      |
| 1.612  | Totals..... | .....0  | .....0                      |

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No [ ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this statement? Yes [ ] No [X]

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [ ] No [X]
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: (in thousands of dollars)
- 5.1 Fidelity \$.....0
- 5.2 Surety \$.....0

6. Claim count information is reported per claim or per claimant. (Indicate which). PER CLAIM  
If not the same in all years, explain in Interrogatory 7.

- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [ ] No [X]
- 7.2 An extended statement may be attached.

#3: The calendar year A&O expense payments are allocated to year based on the current year loss and D&CC expense payments.

#6: Claims counts are recorded separately for each hospital and physician named in a claim if both or all are insured.

#6: One time CNP count adjustment occurred in 2015 increasing count by approx 300.



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|--------------------|--|-----------------------------|---|---|-----------------------------|---------------------------|---|--|
|                                     |                    | 2<br>Direct Premiums Written   | 3<br>Direct Premiums Earned |   |   |                             |                           |   |  |
| 1. Alabama.....AL                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 2. Alaska.....AK                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 3. Arizona.....AZ                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 4. Arkansas.....AR                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 5. California.....CA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 6. Colorado.....CO                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 7. Connecticut.....CT               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 8. Delaware.....DE                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 9. District of Columbia.....DC      | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 10. Florida.....FL                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 11. Georgia.....GA                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 12. Hawaii.....HI                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 13. Idaho.....ID                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 14. Illinois.....IL                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 15. Indiana.....IN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 16. Iowa.....IA                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 17. Kansas.....KS                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 18. Kentucky.....KY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 19. Louisiana.....LA                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 20. Maine.....ME                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 21. Maryland.....MD                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 22. Massachusetts.....MA            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 23. Michigan.....MI                 | L                  | 16,667,028   | 15,464,307                  | 0   | 3,911,296                                   | 4,894,885                   | 26,409,931                | 0   | 0  |
| 24. Minnesota.....MN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 25. Mississippi.....MS              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 26. Missouri.....MO                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 27. Montana.....MT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 28. Nebraska.....NE                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 29. Nevada.....NV                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 30. New Hampshire.....NH            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 31. New Jersey.....NJ               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 32. New Mexico.....NM               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 33. New York.....NY                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 34. North Carolina.....NC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 35. North Dakota.....ND             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 36. Ohio.....OH                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 37. Oklahoma.....OK                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 38. Oregon.....OR                   | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 39. Pennsylvania.....PA             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 40. Rhode Island.....RI             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 41. South Carolina.....SC           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 42. South Dakota.....SD             | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 43. Tennessee.....TN                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 44. Texas.....TX                    | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 45. Utah.....UT                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 46. Vermont.....VT                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 47. Virginia.....VA                 | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 48. Washington.....WA               | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 49. West Virginia.....WV            | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 50. Wisconsin.....WI                | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 51. Wyoming.....WY                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 52. American Samoa.....AS           | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 53. Guam.....GU                     | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 54. Puerto Rico.....PR              | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 55. US Virgin Islands.....VI        | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 56. Northern Mariana Islands.....MP | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 57. Canada.....CAN                  | N                  | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 58. Aggregate Other Alien.....OT    | XXX                | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 59. Totals.....                     | (a).....1          | 16,667,028   | 15,464,307                  | 0   | 3,911,296                                   | 4,894,885                   | 26,409,931                | 0   | 0  |

### DETAILS OF WRITE-INS

|  |     |   |   |   |   |   |   |   |   |
|--|-----|---|---|---|---|---|---|---|---|
| 58001.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58002.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58003.....   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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.

**Sch. T - Pt. 2 - Interstate Compact  
NONE**

**Sch. Y-Pt. 1  
NONE**

**Sch. Y - Pt. 1A  
NONE**

**Sch. Y - Pt. 2  
NONE**

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|  | Responses |
|--|-----------|
| 1. Will an actuarial opinion be filed by March 1?  | YES       |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                    | YES       |
| 3. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?                            | YES       |
| 4. Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1? | YES       |

### APRIL FILING

|  |     |
|--|-----|
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? | YES |
| 6. Will the Management's Discussion and Analysis be filed by April 1?                              | YES |
| 7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?                     | YES |

### MAY FILING

|   |    |
|---|----|
| 8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1? | NO |
|---|----|

### JUNE FILING

|   |     |
|---|-----|
| 9. Will an audited financial report be filed by June 1?   | YES |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | YES |

### AUGUST FILING

|   |     |
|---|-----|
| 11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? | YES |
|---|-----|

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

### MARCH FILING

|   |     |
|---|-----|
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?  | NO  |
| 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?  | NO  |
| 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?  | YES |
| 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?  | NO  |
| 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | NO  |
| 20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?  | YES |
| 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?  | YES |
| 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?   | NO  |
| 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | NO  |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partners be filed electronically with the NAIC by March 1? | NO  |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?        | NO  |
| 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?                      | NO  |
| 28. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception - Asbestos and Pollution Contracts be filed with the state of domicile and the NAIC by March 1?                   | NO  |

### APRIL FILING

|  |     |
|--|-----|
| 29. Will the Credit Insurance Experience Exhibit be filed with state of domicile and the NAIC by April 1?  | NO  |
| 30. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | NO  |
| 31. Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | NO  |
| 32. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?                                      | NO  |
| 33. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? | NO  |
| 34. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?                           | YES |

### AUGUST FILING

|  |     |
|--|-----|
| 35. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | YES |
|--|-----|

# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**EXPLANATIONS:**

**BAR CODE:**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8. The data for this supplement is not required to be filed.



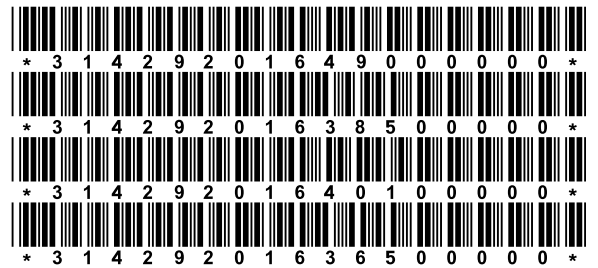
- 9.
- 10.
- 11.
- 12. The data for this supplement is not required to be filed.



- 13. The data for this supplement is not required to be filed.
- 14. The data for this supplement is not required to be filed.



- 15.
- 16. The data for this supplement is not required to be filed.
- 17. The data for this supplement is not required to be filed.
- 18. The data for this supplement is not required to be filed.
- 19. The data for this supplement is not required to be filed.



- 20.
- 21.
- 22. The data for this supplement is not required to be filed.



- 23. The data for this supplement is not required to be filed.
- 24. The data for this supplement is not required to be filed.
- 25. The data for this supplement is not required to be filed.



- 26. The data for this supplement is not required to be filed.
- 27. The data for this supplement is not required to be filed.



- 28. The data for this supplement is not required to be filed.
- 29. The data for this supplement is not required to be filed.
- 30. The data for this supplement is not required to be filed.



- 31. The data for this supplement is not required to be filed.
- 32. The data for this supplement is not required to be filed.



- 33. The data for this supplement is not required to be filed.
- 34.



# MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## SUMMARY INVESTMENT SCHEDULE

| Investment Categories   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |  |                                   |                 |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
|   | 1<br>Amount               | 2<br>Percentage | 3<br>Amount   | 4<br>Securities Lending Reinvested Collateral Amount | 5<br>Total (Col. 3 + 4)<br>Amount | 6<br>Percentage |
| 1. Bonds:   |                           |                 |   |  |                                   |                 |
| 1.1 U.S. treasury securities.....   | 6,778,062                 | 7.1             | 6,778,062   | 0  | 6,778,062                         | 7.1             |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities):  |                           |                 |   |  |                                   |                 |
| 1.21 Issued by U.S. government agencies.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.22 Issued by U.S. government sponsored agencies.....  | 1,279,960                 | 1.3             | 1,279,960   | 0  | 1,279,960                         | 1.3             |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities).....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:  |                           |                 |   |  |                                   |                 |
| 1.41 States, territories and possessions general obligations.....   | 1,813,880                 | 1.9             | 1,813,880   | 0  | 1,813,880                         | 1.9             |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations.....                                | 1,274,969                 | 1.3             | 1,274,969   | 0  | 1,274,969                         | 1.3             |
| 1.43 Revenue and assessment obligations.....  | 5,233,625                 | 5.5             | 5,233,625   | 0  | 5,233,625                         | 5.5             |
| 1.44 Industrial development and similar obligations.....  | 250,000                   | 0.3             | 250,000   | 0  | 250,000                           | 0.3             |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS):   |                           |                 |   |  |                                   |                 |
| 1.51 Pass-through securities:   |                           |                 |   |  |                                   |                 |
| 1.511 Issued or guaranteed by GNMA.....   | 152,475                   | 0.2             | 152,475   | 0  | 152,475                           | 0.2             |
| 1.512 Issued or guaranteed by FNMA and FHLMC.....   | 3,396,270                 | 3.6             | 3,396,270   | 0  | 3,396,270                         | 3.6             |
| 1.513 All other.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.52 CMOs and REMICs:   |                           |                 |   |  |                                   |                 |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....  | 4,618,674                 | 4.8             | 4,618,674   | 0  | 4,618,674                         | 4.8             |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521..... | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 1.523 All other.....  | 11,017,892                | 11.5            | 11,017,892  | 0  | 11,017,892                        | 11.5            |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |                 |   |  |                                   |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities).....  | 36,757,900                | 38.5            | 36,757,900  | 0  | 36,757,900                        | 38.5            |
| 2.2 Unaffiliated non-U.S. securities (including Canada).....  | 6,874,072                 | 7.2             | 6,874,072   | 0  | 6,874,072                         | 7.2             |
| 2.3 Affiliated securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3. Equity interests:  |                           |                 |   |  |                                   |                 |
| 3.1 Investments in mutual funds.....  | 13,723,401                | 14.4            | 13,723,401  | 0  | 13,723,401                        | 14.4            |
| 3.2 Preferred stocks:   |                           |                 |   |  |                                   |                 |
| 3.21 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.22 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |                 |   |  |                                   |                 |
| 3.31 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.32 Unaffiliated.....  | 142,900                   | 0.1             | 142,900   | 0  | 142,900                           | 0.1             |
| 3.4 Other equity securities:  |                           |                 |   |  |                                   |                 |
| 3.41 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.42 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |                 |   |  |                                   |                 |
| 3.51 Affiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 3.52 Unaffiliated.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4. Mortgage loans:  |                           |                 |   |  |                                   |                 |
| 4.1 Construction and land development.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.2 Agricultural.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.3 Single family residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.4 Multifamily residential properties.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.5 Commercial loans.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 4.6 Mezzanine real estate loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5. Real estate investments:   |                           |                 |   |  |                                   |                 |
| 5.1 Property occupied by company.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....                                     | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 6. Contract loans.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 7. Derivatives.....   | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 8. Receivables for securities.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 9. Securities lending (Line 10, Asset Page reinvested collateral).....  | 0                         | 0.0             | 0   | XXX  | XXX                               | XXX             |
| 10. Cash, cash equivalents and short-term investments.....  | 2,278,733                 | 2.4             | 2,278,733   | 0  | 2,278,733                         | 2.4             |
| 11. Other invested assets.....  | 0                         | 0.0             | 0   | 0  | 0                                 | 0.0             |
| 12. Total invested assets.....  | 95,592,813                | 100.0           | 95,592,813  | 0  | 95,592,813                        | 100.0           |

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

|     |  |   |   |
|-----|--|---|---|
| 1.  | Book/adjusted carrying value, December 31 of prior year.....                       |   | 0 |
| 2.  | Cost of acquired:  |   |   |
| 2.1 | Actual cost at time of acquisition (Part 2, Column 6).....                         | 0 |   |
| 2.2 | Additional investment made after acquisition (Part 2, Column 9).....               | 0 | 0 |
| 3.  | Current year change in encumbrances:   |   |   |
| 3.1 | Totals, Part 1, Column 13.....   | 0 |   |
| 3.2 | Totals, Part 3, Column 11.....   | 0 | 0 |
| 4.  | Total gain (loss) on disposals, Part 3, Column 18.....                             |   | 0 |
| 5.  | Deduct amounts received on disposals, Part 3, Column 15.....                       |   | 0 |
| 6.  | Total foreign exchange change in book/adjusted carrying value:                     |   |   |
| 6.1 | Totals, Part 1, Column 15.....   | 0 |   |
| 6.2 | Totals, Part 3, Column 13.....   | 0 | 0 |
| 7.  | Deduct current year's other-than-temporary impairment recognized:                  |   |   |
| 7.1 | Totals, Part 1, Column 12.....   | 0 |   |
| 7.2 | Totals, Part 3, Column 10.....   | 0 | 0 |
| 8.  | Deduct current year's depreciation:  |   |   |
| 8.1 | Totals, Part 1, Column 11.....   | 0 |   |
| 8.2 | Totals, Part 3, Column 9.....  | 0 | 0 |
| 9.  | Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)..... |   | 0 |
| 10. | Deduct total nonadmitted amounts.....  |   | 0 |
| 11. | Statement value at end of current period (Line 9 minus Line 10).....               |   | 0 |

**NONE**

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

|      |  |   |   |
|------|--|---|---|
| 1.   | Book value/recorded investment excluding accrued interest, December 31 of prior year.....                            |   | 0 |
| 2.   | Cost of acquired:  |   |   |
| 2.1  | Actual cost at time of acquisition (Part 2, Column 7).....   | 0 |   |
| 2.2  | Additional investment made after acquisition (Part 2, Column 8).....   | 0 | 0 |
| 3.   | Capitalized deferred interest and other:   |   |   |
| 3.1  | Totals, Part 1, Column 12.....   | 0 |   |
| 3.2  | Totals, Part 3, Column 11.....   | 0 | 0 |
| 4.   | Accrual of discount.....   |   | 0 |
| 5.   | Unrealized valuation increase (decrease):  |   |   |
| 5.1  | Totals, Part 1, Column 9.....  | 0 |   |
| 5.2  | Totals, Part 3, Column 8.....  | 0 | 0 |
| 6.   | Total gain (loss) on disposals, Part 3, Column 18.....   |   | 0 |
| 7.   | Deduct amounts received on disposals, Part 3, Column 15.....   |   | 0 |
| 8.   | Deduct amortization of premium and mortgage interest points and commitment fees.....                                 |   | 0 |
| 9.   | Total foreign exchange change in book value/recorded investment excluding accrued interest:                          |   |   |
| 9.1  | Totals, Part 1, Column 13.....   | 0 |   |
| 9.2  | Totals, Part 3, Column 13.....   | 0 | 0 |
| 10.  | Deduct current year's other-than-temporary impairment recognized:  |   |   |
| 10.1 | Totals, Part 1, Column 11.....   | 0 |   |
| 10.2 | Totals, Part 3, Column 10.....   | 0 | 0 |
| 11.  | Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12.  | Total valuation allowance.....   |   | 0 |
| 13.  | Subtotal (Line 11 plus Line 12).....   |   | 0 |
| 14.  | Deduct total nonadmitted amounts.....  |   | 0 |
| 15.  | Statement value at end of current period (Line 13 minus Line 14).....  |   | 0 |

**NONE**

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE****SCHEDULE BA - VERIFICATION BETWEEN YEARS**

## Other Long-Term Invested Assets

|      |   |   |   |
|------|---|---|---|
| 1.   | Book/adjusted carrying value, December 31 of prior year.....                            |   | 0 |
| 2.   | Cost of acquired:   |   |   |
| 2.1  | Actual cost at time of acquisition (Part 2, Column 8).....                              | 0 |   |
| 2.2  | Additional investment made after acquisition (Part 2, Column 9).....                    | 0 | 0 |
| 3.   | Capitalized deferred interest and other:  |   |   |
| 3.1  | Totals, Part 1, Column 16.....  | 0 |   |
| 3.2  | Totals, Part 3, Column 12.....  | 0 | 0 |
| 4.   | Accrual of discount.....  |   | 0 |
| 5.   | Unrealized valuation increase (decrease):   |   |   |
| 5.1  | Totals, Part 1, Column 13.....  | 0 |   |
| 5.2  | Totals, Part 3, Column 9.....   | 0 | 0 |
| 6.   | Total gain (loss) on disposals, Part 3, Column 19.....                                  |   | 0 |
| 7.   | Deduct amounts received on disposals, Part 3, Column 16.....                            |   | 0 |
| 8.   | Deduct amortization of premium and depreciation.....                                    |   | 0 |
| 9.   | Total foreign exchange change in book/adjusted carrying value:                          |   |   |
| 9.1  | Totals, Part 1, Column 17.....  | 0 |   |
| 9.2  | Totals, Part 3, Column 14.....  | 0 | 0 |
| 10.  | Deduct current year's other-than-temporary impairment recognized:                       |   |   |
| 10.1 | Totals, Part 1, Column 15.....  | 0 |   |
| 10.2 | Totals, Part 3, Column 11.....  | 0 | 0 |
| 11.  | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)..... |   | 0 |
| 12.  | Deduct total nonadmitted amounts.....   |   | 0 |
| 13.  | Statement value at end of current period (Line 11 minus Line 12).....                   |   | 0 |

**NONE****SCHEDULE D - VERIFICATION BETWEEN YEARS**

## Bonds and Stocks

|     |  |          |            |
|-----|--|----------|------------|
| 1.  | Book/adjusted carrying value, December 31 of prior year.....                         |          | 93,170,061 |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7.....                             |          | 21,066,955 |
| 3.  | Accrual of discount.....   |          | 95,370     |
| 4.  | Unrealized valuation increase (decrease):  |          |            |
| 4.1 | Part 1, Column 12.....   | 59,536   |            |
| 4.2 | Part 2, Section 1, Column 15.....  | (86,202) |            |
| 4.3 | Part 2, Section 2, Column 13.....  | 777,969  |            |
| 4.4 | Part 4, Column 11.....   | 327,835  | 1,079,137  |
| 5.  | Total gain (loss) on disposals, Part 4, Column 19.....                               |          | 333,773    |
| 6.  | Deduct consideration for bonds and stocks disposed of, Part 4, Column 7.....         |          | 21,885,902 |
| 7.  | Deduct amortization of premium.....  |          | 545,313    |
| 8.  | Total foreign exchange change in book/adjusted carrying value:                       |          |            |
| 8.1 | Part 1, Column 15.....   | 0        |            |
| 8.2 | Part 2, Section 1, Column 19.....  | 0        |            |
| 8.3 | Part 2, Section 2, Column 16.....  | 0        |            |
| 8.4 | Part 4, Column 15.....   | 0        | 0          |
| 9.  | Deduct current year's other-than-temporary impairment recognized:                    |          |            |
| 9.1 | Part 1, Column 14.....   | 0        |            |
| 9.2 | Part 2, Section 1, Column 17.....  | 0        |            |
| 9.3 | Part 2, Section 2, Column 14.....  | 0        |            |
| 9.4 | Part 4, Column 13.....   | 0        | 0          |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... |          | 93,314,080 |
| 11. | Deduct total nonadmitted amounts.....  |          | 0          |
| 12. | Statement value at end of current period (Line 10 minus Line 11).....                |          | 93,314,080 |

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description   |  | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value   | 3<br>Actual Cost  | 4<br>Par Value<br>of Bonds |
|---|--|--------------------------------------|-------------------|-------------------|----------------------------|
| <b>BONDS</b>  | 1. United States.....                  | 10,192,327                           | 10,043,615        | 10,210,330        | 10,037,987                 |
| Governments (Including all obligations<br>guaranteed by governments)  | 2. Canada.....                         | 0                                    | 0                 | 0                 | 0                          |
|   | 3. Other Countries.....                | 0                                    | 0                 | 0                 | 0                          |
|   | 4. Totals.....                         | 10,192,327                           | 10,043,615        | 10,210,330        | 10,037,987                 |
| U.S. States, Territories and Possessions<br>(Direct and guaranteed)   | 5. Totals.....                         | 1,813,880                            | 1,948,183         | 1,818,160         | 1,700,000                  |
| U.S. Political Subdivisions of States, Territories<br>and Possessions (Direct and guaranteed)   | 6. Totals.....                         | 1,274,969                            | 1,486,752         | 1,284,044         | 1,250,000                  |
| U.S. Special Revenue and Special Assessment<br>Obligations and All Non-Guaranteed Obligations<br>of Agencies and Authorities of Governments<br>and Their Political Subdivisions | 7. Totals.....                         | 11,685,218                           | 12,118,799        | 11,790,268        | 11,296,426                 |
| Industrial and Miscellaneous, SVO Identified<br>Funds and Hybrid Securities (unaffiliated)  | 8. United States.....                  | 47,607,313                           | 49,059,954        | 48,190,450        | 47,029,617                 |
|   | 9. Canada.....                         | 1,313,897                            | 1,398,907         | 1,364,628         | 1,300,000                  |
|   | 10. Other Countries.....               | 5,560,176                            | 5,691,091         | 5,759,320         | 5,495,206                  |
|   | 11. Totals.....                        | 54,481,385                           | 56,149,952        | 55,314,398        | 53,824,822                 |
| Parent, Subsidiaries and Affiliates   | 12. Totals.....                        | 0                                    | 0                 | 0                 | 0                          |
|   | <b>13. Total Bonds.....</b>            | <b>79,447,779</b>                    | <b>81,747,302</b> | <b>80,417,199</b> | <b>78,109,235</b>          |
| <b>PREFERRED STOCKS</b>   | 14. United States.....                 | 0                                    | 0                 | 0                 |                            |
| Industrial and Miscellaneous (Unaffiliated)   | 15. Canada.....                        | 0                                    | 0                 | 0                 |                            |
|   | 16. Other Countries.....               | 0                                    | 0                 | 86,202            |                            |
|   | 17. Totals.....                        | 0                                    | 0                 | 86,202            |                            |
| Parent, Subsidiaries and Affiliates   | 18. Totals.....                        | 0                                    | 0                 | 0                 |                            |
|   | <b>19. Total Preferred Stocks.....</b> | <b>0</b>                             | <b>0</b>          | <b>86,202</b>     |                            |
| <b>COMMON STOCKS</b>  | 20. United States.....                 | 13,866,301                           | 13,866,301        | 10,319,071        |                            |
| Industrial and Miscellaneous (Unaffiliated)   | 21. Canada.....                        | 0                                    | 0                 | 0                 |                            |
|   | 22. Other Countries.....               | 0                                    | 0                 | 0                 |                            |
|   | 23. Totals.....                        | 13,866,301                           | 13,866,301        | 10,319,071        |                            |
| Parent, Subsidiaries and Affiliates   | 24. Totals.....                        | 0                                    | 0                 | 0                 |                            |
|   | <b>25. Total Common Stocks.....</b>    | <b>13,866,301</b>                    | <b>13,866,301</b> | <b>10,319,071</b> |                            |
|   | <b>26. Total Stocks.....</b>           | <b>13,866,301</b>                    | <b>13,866,301</b> | <b>10,405,273</b> |                            |
|   | <b>27. Total Bonds and Stocks.....</b> | <b>93,314,080</b>                    | <b>95,613,603</b> | <b>90,822,473</b> |                            |



**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>No Maturity<br>Date | 7<br>Total<br>Current Year | 8<br>Column 7 as a<br>% of Line 10.7 | 9<br>Total from Column<br>6 Prior Year | 10<br>% from Col. 7<br>Prior Year | 11<br>Total<br>Publicly Traded | 12<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|--------------------------|----------------------------|--------------------------------------|--|-----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments</b>  |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 1.1 NAIC 1  | 841,178                | 3,004,978                           | 3,706,066                             | 471,280                                | 2,930,874             | XXX                      | 10,954,376                 | 13.7                                 | 11,952,183                             | 14.8                              | 10,954,376                     | 0                                   |
| 1.2 NAIC 2  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 1.3 NAIC 3  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 1.4 NAIC 4  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 1.5 NAIC 5  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 1.6 NAIC 6  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 1.7 Totals  | 841,178                | 3,004,978                           | 3,706,066                             | 471,280                                | 2,930,874             | XXX                      | 10,954,376                 | 13.7                                 | 11,952,183                             | 14.8                              | 10,954,376                     | 0                                   |
| <b>2. All Other Governments</b>   |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 2.1 NAIC 1  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.2 NAIC 2  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.3 NAIC 3  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.4 NAIC 4  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.5 NAIC 5  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.6 NAIC 6  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 2.7 Totals  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| <b>3. U.S. States, Territories and Possessions, etc., Guaranteed</b>                      |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 3.1 NAIC 1  | 0                      | 500,000                             | 500,000                               | 0                                      | 813,880               | XXX                      | 1,813,880                  | 2.3                                  | 1,816,718                              | 2.3                               | 1,813,880                      | 0                                   |
| 3.2 NAIC 2  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 3.3 NAIC 3  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 3.4 NAIC 4  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 3.5 NAIC 5  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 3.6 NAIC 6  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 3.7 Totals  | 0                      | 500,000                             | 500,000                               | 0                                      | 813,880               | XXX                      | 1,813,880                  | 2.3                                  | 1,816,718                              | 2.3                               | 1,813,880                      | 0                                   |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 4.1 NAIC 1  | 0                      | 0                                   | 0                                     | 1,274,969                              | 0                     | XXX                      | 1,274,969                  | 1.6                                  | 1,276,427                              | 1.6                               | 1,274,969                      | 0                                   |
| 4.2 NAIC 2  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 4.3 NAIC 3  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 4.4 NAIC 4  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 4.5 NAIC 5  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 4.6 NAIC 6  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 4.7 Totals  | 0                      | 0                                   | 0                                     | 1,274,969                              | 0                     | XXX                      | 1,274,969                  | 1.6                                  | 1,276,427                              | 1.6                               | 1,274,969                      | 0                                   |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 5.1 NAIC 1  | 824,203                | 3,829,352                           | 5,561,218                             | 600,092                                | 870,354               | XXX                      | 11,685,218                 | 14.6                                 | 13,482,445                             | 16.7                              | 11,685,218                     | 0                                   |
| 5.2 NAIC 2  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 5.3 NAIC 3  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 5.4 NAIC 4  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 5.5 NAIC 5  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 5.6 NAIC 6  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | XXX                      | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                                   |
| 5.7 Totals  | 824,203                | 3,829,352                           | 5,561,218                             | 600,092                                | 870,354               | XXX                      | 11,685,218                 | 14.6                                 | 13,482,445                             | 16.7                              | 11,685,218                     | 0                                   |

SIOIS

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation                                      | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>No Maturity<br>Date | 7<br>Total<br>Current Year | 8<br>Column 7 as a<br>% of Line 10.7 | 9<br>Total from Column<br>6 Prior Year | 10<br>% from Col. 7<br>Prior Year | 11<br>Total<br>Publicly Traded | 12<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|--------------------------|----------------------------|--------------------------------------|--|-----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Industrial and Miscellaneous (unaffiliated)</b> |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 6.1 NAIC 1.....                                       | 4,836,637              | 14,446,814                          | 8,382,869                             | 2,678,656                              | 2,413,939             | .XXX                     | 32,758,916                 | 40.8                                 | 31,491,760                             | 39.1                              | 22,105,613                     | 10,653,303                          |
| 6.2 NAIC 2.....                                       | 833,289                | 7,107,759                           | 7,595,884                             | 597,785                                | 900,768               | .XXX                     | 17,035,484                 | 21.2                                 | 16,390,123                             | 20.3                              | 15,648,411                     | 1,387,073                           |
| 6.3 NAIC 3.....                                       | 97,206                 | 2,332,929                           | 754,875                               | .0                                     | 155,530               | .XXX                     | 3,340,540                  | 4.2                                  | 3,030,963                              | 3.8                               | 2,958,980                      | 381,560                             |
| 6.4 NAIC 4.....                                       | .0                     | 678,490                             | 379,290                               | .0                                     | .0                    | .XXX                     | 1,057,780                  | 1.3                                  | 1,021,387                              | 1.3                               | 487,949                        | 569,831                             |
| 6.5 NAIC 5.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | .0                                   | 121,642                                | .0                                | .0                             | .0                                  |
| 6.6 NAIC 6.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | .0                                   | .0                                     | .0                                | .0                             | .0                                  |
| 6.7 Totals.....                                       | 5,767,133              | 24,565,993                          | 17,112,918                            | 3,276,441                              | 3,470,236             | .XXX                     | 54,192,720                 | 67.6                                 | 52,055,874                             | 64.6                              | 41,200,953                     | 12,991,767                          |
| <b>7. Hybrid Securities</b>                           |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 7.1 NAIC 1.....                                       | .0                     | 288,665                             | .0                                    | .0                                     | .0                    | .XXX                     | 288,665                    | 0.4                                  | .0                                     | .0                                | 288,665                        | .0                                  |
| 7.2 NAIC 2.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 7.3 NAIC 3.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 7.4 NAIC 4.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 7.5 NAIC 5.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 7.6 NAIC 6.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 7.7 Totals.....                                       | .0                     | 288,665                             | .0                                    | .0                                     | .0                    | .XXX                     | 288,665                    | 0.4                                  | .0                                     | .0                                | 288,665                        | .0                                  |
| <b>8. Parent, Subsidiaries and Affiliates</b>         |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 8.1 NAIC 1.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.2 NAIC 2.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.3 NAIC 3.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.4 NAIC 4.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.5 NAIC 5.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.6 NAIC 6.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| 8.7 Totals.....                                       | .0                     | .0                                  | .0                                    | .0                                     | .0                    | .XXX                     | .0                         | 0.0                                  | .0                                     | .0                                | .0                             | .0                                  |
| <b>9. SVO Identified Funds</b>                        |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 9.1 NAIC 1.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.2 NAIC 2.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.3 NAIC 3.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.4 NAIC 4.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.5 NAIC 5.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.6 NAIC 6.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |
| 9.7 Totals.....                                       | .XXX                   | .XXX                                | .XXX                                  | .XXX                                   | .XXX                  | .0                       | .0                         | 0.0                                  | .XXX                                   | .XXX                              | .0                             | .0                                  |

901S

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>No Maturity<br>Date | 7<br>Total<br>Current Year | 8<br>Column 7 as a<br>% of Line 10.7 | 9<br>Total from Column<br>6 Prior Year | 10<br>% from Col. 7<br>Prior Year | 11<br>Total<br>Publicly Traded | 12<br>Total<br>Privately Placed (a) |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|--------------------------|----------------------------|--------------------------------------|--|-----------------------------------|--------------------------------|-------------------------------------|
| <b>10. Total Bonds Current Year</b>                         |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 10.1 NAIC 1.....  | (d).....6,502,018      | .....22,069,809                     | .....18,150,153                       | .....5,024,996                         | .....7,029,046        | .....0                   | .....58,776,023            | .....73.3                            | .....XXX                               | .....XXX                          | .....48,122,721                | .....10,653,303                     |
| 10.2 NAIC 2.....  | (d).....833,289        | .....7,107,759                      | .....7,595,884                        | .....597,785                           | .....900,768          | .....0                   | .....17,035,484            | .....21.2                            | .....XXX                               | .....XXX                          | .....15,648,411                | .....1,387,073                      |
| 10.3 NAIC 3.....  | (d).....97,206         | .....2,332,929                      | .....754,875                          | .....0                                 | .....155,530          | .....0                   | .....3,340,540             | .....4.2                             | .....XXX                               | .....XXX                          | .....2,958,980                 | .....381,560                        |
| 10.4 NAIC 4.....  | (d).....0              | .....678,490                        | .....379,290                          | .....0                                 | .....0                | .....0                   | .....1,057,780             | .....1.3                             | .....XXX                               | .....XXX                          | .....487,949                   | .....569,831                        |
| 10.5 NAIC 5.....  | (d).....0              | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....XXX                               | .....XXX                          | .....0                         | .....0                              |
| 10.6 NAIC 6.....  | (d).....0              | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....XXX                               | .....XXX                          | .....0                         | .....0                              |
| 10.7 Totals.....  | .....7,432,513         | .....32,188,988                     | .....26,880,202                       | .....5,622,782                         | .....8,085,344        | .....0                   | (b).....80,209,828         | .....100.0                           | .....XXX                               | .....XXX                          | .....67,218,061                | .....12,991,767                     |
| 10.8 Line 10.7 as a % of Col. 7.....                        | .....9.3               | .....40.1                           | .....33.5                             | .....7.0                               | .....10.1             | .....0.0                 | .....100.0                 | .....XXX                             | .....XXX                               | .....XXX                          | .....83.8                      | .....16.2                           |
| <b>11. Total Bonds Prior Year</b>                           |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 11.1 NAIC 1.....  | .....10,554,976        | .....25,031,255                     | .....15,505,019                       | .....4,383,033                         | .....4,545,249        | .....XXX                 | .....XXX                   | .....XXX                             | .....60,019,533                        | .....74.5                         | .....52,462,427                | .....7,557,106                      |
| 11.2 NAIC 2.....  | .....1,471,131         | .....5,958,077                      | .....7,495,044                        | .....300,589                           | .....1,165,283        | .....XXX                 | .....XXX                   | .....XXX                             | .....16,390,123                        | .....20.3                         | .....15,672,503                | .....717,620                        |
| 11.3 NAIC 3.....  | .....156,166           | .....1,889,119                      | .....752,599                          | .....54,052                            | .....179,028          | .....XXX                 | .....XXX                   | .....XXX                             | .....3,030,963                         | .....3.8                          | .....2,097,812                 | .....933,150                        |
| 11.4 NAIC 4.....  | .....20,606            | .....914,406                        | .....0                                | .....86,375                            | .....0                | .....XXX                 | .....XXX                   | .....XXX                             | .....1,021,387                         | .....1.3                          | .....830,708                   | .....190,679                        |
| 11.5 NAIC 5.....  | .....0                 | .....89,492                         | .....32,150                           | .....0                                 | .....0                | .....XXX                 | .....XXX                   | .....XXX                             | (c).....121,642                        | .....0.2                          | .....89,492                    | .....32,150                         |
| 11.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....XXX                 | .....XXX                   | .....XXX                             | (c).....0                              | .....0.0                          | .....0                         | .....0                              |
| 11.7 Totals.....  | .....12,202,879        | .....33,882,348                     | .....23,784,812                       | .....4,824,049                         | .....5,889,560        | .....XXX                 | .....XXX                   | .....XXX                             | (b).....80,583,647                     | .....100.0                        | .....71,152,942                | .....9,430,706                      |
| 11.8 Line 11.7 as a % of Col. 9.....                        | .....15.1              | .....42.0                           | .....29.5                             | .....6.0                               | .....7.3              | .....XXX                 | .....XXX                   | .....XXX                             | .....100.0                             | .....XXX                          | .....88.3                      | .....11.7                           |
| <b>12. Total Publicly Traded Bonds</b>                      |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 12.1 NAIC 1.....  | .....5,520,935         | .....16,771,936                     | .....15,282,063                       | .....3,934,433                         | .....6,613,354        | .....0                   | .....48,122,721            | .....60.0                            | .....52,462,427                        | .....65.1                         | .....48,122,721                | .....XXX                            |
| 12.2 NAIC 2.....  | .....811,891           | .....6,713,998                      | .....6,623,970                        | .....597,785                           | .....900,768          | .....0                   | .....15,648,411            | .....19.5                            | .....15,672,503                        | .....19.4                         | .....15,648,411                | .....XXX                            |
| 12.3 NAIC 3.....  | .....97,206            | .....2,206,683                      | .....655,090                          | .....0                                 | .....0                | .....0                   | .....2,958,980             | .....3.7                             | .....2,097,812                         | .....2.6                          | .....2,958,980                 | .....XXX                            |
| 12.4 NAIC 4.....  | .....0                 | .....291,960                        | .....195,990                          | .....0                                 | .....0                | .....0                   | .....487,949               | .....0.6                             | .....830,708                           | .....1.0                          | .....487,949                   | .....XXX                            |
| 12.5 NAIC 5.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....89,492                            | .....0.1                          | .....0                         | .....XXX                            |
| 12.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....0                                 | .....0.0                          | .....0                         | .....XXX                            |
| 12.7 Totals.....  | .....6,430,032         | .....25,984,577                     | .....22,757,112                       | .....4,532,218                         | .....7,514,121        | .....0                   | .....67,218,061            | .....83.8                            | .....71,152,942                        | .....88.3                         | .....67,218,061                | .....XXX                            |
| 12.8 Line 12.7 as a % of Col. 7.....                        | .....9.6               | .....38.7                           | .....33.9                             | .....6.7                               | .....11.2             | .....0.0                 | .....100.0                 | .....XXX                             | .....XXX                               | .....XXX                          | .....100.0                     | .....XXX                            |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10..... | .....8.0               | .....32.4                           | .....28.4                             | .....5.7                               | .....9.4              | .....0.0                 | .....83.8                  | .....XXX                             | .....XXX                               | .....XXX                          | .....83.8                      | .....XXX                            |
| <b>13. Total Privately Placed Bonds</b>                     |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                     |
| 13.1 NAIC 1.....  | .....981,083           | .....5,297,873                      | .....2,868,091                        | .....1,090,563                         | .....415,693          | .....0                   | .....10,653,303            | .....13.3                            | .....7,557,106                         | .....9.4                          | .....XXX                       | .....10,653,303                     |
| 13.2 NAIC 2.....  | .....21,398            | .....393,761                        | .....971,914                          | .....0                                 | .....0                | .....0                   | .....1,387,073             | .....1.7                             | .....717,620                           | .....0.9                          | .....XXX                       | .....1,387,073                      |
| 13.3 NAIC 3.....  | .....0                 | .....126,246                        | .....99,785                           | .....0                                 | .....155,530          | .....0                   | .....381,560               | .....0.5                             | .....933,150                           | .....1.2                          | .....XXX                       | .....381,560                        |
| 13.4 NAIC 4.....  | .....0                 | .....386,531                        | .....183,300                          | .....0                                 | .....0                | .....0                   | .....569,831               | .....0.7                             | .....190,679                           | .....0.2                          | .....XXX                       | .....569,831                        |
| 13.5 NAIC 5.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....32,150                            | .....0.0                          | .....XXX                       | .....0                              |
| 13.6 NAIC 6.....  | .....0                 | .....0                              | .....0                                | .....0                                 | .....0                | .....0                   | .....0                     | .....0.0                             | .....0                                 | .....0.0                          | .....XXX                       | .....0                              |
| 13.7 Totals.....  | .....1,002,481         | .....6,204,411                      | .....4,123,090                        | .....1,090,563                         | .....571,222          | .....0                   | .....12,991,767            | .....16.2                            | .....9,430,706                         | .....11.7                         | .....XXX                       | .....12,991,767                     |
| 13.8 Line 13.7 as a % of Col. 7.....                        | .....7.7               | .....47.8                           | .....31.7                             | .....8.4                               | .....4.4              | .....0.0                 | .....100.0                 | .....XXX                             | .....XXX                               | .....XXX                          | .....XXX                       | .....100.0                          |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10..... | .....1.2               | .....7.7                            | .....5.1                              | .....1.4                               | .....0.7              | .....0.0                 | .....16.2                  | .....XXX                             | .....XXX                               | .....XXX                          | .....XXX                       | .....16.2                           |

S107

- (a) Includes \$.....12,886,562 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
- (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.
- (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
- (d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....762,049; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>No Maturity<br>Date | 7<br>Total<br>Current Year | 8<br>Column 7 as a<br>% of Line 10.6 | 9<br>Total from Column<br>6 Prior Year | 10<br>% from Col. 7<br>Prior Year | 11<br>Total<br>Publicly Traded | 12<br>Total<br>Privately Placed |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|--------------------------|----------------------------|--------------------------------------|--|-----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments</b>  |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 1.1 Issuer Obligations.....   | 762,049                | 2,731,851                           | 3,544,636                             | 0                                      | 501,575               | .XXX                     | 7,540,111                  | 9.4                                  | 8,571,817                              | 10.6                              | 7,540,111                      | 0                               |
| 1.2 Residential Mortgage-Backed Securities.....   | 55,059                 | 220,029                             | 34,746                                | 11,083                                 | 37                    | .XXX                     | 320,954                    | 0.4                                  | 416,398                                | 0.5                               | 320,954                        | 0                               |
| 1.3 Commercial Mortgage-Backed Securities.....  | 24,070                 | 53,097                              | 126,684                               | 460,197                                | 2,429,262             | .XXX                     | 3,093,311                  | 3.9                                  | 2,963,968                              | 3.7                               | 3,093,311                      | 0                               |
| 1.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 1.5 Totals.....   | 841,178                | 3,004,978                           | 3,706,066                             | 471,280                                | 2,930,874             | .XXX                     | 10,954,376                 | 13.7                                 | 11,952,183                             | 14.8                              | 10,954,376                     | 0                               |
| <b>2. All Other Governments</b>   |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 2.1 Issuer Obligations.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 2.2 Residential Mortgage-Backed Securities.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 2.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 2.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 2.5 Totals.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| <b>3. U.S. States, Territories and Possessions, Guaranteed</b>                            |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 3.1 Issuer Obligations.....   | 0                      | 500,000                             | 500,000                               | 0                                      | 813,880               | .XXX                     | 1,813,880                  | 2.3                                  | 1,816,718                              | 2.3                               | 1,813,880                      | 0                               |
| 3.2 Residential Mortgage-Backed Securities.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 3.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 3.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 3.5 Totals.....   | 0                      | 500,000                             | 500,000                               | 0                                      | 813,880               | .XXX                     | 1,813,880                  | 2.3                                  | 1,816,718                              | 2.3                               | 1,813,880                      | 0                               |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>  |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 4.1 Issuer Obligations.....   | 0                      | 0                                   | 0                                     | 1,274,969                              | 0                     | .XXX                     | 1,274,969                  | 1.6                                  | 1,276,427                              | 1.6                               | 1,274,969                      | 0                               |
| 4.2 Residential Mortgage-Backed Securities.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 4.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 4.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 4.5 Totals.....   | 0                      | 0                                   | 0                                     | 1,274,969                              | 0                     | .XXX                     | 1,274,969                  | 1.6                                  | 1,276,427                              | 1.6                               | 1,274,969                      | 0                               |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b> |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 5.1 Issuer Obligations.....   | 0                      | 1,385,126                           | 4,370,079                             | 0                                      | 758,380               | .XXX                     | 6,513,585                  | 8.1                                  | 6,986,045                              | 8.7                               | 6,513,585                      | 0                               |
| 5.2 Residential Mortgage-Backed Securities.....   | 824,203                | 2,194,226                           | 1,191,139                             | 600,092                                | 111,974               | .XXX                     | 4,921,633                  | 6.1                                  | 6,110,122                              | 7.6                               | 4,921,633                      | 0                               |
| 5.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 5.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 250,000                             | 0                                     | 0                                      | 0                     | .XXX                     | 250,000                    | 0.3                                  | 386,277                                | 0.5                               | 250,000                        | 0                               |
| 5.5 Totals.....   | 824,203                | 3,829,352                           | 5,561,218                             | 600,092                                | 870,354               | .XXX                     | 11,685,218                 | 14.6                                 | 13,482,445                             | 16.7                              | 11,685,218                     | 0                               |
| <b>6. Industrial and Miscellaneous (unaffiliated)</b>                                     |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 6.1 Issuer Obligations.....   | 2,323,959              | 17,696,188                          | 12,256,545                            | 2,182,606                              | 3,302,324             | .XXX                     | 37,761,621                 | 47.1                                 | 38,506,038                             | 47.8                              | 33,007,136                     | 4,754,486                       |
| 6.2 Residential Mortgage-Backed Securities.....   | 947,069                | 1,697,969                           | 902,835                               | 623,220                                | 167,912               | .XXX                     | 4,339,005                  | 5.4                                  | 3,493,214                              | 4.3                               | 1,229,386                      | 3,109,618                       |
| 6.3 Commercial Mortgage-Backed Securities.....  | 0                      | 2,086,256                           | 3,953,538                             | 470,615                                | 0                     | .XXX                     | 6,510,409                  | 8.1                                  | 6,073,397                              | 7.5                               | 2,337,020                      | 4,173,389                       |
| 6.4 Other Loan-Backed and Structured Securities.....                                      | 2,496,105              | 3,085,581                           | 0                                     | 0                                      | 0                     | .XXX                     | 5,581,686                  | 7.0                                  | 3,983,226                              | 4.9                               | 4,627,412                      | 954,274                         |
| 6.5 Totals.....   | 5,767,133              | 24,565,993                          | 17,112,918                            | 3,276,441                              | 3,470,236             | .XXX                     | 54,192,720                 | 67.6                                 | 52,055,874                             | 64.6                              | 41,200,953                     | 12,991,767                      |
| <b>7. Hybrid Securities</b>   |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 7.1 Issuer Obligations.....   | 0                      | 288,665                             | 0                                     | 0                                      | 0                     | .XXX                     | 288,665                    | 0.4                                  | 0                                      | 0.0                               | 288,665                        | 0                               |
| 7.2 Residential Mortgage-Backed Securities.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 7.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 7.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 7.5 Totals.....   | 0                      | 288,665                             | 0                                     | 0                                      | 0                     | .XXX                     | 288,665                    | 0.4                                  | 0                                      | 0.0                               | 288,665                        | 0                               |
| <b>8. Parent, Subsidiaries and Affiliates</b>   |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 8.1 Issuer Obligations.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 8.2 Residential Mortgage-Backed Securities.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 8.3 Commercial Mortgage-Backed Securities.....  | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 8.4 Other Loan-Backed and Structured Securities.....                                      | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |
| 8.5 Totals.....   | 0                      | 0                                   | 0                                     | 0                                      | 0                     | .XXX                     | 0                          | 0.0                                  | 0                                      | 0.0                               | 0                              | 0                               |

801S

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values By Major Type and Subtype of Issues

| Distribution by Type  | 1<br>1 Year<br>or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20<br>Years | 6<br>No Maturity<br>Date | 7<br>Total<br>Current Year | 8<br>Column 7 as a<br>% of Line 10.6 | 9<br>Total from Column<br>6 Prior Year | 10<br>% from Col. 7<br>Prior Year | 11<br>Total<br>Publicly Traded | 12<br>Total<br>Privately Placed |
|---|------------------------|-------------------------------------|---------------------------------------|--|-----------------------|--------------------------|----------------------------|--------------------------------------|--|-----------------------------------|--------------------------------|---------------------------------|
| <b>9. SVO Identified Funds</b>                              |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 9.1 Exchange Traded Funds Identified by the SVO.....        | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | 0                              | 0                               |
| 9.2 Bond Mutual Funds Identified by the SVO.....            | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | 0                              | 0                               |
| 9.3 Totals.....   | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | 0                              | 0                               |
| <b>10. Total Bonds Current Year</b>                         |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 10.1 Issuer Obligations.....                                | 3,086,008              | 22,601,830                          | 20,671,260                            | 3,457,575                              | 5,376,159             | XXX                      | 55,192,831                 | 68.8                                 | XXX                                    | XXX                               | 50,438,346                     | 4,754,486                       |
| 10.2 Residential Mortgage-Backed Securities.....            | 1,826,330              | 4,112,224                           | 2,128,720                             | 1,234,395                              | 279,923               | XXX                      | 9,581,591                  | 11.9                                 | XXX                                    | XXX                               | 6,471,973                      | 3,109,618                       |
| 10.3 Commercial Mortgage-Backed Securities.....             | 24,070                 | 2,139,353                           | 4,080,223                             | 930,812                                | 2,429,262             | XXX                      | 9,603,720                  | 12.0                                 | XXX                                    | XXX                               | 5,430,331                      | 4,173,389                       |
| 10.4 Other Loan-Backed and Structured Securities.....       | 2,496,105              | 3,335,581                           | 0                                     | 0                                      | 0                     | XXX                      | 5,831,686                  | 7.3                                  | XXX                                    | XXX                               | 4,877,412                      | 954,274                         |
| 10.5 SVO Identified Funds.....                              | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | 0                              | 0                               |
| 10.6 Totals.....  | 7,432,513              | 32,188,988                          | 26,880,202                            | 5,622,782                              | 8,085,344             | 0                        | 80,209,828                 | 100.0                                | XXX                                    | XXX                               | 67,218,061                     | 12,991,767                      |
| 10.7 Line 10.6 as a % of Col. 7.....                        | 9.3                    | 40.1                                | 33.5                                  | 7.0                                    | 10.1                  | 0.0                      | 100.0                      | XXX                                  | XXX                                    | XXX                               | 83.8                           | 16.2                            |
| <b>11. Total Bonds Prior Year</b>                           |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 11.1 Issuer Obligations.....                                | 5,468,936              | 22,154,384                          | 20,979,306                            | 3,422,222                              | 5,132,197             | XXX                      | XXX                        | XXX                                  | 57,157,046                             | 70.9                              | 53,051,269                     | 4,105,777                       |
| 11.2 Residential Mortgage-Backed Securities.....            | 2,557,950              | 5,995,821                           | 875,793                               | 454,519                                | 135,650               | XXX                      | XXX                        | XXX                                  | 10,019,734                             | 12.4                              | 7,793,036                      | 2,226,698                       |
| 11.3 Commercial Mortgage-Backed Securities.....             | 1,660,071              | 4,096,275                           | 1,734,402                             | 924,905                                | 621,712               | XXX                      | XXX                        | XXX                                  | 9,037,365                              | 11.2                              | 5,939,134                      | 3,098,231                       |
| 11.4 Other Loan-Backed and Structured Securities.....       | 2,515,921              | 1,635,867                           | 195,310                               | 22,404                                 | 0                     | XXX                      | XXX                        | XXX                                  | 4,369,503                              | 5.4                               | 4,369,503                      | 0                               |
| 11.5 SVO Identified Funds.....                              | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | XXX                      | XXX                        | XXX                                  | XXX                                    | XXX                               | XXX                            | XXX                             |
| 11.6 Totals.....  | 12,202,879             | 33,882,348                          | 23,784,812                            | 4,824,049                              | 5,889,560             | XXX                      | XXX                        | XXX                                  | 80,583,647                             | 100.0                             | 71,152,942                     | 9,430,706                       |
| 11.7 Line 11.6 as a % of Col. 9.....                        | 15.1                   | 42.0                                | 29.5                                  | 6.0                                    | 7.3                   | XXX                      | XXX                        | XXX                                  | 100.0                                  | XXX                               | 88.3                           | 11.7                            |
| <b>12. Total Publicly Traded Bonds</b>                      |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 12.1 Issuer Obligations.....                                | 3,040,907              | 20,015,922                          | 19,297,746                            | 3,220,546                              | 4,863,224             | XXX                      | 50,438,346                 | 62.9                                 | 53,051,269                             | 65.8                              | 50,438,346                     | XXX                             |
| 12.2 Residential Mortgage-Backed Securities.....            | 1,097,499              | 2,780,956                           | 1,520,408                             | 851,475                                | 221,635               | XXX                      | 6,471,973                  | 8.1                                  | 7,793,036                              | 9.7                               | 6,471,973                      | XXX                             |
| 12.3 Commercial Mortgage-Backed Securities.....             | 24,070                 | 577,844                             | 1,938,958                             | 460,197                                | 2,429,262             | XXX                      | 5,430,331                  | 6.8                                  | 5,939,134                              | 7.4                               | 5,430,331                      | XXX                             |
| 12.4 Other Loan-Backed and Structured Securities.....       | 2,267,556              | 2,609,856                           | 0                                     | 0                                      | 0                     | XXX                      | 4,877,412                  | 6.1                                  | 4,369,503                              | 5.4                               | 4,877,412                      | XXX                             |
| 12.5 SVO Identified Funds.....                              | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | 0                              | XXX                             |
| 12.6 Totals.....  | 6,430,032              | 25,984,577                          | 22,757,112                            | 4,532,218                              | 7,514,121             | 0                        | 67,218,061                 | 83.8                                 | 71,152,942                             | 88.3                              | 67,218,061                     | XXX                             |
| 12.7 Line 12.6 as a % of Col. 7.....                        | 9.6                    | 38.7                                | 33.9                                  | 6.7                                    | 11.2                  | 0.0                      | 100.0                      | XXX                                  | XXX                                    | XXX                               | 100.0                          | XXX                             |
| 12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10..... | 8.0                    | 32.4                                | 28.4                                  | 5.7                                    | 9.4                   | 0.0                      | 83.8                       | XXX                                  | XXX                                    | XXX                               | 83.8                           | XXX                             |
| <b>13. Total Privately Placed Bonds</b>                     |                        |                                     |                                       |  |                       |                          |                            |                                      |  |                                   |                                |                                 |
| 13.1 Issuer Obligations.....                                | 45,101                 | 2,585,908                           | 1,373,514                             | 237,029                                | 512,935               | XXX                      | 4,754,485                  | 5.9                                  | 4,105,777                              | 5.1                               | XXX                            | 4,754,485                       |
| 13.2 Residential Mortgage-Backed Securities.....            | 728,831                | 1,331,268                           | 608,312                               | 382,920                                | 58,287                | XXX                      | 3,109,618                  | 3.9                                  | 2,226,698                              | 2.8                               | XXX                            | 3,109,618                       |
| 13.3 Commercial Mortgage-Backed Securities.....             | 0                      | 1,561,509                           | 2,141,265                             | 470,615                                | 0                     | XXX                      | 4,173,389                  | 5.2                                  | 3,098,231                              | 3.8                               | XXX                            | 4,173,389                       |
| 13.4 Other Loan-Backed and Structured Securities.....       | 228,549                | 725,725                             | 0                                     | 0                                      | 0                     | XXX                      | 954,274                    | 1.2                                  | 0                                      | 0.0                               | XXX                            | 954,274                         |
| 13.5 SVO Identified Funds.....                              | XXX                    | XXX                                 | XXX                                   | XXX                                    | XXX                   | 0                        | 0                          | 0.0                                  | XXX                                    | XXX                               | XXX                            | 0                               |
| 13.6 Totals.....  | 1,002,481              | 6,204,411                           | 4,123,090                             | 1,090,563                              | 571,222               | 0                        | 12,991,767                 | 16.2                                 | 9,430,706                              | 11.7                              | XXX                            | 12,991,767                      |
| 13.7 Line 13.6 as a % of Col. 7.....                        | 7.7                    | 47.8                                | 31.7                                  | 8.4                                    | 4.4                   | 0.0                      | 100.0                      | XXX                                  | XXX                                    | XXX                               | XXX                            | 100.0                           |
| 13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10..... | 1.2                    | 7.7                                 | 5.1                                   | 1.4                                    | 0.7                   | 0.0                      | 16.2                       | XXX                                  | XXX                                    | XXX                               | XXX                            | 16.2                            |

601S

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

|  | 1          | 2          | 3                 | 4  | 5  |
|--|------------|------------|-------------------|--|--|
|  | Total      | Bonds      | Mortgage<br>Loans | Other Short-term<br>Investment<br>Assets (a) | Investments in<br>Parent, Subsidiaries<br>and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 1,145,267  | 1,145,267  | 0                 | 0  | 0  |
| 2. Cost of short-term investments acquired.....  | 21,267,130 | 21,267,130 | 0                 | 0  | 0  |
| 3. Accrual of discount.....  | 0          | 0          | 0                 | 0  | 0  |
| 4. Unrealized valuation increase (decrease).....   | 0          | 0          | 0                 | 0  | 0  |
| 5. Total gain (loss) on disposals.....   | 0          | 0          | 0                 | 0  | 0  |
| 6. Deduct consideration received on disposals.....                                       | 21,650,348 | 21,650,348 | 0                 | 0  | 0  |
| 7. Deduct amortization of premium.....   | 0          | 0          | 0                 | 0  | 0  |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0          | 0          | 0                 | 0  | 0  |
| 9. Deduct current year's other-than-temporary impairment recognized.....                 | 0          | 0          | 0                 | 0  | 0  |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 762,049    | 762,049    | 0                 | 0  | 0  |
| 11. Deduct total nonadmitted amounts.....  | 0          | 0          | 0                 | 0  | 0  |
| 12. Statement value at end of current period (Line 10 minus Line 11).....                | 762,049    | 762,049    | 0                 | 0  | 0  |

S110

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:.....

**Sch. DB - Pt. A - Verification  
NONE**

**Sch. DB - Pt. B - Verification  
NONE**

**Sch. DB - Pt. C - Sn. 1  
NONE**

**Sch. DB - Pt. C - Sn. 2  
NONE**

**Sch. DB - Verification  
NONE**

**Sch. E - Verification  
NONE**

**Sch. A - Pt. 1  
NONE**

**Sch. A - Pt. 2  
NONE**

**Sch. A - Pt. 3  
NONE**

**Sch. B - Pt. 1  
NONE**

**Sch. B - Pt. 2  
NONE**

**Sch. B - Pt. 3  
NONE**

**Sch. BA - Pt. 1  
NONE**

**Sch. BA - Pt. 2  
NONE**

**Sch. BA - Pt. 3  
NONE**

MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

Table with columns: 1 (CUSIP Identification), 2 (Description), Codes (3, 4, 5), 6 (NAIC Designation), 7 (Actual Cost), 8 (Rate Used to Obtain Fair Value), 9 (Fair Value), 10 (Par Value), 11 (Book/Adjusted Carrying Value), Change in Book/Adjusted Carrying Value (12, 13, 14, 15), Interest (16, 17, 18, 19, 20), Dates (21, 22). Rows include U.S. Government - Issuer Obligations, U.S. Government - Residential Mortgage-Backed Securities, U.S. Government - Commercial Mortgage-Backed Securities, U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations, U.S. Political Subdivisions of States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations, and U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations.

F10

















## SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

| 1                    | 2  | Codes |                                 |              | 6                        | 7           | Fair Value                           |            | 10         | 11                              | Change in Book/Adjusted Carrying Value            |   |  |   | Interest |                      |              |                                     |                            | Dates    |   |
|----------------------|--|-------|---------------------------------|--------------|--------------------------|-------------|--------------------------------------|------------|------------|---------------------------------|---|---|--|---|----------|----------------------|--------------|-------------------------------------|----------------------------|----------|---|
|                      |  | 3     | 4                               | 5            |                          |             | 8                                    | 9          |            |                                 | 12  | 13  | 14   | 15  | 16       | 17                   | 18           | 19                                  | 20                         | 21       | 22  |
| CUSIP Identification | Description  | Code  | F<br>o<br>r<br>e<br>i<br>g<br>n | Bond<br>CHAR | NAIC<br>Desig-<br>nation | Actual Cost | Rate Used<br>to Obtain<br>Fair Value | Fair Value | Par Value  | Book/Adjusted<br>Carrying Value | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current Year's<br>(Amortization) /<br>Accretion | Current Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | Total Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Rate of  | Effective<br>Rate of | When<br>Paid | Admitted<br>Amount Due &<br>Accrued | Amount Rec.<br>During Year | Acquired | Stated<br>Contractual<br>Maturity<br>Date |
| 7899999              | Total - Residential Mortgage-Backed Securities.....      |       |                                 |              |                          | 9,645,935   | XXX                                  | 9,714,701  | 9,643,726  | 9,581,591                       | 50,663  | (24,858)  | 0  | 0   | XXX      | XXX                  | XXX          | 31,914                              | 353,006                    | XXX      | XXX                                       |
| 7999999              | Total - Commercial Mortgage-Backed Securities.....       |       |                                 |              |                          | 9,696,493   | XXX                                  | 9,576,995  | 9,368,871  | 9,603,720                       | 0   | (33,066)  | 0  | 0   | XXX      | XXX                  | XXX          | 35,750                              | 300,116                    | XXX      | XXX                                       |
| 8099999              | Total - Other Loan-Backed and Structured Securities..... |       |                                 |              |                          | 5,826,117   | XXX                                  | 5,859,430  | 5,834,183  | 5,831,686                       | 0   | (5,541)   | 0  | 0   | XXX      | XXX                  | XXX          | 7,418                               | 71,489                     | XXX      | XXX                                       |
| 8399999              | Grand Total - Bonds.....                                 |       |                                 |              |                          | 80,417,199  | XXX                                  | 81,747,302 | 78,109,235 | 79,447,779                      | 59,536  | (350,735)                                       | 0  | 0   | XXX      | XXX                  | XXX          | 605,564                             | 2,414,746                  | XXX      | XXX                                       |



### SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

| 1  | 2                      | Codes |    | 5                | 6                   | 7              | 8                             | Fair Value                               |            | 11          | Dividends           |                             |                                 | Change in Book/Adjusted Carrying Value   |   |   |                                      |  | 20               | 21            |
|--|------------------------|-------|----|------------------|---------------------|----------------|-------------------------------|--|------------|-------------|---------------------|-----------------------------|---------------------------------|--|---|---|--------------------------------------|--|------------------|---------------|
|  |                        | 3     | 4  |                  |                     |                |                               | 9  | 10         |             | 12                  | 13                          | 14                              | 15                                       | 16  | 17  | 18                                   | 19   |                  |               |
| CUSIP Identification   | Description            | Code  | gn | Number of Shares | Par Value per Share | Rate per Share | Book/Adjusting Carrying Value | Rate per Share Used to Obtain Fair Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received During Year | Nonadmitted Declared but Unpaid | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (15+16-17) | Total Foreign Exchange Change in B./A.C.V. | NAIC Designation | Date Acquired |
| <b>Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)</b>                |                        |       |    |                  |                     |                |                               |  |            |             |                     |                             |                                 |  |   |   |                                      |  |                  |               |
| 12493V AC 4  | DASH3 1A C2 - CDO..... | C     |    | 200,470.490      | 100.00              | 0.000          | 0                             | 0.000                                    | 0          | 86,202      | 0                   | 0                           | 0                               | (86,202)                                 | 0   | 0   | (86,202)                             | 0  | RP6A             | 06/14/2001    |
| 8499999. Total - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)..... |                        |       |    |                  |                     |                | 0                             | XXX                                      | 0          | 86,202      | 0                   | 0                           | 0                               | (86,202)                                 | 0   | 0   | (86,202)                             | 0  | XXX              | XXX           |
| 8999999. Total - Preferred Stocks.....   |                        |       |    |                  |                     |                | 0                             | XXX                                      | 0          | 86,202      | 0                   | 0                           | 0                               | (86,202)                                 | 0   | 0   | (86,202)                             | 0  | XXX              | XXX           |

**SCHEDULE D - PART 2 - SECTION 2**  
Showing all COMMON STOCKS Owned December 31 of Current Year

| 1   | 2           |   | Codes                                   |      | 5                | 6                            | Fair Value                               |            | 9           | Dividends           |                             |                                 | Change in Book/Adjusted Carrying Value   |   |                                   |  | 17                        | 18            |
|---|-------------|---|---|------|------------------|------------------------------|--|------------|-------------|---------------------|-----------------------------|---------------------------------|--|---|-----------------------------------|--|---------------------------|---------------|
|   |             |   | 3                                       | 4    |                  |                              | 7  | 8          |             | 10                  | 11                          | 12                              | 13                                       | 14  | 15                                | 16   |                           |               |
| CUSIP Identification  | Description |   | Code                                    | gn   | Number of Shares | Book/Adjusted Carrying Value | Rate per Share Used to Obtain Fair Value | Fair Value | Actual Cost | Declared but Unpaid | Amount Received During Year | Nonadmitted Declared but Unpaid | Unrealized Valuation Increase (Decrease) | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (13-14) | Total Foreign Exchange Change in B./A.C.V. | NAIC Market Indicator (a) | Date Acquired |
| <b>Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b>                |             |   |   |      |                  |                              |  |            |             |                     |                             |                                 |  |   |                                   |  |                           |               |
| 427098  | 11          | 6 | HERCULES INCORPORATED.....              |      | 190.000          | 0                            | 0.001                                    | 0          | 0           | 0                   | 0                           | 0                               | 0  | 0   | 0                                 | 0  | V                         | 12/05/2016.   |
| BFHLB0  | 00          | 9 | FHLB I COMMON STOCK.....                | RF.. | 1,429.000        | 142,900                      | 100.000                                  | 142,900    | 142,900     | 0                   | 1,531                       | 0                               | 0  | 0   | 0                                 | 0  | V                         | 12/15/2014.   |
| 9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)..... |             |   |   |      |                  | 142,900                      | XXX                                      | 142,900    | 142,900     | 0                   | 1,531                       | 0                               | 0  | 0   | 0                                 | 0  | XXX                       | XXX           |
| <b>Common Stocks - Mutual Funds</b>   |             |   |   |      |                  |                              |  |            |             |                     |                             |                                 |  |   |                                   |  |                           |               |
| 256210  | 10          | 5 | DODGE & COX INC MF.....                 |      | 139,544.610      | 1,896,411                    | 13.590                                   | 1,896,411  | 1,933,811   | 0                   | 60,291                      | 0                               | 40,488                                   | 0   | 40,488                            | 0  | L                         | 12/21/2016.   |
| 4812C0  | 38          | 1 | JPMORGAN CORE CL SLCT MF.....           |      | 162,234.946      | 1,862,457                    | 11.480                                   | 1,862,457  | 1,914,002   | 0                   | 52,137                      | 0                               | (10,658)                                 | 0   | (10,658)                          | 0  | L                         | 12/29/2016.   |
| 921943  | 80          | 9 | VANGUARD DVLDP MKT INDX CL ADMI MF..... |      | 156,144.692      | 1,833,139                    | 11.740                                   | 1,833,139  | 2,078,493   | 0                   | 54,815                      | 0                               | (10,697)                                 | 0   | (10,697)                          | 0  | L                         | 12/22/2016.   |
| 922908  | 30          | 6 | VANGRD INX TRS INX CL INV MF.....       |      | 145,048.058      | 8,131,394                    | 56.060                                   | 8,131,394  | 4,249,866   | 0                   | 146,792                     | 0                               | 758,836                                  | 0   | 758,836                           | 0  | L                         | 12/20/2016.   |
| 9299999. Total - Common Stocks - Mutual Funds.....                                |             |   |   |      |                  | 13,723,401                   | XXX                                      | 13,723,401 | 10,176,171  | 0                   | 314,035                     | 0                               | 777,969                                  | 0   | 777,969                           | 0  | XXX                       | XXX           |
| 9799999. Total - Common Stock.....  |             |   |   |      |                  | 13,866,301                   | XXX                                      | 13,866,301 | 10,319,071  | 0                   | 315,566                     | 0                               | 777,969                                  | 0   | 777,969                           | 0  | XXX                       | XXX           |
| 9899999. Total Common and Preferred Stock.....                                    |             |   |   |      |                  | 13,866,301                   | XXX                                      | 13,866,301 | 10,405,273  | 0                   | 315,566                     | 0                               | 691,767                                  | 0   | 691,767                           | 0  | XXX                       | XXX           |

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....0, the total \$ value (included in Column 8) of all such issues \$.....0.

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1   | 2   | 3       | 4               | 5                                    | 6                         | 7           | 8         | 9                                       |
|---|---|---------|-----------------|--------------------------------------|---------------------------|-------------|-----------|---|
| CUSIP Identification                        | Description                                   | Foreign | Date Acquired   | Name of Vendor                       | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| <b>Bonds - U.S. Government</b>              |   |         |                 |                                      |                           |             |           |   |
| 38376G 3Q 1                                 | CMBS - GN-11119-D.....                        |         | 01/21/2016..... | MORGAN STANLEY & CO INC, NY.....     |                           | 411,500     | 400,000   | 974                                     |
| 912803 AR 4                                 | UNITED STATES TREAS BD STRIPPED PRIN PMT..... |         | 07/18/2016..... | MCAP.....                            |                           | 302,104     | 310,000   | 0                                       |
| 912828 G3 8                                 | UNITED STATES TREASURY.....                   |         | 03/21/2016..... | GREENWICH CAPITAL MARKETS, INC.....  |                           | 1,032,270   | 1,000,000 | 7,912                                   |
| 912828 H4 5                                 | UNITED STATES TREASURY.....                   |         | 03/01/2016..... | Adjustment.....                      |                           | 0           | 2,745     | 0                                       |
| 912828 K7 4                                 | UNITED STATES TREASURY.....                   |         | 10/04/2016..... | NOMURA SECURITIES INTL INC.....      |                           | 1,029,692   | 1,000,000 | 2,772                                   |
| 912828 VB 3                                 | UNITED STATES TREASURY.....                   |         | 02/19/2016..... | BANC / AMERICA SECUR. LLC, MONT..... |                           | 507,365     | 500,000   | 2,380                                   |
| 0599999                                     | Total - Bonds - U.S. Government.....          |         |                 |                                      |                           | 3,282,931   | 3,212,745 | 14,038                                  |
| <b>Bonds - Industrial and Miscellaneous</b> |   |         |                 |                                      |                           |             |           |   |
| 004446 AC 4                                 | ACETO CORP.....                               |         | 09/12/2016..... | VARIOUS.....                         |                           | 46,553      | 50,000    | 176                                     |
| 00817Y AW 8                                 | AETNA INC.....                                |         | 06/02/2016..... | UBS SECURITIES.....                  |                           | 69,738      | 70,000    | 0                                       |
| 008414 AA 2                                 | ABMT 131 A1 - CMO/RMBS.....                   |         | 10/11/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 504,384     | 488,212   | 617                                     |
| 00912X AK 0                                 | AIR LEASE CORP.....                           |         | 06/01/2016..... | BARCLAYS CAPITAL INC.....            |                           | 114,738     | 90,000    | 89                                      |
| 020520 AB 8                                 | ALON USA ENERGY INC.....                      |         | 05/31/2016..... | VARIOUS.....                         |                           | 165,096     | 180,000   | 975                                     |
| 02208R AE 6                                 | AIMC 2.750 03/01/31 '18 CVT.....              |         | 06/29/2016..... | JEFFERIES & CO INC, NEW YORK.....    |                           | 100,266     | 90,000    | 853                                     |
| 03027X AK 6                                 | AMERICAN TOWER CORP.....                      |         | 05/11/2016..... | RBC CAPITAL MARKETS.....             |                           | 222,759     | 225,000   | 0                                       |
| 032359 AG 6                                 | AMTRUST FINANCIAL SERVICES INC.....           |         | 08/01/2016..... | VARIOUS.....                         |                           | 35,281      | 45,000    | 159                                     |
| 032654 AN 5                                 | ANALOG DEVICES INC.....                       |         | 12/01/2016..... | VARIOUS.....                         |                           | 297,407     | 300,000   | 22                                      |
| 035242 AN 6                                 | ANHEUSER-BUSCH INBEV FINANCE INC.....         | C       | 01/14/2016..... | BANC / AMERICA SECUR. LLC, MONT..... |                           | 601,404     | 600,000   | 0                                       |
| 081437 AJ 4                                 | BEMIS COMPANY INC.....                        |         | 09/08/2016..... | BNP PARIBAS SECURITIES BOND.....     |                           | 59,897      | 60,000    | 0                                       |
| 09238E AA 2                                 | BLACKHAWK NETWORK HOLDINGS INC.....           |         | 07/22/2016..... | WELLS FARGO SECURITIES LLC.....      |                           | 25,000      | 25,000    | 0                                       |
| 126349 AE 9                                 | CSG SYSTEMS INTERNATIONAL INC.....            |         | 03/10/2016..... | VARIOUS.....                         |                           | 74,756      | 75,000    | 0                                       |
| 13057Y AC 4                                 | ABS - CRART 162 A3.....                       |         | 06/08/2016..... | CREDIT SUISSE SECURITIES (USA).....  |                           | 324,962     | 325,000   | 0                                       |
| 17120C AC 6                                 | ABS - CCART 16A A3.....                       |         | 06/02/2016..... | WELLS FARGO SECURITIES LLC.....      |                           | 601,125     | 600,000   | 649                                     |
| 177376 AD 2                                 | CITRIX SYSTEMS INC.....                       |         | 10/03/2016..... | VARIOUS.....                         |                           | 440,689     | 390,000   | 190                                     |
| 223622 AB 7                                 | COWEN GROUP INC.....                          |         | 09/14/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 28,406      | 30,000    | 10                                      |
| 25272K AK 9                                 | DIAMOND 1 FINANCE CORP.....                   |         | 08/17/2016..... | RBC CAPITAL MARKETS.....             |                           | 269,440     | 250,000   | 3,226                                   |
| 267475 AB 7                                 | DYCOM INDUSTRIES INC.....                     |         | 11/22/2016..... | VARIOUS.....                         |                           | 147,658     | 140,000   | 151                                     |
| 26875P AK 7                                 | EOG RESOURCES INC.....                        |         | 09/29/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 175,670     | 175,000   | 242                                     |
| 28618W AA 2                                 | ABS - ERL 2014-1A A1.....                     |         | 06/01/2016..... | Adjustment.....                      |                           | 403,863     | 416,153   | 558                                     |
| 298736 AH 2                                 | EURONET WORLDWIDE INC.....                    |         | 12/01/2016..... | DEUTSCHE BANK SECURITIES, INC.....   |                           | 75,092      | 65,000    | 175                                     |
| 30225V AD 9                                 | EXTRA SPACE STORAGE LP.....                   |         | 09/12/2016..... | VARIOUS.....                         |                           | 317,639     | 290,000   | 3,205                                   |
| 393657 AH 4                                 | GREENBRIER CO INC.....                        |         | 10/27/2016..... | VARIOUS.....                         |                           | 209,228     | 190,000   | 540                                     |
| 41284D AC 6                                 | ABS - HDMOT 16A A3.....                       |         | 06/07/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 599,956     | 600,000   | 0                                       |
| 437076 BM 3                                 | HOME DEPOT INC.....                           |         | 02/03/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 149,034     | 150,000   | 0                                       |
| 438124 AC 3                                 | HAROT 163 A3 - ABS.....                       |         | 08/15/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 499,930     | 500,000   | 0                                       |
| 458140 AD 2                                 | INTEL CORP.....                               |         | 09/14/2016..... | VARIOUS.....                         |                           | 39,203      | 30,000    | 239                                     |
| 459506 AC 5                                 | INTERNATIONAL FLAVORS & FRAGRANCES INC.....   |         | 08/24/2016..... | MITSUBISHI UFJ SECURITIES.....       |                           | 103,480     | 100,000   | 1,049                                   |
| 46625H RV 4                                 | JPMORGAN CHASE & CO.....                      |         | 07/14/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 399,136     | 400,000   | 0                                       |
| 47102X AH 8                                 | JANUS CAPITAL GROUP INC.....                  |         | 01/13/2016..... | BARCLAYS CAPITAL INC.....            |                           | 230,239     | 180,000   | 453                                     |
| 512807 AL 2                                 | Lam Research.....                             |         | 05/06/2016..... | JEFFERIES & CO INC, NEW YORK.....    |                           | 82,116      | 60,000    | 367                                     |
| 531229 AB 8                                 | LIBERTY MEDIA CORP.....                       |         | 08/17/2016..... | VARIOUS.....                         |                           | 98,440      | 100,000   | 391                                     |
| 539830 BH 1                                 | LOCKHEED MARTIN CORP.....                     |         | 02/05/2016..... | VARIOUS.....                         |                           | 134,177     | 130,000   | 981                                     |
| 55608B AB 1                                 | MACQUARIE INFRASTRUCTURE CO LLC.....          |         | 10/07/2016..... | JP MORGAN SECURITIES INC.....        |                           | 60,000      | 60,000    | 0                                       |
| 571748 BA 9                                 | MARSH & MCLENNAN COMPANIES INC.....           |         | 03/09/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 34,961      | 35,000    | 0                                       |

E13

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1                                   | 2   | 3       | 4               | 5                                    | 6                         | 7           | 8          | 9                                       |
|-------------------------------------|---|---------|-----------------|--------------------------------------|---------------------------|-------------|------------|---|
| CUSIP Identification                | Description                                       | Foreign | Date Acquired   | Name of Vendor                       | Number of Shares of Stock | Actual Cost | Par Value  | Paid for Accrued Interest and Dividends |
| 595017 AD 6                         | MICROCHIP TECHNOLOGY INC.....                     |         | 02/19/2016..... | Unknown.....                         |                           | 196,595     | 190,000    | 34                                      |
| 60855R AD 2                         | MOLINA HEALTHCARE INC.....                        |         | 04/29/2016..... | JEFFERIES & CO INC, NEW YORK.....    |                           | 39,407      | 35,000     | 125                                     |
| 61761J 3R 8                         | MORGAN STANLEY.....                               |         | 07/20/2016..... | MORGAN STANLEY & CO INC, NY.....     |                           | 64,558      | 65,000     | 0                                       |
| 63633D AE 4                         | NATIONAL HEALTH INVESTORS INC.....                |         | 03/22/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 20,226      | 20,000     | 320                                     |
| 64829E AA 2                         | CMO - NRMLT-152-A1.....                           |         | 03/01/2016..... | Adjustment.....                      |                           | 679,810     | 662,018    | 1,517                                   |
| 674599 CM 5                         | OCCIDENTAL PETROLEUM CORP.....                    |         | 11/15/2016..... | VARIOUS.....                         |                           | 495,902     | 505,000    | 321                                     |
| 677071 AU 6                         | OHANA MILITARY CMNTYS LLC.....                    |         | 03/01/2016..... | Adjustment.....                      |                           | (0)         | (3,759)    | 0                                       |
| 68217F AA 0                         | OMNICOM GROUP INC.....                            |         | 03/29/2016..... | DEUTSCHE BANK SECURITIES, INC.....   |                           | 353,637     | 350,000    | 0                                       |
| 684000 AA 0                         | OPUS BANK.....                                    |         | 06/23/2016..... | SANDLER O'NEILL & PARTNERS, LP.....  |                           | 100,000     | 100,000    | 0                                       |
| 72346Q AB 0                         | PINNACLE FINANCIAL PARTNERS INC.....              |         | 12/01/2016..... | Adjustment.....                      |                           | 225,000     | 225,000    | 0                                       |
| 741503 AQ 9                         | Priceline.Com.....                                |         | 05/04/2016..... | VARIOUS.....                         |                           | 89,293      | 65,000     | 138                                     |
| 74348T AQ 5                         | PROSPECT CAPITAL CORP.....                        |         | 01/12/2016..... | ALBERT FRIED & COMPANY, LLC.....     |                           | 17,310      | 20,000     | 238                                     |
| 749685 AT 0                         | RPM INTERNATIONAL INC.....                        |         | 10/26/2016..... | BARCLAYS CAPITAL INC.....            |                           | 69,851      | 60,000     | 424                                     |
| 74973W AB 3                         | RTI International Metals Inc.....                 |         | 11/16/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 53,083      | 50,000     | 233                                     |
| 756577 AD 4                         | RED HAT INC.....                                  |         | 09/08/2016..... | VARIOUS.....                         |                           | 295,274     | 245,000    | 198                                     |
| 78413M AL 2                         | CMBS - SFAVE 155AVE B.....                        |         | 05/05/2016..... | JEFFERIES & CO INC, NEW YORK.....    |                           | 470,000     | 500,000    | 549                                     |
| 79466L AD 6                         | SALESFORCE COM INC.....                           |         | 12/01/2016..... | VARIOUS.....                         |                           | 323,065     | 275,000    | 157                                     |
| 81733Y AA 7                         | CMO/RMBS - SEMT 152 A1.....                       |         | 04/27/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 451,435     | 441,501    | 1,202                                   |
| 822582 BQ 4                         | SHELL INTERNATIONAL FINANCE BV.....               | C.....  | 08/03/2016..... | VARIOUS.....                         |                           | 593,574     | 600,000    | 1,173                                   |
| 82481L AB 5                         | SHIRE ACQUISITIONS INVESTMENTS IRELAND D.....     | C.....  | 10/18/2016..... | BANC / AMERICA SECUR. LLC, MONT..... |                           | 300,369     | 300,000    | 560                                     |
| 842587 CV 7                         | SOUTHERN CO.....                                  |         | 05/19/2016..... | CITIGROUP GLOBAL MARKETS INC.....    |                           | 99,638      | 100,000    | 0                                       |
| 867914 BK 8                         | SUNTRUST BANKS INC.....                           |         | 03/02/2016..... | BONY/SUNTRUST CAPITAL MARKETS.....   |                           | 299,702     | 300,000    | 48                                      |
| 87238Q AC 7                         | TCP CAPITAL CORP.....                             |         | 08/31/2016..... | Raymond James Financial.....         |                           | 120,000     | 120,000    | 0                                       |
| 87971M BD 4                         | TELUS CORP.....                                   |         | 09/16/2016..... | RBC CAPITAL MARKETS.....             |                           | 248,595     | 250,000    | 39                                      |
| 88163V AE 9                         | TEVA PHARMACEUTICAL FINANCE CO LLC.....           | C.....  | 12/01/2016..... | VARIOUS.....                         |                           | 162,468     | 130,000    | 67                                      |
| 88167A AE 1                         | TEVA PHARMACEUTICAL FINANCE NETHERLANDS.....      | C.....  | 10/01/2016..... | VARIOUS.....                         |                           | 302,644     | 300,000    | 683                                     |
| 891160 MJ 9                         | TORONTO-DOMINION BANK.....                        |         | 11/01/2016..... | Adjustment.....                      |                           | 348,811     | 350,000    | 108                                     |
| 896522 AF 6                         | Trinity Industries Inc.....                       |         | 01/25/2016..... | GOLDMAN SACHS & CO, NY.....          |                           | 10,922      | 10,000     | 61                                      |
| 90117P AC 9                         | AOTA 151211 1A2 - CMBS.....                       |         | 12/21/2016..... | DEUTSCHE BANK SECURITIES, INC.....   |                           | 624,141     | 600,000    | 1,690                                   |
| 94770V AL 6                         | WebMD Health Corp.....                            |         | 09/08/2016..... | VARIOUS.....                         |                           | 188,827     | 195,000    | 1,274                                   |
| 98138H AD 3                         | WORKDAY INC.....                                  |         | 12/28/2016..... | VARIOUS.....                         |                           | 228,673     | 205,000    | 1,331                                   |
| 98389B AR 1                         | XCEL ENERGY INC.....                              |         | 03/03/2016..... | BARCLAYS CAPITAL INC.....            |                           | 75,514      | 75,000     | 667                                     |
| 983919 AH 4                         | XILINX INC.....                                   |         | 12/14/2016..... | JP MORGAN SECURITIES LLC.....        |                           | 379,905     | 375,000    | 2,938                                   |
| N72482 AB 3                         | QIAGEN NV.....                                    | C.....  | 03/22/2016..... | DEUTSCHE BANK SECURITIES, INC.....   |                           | 214,500     | 200,000    | 24                                      |
| 3899999                             | Total - Bonds - Industrial and Miscellaneous..... |         |                 |                                      |                           | 15,884,451  | 15,429,126 | 31,433                                  |
| 8399997                             | Total - Bonds - Part 3.....                       |         |                 |                                      |                           | 19,167,382  | 18,641,871 | 45,470                                  |
| 8399998                             | Total - Bonds - Summary Item from Part 5.....     |         |                 |                                      |                           | 1,573,448   | 1,585,000  | 4,485                                   |
| 8399999                             | Total - Bonds.....                                |         |                 |                                      |                           | 20,740,830  | 20,226,871 | 49,956                                  |
| <b>Common Stocks - Mutual Funds</b> |   |         |                 |                                      |                           |             |            |   |
| 256210 10 5                         | DODGE & COX INC MF.....                           |         | 12/21/2016..... | Not Available.....                   | 4,581.143                 | 62,259      | XXX        | 0                                       |
| 4812C0 38 1                         | JPMORGAN CORE CL SLCT MF.....                     |         | 12/29/2016..... | Not Available.....                   | 4,568.755                 | 53,647      | XXX        | 0                                       |
| 921943 80 9                         | VANGUARD DVLDP MKT INDX CL ADMI MF.....           |         | 12/22/2016..... | Not Available.....                   | 5,517.916                 | 63,427      | XXX        | 0                                       |
| 922908 30 6                         | VANGRD INX TRS INX CL INV MF.....                 |         | 12/20/2016..... | Not Available.....                   | 2,752.545                 | 146,792     | XXX        | 0                                       |
| 9299999                             | Total - Common Stocks - Mutual Funds.....         |         |                 |                                      |                           | 326,126     | XXX        | 0                                       |

E13.1

### SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1                    | 2   | 3       | 4             | 5              | 6                         | 7           | 8         | 9                                       |
|----------------------|---|---------|---------------|----------------|---------------------------|-------------|-----------|---|
| CUSIP Identification | Description                                     | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 9799997              | Total - Common Stocks - Part 3.....             |         |               |                |                           | 326,126     | XXX       | 0                                       |
| 9799999              | Total - Common Stocks.....                      |         |               |                |                           | 326,126     | XXX       | 0                                       |
| 9899999              | Total - Preferred and Common Stocks.....        |         |               |                |                           | 326,126     | XXX       | 0                                       |
| 9999999              | Total - Bonds, Preferred and Common Stocks..... |         |               |                |                           | 21,066,955  | XXX       | 49,956                                  |











**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1                                   | 2   | 3                               | 4             | 5                                 | 6                         | 7               | 8               | 9               | 10                                      | Change in Book/Adjusted Carrying Value   |   |   |                                      |  | 16  | 17                                       | 18                               | 19                            | 20   | 21                               |
|-------------------------------------|---|---------------------------------|---------------|-----------------------------------|---------------------------|-----------------|-----------------|-----------------|---|--|---|---|--------------------------------------|--|---|--|----------------------------------|-------------------------------|--|----------------------------------|
|                                     |   |                                 |               |                                   |                           |                 |                 |                 |   | 11                                       | 12  | 13  | 14                                   | 15   |   |  |                                  |                               |  |                                  |
| CUSIP Identification                | Description                                       | F<br>o<br>r<br>e<br>i<br>g<br>n | Disposal Date | Name of Purchaser                 | Number of Shares of Stock | Consideration   | Par Value       | Actual Cost     | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest / Stock Dividends Received During Year | Stated Contractual Maturity Date |
| 969457 BU 3                         | WILLIAMS CO INC.....                              | ..                              | 09/06/2016.   | GOLDMAN SACHS & CO, NY.....       | .....                     | .....115,800    | .....120,000    | .....119,666    | .....119,756                            | .....0                                   | .....21                                   | .....0  | .....21                              | .....0                                     | .....119,777                                  | .....0                                   | .....(3,977)                     | .....(3,977)                  | .....5,101   | 01/15/2023.                      |
| 98138H AC 5                         | WORKDAY INC.....                                  | ..                              | 09/28/2016.   | CITIGROUP GLOBAL MARKETS INC..... | .....                     | .....97,665     | .....80,000     | .....91,577     | .....89,492                             | .....0                                   | .....(2,829)                              | .....0  | .....(2,829)                         | .....0                                     | .....86,663                                   | .....0                                   | .....11,002                      | .....11,002                   | .....730   | 07/15/2018.                      |
| 983919 AF 8                         | XILINX INC.....                                   | ..                              | 11/16/2016.   | VARIOUS.....                      | .....                     | .....220,584    | .....120,000    | .....166,818    | .....148,840                            | .....0                                   | .....(13,381)                             | .....0  | .....(13,381)                        | .....0                                     | .....135,459                                  | .....0                                   | .....85,125                      | .....85,125                   | .....2,263   | 06/15/2017.                      |
| H4777* AA 3                         | SBM Deep Panuke S.A.....                          | D                               | 12/15/2016.   | VARIOUS.....                      | .....                     | .....19,092     | .....19,092     | .....19,092     | .....19,092                             | .....0                                   | .....0                                    | .....0  | .....0                               | .....0                                     | .....19,092                                   | .....0                                   | .....(0)                         | .....(0)                      | .....183   | 12/15/2021.                      |
| 3899999.                            | Total - Bonds - Industrial and Miscellaneous..... |                                 |               |                                   |                           | .....12,499,781 | .....12,136,863 | .....12,425,935 | .....12,250,396                         | .....230,220                             | .....(62,724)                             | .....0  | .....167,496                         | .....0                                     | .....12,225,155                               | .....0                                   | .....274,626                     | .....274,626                  | .....307,733   | XXX                              |
| 8399997.                            | Total - Bonds - Part 4.....                       |                                 |               |                                   |                           | .....19,328,388 | .....18,919,796 | .....19,275,592 | .....19,059,522                         | .....230,877                             | .....(97,407)                             | .....0  | .....133,470                         | .....0                                     | .....19,000,254                               | .....0                                   | .....328,134                     | .....328,134                  | .....411,103   | XXX                              |
| 8399998.                            | Total - Bonds - Summary Item from Part 5.....     |                                 |               |                                   |                           | .....1,657,514  | .....1,585,000  | .....1,573,448  | .....0                                  | .....0                                   | .....(1,802)                              | .....0  | .....(1,802)                         | .....0                                     | .....1,571,646                                | .....0                                   | .....85,868                      | .....85,868                   | .....7,521   | XXX                              |
| 8399999.                            | Total - Bonds.....                                |                                 |               |                                   |                           | .....20,985,902 | .....20,504,796 | .....20,849,040 | .....19,059,522                         | .....230,877                             | .....(99,209)                             | .....0  | .....131,668                         | .....0                                     | .....20,571,901                               | .....0                                   | .....414,002                     | .....414,002                  | .....418,625   | XXX                              |
| <b>Common Stocks - Mutual Funds</b> |   |                                 |               |                                   |                           |                 |                 |                 |   |  |   |   |                                      |  |   |  |                                  |                               |  |                                  |
| 256210 10 5                         | DODGE & COX INC MF.....                           | ..                              | 10/01/2016.   | Unknown.....                      | .....                     | .....14,685.428 | .....200,000    | XXX             | .....204,127                            | .....195,169                             | .....8,958                                | .....0  | .....8,958                           | .....0                                     | .....204,127                                  | .....0                                   | .....(4,127)                     | .....(4,127)                  | .....1,968   | XXX                              |
| 4812C0 38 1                         | JPMORGAN CORE CL SLCT MF.....                     | ..                              | 10/01/2016.   | Unknown.....                      | .....                     | .....16,807.150 | .....200,000    | XXX             | .....197,988                            | .....193,955                             | .....4,034                                | .....0  | .....4,034                           | .....0                                     | .....197,988                                  | .....0                                   | .....2,012                       | .....2,012                    | .....1,511   | XXX                              |
| 921943 80 9                         | VANGUARD DVLDP MKT INDX CL ADMI MF.....           | ..                              | 10/01/2016.   | Unknown.....                      | .....                     | .....41,806.020 | .....500,000    | XXX             | .....578,113                            | .....494,147                             | .....83,966                               | .....0  | .....83,966                          | .....0                                     | .....578,113                                  | .....0                                   | .....(78,113)                    | .....(78,113)                 | .....8,612   | XXX                              |
| 9299999.                            | Total - Common Stocks - Mutual Funds.....         |                                 |               |                                   |                           | .....900,000    | XXX             | .....980,229    | .....883,271                            | .....96,958                              | .....0                                    | .....0  | .....96,958                          | .....0                                     | .....980,229                                  | .....0                                   | .....(80,229)                    | .....(80,229)                 | .....12,091  | XXX                              |
| 9799997.                            | Total - Common Stocks - Part 4.....               |                                 |               |                                   |                           | .....900,000    | XXX             | .....980,229    | .....883,271                            | .....96,958                              | .....0                                    | .....0  | .....96,958                          | .....0                                     | .....980,229                                  | .....0                                   | .....(80,229)                    | .....(80,229)                 | .....12,091  | XXX                              |
| 9799999.                            | Total - Common Stocks.....                        |                                 |               |                                   |                           | .....900,000    | XXX             | .....980,229    | .....883,271                            | .....96,958                              | .....0                                    | .....0  | .....96,958                          | .....0                                     | .....980,229                                  | .....0                                   | .....(80,229)                    | .....(80,229)                 | .....12,091  | XXX                              |
| 9899999.                            | Total - Preferred and Common Stocks.....          |                                 |               |                                   |                           | .....900,000    | XXX             | .....980,229    | .....883,271                            | .....96,958                              | .....0                                    | .....0  | .....96,958                          | .....0                                     | .....980,229                                  | .....0                                   | .....(80,229)                    | .....(80,229)                 | .....12,091  | XXX                              |
| 9999999.                            | Total - Bonds, Preferred and Common Stocks.....   |                                 |               |                                   |                           | .....21,885,902 | XXX             | .....21,829,269 | .....19,942,793                         | .....327,835                             | .....(99,209)                             | .....0  | .....228,626                         | .....0                                     | .....21,552,129                               | .....0                                   | .....333,773                     | .....333,773                  | .....430,715   | XXX                              |

E14.4

**MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1   | 2   | 3                               | 4                | 5                               | 6                | 7                                 | 8  | 9           | 10            | 11   | Change in Book/Adjusted Carrying Value            |  |   |  |  | 17   | 18                                     | 19                                  | 20   | 21  |       |
|---|---|---------------------------------|------------------|---------------------------------|------------------|-----------------------------------|--|-------------|---------------|--|---|--|---|--|--|--|--|-------------------------------------|--|---|-------|
|   |   |                                 |                  |                                 |                  |                                   |  |             |               |  | 12  | 13   | 14  | 15   | 16   |  |  |                                     |  |   |       |
| CUSIP Identification                        | Description                                       | F<br>o<br>r<br>e<br>i<br>g<br>n | Date<br>Acquired | Name of Vendor                  | Disposal<br>Date | Name of Purchaser                 | Par Value<br>(Bonds) or<br>Number of<br>Shares (Stock) | Actual Cost | Consideration | Book/Adjusted<br>Carrying Value at<br>Disposal | Unrealized<br>Valuation<br>Increase<br>(Decrease) | Current<br>Year's<br>(Amortization)<br>/ Accretion | Current<br>Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | Total Change<br>in B./A.C.V.<br>(12+13-14) | Total<br>Foreign<br>Exchange<br>Change in<br>B./A.C.V. | Foreign<br>Exchange<br>Gain<br>(Loss) on<br>Disposal | Realized<br>Gain (Loss)<br>on Disposal | Total Gain<br>(Loss) on<br>Disposal | Interest<br>and<br>Dividends<br>Received<br>During<br>Year | Paid for<br>Accrued<br>Interest<br>and<br>Dividends |       |
| <b>Bonds - U.S. Government</b>              |   |                                 |                  |                                 |                  |                                   |  |             |               |  |   |  |   |  |  |  |  |                                     |  |   |       |
| 912828                                      | H4 5 UNITED STATES TREASURY.....                  |                                 | 06/28/2016       | JP MORGAN SECURITIES LLC.....   | 11/01/2016       | JEFFERIES & CO INC, NEW YORK..... | 1,000,000  | 1,023,177   | 1,032,638     | 1,022,450                                      | 0   | (728)  | 0   | (728)                                      | 0  | 0  | 10,189                                 | 10,189                              | 1,831  | 1,151   |       |
| 0599999                                     | Total - Bonds - U.S. Government.....              |                                 |                  |                                 |                  |                                   | 1,000,000  | 1,023,177   | 1,032,638     | 1,022,450                                      | 0   | (728)  | 0   | (728)                                      | 0  | 0  | 0                                      | 10,189                              | 10,189   | 1,831   | 1,151 |
| <b>Bonds - Industrial and Miscellaneous</b> |   |                                 |                  |                                 |                  |                                   |  |             |               |  |   |  |   |  |  |  |  |                                     |  |   |       |
| 22943F                                      | AL 4 CTRIP.COM INTERNATIONAL LTD.....             | C                               | 09/07/2016       | JP MORGAN SECURITIES INC.....   | 09/27/2016       | NOMURA SECURITIES INTL INC.....   | 55,000   | 55,000      | 55,346        | 55,000   | 0   | 0  | 0   | 0  | 0  | 0  | 346                                    | 346                                 | 34   | 0   |       |
| 427056                                      | AU 0 HERCULES INCORPORATED.....                   |                                 | 12/05/2016       | Unknown.....                    | 12/13/2016       | Not Available.....                | 190,000  | 165,860     | 185,250       | 165,886  | 0   | 27   | 0   | 27   | 0  | 0  | 19,364                                 | 19,364                              | 2,470  | 2,230   |       |
| 427056                                      | BC 9 HERCULES INC.....                            |                                 | 11/07/2016       | Stifel Nicolaus & Co.....       | 12/05/2016       | Unknown.....                      | 90,000   | 72,900      | 72,953        | 72,953   | 0   | 53   | 0   | 53   | 0  | 0  | 0                                      | 0                                   | 1,056  | 650   |       |
| 458118                                      | AB 2 INTEGRATED DEVICE TECHNOLOGY<br>INC.....     |                                 | 06/27/2016       | NOMURA SECURITIES INTL INC..... | 09/07/2016       | CITIGROUP GLOBAL MARKETS INC..... | 30,000   | 28,550      | 28,899        | 28,593   | 0   | 44   | 0   | 44   | 0  | 0  | 305                                    | 305                                 | 85   | 33  |       |
| 53578A                                      | AB 4 LINKEDIN CORP.....                           |                                 | 01/19/2016       | BARCLAYS CAPITAL INC.....       | 03/09/2016       | JEFFERIES & CO INC, NEW YORK..... | 50,000   | 50,242      | 45,031        | 50,233   | 0   | (9)  | 0   | (9)  | 0  | 0  | (5,202)                                | (5,202)                             | 92   | 56  |       |
| 888706                                      | AF 5 TIVO INC.....                                |                                 | 04/26/2016       | BMO CAPITAL MARKETS.....        | 05/09/2016       | JEFFERIES & CO INC, NEW YORK..... | 60,000   | 55,875      | 58,902        | 55,900   | 0   | 25   | 0   | 25   | 0  | 0  | 3,002                                  | 3,002                               | 137  | 93  |       |
| 897888                                      | AB 9 TRULIA INC.....                              |                                 | 01/21/2016       | JP MORGAN SECURITIES INC.....   | 10/01/2016       | JP MORGAN SECURITIES INC.....     | 110,000  | 121,844     | 178,495       | 120,630  | 0   | (1,213)  | 0   | (1,213)                                    | 0  | 0  | 57,864                                 | 57,864                              | 1,815  | 272   |       |
| 3899999                                     | Total - Bonds - Industrial and Miscellaneous..... |                                 |                  |                                 |                  |                                   | 585,000  | 550,271     | 624,876       | 549,197  | 0   | (1,074)  | 0   | (1,074)                                    | 0  | 0  | 75,679                                 | 75,679                              | 5,690  | 3,334   |       |
| 8399998                                     | Total - Bonds.....                                |                                 |                  |                                 |                  |                                   | 1,585,000  | 1,573,448   | 1,657,514     | 1,571,646                                      | 0   | (1,802)  | 0   | (1,802)                                    | 0  | 0  | 85,868                                 | 85,868                              | 7,521  | 4,485   |       |
| 9999999                                     | Total - Bonds, Preferred and Common Stocks.....   |                                 |                  |                                 |                  |                                   |  | 1,573,448   | 1,657,514     | 1,571,646                                      | 0   | (1,802)  | 0   | (1,802)                                    | 0  | 0  | 85,868                                 | 85,868                              | 7,521  | 4,485   |       |

**SCHEDULE D - PART 6 - SECTION 1**  
Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

| 1<br>CUSIP Identification | 2<br>Description<br>Name of Subsidiary, Controlled or Affiliated Company | 3<br>Foreign | 4<br>NAIC<br>Company<br>Code | 5<br>ID Number | 6<br>NAIC Valuation Method<br>(See Purposes and<br>Procedures Manual of<br>the NAIC Investment<br>Analysis Office) | 7<br>Do Insurer's Assets<br>Include Intangible<br>Assets Connected with<br>Holding of Such<br>Company's Stock? | 8<br>Total Amount of Such<br>Intangible Assets | 9<br>Book/Adjusted Carrying<br>Value | 10<br>Nonadmitted Amount | Stock of Such Company<br>Owned by Insurer on Statement Date |                        |
|---------------------------|--|--------------|------------------------------|----------------|--|--|--|--------------------------------------|--------------------------|---|------------------------|
|                           |  |              |                              |                |  |  |  |                                      |                          | 11<br>Number of Shares                                      | 12<br>% of Outstanding |

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.

2. Total amount of intangible assets nonadmitted \$.....0.

**NONE**

E16

**SCHEDULE D - PART 6 - SECTION 2**

| 1<br>CUSIP Identification | 2<br>Name of Lower-Tier Company | 3<br>Name of Company Listed in Section 1<br>Which Controls Lower-Tier Company | 4<br>Total Amount of Intangible Assets<br>Included in Amount Shown in<br>Column 8, Section 1 | Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date |                       |
|---------------------------|---------------------------------|---|--|---|-----------------------|
|                           |                                 |   |  | 5<br>Number of Shares   | 6<br>% of Outstanding |

**NONE**

### SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| 1  | 2           | Codes                          |   | 5             | 6              | 7             | 8                            | Change in Book/Adjusted Carrying Value   |   |   |  | 13        | 14          | Interest  |                             |         |                   |           |                             | 21                        |  |
|--|-------------|--------------------------------|---|---------------|----------------|---------------|------------------------------|--|---|---|--|-----------|-------------|---|-----------------------------|---------|-------------------|-----------|-----------------------------|---------------------------|--|
|  |             | 3                              | 4 |               |                |               |                              | 9  | 10  | 11  | 12   |           |             | 15  | 16                          | 17      | 18                | 19        | 20                          |                           |  |
| CUSIP Identification   | Description | Code                           | n | Date Acquired | Name of Vendor | Maturity Date | Book/Adjusted Carrying Value | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization) / Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Par Value | Actual Cost | Amount Due and Accrued December 31 of Current Year on Bond Not in Default | Nonadmitted Due and Accrued | Rate of | Effective Rate of | When Paid | Amount Received During Year | Paid for Accrued Interest |  |
| <b>Exempt Money Market Mutual Funds as Identified by the SVO</b>           |             |                                |   |               |                |               |                              |  |   |   |  |           |             |   |                             |         |                   |           |                             |                           |  |
| 60934N   | 10 4        | FEDR GOV OBLIGATIONS CL IS MMF |   | 12/27/2016    | Direct         | XXX           | 762,049                      | 0  | 0   | 0   | 0  | 0         | 762,049     | 282   | 0                           | 0.450   | 0.000             | N/A       | 4                           | 0                         |  |
| 8899999. Total - Exempt Money Market Mutual Funds as Identified by the SVO |             |                                |   |               |                |               | 762,049                      | 0  | 0   | 0   | 0  | XXX       | 762,049     | 282   | 0                           | XXX     | XXX               | XXX       | 4                           | 0                         |  |
| 9199999. Total - Short-Term Investments                                    |             |                                |   |               |                |               | 762,049                      | 0  | 0   | 0   | 0  | XXX       | 762,049     | 282   | 0                           | XXX     | XXX               | XXX       | 4                           | 0                         |  |

**Sch. DB - Pt. A - Sn. 1  
NONE**

**Sch. DB - Pt. A - Sn. 2  
NONE**

**Sch. DB - Pt. B - Sn. 1  
NONE**

**Sch. DB - Pt. B - Sn. 2  
NONE**

**Sch. DB - Pt. D - Sn. 1  
NONE**

**Sch. DB - Pt. D - Sn. 2  
NONE**

**Sch. DL - Pt. 1  
NONE**

**Sch. DL - Pt. 2  
NONE**

Annual Statement for the year 2016 of the **MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE E - PART 1 - CASH**

| 1                                       | 2    | 3                | 4                                       | 5  | 6         | 7   |
|---|------|------------------|---|--|-----------|-----|
| Depository                              | Code | Rate of Interest | Amount of Interest Received During Year | Amount of Interest Accrued December 31 of Current Year | Balance   | *   |
| <b>Open Depositories</b>                |      |                  |   |  |           |     |
| Fifth Third Bank.....                   |      | 0.000            | 0                                       | 0  | 1,516,684 | XXX |
| 0199999. Total - Open Depositories..... | XXX  | XXX              | 0                                       | 0  | 1,516,684 | XXX |
| 0399999. Total Cash on Deposit.....     | XXX  | XXX              | 0                                       | 0  | 1,516,684 | XXX |
| 0599999. Total Cash.....                | XXX  | XXX              | 0                                       | 0  | 1,516,684 | XXX |

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

|                  |           |               |           |                   |           |                   |           |
|------------------|-----------|---------------|-----------|-------------------|-----------|-------------------|-----------|
| 1. January.....  | 2,072,622 | 4. April..... | 1,920,352 | 7. July.....      | 1,361,142 | 10. October.....  | 4,032,538 |
| 2. February..... | 2,505,806 | 5. May.....   | 1,385,912 | 8. August.....    | 318,436   | 11. November..... | 1,754,185 |
| 3. March.....    | 1,702,522 | 6. June.....  | 1,116,311 | 9. September..... | 4,304,090 | 12. December..... | 1,516,684 |

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
|------------------|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|

**NONE**



**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.                         | 1<br>Type of Deposit | 2<br>Purpose of Deposit         | Deposits for the                   |                 | All Other Special Deposits         |                 |
|--------------------------------------|----------------------|---------------------------------|------------------------------------|-----------------|------------------------------------|-----------------|
|                                      |                      |                                 | Benefit of All Policyholders       |                 | 5                                  |                 |
|                                      |                      |                                 | 3<br>Book/Adjusting Carrying Value | 4<br>Fair Value | 5<br>Book/Adjusting Carrying Value | 6<br>Fair Value |
| 1. Alabama.....AL                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 2. Alaska.....AK                     |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 3. Arizona.....AZ                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 4. Arkansas.....AR                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 5. California.....CA                 |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 6. Colorado.....CO                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 7. Connecticut.....CT                |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 8. Delaware.....DE                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 9. District of Columbia.....DC       |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 10. Florida.....FL                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 11. Georgia.....GA                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 12. Hawaii.....HI                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 13. Idaho.....ID                     |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 14. Illinois.....IL                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 15. Indiana.....IN                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 16. Iowa.....IA                      |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 17. Kansas.....KS                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 18. Kentucky.....KY                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 19. Louisiana.....LA                 |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 20. Maine.....ME                     |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 21. Maryland.....MD                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 22. Massachusetts.....MA             |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 23. Michigan.....MI                  | B...                 | Benefits All PolicyHolders..... | 303,241                            | 299,342         | 0                                  | 0               |
| 24. Minnesota.....MN                 |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 25. Mississippi.....MS               |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 26. Missouri.....MO                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 27. Montana.....MT                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 28. Nebraska.....NE                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 29. Nevada.....NV                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 30. New Hampshire.....NH             |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 31. New Jersey.....NJ                |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 32. New Mexico.....NM                |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 33. New York.....NY                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 34. North Carolina.....NC            |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 35. North Dakota.....ND              |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 36. Ohio.....OH                      |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 37. Oklahoma.....OK                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 38. Oregon.....OR                    |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 39. Pennsylvania.....PA              |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 40. Rhode Island.....RI              |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 41. South Carolina.....SC            |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 42. South Dakota.....SD              |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 43. Tennessee.....TN                 |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 44. Texas.....TX                     |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 45. Utah.....UT                      |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 46. Vermont.....VT                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 47. Virginia.....VA                  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 48. Washington.....WA                |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 49. West Virginia.....WV             |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 50. Wisconsin.....WI                 |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 51. Wyoming.....WY                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 52. American Samoa.....AS            |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 53. Guam.....GU                      |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 54. Puerto Rico.....PR               |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 55. US Virgin Islands.....VI         |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 56. Northern Mariana Islands.....MP  |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 57. Canada.....CAN                   |                      |                                 | 0                                  | 0               | 0                                  | 0               |
| 58. Aggregate Alien and Other.....OT | XXX                  | XXX                             | 4,457,101                          | 4,363,917       | 0                                  | 0               |
| 59. Total.....                       | XXX                  | XXX                             | 4,760,342                          | 4,663,259       | 0                                  | 0               |

**DETAILS OF WRITE-INS**

|  |      |                                  |           |           |   |   |
|--|------|----------------------------------|-----------|-----------|---|---|
| 5801. FHLBI.....   | B... | Collateral pledged for debt..... | 4,457,101 | 4,363,917 | 0 | 0 |
| 5802. ....   |      |                                  | 0         | 0         | 0 | 0 |
| 5803. ....   |      |                                  | 0         | 0         | 0 | 0 |
| 5898. Summary of remaining write-ins for line 58 from overflow page..... | XXX  | XXX                              | 0         | 0         | 0 | 0 |
| 5899. Total (Lines 5801 thru 5803+5898) (Line 58 above).....             | XXX  | XXX                              | 4,457,101 | 4,363,917 | 0 | 0 |



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN**

**Physicians - Including Surgeons and Osteopaths**

**ALLOCATED BY STATES AND TERRITORIES**

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 10,699,069                         | 10,578,989                        | 992,579            | 257                         | 703,875                           | 7,962,002               | 194                         | 13,020,410  |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 10,699,069                         | 10,578,989                        | 992,579            | 257                         | 703,875                           | 7,962,002               | 194                         | 13,020,410  |

**DETAILS OF WRITE-INS**

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



**SUPPLEMENT "A" TO SCHEDULE T**

Designate the type of health care providers reported on this page.

**EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

Hospitals

| States, Etc.                        | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But<br>Not<br>Reported |
|-------------------------------------|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|---|
|                                     |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |   |
| 1. Alabama.....AL                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 2. Alaska.....AK                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 3. Arizona.....AZ                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 4. Arkansas.....AR                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 5. California.....CA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 6. Colorado.....CO                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 7. Connecticut.....CT               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 8. Delaware.....DE                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 9. District of Columbia.....DC      | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 10. Florida.....FL                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 11. Georgia.....GA                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 12. Hawaii.....HI                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 13. Idaho.....ID                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 14. Illinois.....IL                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 15. Indiana.....IN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 16. Iowa.....IA                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 17. Kansas.....KS                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 18. Kentucky.....KY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 19. Louisiana.....LA                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 20. Maine.....ME                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 21. Maryland.....MD                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 22. Massachusetts.....MA            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 23. Michigan.....MI                 | 5,967,959                          | 5,045,318                         | 2,856,378          | 25                          | 4,066,766                         | 1,914,765               | 89                          | 3,383,920   |
| 24. Minnesota.....MN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 25. Mississippi.....MS              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 26. Missouri.....MO                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 27. Montana.....MT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 28. Nebraska.....NE                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 29. Nevada.....NV                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 30. New Hampshire.....NH            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 31. New Jersey.....NJ               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 32. New Mexico.....NM               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 33. New York.....NY                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 34. North Carolina.....NC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 35. North Dakota.....ND             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 36. Ohio.....OH                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 37. Oklahoma.....OK                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 38. Oregon.....OR                   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 39. Pennsylvania.....PA             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 40. Rhode Island.....RI             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 41. South Carolina.....SC           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 42. South Dakota.....SD             | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 43. Tennessee.....TN                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 44. Texas.....TX                    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 45. Utah.....UT                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 46. Vermont.....VT                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 47. Virginia.....VA                 | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 48. Washington.....WA               | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 49. West Virginia.....WV            | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 50. Wisconsin.....WI                | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 51. Wyoming.....WY                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 52. American Samoa.....AS           | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 53. Guam.....GU                     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 54. Puerto Rico.....PR              | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 55. US Virgin Islands.....VI        | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 56. Northern Mariana Islands.....MP | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 57. Canada.....CAN                  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 58. Aggregate Other Alien.....OT    | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0   |
| 59. Totals.....                     | 5,967,959                          | 5,045,318                         | 2,856,378          | 25                          | 4,066,766                         | 1,914,765               | 89                          | 3,383,920   |

**DETAILS OF WRITE-INS**

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

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Michigan Professional  
Insurance Exchange

*Years Ended December 31, 2016 and 2015  
with Report of Independent Auditors*



ANDREWS HOOPER PAVLIK PLC

Michigan Professional Insurance Exchange

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Years Ended December 31, 2016 and 2015

**Contents**

Audited Statutory Basis Financial Statements

|   |   |
|---|---|
| Report of Independent Auditors .....                                    | 1 |
| Balance Sheets - Statutory Basis .....                                  | 3 |
| Statements of Operations - Statutory Basis .....                        | 4 |
| Statements of Changes in Policyholders' Surplus - Statutory Basis ..... | 5 |
| Statements of Cash Flows - Statutory Basis .....                        | 6 |
| Notes to Statutory Basis Financial Statements .....                     | 7 |

Other Supplementary Information

|   |    |
|---|----|
| Report of Independent Auditors on Other Supplementary Information ..... | 30 |
| Supplemental Summary of Investments .....                               | 31 |
| Supplemental Investment Risks Interrogatories .....                     | 32 |
| General Interrogatories Part 2, No. 7, 8, & 9 .....                     | 38 |

## Report of Independent Auditors

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

We have audited the accompanying statutory basis financial statements of Michigan Professional Insurance Exchange (Exchange), which comprise the statutory balance sheets as of December 31, 2016 and 2015, and the related statutory statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these statutory basis financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free from material misstatement.

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

of significant accounting estimates made by management, as well as evaluating the overall presentation of the statutory basis financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the statutory basis financial statements, the statutory basis financial statements are prepared by the Exchange on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, practices of which differ from accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Exchange as of December 31, 2016 and 2015, or the changes in financial position or cash flows thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Exchange as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services.

*Andrews Hooper Paulik PLC*

Grand Rapids, Michigan  
May 22, 2017

# Michigan Professional Insurance Exchange

## Balance Sheets - Statutory Basis

|   | <b>December 31</b> |               |
|---|--------------------|---------------|
|   | <b>2016</b>        | <b>2015</b>   |
| <b>Admitted assets</b>  |                    |               |
| Cash and investments:   |                    |               |
| Bonds at amortized cost (market value of \$81,747,302 in 2016 and \$81,289,028 in 2015) | \$ 79,447,779      | \$ 79,438,380 |
| Common stock at fair market value   | 13,866,301         | 13,645,478    |
| Preferred stock at statement value  | -                  | 86,202        |
| Cash and short-term investments   | 2,278,733          | 2,420,368     |
| Total cash and investments  | 95,592,813         | 95,590,428    |
| Other assets:   |                    |               |
| Accrued investment income   | 597,130            | 624,735       |
| Premiums receivable   | 1,023,995          | 864,963       |
| Deferred premiums   | 1,814,977          | 1,384,898     |
| Federal income tax recoverable  | 2,274              | 187,773       |
| Net deferred tax asset  | -                  | 293,828       |
| Aggregate write-ins for other-than-invested assets                                      | 41,916             | -             |
|   | \$ 99,073,105      | \$ 98,946,625 |
| <b>Reserves, other liabilities, and policyholders' surplus</b>                          |                    |               |
| Reserves:   |                    |               |
| Unpaid losses   | \$ 22,324,086      | \$ 21,035,410 |
| Loss adjustment expenses  | 17,415,882         | 16,617,921    |
| Total reserves  | 39,739,968         | 37,653,331    |
| Other liabilities:  |                    |               |
| Unearned premiums (net of ceded reinsurance of \$236,732 in 2016 and \$155,153 in 2015) | 4,944,598          | 3,823,233     |
| Advance premiums  | 1,025,100          | 1,002,231     |
| Ceded reinsurance premiums payable  | 36,982             | (98,743)      |
| Commissions payable   | 7,718              | -             |
| Accrued other expenses  | 479,220            | 722,923       |
| Taxes, licenses, and fees   | 46,329             | (14,235)      |
| Net deferred tax liability  | 3,063              | -             |
| Self insurance funds held   | 469,012            | 2,042,624     |
| Subscribers savings accounts payable to terminated policyholders                        | 1,660,000          | 3,320,000     |
|   | 8,672,022          | 10,798,033    |
| Policyholders' surplus:   |                    |               |
| Surplus note  | -                  | 1,000,000     |
| Unassigned funds  | 50,661,115         | 49,495,261    |
|   | 50,661,115         | 50,495,261    |
|   | \$ 99,073,105      | \$ 98,946,625 |

See accompanying notes.



Michigan Professional Insurance Exchange

Statements of Operations - Statutory Basis

|   | <b>Year Ended December 31</b> |               |
|---|-------------------------------|---------------|
|   | <b>2016</b>                   | <b>2015</b>   |
| Net premiums earned   | <b>\$ 13,531,041</b>          | \$ 11,735,145 |
| Losses incurred   | <b>5,199,971</b>              | 4,079,524     |
| Loss adjustment expenses incurred   | <b>4,936,372</b>              | 4,510,086     |
| Other underwriting expenses incurred  | <b>1,709,635</b>              | 1,611,140     |
|   | <b>11,845,978</b>             | 10,200,750    |
| Underwriting income   | <b>1,685,063</b>              | 1,534,395     |
| Net investment income   | <b>2,266,628</b>              | 2,297,298     |
| Net realized gains on sale of investments (net of tax of<br>\$113,482 in 2016 and \$372,183 in 2015)  | <b>220,289</b>                | 722,471       |
| Net gain (loss) from premium balances charged off (net of<br>amount recovered of \$934 in 2016 and \$4,114 in 2015 and<br>amount charged of \$19,836 in 2016 and \$0 in 2015) | <b>(18,902)</b>               | 4,114         |
| Miscellaneous income  | <b>131,038</b>                | 77,722        |
| Income before federal income taxes  | <b>4,284,116</b>              | 4,636,000     |
| Federal income tax  | <b>407,566</b>                | 157,513       |
| Net income  | <b>\$ 3,876,550</b>           | \$ 4,478,487  |

## Michigan Professional Insurance Exchange

### Statements of Changes in Policyholders' Surplus - Statutory Basis

|   | <b>Surplus<br/>Note</b> | <b>Unassigned<br/>Surplus</b> | <b>Total</b>       |
|---|-------------------------|-------------------------------|--------------------|
| Balances at January 1, 2015   | \$ 2,000,000            | \$ 52,773,089                 | \$ 54,773,089      |
| Net income  |                         | 4,478,487                     | 4,478,487          |
| Distribution of subscriber savings  |                         | (2,281,480)                   | (2,281,480)        |
| Terminated subscriber savings payable                                       |                         | (3,320,000)                   | (3,320,000)        |
| Change in unrealized gain (loss) on investments,<br>net of tax of \$228,323 |                         | (669,908)                     | (669,908)          |
| Surplus note change   | (1,000,000)             |                               | (1,000,000)        |
| Change in nonadmitted assets  |                         | (1,157,061)                   | (1,157,061)        |
| Change in net deferred income tax   |                         | (327,866)                     | (327,866)          |
| Balances at December 31, 2015   | 1,000,000               | 49,495,261                    | 50,495,261         |
| Net income  |                         | <b>3,876,550</b>              | <b>3,876,550</b>   |
| Distribution of subscriber savings  |                         | <b>(1,757,443)</b>            | <b>(1,757,443)</b> |
| Terminated subscriber savings payable                                       |                         | <b>(1,660,000)</b>            | <b>(1,660,000)</b> |
| Adjustments to prior year balances  |                         | <b>(158,095)</b>              | <b>(158,095)</b>   |
| Change in unrealized gain (loss) on investments,<br>net of tax of \$287,925 |                         | 791,212                       | 791,212            |
| Surplus note change   | (1,000,000)             |                               | (1,000,000)        |
| Change in nonadmitted assets  |                         | 82,596                        | 82,596             |
| Change in net deferred income tax   |                         | (8,966)                       | (8,966)            |
| Balances at December 31, 2016   | \$ -                    | \$ 50,661,115                 | \$ 50,661,115      |

Michigan Professional Insurance Exchange

Statements of Cash Flows - Statutory Basis

|  | <b>Year Ended December 31</b> |                     |
|--|-------------------------------|---------------------|
|  | <b>2016</b>                   | <b>2015</b>         |
| <b>Operating activities</b>                          |                               |                     |
| Premiums collected                                   | \$ 14,194,483                 | \$ 11,922,992       |
| Net investment income                                | 2,744,176                     | 2,528,112           |
| Miscellaneous income                                 | 111,202                       | 81,836              |
| Benefit and loss related payments                    | (3,909,100)                   | (4,430,782)         |
| Commissions, expenses paid, and other deductions     | (6,031,170)                   | (5,479,251)         |
| Federal income taxes paid                            | (335,550)                     | (727,132)           |
| Net cash from operating activities                   | <u>6,774,041</u>              | <u>3,895,775</u>    |
| <b>Investing activities</b>                          |                               |                     |
| Proceeds from investments sold, matured, or repaid   | 21,885,902                    | 22,610,402          |
| Investments acquired                                 | (21,066,955)                  | (23,554,772)        |
| Net cash from investing activities                   | <u>818,947</u>                | <u>(944,370)</u>    |
| <b>Financing activities</b>                          |                               |                     |
| Surplus note repayment                               | (1,000,000)                   | (1,000,000)         |
| Other cash provided (applied)                        | (6,734,623)                   | (10,656,569)        |
| Net cash from financing activities                   | <u>(7,734,623)</u>            | <u>(11,656,569)</u> |
| Net change in cash and short-term investments        | (141,635)                     | (8,705,164)         |
| Cash and short-term investments at beginning of year | 2,420,368                     | 11,125,532          |
| Cash and short-term investments at end of year       | <u>\$ 2,278,733</u>           | <u>\$ 2,420,368</u> |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### **1. Organization and Significant Accounting Policies**

Michigan Professional Insurance Exchange (Exchange), a reciprocal insurance exchange, was issued a final certificate of authority to conduct operations on October 1, 1988. The purpose of the Exchange is to provide medical professional liability and general liability insurance to certain hospitals and physicians. Hospitals that had policies or agreements with the Exchange during the years ended December 31, 2016 and 2015 included Spectrum Health Hospitals, North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Lakeland Regional Health System, Holland Hospital, Watervliet Community Hospital, Sparrow Health System, and Bronson Methodist Hospital. As more fully described in Note 9, the Exchange has a deposit premium agreement with Spectrum Health Hospitals.

The eligible subscribers of the Exchange are limited to certain hospitals and physicians as specified in the Bylaws of the Exchange. The Exchange prefers to write policies for both the hospital organization and its associated medical staff. Insureds that are exceptions to this model are physicians who are members of a partnership or corporation, of which at least 66% are on the medical staff of the above mentioned hospitals insured by the Exchange. The Exchange's Board of Directors can approve or revoke eligibility for any other physician licensed to practice in Michigan. See Note 8 for a discussion of reinsurance arrangements.

The Exchange has no employees and contracts with a related entity, Michigan Professional Exchange Services (MPES), for its staff, building space, fidelity bond coverage, equipment, supplies, and other administrative costs. The Exchange used Spectrum Health's network to run many of its computer programs except policy administration, document imaging, and investments for most of 2015. In November 2015, the Exchange moved all of these operations in-house. The Exchange uses the services of 22 employees of MPES, including the following: President, CFO/COO, CEO/Underwriting Assistant, Financial Analyst, Finance Secretary, Director of Risk Management and Underwriting, Underwriting Managers, Director of Claims, Litigation Manager, Claims Manager, Claims Adjuster, Claims Representative, Claims Intake, Claims Secretary, Information Security Manager, Information Systems Analyst, and Education Program Coordinator.

### **Basis of Presentation**

The financial statements are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services and the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP). The Michigan prescribed and permitted accounting practices used in preparation of the accompanying financial statements did not differ from NAIC SAP. NAIC SAP practices and

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**1. Organization and Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

presentation vary in some respects from accounting principles generally accepted in the United States of America (U.S. GAAP). The more significant variances between NAIC SAP and U.S. GAAP are as follows:

Bonds are reported at amortized cost rather than reporting certain bonds at fair value.

Redeemable preferred stock is reported at the lower of cost or amortized cost rather than reporting at fair value.

Unpaid losses, loss adjustment expenses, and unearned premiums are presented net of reinsurance in accordance with NAIC SAP.

Certain assets are designated as nonadmitted to the balance sheet by a direct charge to surplus.

Deferred income taxes are calculated in accordance with NAIC SAP practices.

Comprehensive income is not presented.

The statement of cash flows is prepared in accordance with NAIC SAP.

**Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Exchange uses various methods including market, income, and cost approaches. Based on these approaches, the Exchange often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and of the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Exchange utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Exchange is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### 1. Organization and Significant Accounting Policies (continued)

determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing as asset or liability.

In determining the appropriate levels, the Exchange performs a detailed analysis of the assets and liabilities that are subject to the authoritative guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2016 and 2015, the application of valuation techniques applied to similar assets and liabilities has been consistent.

#### Investments

Cash and short-term investments include cash, cash equivalents, money market funds, corporate notes, and certificates of deposit with initial terms of less than one year. Short-term investments are stated at cost.

Fixed maturities (bonds) with an NAIC designation of one or two are reported at amortized cost using the scientific method. Fixed maturities with an NAIC designation of three or greater are carried at the lower of amortized cost or fair value. The Exchange held 25 such securities as of December 31, 2016 and 32 as of December 31, 2015. The Exchange has the ability and intent to hold these investments until maturity.

The Exchange's management continually monitors investments for impairment that is other than temporary. Management takes into account industry analyst reports, sector credit ratings, volatility of the security's market price, and/or any other information that management considers relevant in determining if the impairment is an other-than-temporary impairment (OTTI). If

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### **1. Organization and Significant Accounting Policies (continued)**

#### **Investments (continued)**

management determines that an investment is OTTI, the investment would be written down at that time. There were no write downs on OTTI securities during 2016 or 2015.

The Exchange has elected to use book value of loan-backed securities on January 1, 1994 as the cost for applying the retroactive adjustment method to securities purchased before that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

Common stock equity securities represent investments in four mutual funds and the Federal Home Loan Bank (FHLB) of Indianapolis, and are reported at fair value. Realized gains and losses were calculated using the specific identification method. Unrealized gains and losses are recorded in unappropriated surplus, net of deferred income tax.

Preferred stock equity securities are investments in bonds with certain characteristics that require reporting as preferred stocks in accordance with the NAIC Valuation of Securities Manual.

#### **Premium Revenue and Unearned Premiums**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. In addition, unearned premiums include death, disability, and retirement (DDR) reserves for tail coverage for independent practitioners with claims-made coverage. Such reserves are computed by prorata methods for direct business. The Exchange anticipates investment income as a factor in premium deficiency calculations. The results of this calculation did not indicate a premium deficiency reserve at December 31, 2016 or 2015.

#### **Losses and Loss Adjustment Expenses**

The reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience of the Exchange and other relevant Michigan professional insurance company liability data, for losses incurred but not reported.

The estimated liability is continually reviewed and any adjustments which become necessary are included in operations. In the opinion of the Exchange, the reserves for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate net cost of losses and loss adjustment

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### **1. Organization and Significant Accounting Policies (continued)**

#### **Losses and Loss Adjustment Expenses (continued)**

expenses. However, because the reserve determination involves predictions of the timing and amount of future claim payments, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Loss and loss adjustment expenses are charged to income as incurred.

#### **Federal Income Taxes**

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases based on enacting laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income, with certain limitations.

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### **Concentrations, Risks, and Uncertainties**

Financial instruments, which potentially subject the Exchange to concentrations of credit risk, consist principally of cash and investments.

#### **Reclassification**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

#### **Subsequent Events**

Management has evaluated subsequent events through May 22, 2017, which is the date the financial statements were available to be issued.



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities**

The amortized cost or cost for debt and equity securities, unrealized gains (losses), and fair value of debt and equity securities are summarized as follows:

|                              | Amortized<br>Cost    | Unrealized<br>Gains (Losses) | Fair Value           |
|------------------------------|----------------------|------------------------------|----------------------|
| <b>December 31, 2016</b>     |                      |                              |                      |
| U.S. Treasury and other U.S. |                      |                              |                      |
| Government Agencies          | \$ 16,669,161        | \$ 542,471                   | \$ 17,211,632        |
| Mortgage-backed securities   | 25,016,997           | 134,129                      | 25,151,126           |
| Corporate securities         | 37,761,621           | 1,622,923                    | 39,384,544           |
| Total debt securities        | <u>\$ 79,447,779</u> | <u>\$ 2,299,523</u>          | <u>\$ 81,747,302</u> |

|                                       | Cost                 | Unrealized<br>Gains (Losses) | Fair Value           |
|---------------------------------------|----------------------|------------------------------|----------------------|
| <b>December 31, 2016</b>              |                      |                              |                      |
| Vanguard Developed Markets Index Fund | \$ 2,078,493         | \$ (245,354)                 | \$ 1,833,139         |
| Vanguard Total Market Index Fund      | 4,249,866            | 3,881,528                    | 8,131,394            |
| JP Morgan Core                        | 1,914,002            | (51,545)                     | 1,862,457            |
| FHLB common stock                     | 142,900              | -                            | 142,900              |
| Dodge and Cox Income Fund             | 1,933,811            | (37,400)                     | 1,896,411            |
| Total common stock                    | <u>\$ 10,319,072</u> | <u>\$ 3,547,229</u>          | <u>\$ 13,866,301</u> |

|                          | Cost             | Unrealized<br>Gains (Losses) | Fair Value  |
|--------------------------|------------------|------------------------------|-------------|
| <b>December 31, 2016</b> |                  |                              |             |
| CBO Holdings             | \$ 86,202        | \$ (86,202)                  | \$ -        |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ (86,202)</u>           | <u>\$ -</u> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

|   | <b>Amortized<br/>Cost</b> | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---|---------------------------|--------------------------------------|----------------------|
| <b>December 31, 2015</b>                            |                           |                                      |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 18,651,008             | \$ 700,198                           | \$ 19,351,206        |
| Mortgage-backed securities                          | 23,426,602                | 237,486                              | 23,664,088           |
| Corporate securities                                | 37,360,770                | 912,964                              | 38,273,734           |
| Total debt securities                               | <u>\$ 79,438,380</u>      | <u>\$ 1,850,648</u>                  | <u>\$ 81,289,028</u> |

|                                       | <b>Cost</b>          | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---------------------------------------|----------------------|--------------------------------------|----------------------|
| <b>December 31, 2015</b>              |                      |                                      |                      |
| Vanguard Developed Markets Index Fund | \$ 2,593,178         | \$ (318,622)                         | \$ 2,274,556         |
| Vanguard Total Market Index Fund      | 4,103,073            | 3,122,693                            | 7,225,766            |
| JP Morgan Core                        | 2,058,343            | (44,921)                             | 2,013,422            |
| FHLB common stock                     | 142,900              | -                                    | 142,900              |
| Dodge and Cox Income Fund             | 2,075,679            | (86,845)                             | 1,988,834            |
| Total common stock                    | <u>\$ 10,973,173</u> | <u>\$ 2,672,305</u>                  | <u>\$ 13,645,478</u> |

|                          | <b>Cost</b>      | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b> |
|--------------------------|------------------|--------------------------------------|-------------------|
| <b>December 31, 2015</b> |                  |                                      |                   |
| CBO Holdings             | \$ 86,202        | \$ -                                 | \$ 86,202         |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ -</u>                          | <u>\$ 86,202</u>  |

The fair value of investment securities is determined using quoted market values as shown in the NAIC Valuation of Securities Manual or other sources as of December 31. The fair value of mortgage-backed securities is determined using quotes from Interactive Data Corporation (IDC) or other sources including Fifth Third Bank in 2016 and 2015.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

The gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

|   | Less Than 12 Months  |                     | 12 Months or More   |                     | Total                |                     |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
|   | Unrealized           |                     | Unrealized          |                     | Unrealized           |                     |
|   | Fair Value           | Losses              | Fair Value          | Losses              | Fair Value           | Losses              |
| <b>December 31, 2016</b>                            |                      |                     |                     |                     |                      |                     |
| Mortgage-backed securities                          | \$ 11,956,012        | \$ (158,182)        | \$ 1,528,319        | \$ (71,699)         | \$ 13,484,331        | \$ (229,881)        |
| U.S. Treasury and other U.S.<br>Government Agencies | 4,990,630            | (137,208)           | -                   | -                   | 4,990,630            | (137,208)           |
| Corporate securities                                | 10,596,081           | (273,118)           | 929,895             | (130,025)           | 11,525,976           | (403,143)           |
| State securities                                    | 1,610,643            | (16,732)            | -                   | -                   | 1,610,643            | (16,732)            |
| Total debt securities                               | <b>\$ 29,153,366</b> | <b>\$ (585,240)</b> | <b>\$ 2,458,214</b> | <b>\$ (201,724)</b> | <b>\$ 31,611,580</b> | <b>\$ (786,964)</b> |
|   |                      |                     |                     |                     |                      |                     |
|   | Less Than 12 Months  |                     | 12 Months or More   |                     | Total                |                     |
|   | Unrealized           |                     | Unrealized          |                     | Unrealized           |                     |
|   | Fair Value           | Losses              | Fair Value          | Losses              | Fair Value           | Losses              |
| <b>December 31, 2016</b>                            |                      |                     |                     |                     |                      |                     |
| Mutual funds  | \$ 3,737,384         | \$ (90,603)         | \$ 1,558,677        | \$ (266,522)        | \$ 5,296,061         | \$ (357,125)        |
| Total common stock                                  | <b>\$ 3,737,384</b>  | <b>\$ (90,603)</b>  | <b>\$ 1,558,677</b> | <b>\$ (266,522)</b> | <b>\$ 5,296,061</b>  | <b>\$ (357,125)</b> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2015</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 11,920,770       | \$ (124,035)      | \$ 2,697,322      | \$ (120,450)      | \$ 14,618,092 | \$ (244,485)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 4,310,713           | (33,109)          | -                 | -                 | 4,310,713     | (33,109)          |
| Corporate securities                                | 14,800,218          | (881,054)         | 666,521           | (228,148)         | 15,466,739    | (1,109,202)       |
| State securities                                    | 1,813,742           | (43,650)          | -                 | -                 | 1,813,742     | (43,650)          |
| Total debt securities                               | \$ 32,845,443       | \$ (1,081,848)    | \$ 3,363,843      | \$ (348,598)      | \$ 36,209,286 | \$ (1,430,446)    |
|   |                     |                   |                   |                   |               |                   |
|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2015</b>                            |                     |                   |                   |                   |               |                   |
| Mutual funds  | \$ 4,253,934        | \$ (150,687)      | \$ 1,910,735      | \$ (324,413)      | \$ 6,164,669  | \$ (475,100)      |
| Total common stock                                  | \$ 4,253,934        | \$ (150,687)      | \$ 1,910,735      | \$ (324,413)      | \$ 6,164,669  | \$ (475,100)      |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 2. Investments in Bonds and Equity Securities (continued)

Management believes that the unrealized losses indicated previously are temporary based on management's review for both 2016 and 2015. The unrealized losses for corporate securities and mortgage-backed securities are considered temporary based on management's intent and ability to hold to maturity and the security rating of the individual securities included.

The amortized cost and fair value of debt securities, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2016</b>              |                   |                |
| Due in one year or less               | \$ 2,267,982      | \$ 2,597,282   |
| Due after one year through five years | 22,484,912        | 23,481,052     |
| Due after five years                  | 29,677,888        | 30,517,842     |
|                                       | 54,430,782        | 56,596,176     |
| <br>Mortgage-backed securities        | <br>25,016,997    | <br>25,151,126 |
| Total debt securities                 | \$ 79,447,779     | \$ 81,747,302  |

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2015</b>              |                   |                |
| Due in one year or less               | \$ 4,263,654      | \$ 4,787,152   |
| Due after one year through five years | 21,914,323        | 22,457,463     |
| Due after five years                  | 29,833,801        | 30,380,325     |
|                                       | 56,011,778        | 57,624,940     |
| <br>Mortgage-backed securities        | <br>23,426,602    | <br>23,664,088 |
| Total debt securities                 | \$ 79,438,380     | \$ 81,289,028  |

Proceeds from sales and maturities of investments in debt and equity securities were \$21,885,902 during 2016 and \$22,610,402 during 2015. Net gains of \$333,771 in 2016 and \$1,094,654 in 2015 were realized on those sales.

Michigan Professional Insurance Exchange  
Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

Major categories of net investment income are summarized as follows for the years ended December 31:

|  | <b>2016</b>         | <b>2015</b>         |
|--|---------------------|---------------------|
| Interest on bonds                      | \$ 2,312,675        | \$ 2,416,045        |
| Amortization on short-term investments | 327,656             | (28,271)            |
| Dividends                              | 5,069               | 412,073             |
|  | <b>2,645,400</b>    | <b>2,799,847</b>    |
| Less investment expenses               | 378,772             | 502,549             |
|  | <b>\$ 2,266,628</b> | <b>\$ 2,297,298</b> |

Short-term investments with a cost of \$302,104 at December 31, 2016 and \$309,008 at December 31, 2015 were on deposit in trust for the State of Michigan to comply with regulatory requirements.

The Exchange held an investment at December 31, 2016 and 2015 that has characteristics of both a bond and a preferred stock. The book/adjusted carrying value of the security is summarized as follows:

|                          | <b>Cusip</b> | <b>Issuer</b>                                       | <b>Book/Adjusted<br/>Carrying Value</b> |
|--------------------------|--------------|---|---|
| <b>December 31, 2016</b> |              |   |   |
| CBO Holdings             | 12493V-AC-4  | Diversified Asset<br>Securitization<br>Holdings III | \$ -                                    |
|                          |              |   |   |
| <b>December 31, 2015</b> |              |   |   |
| CBO Holdings             | 12493V-AC-4  | Diversified Asset<br>Securitization<br>Holdings III | \$ 86,202                               |

The Exchange utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Common stocks and debt securities with NAIC designations higher than two are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss and liquidity assumptions. The Exchange has no assets or liabilities that are recorded at fair value on a non-recurring basis.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

Fair values of assets measured on a recurring basis are as follows:

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>December 31, 2016</b>           |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 1,371,400   | \$ -   | \$ 1,371,400  |
| Total bonds                        | -   | 1,371,400  | -  | 1,371,400     |
| Preferred stock:                   |   |  |  |               |
| Redeemable – industrial and misc.  | -   | -  | -  | -             |
| Total redeemable preferred stocks  | -   | -  | -  | -             |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | -   | 142,900  | -  | 142,900       |
| Mutual funds                       | 13,723,401  | -  | -  | 13,723,401    |
| Total common stocks                | 13,723,401  | 142,900  | -  | 13,866,301    |
| Total assets at fair value         | \$ 13,723,401   | \$ 1,514,300   | \$ -   | \$ 15,237,701 |

There were no transfers to or from Levels 1 or 2.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>December 31, 2015</b>           |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 3,557,492   | \$ -   | \$ 3,557,492  |
| Total bonds                        | -   | 3,557,492  | -  | 3,557,492     |
| Preferred stock:                   |   |  |  |               |
| Redeemable – industrial and misc.  | -   | 86,202   | -  | 86,202        |
| Total redeemable preferred stocks  | -   | 86,202   | -  | 86,202        |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | -   | 142,900  | -  | 142,900       |
| Mutual funds                       | 13,502,578  | -  | -  | 13,502,578    |
| Total common stocks                | 13,502,578  | 142,900  | -  | 13,645,478    |
| Total assets at fair value         | \$ 13,502,578   | \$ 3,786,594   | \$ -   | \$ 17,289,172 |

There were no transfers to or from Levels 1 or 2.



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**2. Investments in Bonds and Equity Securities (continued)**

Fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall are as follows at December 31:

|                          | Fair Value    | Admitted Value | Level 1       | Level 2       | Level 3 | Not Practicable (Carrying Value) |
|--------------------------|---------------|----------------|---------------|---------------|---------|----------------------------------|
| <b>December 31, 2016</b> |               |                |               |               |         |                                  |
| Assets                   |               |                |               |               |         |                                  |
| Bonds                    | \$ 81,747,302 | \$ 79,447,779  | \$ -          | \$ 81,747,302 | \$ -    | \$ -                             |
| Common stocks            | 13,866,301    | 13,866,301     | 13,723,401    | 142,900       | -       | -                                |
| Total assets             | \$ 95,613,603 | \$ 93,314,080  | \$ 13,723,401 | \$ 81,890,202 | \$ -    | \$ -                             |

|                            | Fair Value    | Admitted Value | Level 1       | Level 2       | Level 3 | Not Practicable (Carrying Value) |
|----------------------------|---------------|----------------|---------------|---------------|---------|----------------------------------|
| <b>December 31, 2015</b>   |               |                |               |               |         |                                  |
| Assets                     |               |                |               |               |         |                                  |
| Bonds                      | \$ 81,289,028 | \$ 79,438,380  | \$ -          | \$ 81,289,028 | \$ -    | \$ -                             |
| Common stocks              | 13,645,478    | 13,645,478     | 13,502,578    | 142,900       | -       | -                                |
| Redeemable preferred stock | 86,202        | 86,202         | -             | 86,202        | -       | -                                |
| Total assets               | \$ 95,020,708 | \$ 93,170,060  | \$ 13,502,578 | \$ 81,518,130 | \$ -    | \$ -                             |

**3. Line of Credit**

Through its membership in the Federal Home Loan Bank of Indianapolis, the Exchange has pledged collateral with a fair value of \$4,363,917 and carrying value of \$4,457,101 in 2016 (\$3,885,009 and \$3,943,808 in 2015) and has a borrowing capacity available of \$4,000,000 in 2016 (\$3,000,000 in 2015). The December 31, 2016 pledged collateral was the maximum amount pledged during the year. It is part of the Exchange's strategy to have cash advances available for liquidity purposes. In addition, FHLB stock has been purchased and had a balance of \$142,900 as of December 31, 2016 and December 31, 2015. The Exchange has no outstanding borrowings as of December 31, 2016 or 2015.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### **4. Policyholders' Surplus**

The Exchange established subscriber savings accounts as permitted by Section 832(f) of the Internal Revenue Code. The accounts represent allocations of some or all of the net income or losses of the Exchange. Disbursements of amounts allocated in the subscriber savings accounts require approval of the Exchange's Board of Directors. As of December 31, 2016, the Exchange had identified \$28,248,000 (\$30,825,000 as of December 31, 2015) for subscriber savings accounts. Of this amount, \$1,660,000 in 2016 and \$3,320,000 in 2015 was reported as a liability for amounts due to terminated policyholders. The remaining \$26,588,000 in 2016 and \$27,505,000 in 2015 was reported as policyholders' surplus-unassigned funds. The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Exchange.

On January 1, 2005, the subscriber savings account of Spectrum Health in the amount of \$5,059,908 was converted to a surplus note with no stated maturity, paying interest per annum (4.75% during the years ended December 31, 2016 and 2015). The Exchange must obtain approval from the State of Michigan Department of Insurance and Financial Services (DIFS) related to principal and interest payments on the surplus note prior to the payment being made. In 2010, Spectrum Health issued a second surplus note in the amount of \$2,000,000. In 2016, the Exchange repaid the remaining surplus note of \$1,000,000 to Spectrum Health with the approval of DIFS.

The Exchange obtained approval in 2005 from DIFS related to the conversion of the Spectrum Health account as noted above. The 2014 interest of \$136,326 was approved and paid in June 2015. The 2015 interest of \$72,249 and 2016 interest of \$23,354 were approved and paid in June 2016.

### **5. Losses and Loss Adjustment Expenses**

Reserves for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years have decreased by approximately \$2,626,000 in 2016 and \$3,224,000 in 2015, as a result of re-estimation of unpaid losses and LAE. This decrease is generally the result of ongoing analysis of recent loss development trends.

Original estimates are increased or decreased as additional information becomes known regarding individual claims.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### 5. Losses and Loss Adjustment Expenses (continued)

Activity in the liability for losses and loss adjustment expenses is summarized as follows for the years ended December 31:

|                             | <u>2016</u>          | <u>2015</u>          |
|-----------------------------|----------------------|----------------------|
| Reserves, beginning of year | \$ 37,653,331        | \$ 37,758,505        |
| Incurred losses             |                      |                      |
| Current year                | 12,762,000           | 11,814,000           |
| Prior years                 | <u>(2,625,657)</u>   | <u>(3,224,390)</u>   |
|                             | 10,136,343           | 8,589,610            |
| Paid losses                 |                      |                      |
| Current year                | 548,000              | 640,000              |
| Prior years                 | <u>7,501,706</u>     | <u>8,054,784</u>     |
|                             | 8,049,706            | 8,694,784            |
| Reserves, end of year       | <u>\$ 39,739,968</u> | <u>\$ 37,653,331</u> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2016

**6. Federal Income Taxes**

The components of the Exchange's net deferred tax asset (liability) are as follows at December 31:

|  | 2016       |              |              | 2015       |              |              | Change     |              |              |
|--|------------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|
|  | Ordinary   | Capital      | Total        | Ordinary   | Capital      | Total        | Ordinary   | Capital      | Total        |
| Total gross deferred tax assets                                    | \$ 958,804 | \$ 104,778   | \$ 1,063,582 | \$ 967,770 | \$ 104,778   | \$ 1,072,548 | \$ (8,966) | \$ -         | \$ (8,966)   |
| Statutory valuation allowance<br>Adjustment                        | -          | -            | -            | -          | -            | -            | -          | -            | -            |
| Adjusted gross deferred tax assets                                 | 958,804    | 104,778      | 1,063,582    | 967,770    | 104,778      | 1,072,548    | (8,966)    | -            | (8,966)      |
| Deferred tax assets nonadmitted                                    | -          | -            | -            | -          | -            | -            | -          | -            | -            |
| Subtotal net admitted deferred tax<br>assets                       | 958,804    | 104,778      | 1,063,582    | 967,770    | 104,778      | 1,072,548    | (8,966)    | -            | (8,966)      |
| Deferred tax liabilities   | -          | (1,066,645)  | (1,066,645)  | -          | (778,720)    | (778,720)    | -          | 287,925      | 287,925      |
| Net admitted deferred tax assets<br>(net deferred tax liabilities) | \$ 958,804 | \$ (961,867) | \$ (3,063)   | \$ 967,770 | \$ (673,942) | \$ 293,828   | \$ (8,966) | \$ (287,925) | \$ (296,891) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 6. Federal Income Taxes (continued)

The amount of each result or component of the calculation by tax character of paragraphs 11.a., 11.b.i., 11.b.ii., and 11.c. of SSAP 101 is as follows at December 31:

|   | 2016       |            |              | 2015       |            |              | Change      |         |             |
|---|------------|------------|--------------|------------|------------|--------------|-------------|---------|-------------|
|   | Ordinary   | Capital    | Total        | Ordinary   | Capital    | Total        | Ordinary    | Capital | Total       |
| Admission Calculation Components SSAP 101, paragraphs 11.a., 11.b., and 11.c:   |            |            |              |            |            |              |             |         |             |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 605,577 | \$ -       | \$ 605,577   | \$ 669,286 | \$ (320)   | \$ 668,966   | \$ (63,709) | \$ 320  | \$ (63,389) |
| (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) | 168,799    | -          | 168,799      | 131,833    | -          | 131,833      | 36,966      | -       | 36,966      |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 168,799    | -          | 168,799      | 131,833    | -          | 131,833      | 36,966      | -       | 36,966      |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold  | -          | -          | 7,538,109    | -          | -          | 7,996,912    | -           | -       | (458,803)   |
| (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  | 184,428    | 104,778    | 289,206      | 166,651    | 105,098    | 271,749      | 17,777      | (320)   | 17,457      |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total)   | \$ 958,804 | \$ 104,778 | \$ 1,063,582 | \$ 967,770 | \$ 104,778 | \$ 1,072,548 | \$ (8,966)  | \$ -    | \$ (8,966)  |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 6. Federal Income Taxes (continued)

| Other Admissibility Criteria  | 2016          | 2015          |
|---|---------------|---------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                              | 1,171.00%     | 1,196.40%     |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b)2 above | \$ 50,254,059 | \$ 53,312,747 |

|   | 2016     |         |       | 2015     |         |       | Change   |         |       |
|---|----------|---------|-------|----------|---------|-------|----------|---------|-------|
|   | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Impact of Tax Planning Strategies   |          |         |       |          |         |       |          |         |       |
| (a) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |
| (b) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |

Does the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

The provision for incurred taxes on earnings are as follows for the years ended December 31:

|   | 2016       | 2015       | Change     |
|---|------------|------------|------------|
| Federal                                   | \$ 407,566 | \$ 157,513 | \$ 250,053 |
| Foreign                                   | -          | -          | -          |
| Subtotal                                  | 407,566    | 157,513    | 250,053    |
| Federal income tax on net capital gains   | 113,482    | 372,183    | (258,701)  |
| Utilization of capital loss carryforwards | -          | -          | -          |
| Other                                     | -          | -          | -          |
| Federal and foreign income taxes incurred | \$ 521,048 | \$ 529,696 | \$ (8,648) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 6. Federal Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows at December 31:

|  | 2016       | 2015       | Change       |
|--|------------|------------|--------------|
| Deferred tax assets                      |            |            |              |
| Ordinary:                                |            |            |              |
| Discounting of unpaid loss and LAE       | \$ 552,864 | \$ 639,540 | \$ (86,676)  |
| Unearned premiums                        | 405,940    | 328,230    | 77,710       |
|  | 958,804    | 967,770    | (8,966)      |
| Statutory valuation allowance adjustment | -          | -          | -            |
| Nonadmitted                              | -          | -          | -            |
| Admitted ordinary deferred tax assets    | 958,804    | 967,770    | (8,966)      |
| Capital:                                 |            |            |              |
| Investments                              | 104,778    | 104,778    | -            |
| Nonadmitted                              | -          | -          | -            |
| Admitted capital deferred tax assets     | 104,778    | 104,778    | -            |
| Admitted deferred tax assets             | 1,063,582  | 1,072,548  | (8,966)      |
| Deferred tax liabilities                 |            |            |              |
| Capital:                                 |            |            |              |
| Investments                              | 1,066,645  | 778,720    | 287,925      |
| Admitted deferred tax liabilities        | 1,066,645  | 778,720    | 287,925      |
| Net deferred tax asset (liability)       | \$ (3,063) | \$ 293,828 | \$ (296,891) |

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 6. Federal Income Taxes (continued)

The significant items causing a difference between the statutory federal income tax rate and the Exchange's effective tax rate in 2016 and 2015 were as follows:

|  | 2016              | Effective<br>Tax Rate | 2015              | Effective<br>Tax Rate |
|--|-------------------|-----------------------|-------------------|-----------------------|
| Provision computed at statutory rate         | \$ 1,494,866      | 34.0 %                | \$ 1,702,782      | 34.0 %                |
| Allocation to subscriber savings             | (907,800)         | (20.7)%               | (844,286)         | (16.9)%               |
| Proration of tax exempt investment<br>income | 6,689             | 0.2 %                 | 189               | 0.0 %                 |
| Dividends received deduction                 | (44,594)          | (1.0)%                | (1,260)           | 0.0 %                 |
| Prior period adjustment, taxes               | (19,147)          | (0.4)%                | 137               | 0.0 %                 |
| <b>Total tax provision</b>                   | <b>\$ 530,014</b> | <b>12.1 %</b>         | <b>\$ 857,562</b> | <b>17.1 %</b>         |
| Federal and foreign income taxes<br>expense  | \$ 407,566        | 9.3 %                 | \$ 157,513        | 3.1%                  |
| Realized capital gains tax                   | 113,482           | 2.6 %                 | 372,183           | 7.4 %                 |
| Change in net deferred income taxes          | 8,966             | 0.2 %                 | 327,866           | 6.6 %                 |
| <b>Total statutory income taxes</b>          | <b>\$ 530,014</b> | <b>12.1 %</b>         | <b>\$ 857,562</b> | <b>17.1 %</b>         |

As of December 31, 2016 and 2015, the Exchange had no alternative minimum tax credit carryforwards available to offset future regular income tax. The Exchange has no operating loss carryforwards available.

The following are income taxes incurred in the current and prior year, which will be available for recoupment in the event of future net losses:

|             |            |
|-------------|------------|
| <b>2016</b> | \$ 521,049 |
| <b>2015</b> | \$ 510,822 |

Federal income tax reported in the Annual Statement was allocated to realized capital gains in the amount of \$113,482 in 2016 and \$372,183 in 2015.



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2016

### 7. Related Party Transactions

Michigan Professional Exchange Services, a not-for-profit corporation organized on a directorship basis, serves as attorney-in-fact for the Exchange. A management agreement exists between the two entities whereby Michigan Professional Exchange Services provides financial and technical support, including personnel, accounting, and legal services, on a cost reimbursement basis. Total expenses incurred by the Exchange under this management agreement were \$5,533,135 in 2016 and \$4,945,057 in 2015.

Direct premium revenues recognized were as follows for each hospital for the years ended December 31:

|  | <u>2016</u>         | <u>2015</u>         |
|--|---------------------|---------------------|
| North Ottawa Community Hospital            | \$ 868,641          | \$ 762,000          |
| Pine Rest Christian Mental Health Services | 382,819             | 373,007             |
| Lakeland Regional Health System            | 1,397,430           | 1,356,611           |
| Holland Hospital                           | 207,015             | 203,545             |
| Watervliet Community Hospital              | 191,456             | 188,638             |
| Sparrow Health System                      | 1,388,775           | -                   |
| Bronson Methodist Hospital                 | 609,182             | -                   |
|  | <u>\$ 5,045,318</u> | <u>\$ 2,883,801</u> |

### 8. Reinsurance

The Exchange has fully reinsured all claims made under the North Ottawa Community Hospital, Holland Hospital, and Sparrow Health System excess professional liability and general liability lines of business. No claims have been made on the general liability line since inception. Total ceded premiums earned for the hospital professional liability and general liability lines were \$606,103 in 2016 and \$455,452 in 2015. For physician professional liability claims, the reinsurance arrangement for the Exchange is a loss event contract where any claim over \$1,000,000 up to \$5,000,000 is covered. All physicians and all limits participate. A loss event can include multiple physicians and multiple days of treatment. Ceded premiums earned on the physician professional liability line of business were \$1,227,163 in 2016 and \$1,382,859 in 2015.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2016

#### 8. Reinsurance (continued)

The net amount of return commissions recoverable (payable) at December 31, 2016, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| Total                           | \$ -                | \$ -              | \$ 236,732        | \$ 6,293          | \$(236,732)     | \$ (6,293)        |
| Direct unearned premium reserve |                     |                   | \$ 5,181,330      |                   |                 |                   |

The net amount of return commissions recoverable (payable) at December 31, 2015, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| Total                           | \$ -                | \$ -              | \$ 155,153        | \$ 3,843          | \$(155,153)     | \$ (3,843)        |
| Direct unearned premium reserve |                     |                   | \$ 3,978,386      |                   |                 |                   |

As of December 31, 2016 and 2015, the Exchange has no reinsurance recoverables in dispute or deemed to be uncollectible. Further, the Exchange had not entered into any retroactive reinsurance agreements and had not commuted any contracts.

#### 9. Deposit Premium Agreement

Effective July 1, 2004, the Exchange entered into a Deposit Premium Agreement with Spectrum Health Hospitals (Spectrum) for the purpose of providing loss administration services for professional medical liability after that date. Risk of loss on professional medical liability after July 1, 2004 will be retained by Spectrum.

Under this agreement, Spectrum has agreed to deposit monies (self insurance funds held) with the Exchange in an amount necessary to fund anticipated outlays for claims, allocated overhead expenses, defense and cost containment expenses, loss adjustment, and other payments defined under the agreement. The Exchange held \$469,012 as of December 31, 2016 and \$2,042,624 as of December 31, 2015 related to this agreement. The Exchange pays Spectrum an interest charge (0.09% from January 1, 2015 through June 30, 2015 and 0.11% from July 1, 2015 through December 31, 2016) on deposit balances, computed monthly. Interest incurred under the arrangement was \$8,831 for 2016 and \$7,063 for 2015.

## Other Supplementary Information

**Report of Independent Auditors  
on Other Supplementary Information**

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

The report on our audit of the basic statutory basis financial statements (financial statements) of Michigan Professional Insurance Exchange (Exchange) as of December 31, 2016 and for the year then ended is presented on pages one and two of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the Exchange as of December 31, 2016, and for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Exchange as of December 31, 2016, and for the year then ended. The Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 22, 2017

# Michigan Professional Insurance Exchange

## Supplemental Summary of Investments

December 31, 2016

|   | Gross Investment Holdings |        | Admitted Assets as Reported in the Annual Statement |                                      |               |        |
|---|---------------------------|--------|---|--------------------------------------|---------------|--------|
|   | Amount                    | %      | Amount  | Lending Reinvested Collateral Amount | Total         | %      |
| 1. Bonds  |                           |        |   |                                      |               |        |
| 1.1 U.S. Treasury securities  | \$ 6,778,062              | 7.1%   | \$ 6,778,062  | \$ -                                 | \$ 6,778,062  | 7.1%   |
| 1.2 U.S. Government agency obligations (including mortgage-backed securities)   |                           |        |   |                                      |               |        |
| 1.21 Issued by U.S. Government agencies   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 1.22 Issued by U.S. Government-sponsored agencies   | 1,279,960                 | 1.3%   | 1,279,960   | -                                    | 1,279,960     | 1.3%   |
| 1.3 Foreign government (including Canada, excluding mortgage-backed securities)   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 1.4 Securities issued by states, territories and possessions, and political subdivisions in the U.S.  |                           |        |   |                                      |               |        |
| 1.41 U.S. states and territories and possessions general obligations  | 1,813,880                 | 1.9%   | 1,813,880   | -                                    | 1,813,880     | 1.9%   |
| 1.42 Political subdivisions of U.S. states, territories, and possessions general obligations  | 1,274,969                 | 1.3%   | 1,274,969   | -                                    | 1,274,969     | 1.3%   |
| 1.43 Revenue and assessment obligations   | 5,233,625                 | 5.4%   | 5,233,625   | -                                    | 5,233,625     | 5.4%   |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.3%   | 250,000   | -                                    | 250,000       | 0.3%   |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS)  |                           |        |   |                                      |               |        |
| 1.51 Pass-through securities  |                           |        |   |                                      |               |        |
| 1.511 Issued or guaranteed by GNMA  | 152,475                   | 0.2%   | 152,475   | -                                    | 152,475       | 0.2%   |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 3,396,270                 | 3.6%   | 3,396,270   | -                                    | 3,396,270     | 3.6%   |
| 1.513 All other   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 1.52 CMOs and REMICs  |                           |        |   |                                      |               |        |
| 1.521 Issued or guaranteed by FNMA, FHLMC, GNMA or VA   | 4,618,674                 | 4.8%   | 4,618,674   | -                                    | 4,618,674     | 4.8%   |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 1.523 All other   | 11,017,892                | 11.5%  | 11,017,892  | -                                    | 11,017,892    | 11.5%  |
| 2. Other debt and other fixed income securities (excluding short-term)  |                           |        |   |                                      |               |        |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans related by the SVO)  | 36,757,900                | 38.5%  | 36,757,900  | -                                    | 36,757,900    | 38.5%  |
| 2.2 Unaffiliated foreign securities   | 6,874,072                 | 7.2%   | 6,874,072   | -                                    | 6,874,072     | 7.2%   |
| 2.3 Affiliated securities   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3. Equity interests   |                           |        |   |                                      |               |        |
| 3.1 Investments in mutual funds   | 13,723,401                | 14.4%  | 13,723,401  | -                                    | 13,723,401    | 14.4%  |
| 3.2 Preferred stocks  |                           |        |   |                                      |               |        |
| 3.21 Affiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.22 Unaffiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.3 Publicly traded equity securities (excluding preferred stocks)  |                           |        |   |                                      |               |        |
| 3.31 Affiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.32 Unaffiliated   | 142,900                   | 0.2%   | 142,900   | -                                    | 142,900       | 0.2%   |
| 3.4 Other equity securities   |                           |        |   |                                      |               |        |
| 3.41 Affiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.42 Unaffiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.5 Other equity interests including tangible personal property under leases  |                           |        |   |                                      |               |        |
| 3.51 Affiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 3.52 Unaffiliated   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4. Mortgage loans   |                           |        |   |                                      |               |        |
| 4.1 Construction and land development   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4.2 Agricultural  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4.3 Single family residential properties  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4.4 Multifamily residential properties  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4.5 Commercial loans  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 4.6 Mezzanine real estate loans   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 5. Real estate investments  |                           |        |   |                                      |               |        |
| 5.1 Property occupied by the company  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 5.2 Property held for production of income  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 5.3 Property held for sale  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 6. Contract loans   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 7. Derivatives  | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 8. Receivables for securities   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 9. Securities lending (line 10, Asset Page reinvested collateral)   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 10. Cash and short-term investments   | 2,278,733                 | 2.3%   | 2,278,733   | -                                    | 2,278,733     | 2.3%   |
| 11. Other invested assets   | -                         | 0.0%   | -   | -                                    | -             | 0.0%   |
| 12. Total invested assets   | \$ 95,592,813             | 100.0% | \$ 95,592,813                                       | \$ -                                 | \$ 95,592,813 | 100.0% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

1. Report entity's total admitted assets as reported on page two of this Annual Statement. \$99,073,104

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

| 1  | 2                       | 3            | 4                                   |
|--|-------------------------|--------------|-------------------------------------|
| Issuer   | Description of Exposure | Amount       | Percentage of Total Admitted Assets |
| 2.01 Federal National Mortgage Association, Inc.                         | MBS , CMO               | \$ 3,156,763 | 3.186%                              |
| 2.02 Federal Home Loan Mortgage Corp                                     | Bonds, MBS , CMO        | \$ 1,896,411 | 1.914%                              |
| 2.03 Oklahoma, State of  | MUNI                    | \$ 958,094   | 0.967%                              |
| 2.04 Washington, State of  | MUNI                    | \$ 812,681   | 0.820%                              |
| 2.05 Texas, State of   | MUNI                    | \$ 864,412   | 0.872%                              |
| 2.06 Phoenix, City of  | MUNI                    | \$ 650,000   | 0.656%                              |
| 2.07 Duke Energy Corporation Indianapolis Local Public Improvement       | CORP                    | \$ 752,834   | 0.760%                              |
| 2.08 Bond Bank (05524U) BAMLL Commercial                                 | MUNI                    | \$ 756,678   | 0.764%                              |
| 2.09 Mortgage Securities Trust 2012-Park WFRBS Commercial Mortgage Trust | Other CMO               | \$ 754,092   | 0.761%                              |
| 2.10 2013-C13  | Other MTGE              | \$ 764,672   | 0.772%                              |

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

|      |          | Bonds         |         | Preferred Stock |          |      |        |
|------|----------|---------------|---------|-----------------|----------|------|--------|
|      |          | 1             | 2       |                 |          |      |        |
| 3.01 | NAIC - 1 | \$ 58,776,023 | 59.326% | 3.07            | P/RP - 1 | \$ 0 | 0.000% |
| 3.02 | NAIC - 2 | \$ 17,035,484 | 17.195% | 3.08            | P/RP - 2 | \$ 0 | 0.000% |
| 3.03 | NAIC - 3 | \$ 3,340,540  | 3.372%  | 3.09            | P/RP - 3 | \$ 0 | 0.000% |
| 3.04 | NAIC - 4 | \$ 1,057,780  | 1.068%  | 3.10            | P/RP - 4 | \$ 0 | 0.000% |
| 3.05 | NAIC - 5 | \$ 0          | 0.000%  | 3.11            | P/RP - 5 | \$ 0 | 0.000% |
| 3.06 | NAIC - 6 | \$ 0          | 0.000%  | 3.12            | P/RP - 6 | \$ 0 | 0.000% |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

4. Assets held in foreign investments:

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

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

|  |              |        |
|--|--------------|--------|
| 4.02 Total admitted assets held in foreign investments               | \$ 5,560,176 | 5.612% |
| 4.03 Foreign-currency-denominated investments                        | \$ 0         | 0.000% |
| 4.04 Insurance liabilities denominated in that same foreign currency | \$ 0         | 0.000% |

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

|   | 1            | 2      |
|---|--------------|--------|
| 5.01 Countries designated NAIC-1          | \$ 5,560,176 | 5.612% |
| 5.02 Countries designated NAIC-2          | \$ 0         | 0.000% |
| 5.03 Countries designated NAIC-3 or below | \$ 0         | 0.000% |

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

|                                      | 1            | 2      |
|--------------------------------------|--------------|--------|
| Countries designated NAIC-1          |              |        |
| 6.01 Country 1: Sweden               | \$ 1,194,665 | 1.206% |
| 6.02 Country 2: Netherlands          | \$ 805,907   | 0.813% |
| Countries designated NAIC-2          |              |        |
| 6.03 Country 1:                      | \$ 0         | 0.000% |
| 6.04 Country 2:                      | \$ 0         | 0.000% |
| Countries designated NAIC-3 or below |              |        |
| 6.05 Country 1:                      | \$ 0         | 0.000% |
| 6.06 Country 2:                      | \$ 0         | 0.000% |

7. Aggregate unhedged foreign currency exposure:

|  | 1    | 2      |
|--|------|--------|
|  | \$ 0 | 0.000% |

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

|   | 1    | 2      |
|---|------|--------|
| 8.01 Countries designated NAIC-1          | \$ 0 | 0.000% |
| 8.02 Countries designated NAIC-2          | \$ 0 | 0.000% |
| 8.03 Countries designated NAIC-3 or below | \$ 0 | 0.000% |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

|      |                                      | 1    | 2      |
|------|--------------------------------------|------|--------|
|      | Countries designated NAIC-1          |      |        |
| 9.01 | Country 1:                           | \$ 0 | 0.000% |
| 9.02 | Country 2:                           | \$ 0 | 0.000% |
|      | Countries designated NAIC-2          |      |        |
| 9.03 | Country 1:                           | \$ 0 | 0.000% |
| 9.04 | Country 2:                           | \$ 0 | 0.000% |
|      | Countries desingated NAIC-3 or below |      |        |
| 9.05 | Country 1:                           | \$ 0 | 0.000% |
| 9.06 | Country 2:                           | \$ 0 | 0.000% |

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

|       | 1<br>Issuer   | 2<br>NAIC<br>Designation | 3          | 4      |
|-------|---|--------------------------|------------|--------|
| 10.01 | Svenska Handelsbanken AB  | 1FE                      | \$ 694,769 | 0.701% |
| 10.02 | Anheuser-Bush Inbev Finance Inc.                                      | 1FE                      | \$ 601,389 | 0.607% |
| 10.03 | Shell International Finance B.V.                                      | 1FE                      | \$ 593,660 | 0.599% |
| 10.04 | Siemens Financieringsmaatschappij N.V.                                | 1FE                      | \$ 521,267 | 0.526% |
| 10.05 | Teva Pharmaceutical Industries Limited                                | 2FE                      | \$ 395,000 | 0.399% |
| 10.06 | Eaton Corporation   | 2FE                      | \$ 374,226 | 0.378% |
| 10.07 | Teva Pharmaceutical Finance Netherlands<br>III B.V.                   | 2FE                      | \$ 302,593 | 0.305% |
| 10.08 | Shire Acquisitions Investments Ireland<br>Designated Activity Company | 2FE                      | \$ 300,356 | 0.303% |
| 10.09 | Skandinaviska Enskilda Banken AB                                      | 1FE                      | \$ 299,896 | 0.303% |
| 10.10 | HSBC USA Inc.   | 1FE                      | \$ 288,665 | 0.291% |

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

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

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

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

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

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



Michigan Professional Insurance Exchange

Supplemental Investment Risks Interrogatories

13. Amounts and percentages of admitted assets held in the 10 largest equity interests:  
 13.01 Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets?  
 Yes [ ] No [X]

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

|       | 1                          | 2            | 3      |
|-------|----------------------------|--------------|--------|
|       | Issuer                     |              |        |
| 13.02 | Vanguard Index Funds       | \$ 8,131,394 | 8.207% |
| 13.03 | Dodge & Cox Income Fund    | \$ 1,896,411 | 1.914% |
| 13.04 | JPMorgan Trust II          | \$ 1,862,457 | 1.880% |
| 13.05 | Vanguard Tax-Managed Funds | \$ 1,833,139 | 1.850% |
| 13.06 | Hercules Incorporated      | \$ 0         | 0.000% |
| 13.07 |                            | \$ 0         | 0.000% |
| 13.08 |                            | \$ 0         | 0.000% |
| 13.09 |                            | \$ 0         | 0.000% |
| 13.10 |                            | \$ 0         | 0.000% |
| 13.11 |                            | \$ 0         | 0.000% |

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

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

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

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

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:  
 16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?  
 Yes [X] No [ ]

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

17. Not applicable.

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:  
 18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?  
 Yes [X] No [ ]

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

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

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

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

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

|   | At End of Each Quarter |        |         |         |         |
|---|------------------------|--------|---------|---------|---------|
|   | At Year-End            |        | 1st Qtr | 2nd Qtr | 3rd Qtr |
|   | 1                      | 2      | 3       | 4       | 5       |
| 20.01 Securities lending agreements<br>(do not include assets held as collateral for such transactions) | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 20.02 Repurchase agreements   | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 20.03 Reverse repurchase agreements   | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 20.04 Dollar repurchase agreements  | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 20.05 Dollar reverse repurchase agreements  | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |

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

|                         | Owned |        | Written |        |
|-------------------------|-------|--------|---------|--------|
|                         | 1     | 2      | 3       | 4      |
| 21.01 Hedging           | \$ 0  | 0.000% | \$ 0    | 0.000% |
| 21.02 Income generation | \$ 0  | 0.000% | \$ 0    | 0.000% |
| 21.03 Other             | \$ 0  | 0.000% | \$ 0    | 0.000% |

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

|                         | At End of Each Quarter |        |         |         |         |
|-------------------------|------------------------|--------|---------|---------|---------|
|                         | At Year-End            |        | 1st Qtr | 2nd Qtr | 3rd Qtr |
|                         | 1                      | 2      | 3       | 4       | 5       |
| 22.01 Hedging           | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 22.02 Income generation | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 22.03 Replications      | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 22.04 Other             | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

|                         | At Year-End |          | At End of Each Quarter |              |              |
|-------------------------|-------------|----------|------------------------|--------------|--------------|
|                         | 1           | 2        | 1st Qtr<br>3           | 2nd Qtr<br>4 | 3rd Qtr<br>5 |
|                         | <u>1</u>    | <u>2</u> | <u>3</u>               | <u>4</u>     | <u>5</u>     |
| 23.01 Hedging           | \$ 0        | 0.000%   | \$ 0                   | \$ 0         | \$ 0         |
| 23.02 Income generation | \$ 0        | 0.000%   | \$ 0                   | \$ 0         | \$ 0         |
| 23.03 Replications      | \$ 0        | 0.000%   | \$ 0                   | \$ 0         | \$ 0         |
| 23.04 Other             | \$ 0        | 0.000%   | \$ 0                   | \$ 0         | \$ 0         |

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9

- 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)?
- 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(s) 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. An unilateral right by either party to commute the reinsurance contract except for such provisions which are triggered only 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

Michigan Professional Insurance Exchange

General Interrogatories Part 2, No. 7, 8, & 9

(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 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 engages in only 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]



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

NAIC Group Code 0000 (Current) (Prior) NAIC Company Code 31429 Employer's ID Number 38-2838578

Organized under the Laws of MICHIGAN, State of Domicile or Port of Entry MI  
Country of Domicile United States of America

Incorporated/Organized 05/24/1988 Commenced Business 10/01/1988

Statutory Home Office 333 Bridge St NW, Suite 810, Grand Rapids, MI, US 49504  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 333 Bridge St NW, Suite 810  
(Street and Number)  
Grand Rapids, MI, US 49504 (City or Town, State, Country and Zip Code)  
616-202-2288 (Area Code) (Telephone Number)

Mail Address 333 Bridge St NW, Suite 810, Grand Rapids, MI, US 49504  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 333 Bridge St NW, Suite 810  
(Street and Number)  
Grand Rapids, MI, US 49504 (City or Town, State, Country and Zip Code)  
616-202-2782 (Area Code) (Telephone Number)

Internet Website Address www.mpie.org

Statutory Statement Contact Cathryn Joy Peterson, 616-202-2782  
(Name) (Area Code) (Telephone Number)  
kpeterson@mpie.org, 616-741-1999  
(E-mail Address) (FAX Number)

### OFFICERS

President Michelle Marie Hoppes Executive Vice President & Counsel Jill Suzanne Mulder #  
Chief Financial Officer Cathryn Joy Peterson Chairman Donald Harper Jones

### OTHER

Margaret Anne Curtin, Vice President Risk & Business Dev John Clifton Throop, Vice-Chairman

### DIRECTORS OR TRUSTEES

Donald Harper Jones John Martin Koetsier Kimberly Kay McCoy  
Terrence John Endres Ronald Joseph Knaus Joseph John Junewick  
John Clifton Throop Paul Henry Karsten Shelleye Jene Yaklin  
David Michael Krhovsky Paula Marie Reichle # Scott Dennis Larson #

State of Michigan SS:  
County of Kent

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.

Michelle Hoppes  
President

Cathryn Peterson  
Chief Financial Officer

Jill Mulder  
Executive Vice President & Counsel

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

- a. Is this an original filing? ..... Yes [ ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**ASSETS**

|  | Current Year |                         |   | Prior Year                  |
|--|--------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 82,408,676   | 0                       | 82,408,676                                | 79,447,779                  |
| 2. Stocks (Schedule D):  |              |                         |   |                             |
| 2.1 Preferred stocks .....   | 0            | 0                       | 0   | 0                           |
| 2.2 Common stocks .....  | 15,171,497   | 0                       | 15,171,497                                | 13,866,301                  |
| 3. Mortgage loans on real estate (Schedule B):   |              |                         |   |                             |
| 3.1 First liens .....  | 0            | 0                       | 0   | 0                           |
| 3.2 Other than first liens .....   | 0            | 0                       | 0   | 0                           |
| 4. Real estate (Schedule A):   |              |                         |   |                             |
| 4.1 Properties occupied by the company (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.2 Properties held for the production of income (less<br>\$ .....0 encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.3 Properties held for sale (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 5. Cash (\$ .....1,852,233 , Schedule E - Part 1), cash equivalents<br>(\$ .....1,795,482 , Schedule E - Part 2) and short-term<br>investments (\$ .....0 , Schedule DA) ..... | 3,647,715    | 0                       | 3,647,715                                 | 2,278,733                   |
| 6. Contract loans (including \$ .....0 premium notes) .....  | 0            | 0                       | 0   | 0                           |
| 7. Derivatives (Schedule DB) .....   | 0            | 0                       | 0   | 0                           |
| 8. Other invested assets (Schedule BA) .....   | 1,006,827    | 1,006,827               | 0   | 0                           |
| 9. Receivable for securities .....   | 0            | 0                       | 0   | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  | 0            | 0                       | 0   | 0                           |
| 11. Aggregate write-ins for invested assets .....  | 0            | 0                       | 0   | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 102,234,715  | 1,006,827               | 101,227,888                               | 95,592,813                  |
| 13. Title plants less \$ .....0 charged off (for Title insurers<br>only) .....   | 0            | 0                       | 0   | 0                           |
| 14. Investment income due and accrued .....  | 594,583      | 0                       | 594,583                                   | 597,130                     |
| 15. Premiums and considerations:   |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   | 559,736      | 37,899                  | 521,837                                   | 1,023,995                   |
| 15.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ .....0<br>earned but unbilled premiums) .....                | 1,873,291    | 0                       | 1,873,291                                 | 1,814,977                   |
| 15.3 Accrued retrospective premiums (\$ .....0 ) and<br>contracts subject to redetermination (\$ .....0 ) .....  | 0            | 0                       | 0   | 0                           |
| 16. Reinsurance:   |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....   | 0            | 0                       | 0   | 0                           |
| 16.2 Funds held by or deposited with reinsured companies .....   | 0            | 0                       | 0   | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts .....  | 0            | 0                       | 0   | 0                           |
| 17. Amounts receivable relating to uninsured plans .....   | 0            | 0                       | 0   | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....   | 163,440      | 0                       | 163,440                                   | 2,274                       |
| 18.2 Net deferred tax asset .....  | 0            | 0                       | 0   | 0                           |
| 19. Guaranty funds receivable or on deposit .....  | 0            | 0                       | 0   | 0                           |
| 20. Electronic data processing equipment and software .....  | 0            | 0                       | 0   | 0                           |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ .....0 ) .....   | 0            | 0                       | 0   | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   | 0            | 0                       | 0   | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 0            | 0                       | 0   | 0                           |
| 24. Health care (\$ .....0 ) and other amounts receivable .....  | 0            | 0                       | 0   | 0                           |
| 25. Aggregate write-ins for other than invested assets .....   | 1,753,155    | 1,607,000               | 146,155                                   | 41,914                      |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....  | 107,178,920  | 2,651,726               | 104,527,194                               | 99,073,103                  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....   | 0            | 0                       | 0   | 0                           |
| 28. Total (Lines 26 and 27) .....  | 107,178,920  | 2,651,726               | 104,527,194                               | 99,073,103                  |
| <b>DETAILS OF WRITE-INS</b>  |              |                         |   |                             |
| 1101. ....   |              |                         |   |                             |
| 1102. ....   |              |                         |   |                             |
| 1103. ....   |              |                         |   |                             |
| 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. Cash advance to AIF receivable .....   | 1,607,000    | 1,607,000               | 0   | 0                           |
| 2502. Deductible recoverable .....   | 146,155      | 0                       | 146,155                                   | 41,914                      |
| 2503. ....   |              |                         |   |                             |
| 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) .....   | 1,753,155    | 1,607,000               | 146,155                                   | 41,914                      |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....  | 26,576,026        | 22,324,086      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....   | 0                 | 0               |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....  | 17,645,693        | 17,415,882      |
| 4. Commissions payable, contingent commissions and other similar charges .....  | 8,838             | 7,718           |
| 5. Other expenses (excluding taxes, licenses and fees) .....  | 377,810           | 479,220         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....  | (43,761)          | 46,329          |
| 7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses)) .....   | 0                 | 0               |
| 7.2 Net deferred tax liability .....  | 278,212           | 3,063           |
| 8. Borrowed money \$ .....500,000 and interest thereon \$ .....0 .....  | 500,000           | 0               |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....349,019 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) ..... | 5,525,263         | 4,944,598       |
| 10. Advance premium .....   | 1,255,790         | 1,025,100       |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders .....   | 0                 | 0               |
| 11.2 Policyholders .....  | 0                 | 0               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....  | 109,131           | 36,982          |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....  | 0                 | 0               |
| 14. Amounts withheld or retained by company for account of others .....   | 0                 | 0               |
| 15. Remittances and items not allocated .....   | 0                 | 0               |
| 16. Provision for reinsurance (including \$ .....0 certified) (Schedule F, Part 8) .....  | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....   | 0                 | 0               |
| 18. Drafts outstanding .....  | 0                 | 0               |
| 19. Payable to parent, subsidiaries and affiliates .....  | 0                 | 0               |
| 20. Derivatives .....   | 0                 | 0               |
| 21. Payable for securities .....  | 0                 | 0               |
| 22. Payable for securities lending .....  | 0                 | 0               |
| 23. Liability for amounts held under uninsured plans .....  | 0                 | 0               |
| 24. Capital notes \$ .....0 and interest thereon \$ .....0 .....  | 0                 | 0               |
| 25. Aggregate write-ins for liabilities .....   | 3,350,052         | 2,129,012       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....   | 55,583,054        | 48,411,990      |
| 27. Protected cell liabilities .....  | 0                 | 0               |
| 28. Total liabilities (Lines 26 and 27) .....   | 55,583,054        | 48,411,990      |
| 29. Aggregate write-ins for special surplus funds .....   | 0                 | 0               |
| 30. Common capital stock .....  | 0                 | 0               |
| 31. Preferred capital stock .....   | 0                 | 0               |
| 32. Aggregate write-ins for other than special surplus funds .....  | 0                 | 0               |
| 33. Surplus notes .....   | 0                 | 0               |
| 34. Gross paid in and contributed surplus .....   | 0                 | 0               |
| 35. Unassigned funds (surplus) .....  | 48,944,140        | 50,661,115      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0 shares common (value included in Line 30 \$ .....0 ) .....  | 0                 | 0               |
| 36.2 .....0 shares preferred (value included in Line 31 \$ .....0 ) .....   | 0                 | 0               |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....  | 48,944,140        | 50,661,115      |
| 38. TOTALS (Page 2, Line 28, Col. 3)  | 104,527,194       | 99,073,105      |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 2501. Subscriber savings accounts payable to terminated policyholders .....   | 1,450,000         | 1,660,000       |
| 2502. Self Insurance funds held .....   | 1,900,052         | 469,012         |
| 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)  | 3,350,052         | 2,129,012       |
| 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               |



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**STATEMENT OF INCOME**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 16,007,757        | 13,531,041      |
| <b>DEDUCTIONS:</b>   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 10,332,435        | 5,199,971       |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 4,472,504         | 4,936,372       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 2,053,338         | 1,709,635       |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 16,858,277        | 11,845,978      |
| 7. Net income of protected cells.....  | 0                 | 0               |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....  | (850,520)         | 1,685,063       |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 2,181,566         | 2,266,628       |
| 10. Net realized capital gains or (losses) less capital gains tax of \$ 761,652 (Exhibit of Capital Gains (Losses) ).....                                    | 1,563,746         | 220,289         |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 3,745,312         | 2,486,917       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 20,654 amount charged off \$ 0 ).....                                  | 20,654            | (18,902)        |
| 13. Finance and service charges not included in premiums.....  | 0                 | 0               |
| 14. Aggregate write-ins for miscellaneous income.....  | 466,915           | 131,038         |
| 15. Total other income (Lines 12 through 14).....  | 487,569           | 112,136         |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 3,382,361         | 4,284,116       |
| 17. Dividends to policyholders.....  | 0                 | 0               |
| 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)..... | 3,382,361         | 4,284,116       |
| 19. Federal and foreign income taxes incurred.....   | (232,755)         | 407,566         |
| 20. Net income (Line 18 minus Line 19)(to Line 22).....  | 3,615,116         | 3,876,550       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 50,661,114        | 50,495,261      |
| 22. Net income (from Line 20).....   | 3,615,116         | 3,876,550       |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                 | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (117,198).....   | 1,508,007         | 791,212         |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                 | 0               |
| 26. Change in net deferred income tax.....   | (392,348)         | (8,965)         |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....   | (1,080,899)       | 82,594          |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | 0                 | 0               |
| 29. Change in surplus notes.....   | 0                 | (1,000,000)     |
| 30. Surplus (contributed to) withdrawn from protected cells.....   | 0                 | 0               |
| 31. Cumulative effect of changes in accounting principles.....   | 0                 | 0               |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  | 0                 | 0               |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 32.3 Transferred to surplus.....   | 0                 | 0               |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  | 0                 | 0               |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                 | 0               |
| 33.3 Transferred from capital.....   | 0                 | 0               |
| 34. Net remittances from or (to) Home Office.....  | 0                 | 0               |
| 35. Dividends to stockholders.....   | 0                 | 0               |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus.....   | (5,366,850)       | (3,575,538)     |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | (1,716,974)       | 165,853         |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 48,944,140        | 50,661,114      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   |                   |                 |
| 0502. ....   |                   |                 |
| 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).....   | 0                 | 0               |
| 1401. Self Insurance Admin Income.....   | 2,796,624         | 2,774,394       |
| 1402. Self Insurance Admin Expense.....  | (2,329,709)       | (2,643,356)     |
| 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).....  | 466,915           | 131,038         |
| 3701. Subscriber savings accounts due to terminated policyholders.....   | (1,450,000)       | (1,660,000)     |
| 3702. Distribution of Subscriber's Savings Accounts.....   | (3,916,850)       | (1,757,443)     |
| 3703. Adjustments to prior year balances.....  | 0                 | (158,095)       |
| 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).....  | (5,366,850)       | (3,575,538)     |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**CASH FLOW**

|   | 1            | 2           |
|---|--------------|-------------|
|   | Current Year | Prior Year  |
| <b>Cash from Operations</b>   |              |             |
| 1. Premiums collected net of reinsurance .....  | 17,331,033   | 14,036,388  |
| 2. Net investment income .....  | 2,703,355    | 2,744,176   |
| 3. Miscellaneous income .....   | 487,569      | 111,202     |
| 4. Total (Lines 1 through 3) .....  | 20,521,957   | 16,891,766  |
| 5. Benefit and loss related payments .....  | 6,184,736    | 3,909,099   |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    | 0            | 0           |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 6,486,411    | 6,031,170   |
| 8. Dividends paid to policyholders .....  | 0            | 0           |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....       | 690,064      | 335,550     |
| 10. Total (Lines 5 through 9) .....   | 13,361,211   | 10,275,819  |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | 7,160,746    | 6,615,947   |
| <b>Cash from Investments</b>  |              |             |
| 12. Proceeds from investments sold, matured or repaid:  |              |             |
| 12.1 Bonds .....  | 27,764,395   | 20,985,902  |
| 12.2 Stocks .....   | 1,902,656    | 900,000     |
| 12.3 Mortgage loans .....   | 0            | 0           |
| 12.4 Real estate .....  | 0            | 0           |
| 12.5 Other invested assets .....  | 0            | 0           |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | 0            | 0           |
| 12.7 Miscellaneous proceeds .....   | 0            | 0           |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 29,667,051   | 21,885,902  |
| 13. Cost of investments acquired (long-term only):  |              |             |
| 13.1 Bonds .....  | 29,425,140   | 20,740,830  |
| 13.2 Stocks .....   | 1,317,865    | 326,126     |
| 13.3 Mortgage loans .....   | 0            | 0           |
| 13.4 Real estate .....  | 0            | 0           |
| 13.5 Other invested assets .....  | 1,000,000    | 0           |
| 13.6 Miscellaneous applications .....   | 0            | 0           |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 31,743,005   | 21,066,956  |
| 14. Net increase (decrease) in contract loans and premium notes .....   | 0            | 0           |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (2,075,954)  | 818,946     |
| <b>Cash from Financing and Miscellaneous Sources</b>  |              |             |
| 16. Cash provided (applied):  |              |             |
| 16.1 Surplus notes, capital notes .....   | 0            | (1,000,000) |
| 16.2 Capital and paid in surplus, less treasury stock .....   | 0            | 0           |
| 16.3 Borrowed funds .....   | 500,000      | 0           |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0            | 0           |
| 16.5 Dividends to stockholders .....  | 0            | 0           |
| 16.6 Other cash provided (applied) .....  | (4,215,810)  | (6,576,528) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (3,715,810)  | (7,576,528) |
| <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 Lines 15 and 17) .....       | 1,368,982    | (141,635)   |
| 19. Cash, cash equivalents and short-term investments:  |              |             |
| 19.1 Beginning of year .....  | 2,278,732    | 2,420,367   |
| 19.2 End of period (Line 18 plus Line 19.1) .....   | 3,647,714    | 2,278,732   |

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

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

| Line of Business            |   | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(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 .....                   | 7,566,445   | 820,121   | 873,347   | 7,513,219  |
| 11.2                        | Medical professional liability - claims-made .....                  | 8,796,737   | 4,086,255   | 4,601,365   | 8,281,627  |
| 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 .....                                  | 70,275  | 12,341  | 12,341  | 70,275   |
| 17.2                        | Other liability - claims-made .....                                 | 154,965   | 25,881  | 38,210  | 142,636  |
| 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 .....                | 0   | 0   | 0   | 0  |
| 32.                         | Reinsurance - nonproportional assumed liability .....               | 0   | 0   | 0   | 0  |
| 33.                         | Reinsurance - nonproportional assumed financial lines .....         | 0   | 0   | 0   | 0  |
| 34.                         | Aggregate write-ins for other lines of business .....               | 0   | 0   | 0   | 0  |
| 35.                         | <b>TOTALS</b>   | <b>16,588,422</b>                                     | <b>4,944,598</b>  | <b>5,525,263</b>  | <b>16,007,757</b>  |
| <b>DETAILS OF WRITE-INS</b> |   |   |   |   |  |
| 3401.                       | .....   |   |   |   |  |
| 3402.                       | .....   |   |   |   |  |
| 3403.                       | .....   |   |   |   |  |
| 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  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business            |   | 1   | 2   | 3                              | 4  | 5   |
|-----------------------------|---|---|---|--------------------------------|--|---|
|                             |   | Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | Earned But Unbilled<br>Premium | Reserve for Rate<br>Credits and<br>Retrospective<br>Adjustments Based<br>on Experience | Total Reserve for<br>Unearned Premiums<br>Cols. 1 + 2 + 3 + 4 |
| 1.                          | Fire .....  | 0   | 0   | 0                              | 0  | 0   |
| 2.                          | Allied lines .....  | 0   | 0   | 0                              | 0  | 0   |
| 3.                          | Farmowners multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 4.                          | Homeowners multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 5.                          | Commercial multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 6.                          | Mortgage guaranty .....   | 0   | 0   | 0                              | 0  | 0   |
| 8.                          | Ocean marine .....  | 0   | 0   | 0                              | 0  | 0   |
| 9.                          | Inland marine .....   | 0   | 0   | 0                              | 0  | 0   |
| 10.                         | Financial guaranty .....  | 0   | 0   | 0                              | 0  | 0   |
| 11.1                        | Medical professional liability - occurrence .....                   | 873,347   | 0   | 0                              | 0  | 873,347   |
| 11.2                        | Medical professional liability - claims-made .....                  | 2,674,365   | 1,927,000   | 0                              | 0  | 4,601,365   |
| 12.                         | Earthquake .....  | 0   | 0   | 0                              | 0  | 0   |
| 13.                         | Group accident and health .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 14.                         | Credit accident and health (group and individual) .....             | 0   | 0   | 0                              | 0  | 0   |
| 15.                         | Other accident and health .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 16.                         | Workers' compensation .....   | 0   | 0   | 0                              | 0  | 0   |
| 17.1                        | Other liability - occurrence .....                                  | 12,341  | 0   | 0                              | 0  | 12,341  |
| 17.2                        | Other liability - claims-made .....                                 | 38,210  | 0   | 0                              | 0  | 38,210  |
| 17.3                        | Excess workers' compensation .....                                  | 0   | 0   | 0                              | 0  | 0   |
| 18.1                        | Products liability - occurrence .....                               | 0   | 0   | 0                              | 0  | 0   |
| 18.2                        | Products liability - claims-made .....                              | 0   | 0   | 0                              | 0  | 0   |
| 19.1, 19.2                  | Private passenger auto liability .....                              | 0   | 0   | 0                              | 0  | 0   |
| 19.3, 19.4                  | Commercial auto liability .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 21.                         | Auto physical damage .....  | 0   | 0   | 0                              | 0  | 0   |
| 22.                         | Aircraft (all perils) .....   | 0   | 0   | 0                              | 0  | 0   |
| 23.                         | Fidelity .....  | 0   | 0   | 0                              | 0  | 0   |
| 24.                         | Surety .....  | 0   | 0   | 0                              | 0  | 0   |
| 26.                         | Burglary and theft .....  | 0   | 0   | 0                              | 0  | 0   |
| 27.                         | Boiler and machinery .....  | 0   | 0   | 0                              | 0  | 0   |
| 28.                         | Credit .....  | 0   | 0   | 0                              | 0  | 0   |
| 29.                         | International .....   | 0   | 0   | 0                              | 0  | 0   |
| 30.                         | Warranty .....  | 0   | 0   | 0                              | 0  | 0   |
| 31.                         | Reinsurance - nonproportional assumed property .....                | 0   | 0   | 0                              | 0  | 0   |
| 32.                         | Reinsurance - nonproportional assumed liability .....               | 0   | 0   | 0                              | 0  | 0   |
| 33.                         | Reinsurance - nonproportional assumed financial lines .....         | 0   | 0   | 0                              | 0  | 0   |
| 34.                         | Aggregate write-ins for other lines of business .....               | 0   | 0   | 0                              | 0  | 0   |
| 35.                         | <b>TOTALS</b> .....   | <b>3,598,263</b>  | <b>1,927,000</b>  | <b>0</b>                       | <b>0</b>   | <b>5,525,263</b>  |
| 36.                         | Accrued retrospective premiums based on experience .....            |   |   |                                |  | 0   |
| 37.                         | Earned but unbilled premiums .....                                  |   |   |                                |  | 0   |
| 38.                         | Balance (Sum of Line 35 through 37) .....                           |   |   |                                |  | 5,525,263   |
| <b>DETAILS OF WRITE-INS</b> |   |   |   |                                |  |   |
| 3401.                       | .....   |   |   |                                |  |   |
| 3402.                       | .....   |   |   |                                |  |   |
| 3403.                       | .....   |   |   |                                |  |   |
| 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: Daily Prorata; Col. 2 Actuarial Calculation .....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

| Line of Business  | 1<br>Direct Business (a) | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6<br>Net Premiums<br>Written<br>Cols. 1+2+3-4-5 |
|---|--------------------------|----------------------|--------------------------|--------------------|------------------------|---|
|   |                          | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates |   |
| 1. Fire   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 2. Allied lines   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 3. Farmowners multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 4. Homeowners multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 5. Commercial multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 6. Mortgage guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 8. Ocean marine   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 9. Inland marine  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 10. Financial guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 11.1 Medical professional liability - occurrence                    | 8,652,585                | 0                    | 0                        | 0                  | 1,086,140              | 7,566,445                                       |
| 11.2 Medical professional liability - claims-made                   | 10,098,715               | 0                    | 0                        | 0                  | 1,301,978              | 8,796,737                                       |
| 12. Earthquake  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 13. Group accident and health                                       | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 14. Credit accident and health (group and individual)               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 15. Other accident and health                                       | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 16. Workers' compensation   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 17.1 Other liability - occurrence                                   | 70,275                   | 0                    | 0                        | 0                  | 0                      | 70,275  |
| 17.2 Other liability - claims-made                                  | 154,965                  | 0                    | 0                        | 0                  | 0                      | 154,965   |
| 17.3 Excess workers' compensation                                   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 18.1 Products liability - occurrence                                | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 18.2 Products liability - claims-made                               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 19.1, 19.2 Private passenger auto liability                         | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 19.3, 19.4 Commercial auto liability                                | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 21. Auto physical damage  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 22. Aircraft (all perils)   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 23. Fidelity  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 24. Surety  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 26. Burglary and theft  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 27. Boiler and machinery  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 28. Credit  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 29. International   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 30. Warranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 31. Reinsurance - nonproportional assumed property                  | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 32. Reinsurance - nonproportional assumed liability                 | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 34. Aggregate write-ins for other lines of business                 | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 35. TOTALS  | 18,976,540               | 0                    | 0                        | 0                  | 2,388,118              | 16,588,422                                      |
| <b>DETAILS OF WRITE-INS</b>   |                          |                      |                          |                    |                        |   |
| 3401.   |                          |                      |                          |                    |                        |   |
| 3402.   |                          |                      |                          |                    |                        |   |
| 3403.   |                          |                      |                          |                    |                        |   |
| 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 reported on an annualized basis \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

| Line of Business  | Losses Paid Less Salvage |                             |                               |  | 5<br>Net Losses Unpaid<br>Current Year<br>(Part 2A , Col. 8) | 6<br>Net Losses Unpaid<br>Prior Year | 7<br>Losses Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2) to<br>Premiums Earned<br>(Col. 4, Part 1) |
|---|--------------------------|-----------------------------|-------------------------------|--|--|--------------------------------------|---|---|
|   | 1<br>Direct Business     | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 -3 ) |  |                                      |   |   |
| 1. Fire .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 2. Allied lines .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 3. Farmowners multiple peril .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 4. Homeowners multiple peril .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 5. Commercial multiple peril .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 6. Mortgage guaranty .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 8. Ocean marine .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 9. Inland marine .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 10. Financial guaranty .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 11.1 Medical professional liability - occurrence .....                    | 1,344,171                | 0                           | 0                             | 1,344,171                              | 13,818,913   | 15,230,344                           | (67,260)  | (0.9)   |
| 11.2 Medical professional liability - claims-made .....                   | 7,195,823                | 0                           | 2,500,000                     | 4,695,823                              | 12,543,831   | 6,964,908                            | 10,274,746  | 124.1   |
| 12. Earthquake .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 13. Group accident and health .....                                       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 14. Credit accident and health (group and individual) .....               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 15. Other accident and health .....                                       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 16. Workers' compensation .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 17.1 Other liability - occurrence .....                                   | (33,115)                 | 0                           | 0                             | (33,115)                               | 100,638  | 81,133                               | (13,610)  | (19.4)  |
| 17.2 Other liability - claims-made .....                                  | 73,616                   | 0                           | 0                             | 73,616                                 | 112,644  | 47,701                               | 138,559   | 97.1  |
| 17.3 Excess workers' compensation .....                                   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 18.1 Products liability - occurrence .....                                | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 18.2 Products liability - claims-made .....                               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 19.1, 19.2 Private passenger auto liability .....                         | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 19.3, 19.4 Commercial auto liability .....                                | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 21. Auto physical damage .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 22. Aircraft (all perils) .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 23. Fidelity .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 24. Surety .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 26. Burglary and theft .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 27. Boiler and machinery .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 28. Credit .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 29. International .....   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 30. Warranty .....  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 34. Aggregate write-ins for other lines of business .....                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 35. TOTALS .....  | 8,580,495                | 0                           | 2,500,000                     | 6,080,495                              | 26,576,026   | 22,324,086                           | 10,332,435  | 64.5  |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                               |  |  |                                      |   |   |
| 3401. ....  |                          |                             |                               |  |  |                                      |   |   |
| 3402. ....  |                          |                             |                               |  |  |                                      |   |   |
| 3403. ....  |                          |                             |                               |  |  |                                      |   |   |
| 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   |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business  | Reported Losses |                             |   |  | Incurred But Not Reported |                             |                           | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid<br>Loss Adjustment<br>Expenses |
|---|-----------------|-----------------------------|---|--|---------------------------|-----------------------------|---------------------------|---|--|
|   | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct<br>Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But Not<br>Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |   |  |
| 1. Fire   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 2. Allied lines   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 3. Farmowners multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 4. Homeowners multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 5. Commercial multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 6. Mortgage guaranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 8. Ocean marine   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 9. Inland marine  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 10. Financial guaranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 11.1 Medical professional liability - occurrence                    | 4,707,179       | 0                           | 0   | 4,707,179  | 11,801,289                | 0                           | 2,689,555                 | 13,818,913                                      | 11,348,639                                     |
| 11.2 Medical professional liability - claims-made                   | 6,867,963       | 0                           | 175,000                                   | 6,692,963  | 7,295,110                 | 0                           | 1,444,242                 | 12,543,831                                      | 6,129,980                                      |
| 12. Earthquake  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 13. Group accident and health                                       | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | (a) 0   | 0  |
| 14. Credit accident and health (group and individual)               | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 15. Other accident and health                                       | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | (a) 0   | 0  |
| 16. Workers' compensation   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 17.1 Other liability - occurrence                                   | 0               | 0                           | 0   | 0  | 100,638                   | 0                           | 0                         | 100,638   | 79,075   |
| 17.2 Other liability - claims-made                                  | 0               | 0                           | 0   | 0  | 112,644                   | 0                           | 0                         | 112,644   | 87,999   |
| 17.3 Excess workers' compensation                                   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 18.1 Products liability - occurrence                                | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 18.2 Products liability - claims-made                               | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability                         | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 19.3, 19.4 Commercial auto liability                                | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 21. Auto physical damage  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 22. Aircraft (all perils)   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 23. Fidelity  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 24. Surety  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 26. Burglary and theft  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 27. Boiler and machinery  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 28. Credit  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 29. International   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 30. Warranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property                  | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability                 | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 34. Aggregate write-ins for other lines of business                 | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 35. TOTALS  | 11,575,142      | 0                           | 175,000                                   | 11,400,142   | 19,309,681                | 0                           | 4,133,797                 | 26,576,026                                      | 17,645,693                                     |
| <b>DETAILS OF WRITE-INS</b>   |                 |                             |   |  |                           |                             |                           |   |  |
| 3401.   |                 |                             |   |  |                           |                             |                           |   |  |
| 3402.   |                 |                             |   |  |                           |                             |                           |   |  |
| 3403.   |                 |                             |   |  |                           |                             |                           |   |  |
| 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.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**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 .....  | 3,331,159                | 0                           | 0                   | 3,331,159  |
| 1.2 Reinsurance assumed .....   | 0                        | 0                           | 0                   | 0          |
| 1.3 Reinsurance ceded .....   | 33,568                   | 0                           | 0                   | 33,568     |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                | 3,297,591                | 0                           | 0                   | 3,297,591  |
| 2. Commission and brokerage:  |                          |                             |                     |            |
| 2.1 Direct excluding contingent .....   | 0                        | (191,863)                   | 0                   | (191,863)  |
| 2.2 Reinsurance assumed, excluding contingent .....                                     | 0                        | 0                           | 0                   | 0          |
| 2.3 Reinsurance ceded, excluding contingent .....                                       | 0                        | 0                           | 0                   | 0          |
| 2.4 Contingent - direct .....   | 0                        | 0                           | 0                   | 0          |
| 2.5 Contingent - reinsurance assumed .....  | 0                        | 0                           | 0                   | 0          |
| 2.6 Contingent - reinsurance ceded .....  | 0                        | 0                           | 0                   | 0          |
| 2.7 Policy and membership fees .....  | 0                        | 0                           | 0                   | 0          |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....        | 0                        | (191,863)                   | 0                   | (191,863)  |
| 3. Allowances to managers and agents .....  | 0                        | 0                           | 0                   | 0          |
| 4. Advertising .....  | 0                        | 0                           | 0                   | 0          |
| 5. Boards, bureaus and associations .....   | 0                        | 0                           | 0                   | 0          |
| 6. Surveys and underwriting reports .....   | 0                        | 0                           | 0                   | 0          |
| 7. Audit of assureds' records .....   | 0                        | 0                           | 0                   | 0          |
| 8. Salary and related items:  |                          |                             |                     |            |
| 8.1 Salaries .....  | 0                        | 0                           | 0                   | 0          |
| 8.2 Payroll taxes .....   | 0                        | 0                           | 0                   | 0          |
| 9. Employee relations and welfare .....   | 129,274                  | 227,934                     | 6,988               | 364,196    |
| 10. Insurance .....   | 19,427                   | 32,884                      | 1,050               | 53,361     |
| 11. Directors' fees .....   | 5,297                    | 8,967                       | 286                 | 14,550     |
| 12. Travel and travel items .....   | 0                        | 200,005                     | 0                   | 200,005    |
| 13. Rent and rent items .....   | 48,627                   | 82,305                      | 2,628               | 133,560    |
| 14. Equipment .....   | 18,233                   | 30,861                      | 985                 | 50,079     |
| 15. Cost or depreciation of EDP equipment and software .....                            | 153,790                  | 260,308                     | 8,313               | 422,411    |
| 16. Printing and stationery .....   | 19,764                   | 27,867                      | 1,068               | 48,699     |
| 17. Postage, telephone and telegraph, exchange and express .....                        | 2,611                    | 4,422                       | 141                 | 7,174      |
| 18. Legal and auditing .....  | 204,206                  | 284,429                     | 348,437             | 837,072    |
| 19. Totals (Lines 3 to 18) .....  | 601,229                  | 1,159,982                   | 369,896             | 2,131,107  |
| 20. Taxes, licenses and fees:   |                          |                             |                     |            |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... | 0                        | 110,600                     | 0                   | 110,600    |
| 20.2 Insurance department licenses and fees .....                                       | 0                        | 3,603                       | 0                   | 3,603      |
| 20.3 Gross guaranty association assessments .....                                       | 0                        | 0                           | 0                   | 0          |
| 20.4 All other (excluding federal and foreign income and real estate) .....             | 0                        | 0                           | 0                   | 0          |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   | 0                        | 114,203                     | 0                   | 114,203    |
| 21. Real estate expenses .....  | 0                        | 0                           | 0                   | 0          |
| 22. Real estate taxes .....   | 0                        | 0                           | 0                   | 0          |
| 23. Reimbursements by uninsured plans .....   | 0                        | 0                           | 0                   | 0          |
| 24. Aggregate write-ins for miscellaneous expenses .....                                | 573,684                  | 971,016                     | 31,010              | 1,575,710  |
| 25. Total expenses incurred .....   | 4,472,504                | 2,053,338                   | 400,906 (a)         | 6,926,748  |
| 26. Less unpaid expenses - current year .....   | 17,645,693               | 0                           | 0                   | 17,645,693 |
| 27. Add unpaid expenses - prior year .....  | 17,415,882               | 999,551                     | 0                   | 18,415,433 |
| 28. Amounts receivable relating to uninsured plans, prior year .....                    | 0                        | 0                           | 0                   | 0          |
| 29. Amounts receivable relating to uninsured plans, current year .....                  | 0                        | 0                           | 0                   | 0          |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....                            | 4,242,693                | 3,052,889                   | 400,906             | 7,696,488  |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                     |            |
| 2401. Purchased Services .....  | 573,684                  | 971,016                     | 31,010              | 1,575,710  |
| 2402. ....  |                          |                             |                     |            |
| 2403. ....  |                          |                             |                     |            |
| 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) .....                      | 573,684                  | 971,016                     | 31,010              | 1,575,710  |

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



**EXHIBIT OF NET INVESTMENT INCOME**

|   | 1<br>Collected During Year | 2<br>Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. Government bonds  | (a) 221,767                | 211,019                 |
| 1.1 Bonds exempt from U.S. tax  | (a) 0                      | 0                       |
| 1.2 Other bonds (unaffiliated)  | (a) 2,039,187              | 2,041,742               |
| 1.3 Bonds of affiliates   | (a) 0                      | 0                       |
| 2.1 Preferred stocks (unaffiliated)                                     | (b) 0                      | 0                       |
| 2.11 Preferred stocks of affiliates                                     | (b) 0                      | 0                       |
| 2.2 Common stocks (unaffiliated)  | 324,495                    | 324,495                 |
| 2.21 Common stocks of affiliates  | 0                          | 0                       |
| 3. Mortgage loans   | (c) 0                      | 0                       |
| 4. Real estate  | (d) 0                      | 0                       |
| 5. Contract loans   | 0                          | 0                       |
| 6. Cash, cash equivalents and short-term investments                    | (e) 9,766                  | 11,207                  |
| 7. Derivative instruments   | (f) 0                      | 0                       |
| 8. Other invested assets  | 0                          | 0                       |
| 9. Aggregate write-ins for investment income                            | 0                          | 0                       |
| 10. Total gross investment income                                       | 2,595,215                  | 2,588,464               |
| 11. Investment expenses   |                            | (g) 400,906             |
| 12. Investment taxes, licenses and fees, excluding federal income taxes |                            | (g) 0                   |
| 13. Interest expense  |                            | (h) 5,992               |
| 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)                              |                            | 406,898                 |
| 17. Net investment income (Line 10 minus Line 16)                       |                            | 2,181,566               |
| <b>DETAILS OF WRITE-INS</b>   |                            |                         |
| 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 \$ 40,816 accrual of discount less \$ 560,058 amortization of premium and less \$ 123,797 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 \$ 0 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 \$ 0 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  | 2                             | 3  | 4  | 5   |
|--|--|-------------------------------|--|--|---|
|  | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1. U.S. Government bonds   | (40,310)                                     | 0                             | (40,310)   | 0  | 0   |
| 1.1 Bonds exempt from U.S. tax                                     | 0  | 0                             | 0  | 0  | 0   |
| 1.2 Other bonds (unaffiliated)                                     | 1,816,626                                    | 0                             | 1,816,626  | 43,079   | 0   |
| 1.3 Bonds of affiliates  | 0  | 0                             | 0  | 0  | 0   |
| 2.1 Preferred stocks (unaffiliated)                                | 0  | 0                             | 0  | 0  | 0   |
| 2.11 Preferred stocks of affiliates                                | 0  | 0                             | 0  | 0  | 0   |
| 2.2 Common stocks (unaffiliated)                                   | 549,082                                      | 0                             | 549,082  | 1,340,904                                      | 0   |
| 2.21 Common stocks of affiliates                                   | 0  | 0                             | 0  | 0  | 0   |
| 3. Mortgage loans  | 0  | 0                             | 0  | 0  | 0   |
| 4. Real estate   | 0  | 0                             | 0  | 0  | 0   |
| 5. Contract loans  | 0  | 0                             | 0  | 0  | 0   |
| 6. Cash, cash equivalents and short-term investments               | 0  | 0                             | 0  | 0  | 0   |
| 7. Derivative instruments  | 0  | 0                             | 0  | 0  | 0   |
| 8. Other invested assets   | 0  | 0                             | 0  | 6,827  | 0   |
| 9. Aggregate write-ins for capital gains (losses)                  | 0  | 0                             | 0  | 0  | 0   |
| 10. Total capital gains (losses)                                   | 2,325,398                                    | 0                             | 2,325,398  | 1,390,810                                      | 0   |
| <b>DETAILS OF WRITE-INS</b>  |  |                               |  |  |   |
| 0901.  |  |                               |  |  |   |
| 0902.  |  |                               |  |  |   |
| 0903.  |  |                               |  |  |   |
| 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   |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**EXHIBIT OF NON-ADMITTED ASSETS**

|   | 1  | 2                                      | 3  |
|---|--|--|--|
|   | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....   | 0  | 0                                      | 0  |
| 2. Stocks (Schedule D):   |  |  |  |
| 2.1 Preferred stocks .....  | 0  | 0                                      | 0  |
| 2.2 Common stocks .....   | 0  | 0                                      | 0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |  |
| 3.1 First liens .....   | 0  | 0                                      | 0  |
| 3.2 Other than first liens.....   | 0  | 0                                      | 0  |
| 4. Real estate (Schedule A):  |  |  |  |
| 4.1 Properties occupied by the company .....  | 0  | 0                                      | 0  |
| 4.2 Properties held for the production of income.....   | 0  | 0                                      | 0  |
| 4.3 Properties held for sale .....  | 0  | 0                                      | 0  |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... | 0  | 0                                      | 0  |
| 6. Contract loans .....   | 0  | 0                                      | 0  |
| 7. Derivatives (Schedule DB) .....  | 0  | 0                                      | 0  |
| 8. Other invested assets (Schedule BA) .....  | 1,006,827                                | 0                                      | (1,006,827)  |
| 9. Receivables for securities .....   | 0  | 0                                      | 0  |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....   | 0  | 0                                      | 0  |
| 11. Aggregate write-ins for invested assets .....   | 0  | 0                                      | 0  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....   | 1,006,827                                | 0                                      | (1,006,827)  |
| 13. Title plants (for Title insurers only) .....  | 0  | 0                                      | 0  |
| 14. Investment income due and accrued .....   | 0  | 0                                      | 0  |
| 15. Premiums and considerations:  |  |  |  |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....  | 37,899                                   | 33,827                                 | (4,072)  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     | 0  | 0                                      | 0  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      | 0  | 0                                      | 0  |
| 16. Reinsurance:  |  |  |  |
| 16.1 Amounts recoverable from reinsurers .....  | 0  | 0                                      | 0  |
| 16.2 Funds held by or deposited with reinsured companies .....  | 0  | 0                                      | 0  |
| 16.3 Other amounts receivable under reinsurance contracts .....   | 0  | 0                                      | 0  |
| 17. Amounts receivable relating to uninsured plans .....  | 0  | 0                                      | 0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      | 0  | 0                                      | 0  |
| 18.2 Net deferred tax asset .....   | 0  | 0                                      | 0  |
| 19. Guaranty funds receivable or on deposit .....   | 0  | 0                                      | 0  |
| 20. Electronic data processing equipment and software .....   | 0  | 0                                      | 0  |
| 21. Furniture and equipment, including health care delivery assets .....  | 0  | 0                                      | 0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....  | 0  | 0                                      | 0  |
| 23. Receivables from parent, subsidiaries and affiliates .....  | 0  | 0                                      | 0  |
| 24. Health care and other amounts receivable .....  | 0  | 0                                      | 0  |
| 25. Aggregate write-ins for other than invested assets .....  | 1,607,000                                | 1,537,000                              | (70,000)   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 2,651,726                                | 1,570,827                              | (1,080,899)  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       | 0  | 0                                      | 0  |
| 28. Total (Lines 26 and 27)   | 2,651,726                                | 1,570,827                              | (1,080,899)  |
| <b>DETAILS OF WRITE-INS</b>   |  |  |  |
| 1101. ....  |  |  |  |
| 1102. ....  |  |  |  |
| 1103. ....  |  |  |  |
| 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. Cash advance to AIF receivable .....  | 1,607,000                                | 1,537,000                              | (70,000)   |
| 2502. ....  |  |  |  |
| 2503. ....  |  |  |  |
| 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)  | 1,607,000                                | 1,537,000                              | (70,000)   |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

#### A. Accounting Practices

The accompanying financial statements of the Michigan Professional Insurance Exchange (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP), and the State of Michigan. The Michigan prescribed and permitted accounting practices used in the preparation of the accompanying financial statements did not differ from NAIC SAP.

|  | SSAP # | F/S<br>Page | F/S<br>Line # | 2017       | 2016       |
|--|--------|-------------|---------------|------------|------------|
| <b>NET INCOME</b>  |        |             |               |            |            |
| (1) State basis (Page 4, Line 20, Columns 1 & 2) .....                                 | XXX    | XXX         | XXX           | 3,615,116  | 3,876,550  |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:<br>..... |        |             |               |            |            |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:<br>.....  |        |             |               |            |            |
| (4) NAIC SAP (1-2-3=4) .....   | XXX    | XXX         | XXX           | 3,615,116  | 3,876,550  |
| <b>SURPLUS</b>   |        |             |               |            |            |
| (5) State basis (Page 3, Line 37, Columns 1 & 2) .....                                 | XXX    | XXX         | XXX           | 48,944,140 | 50,661,115 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:<br>..... |        |             |               |            |            |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:<br>.....  |        |             |               |            |            |
| (8) NAIC SAP (5-6-7=8) .....   | XXX    | XXX         | XXX           | 48,944,140 | 50,661,115 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate: N/A
- (6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) The Company nonadmits its investment in subsidiaries.
- (8) The Company does not have any investments in joint ventures or partnerships.
- (9) The Company does not hold any derivatives.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount 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 not modified its capitalization policy from the prior period.
- (13) The company does not anticipate any pharmaceutical rebate receivables.

#### D. Going Concern

Management does not have any substantial doubt about the company's ability to continue as a going concern.

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

None

### NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method: Not applicable

B. Statutory Merger: Not applicable

---

**NOTES TO FINANCIAL STATEMENTS**


---

C. Impairment Loss: Not applicable

**NOTE 4 – DISCONTINUED OPERATIONS**

A. Discontinued Operation Disposed or Classified as Held for Sale

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) None

B. Change in Plan of Sale of Discontinued Operation: None

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal: None

D. Equity Interest Retained in the Discontinued Operation After Disposal: None

**NOTE 5 – INVESTMENTS**

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable

B. Debt Restructuring

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

C. Reverse Mortgages

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

D. Loan-Backed Securities

- (1) For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.
- (2) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the Company had neither the intent to sell the securities or the inability or lack of intent to retain.
- (3) Recognized OTTI securities: The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the present value of cash flows expected to be collected is less than the amortized cost basis of the securities
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
  - a. The aggregate amount of unrealized losses:
    1. Less than 12 Months ..... 133,995
    2. 12 Months or Longer ..... 32,491
  - b. The aggregate related fair value of securities with unrealized losses:
    1. Less than 12 Months ..... 12,362,003
    2. 12 Months or Longer ..... 2,327,456

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) Not applicable
- (2) Not applicable
- (3) Not applicable
- (4) Not applicable

**NOTES TO FINANCIAL STATEMENTS**

- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- F. Repurchase Agreements – Transactions Accounted for as Secured Borrowing: None
- G. Reverse Repurchase Agreements – Transactions Accounted for as Secured Borrowing: None
- H. Repurchase Agreements – Transactions Accounted for as a Sale: None
- I. Reverse Repurchase Agreements – Transactions Accounted for as a Sale: None
- J. Real Estate: None
- K. Low-Income Housing Tax Credits (LIHTC): None
- L. Restricted Assets: None
- M. Working Capital Finance Investments: None
- N. Offsetting and Netting of Assets and Liabilities: None
- O. Structured Notes: None
- P. 5\* Securities: None
- Q. Short Sales: None
- R. Prepayment Penalty and Acceleration Fees: None

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

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

**NOTE 7 – INVESTMENT INCOME**

- A. The Company Does not admit investment income due and accrued if amounts are over 90 days past due.
- B. Not applicable

**NOTE 8 – DERIVATIVE INSTRUMENTS**

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. Not applicable
- F. Not applicable

**NOTE 9 – INCOME TAXES**

- A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

1.

|  | As of End of Current Period |           |                       | 12/31/2016 |           |                       | Change                   |                         |                       |
|--|-----------------------------|-----------|-----------------------|------------|-----------|-----------------------|--------------------------|-------------------------|-----------------------|
|  | (1)                         | (2)       | (3)                   | (4)        | (5)       | (6)                   | (7)                      | (8)                     | (9)                   |
|  | Ordinary                    | Capital   | (Col. 1 + 2)<br>Total | Ordinary   | Capital   | (Col. 4 + 5)<br>Total | (Col. 1 - 4)<br>Ordinary | (Col. 2 - 5)<br>Capital | (Col. 7 + 8)<br>Total |
| (a) Gross Deferred Tax Assets  | 624,421                     | 46,814    | 671,235               | 958,804    | 104,778   | 1,063,582             | (334,383)                | (57,964)                | (392,347)             |
| (b) Statutory Valuation Allowance Adjustment                               |                             |           | 0                     | 0          | 0         | 0                     | 0                        | 0                       | 0                     |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)                           | 624,421                     | 46,814    | 671,235               | 958,804    | 104,778   | 1,063,582             | (334,383)                | (57,964)                | (392,347)             |
| (d) Deferred Tax Assets Nonadmitted  |                             |           | 0                     | 0          | 0         | 0                     | 0                        | 0                       | 0                     |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)                     | 624,421                     | 46,814    | 671,235               | 958,804    | 104,778   | 1,063,582             | (334,383)                | (57,964)                | (392,347)             |
| (f) Deferred Tax Liabilities   |                             | 949,447   | 949,447               | 0          | 1,066,645 | 1,066,645             | 0                        | (117,198)               | (117,198)             |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | 624,421                     | (902,633) | (278,212)             | 958,804    | (961,867) | (3,063)               | (334,383)                | 59,234                  | (275,149)             |

2.

|   | As of End of Current Period |         |                       | 12/31/2016 |         |                       | Change                   |                         |                       |
|---|-----------------------------|---------|-----------------------|------------|---------|-----------------------|--------------------------|-------------------------|-----------------------|
|   | (1)                         | (2)     | (3)                   | (4)        | (5)     | (6)                   | (7)                      | (8)                     | (9)                   |
|   | Ordinary                    | Capital | (Col. 1 + 2)<br>Total | Ordinary   | Capital | (Col. 4 + 5)<br>Total | (Col. 1 - 4)<br>Ordinary | (Col. 2 - 5)<br>Capital | (Col. 7 + 8)<br>Total |
| Admission Calculation Components  |                             |         |                       |            |         |                       |                          |                         |                       |
| SSAP No. 101  |                             |         |                       |            |         |                       |                          |                         |                       |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks  | 669,807                     |         | 669,807               | 605,577    | 0       | 605,577               | 64,230                   | 0                       | 64,230                |
| (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 |                             |         | 0                     | 168,799    | 0       | 168,799               | (168,799)                | 0                       | (168,799)             |

**NOTES TO FINANCIAL STATEMENTS**

|  |          |        |           |           |         |           |           |          |           |
|--|----------|--------|-----------|-----------|---------|-----------|-----------|----------|-----------|
| Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) .....  |          |        |           |           |         |           |           |          |           |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. ....   |          |        | 0         | 168,799   | 0       | 168,799   | (168,799) | 0        | (168,799) |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. ....   | XXX      | XXX    | 8,005,200 | XXX       | XXX     | 7,538,109 | XXX       | XXX      | 467,091   |
| (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. .... | (45,386) | 46,814 | 1,428     | 353,227   | 104,778 | 458,005   | (398,613) | (57,964) | (456,577) |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) .....  | 624,421  | 46,814 | 671,235   | 1,127,603 | 104,778 | 1,232,381 | (503,182) | (57,964) | (561,146) |

3.

|   |            |            |
|---|------------|------------|
|   | 2017       | 2016       |
| a. Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount. ....                               | 1,089,000  | 1,171,000  |
| b. Amount of Adjusted Capital and Surplus Used to Determine Recovery Period And Threshold Limitation In 2(b)2 Above. .... | 53,368,000 | 50,254,059 |

4.

|  | As of End of Current Period |                | 12/31/2016      |                | Change                          |                                |
|--|-----------------------------|----------------|-----------------|----------------|---------------------------------|--------------------------------|
|  | (1)<br>Ordinary             | (2)<br>Capital | (3)<br>Ordinary | (4)<br>Capital | (5)<br>(Col. 1 - 3)<br>Ordinary | (6)<br>(Col. 2 - 4)<br>Capital |
| 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.    |                             |                |                 |                |                                 |                                |
| 1. Adjusted Gross DTAs amount from Note 9A1(c) .....   | 624,421                     | 46,814         | 958,804         | 104,778        | (334,383)                       | (57,964)                       |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies .....                  |                             |                | 0.000           | 0.000          | 0.000                           | 0.000                          |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e) .....  | 624,421                     | 46,814         | 958,804         | 104,778        | (334,383)                       | (57,964)                       |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies ..... |                             |                | 0.000           | 0.000          | 0.000                           | 0.000                          |

b. Do the Company's tax-planning strategies include the use of reinsurance? ..... Yes [ ] No [ X ]

C. Current income taxes incurred consist of the following major components:

|   | (1)<br>As of End of Current Period | (2)<br>12/31/2016 | (3)<br>(Col. 1 - 2)<br>Change |
|---|------------------------------------|-------------------|-------------------------------|
| 1. Current Income Tax   |                                    |                   |                               |
| (a) Federal .....   | (232,755)                          | 407,566           | (640,321)                     |
| (b) Foreign .....   |                                    | 0                 | 0                             |
| (c) Subtotal .....  | (232,755)                          | 407,566           | (640,321)                     |
| (d) Federal income tax on net capital gains .....                   | 761,652                            | 113,482           | 648,170                       |
| (e) Utilization of capital loss carry-forwards .....                |                                    | 0                 | 0                             |
| (f) Other .....   |                                    | 0                 | 0                             |
| (g) Federal and foreign income taxes incurred .....                 | 528,897                            | 521,048           | 7,849                         |
| 2. Deferred Tax Assets:   |                                    |                   |                               |
| (a) Ordinary:   |                                    |                   |                               |
| (1) Discounting of unpaid losses .....                              | 339,616                            | 552,864           | (213,248)                     |
| (2) Unearned premium reserve .....                                  | 284,804                            | 405,940           | (121,136)                     |
| (3) Policyholder reserves .....                                     |                                    | 0                 | 0                             |
| (4) Investments .....   |                                    | 0                 | 0                             |
| (5) Deferred acquisition costs .....                                |                                    | 0                 | 0                             |
| (6) Policyholder dividends accrual .....                            |                                    | 0                 | 0                             |
| (7) Fixed Assets .....  |                                    | 0                 | 0                             |
| (8) Compensation and benefits accrual .....                         |                                    | 0                 | 0                             |
| (9) Pension accrual .....   |                                    | 0                 | 0                             |
| (10) Receivables - nonadmitted .....                                |                                    | 0                 | 0                             |
| (11) Net operating loss carry-forward .....                         |                                    | 0                 | 0                             |
| (12) Tax credit carry-forward .....                                 |                                    | 0                 | 0                             |
| (13) Other (including items <5% of total ordinary tax assets) ..... |                                    | 0                 | 0                             |
| (99) Subtotal .....   | 624,420                            | 958,804           | (334,384)                     |
| (b) Statutory valuation allowance adjustment .....                  |                                    | 0                 | 0                             |
| (c) Nonadmitted .....   |                                    | 0                 | 0                             |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) .....    | 624,420                            | 958,804           | (334,384)                     |
| (e) Capital:  |                                    |                   |                               |
| (1) Investments .....   | 46,814                             | 104,778           | (57,964)                      |
| (2) Net capital loss carry-forward .....                            |                                    | 0                 | 0                             |
| (3) Real estate .....   |                                    | 0                 | 0                             |
| (4) Other (including items <5% of total ordinary tax assets) .....  |                                    | 0                 | 0                             |
| (99) Subtotal .....   | 46,814                             | 104,778           | (57,964)                      |
| (f) Statutory valuation allowance adjustment .....                  |                                    | 0                 | 0                             |
| (g) Nonadmitted .....   |                                    | 0                 | 0                             |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) .....     | 46,814                             | 104,778           | (57,964)                      |
| (i) Admitted deferred tax assets (2d + 2h) .....                    | 671,234                            | 1,063,582         | (392,348)                     |
| 3. Deferred Tax Liabilities:  |                                    |                   |                               |
| (a) Ordinary:   |                                    |                   |                               |
| (1) Investments .....   |                                    | 0                 | 0                             |
| (2) Fixed assets .....  |                                    | 0                 | 0                             |
| (3) Deferred and uncollected premium .....                          |                                    | 0                 | 0                             |

## NOTES TO FINANCIAL STATEMENTS

|   |           |           |           |   |
|---|-----------|-----------|-----------|---|
| (4) Policyholder reserves .....   |           |           | 0         | 0 |
| (5) Other (including items <5% of total ordinary tax liabilities) ..... |           |           | 0         | 0 |
| (99) Subtotal .....   | 0         |           | 0         | 0 |
| (b) Capital:  |           |           |           |   |
| (1) Investments .....   | 949,447   | 1,066,645 | (117,198) |   |
| (2) Real estate .....   |           |           | 0         | 0 |
| (3) Other (including items <5% of total capital tax liabilities) .....  |           |           | 0         | 0 |
| (99) Subtotal .....   | 949,447   | 1,066,645 | (117,198) |   |
| (c) Deferred tax liabilities (3a99 + 3b99) .....                        | 949,447   | 1,066,645 | (117,198) |   |
| 4. Net deferred tax assets/liabilities (2i - 3c) .....                  | (278,213) | (3,063)   | (275,150) |   |

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate  
Among the more significant book to tax adjustments were the following:

|   | (1)<br>December 31, 2017 | (2)<br>Effective Tax Rate |
|---|--------------------------|---------------------------|
| <b>Permanent Differences:</b>   |                          |                           |
| 01 Provision computed at statutory rate   | 1,406,689                | 34.0                      |
| 02 Proration of tax-exempt investment income                                    | 0                        | 0.0                       |
| 03 Tax-exempt interest  | 0                        | 0.0                       |
| 04 Dividends-received deduction   | (41,966)                 | (1.0)                     |
| 05 Disallowed travel and entertainment  | 0                        | 0.0                       |
| 06 Other permanent differences  | (859,006)                | (20.8)                    |
| <b>Temporary Differences:</b>   |                          |                           |
| 07 Total ordinary DTAs  | 0                        | 0.0                       |
| 08 Total ordinary DTLs  | 0                        | 0.0                       |
| 09 Total capital DTAs   | 0                        | 0.0                       |
| 10 Total capital DTLs   | 0                        | 0.0                       |
| <b>Other:</b>   |                          |                           |
| 11 Statutory valuation allowance adjustment                                     | 0                        | 0.0                       |
| 12 Accrual adjustment   | 0                        | 0.0                       |
| 13 Other (Includes Tax Rate Differential of 415,526 (Deferred) and 0 (Current)) | 415,528                  | 10.0                      |
| 14 Totals (should equal line 18 below)  | 921,245                  | 22.3                      |
| 15 Federal and foreign income taxes incurred                                    | (232,755)                | (5.6)                     |
| 16 Realized capital gains (losses) tax  | 761,652                  | 18.4                      |
| 17 Change in net deferred income taxes  | 392,348                  | 9.5                       |
| 18 Total statutory income taxes (lines 15 through 17)                           | 921,245                  | 22.3                      |

E.

Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2017 the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

The following is income tax expense for 2017 and 2016 that is available for recoupment in the event of future net losses:

| Year | Amount  |
|------|---------|
| 2017 | 539,923 |
| 2016 | 521,049 |

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 tax return is consolidated with:  
PRCD Holdings LLC  
MPIE Consulting LLC
- The subsidiaries that are consolidated in the company's federal tax return are disregarded entities.

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.-C. The Company formed a downstream noninsurance holding company, PRCD Holdings LLC, on May 1, 2017. Its financial statement is not audited; therefore, the holding company is non-admitted in accordance with SSAP No. 97. PRCD Holdings LLC leases employees to Michigan Professional Exchange Services, the attorney-in-fact for the Company, and to other subsidiaries of PRCD Holdings LLC.

PRCD Holdings LLC invested \$350,000 in MPIE Consulting LLC on July 1, 2017. MPIE Consulting LLC was formed to provide third party administrative and consulting services. No assets other than cash were transferred to either subsidiary from the Company or the attorney-in-fact.

D. The Company has advanced funds to the attorney-in-fact in the amount of \$1,607,000 for the purchase of capital assets. The AIF makes monthly payments to reduce the balance due to the Company as the assets are depreciated. These amounts are non-admitted. There are immaterial amounts payable or receivable between the AIF and PRCD Holdings.

E. Not applicable

**NOTES TO FINANCIAL STATEMENTS**

- F. PRCD Holdings LLC has agreed to provide to Michigan Professional Exchange Services leased employees who have the expertise, experience and capabilities necessary to its effective operation as attorney-in-fact for the Company.
- G. Not applicable
- H. Not applicable
- I. Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable
- J. Not applicable
  - (1) Not applicable
  - (2) Not applicable
- K. Not applicable
- L. In May 2017 the Company formed a downstream noninsurance holding company, PRCD Holdings LLC. Its financial statement is not audited; therefore, the holding company is non-admitted in accordance with SSAP No. 97.
- M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

| SCA Entity  | Percentage of SCA Ownership | Gross Amount   | Admitted Amount | Nonadmitted Amount |
|---|-----------------------------|----------------|-----------------|--------------------|
| <b>a. SSAP No. 97 8a Entities</b>                                     |                             |                |                 |                    |
| Total SSAP No. 97 8a Entities   | XXX                         | .....0         | .....0          | .....0             |
| <b>b. SSAP No. 97 8b(ii) Entities</b>                                 |                             |                |                 |                    |
| Total SSAP No. 97 8b(ii) Entities                                     | XXX                         | .....0         | .....0          | .....0             |
| <b>c. SSAP No. 97 8b(iii) Entities</b>                                |                             |                |                 |                    |
| PRCD Holdings LLC   | 100.0                       | .....1,006,827 | .....0          | .....1,006,827     |
| Total SSAP No. 97 8b(iii) Entities                                    | XXX                         | .....1,006,827 | .....0          | .....1,006,827     |
| <b>d. SSAP No. 97 8b(iv) Entities</b>                                 |                             |                |                 |                    |
| Total SSAP No. 97 8b(iv) Entities                                     | XXX                         | .....0         | .....0          | .....0             |
| <b>e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)</b> | XXX                         | .....1,006,827 | .....0          | .....1,006,827     |
| <b>f. Aggregate Total (a+ e)</b>                                      | XXX                         | .....1,006,827 | .....0          | .....1,006,827     |

- N. Not applicable

**NOTE 11 – DEBT**

- A. Not applicable
  - (1) Not applicable
  - (2) Not applicable
  - (3) Not applicable
  - (4) Not applicable
  - (5) Not applicable
  - (6) Not applicable
  - (7) Not applicable
  - (8) Not applicable
  - (9) Not applicable
  - (10) Not applicable
  - (11) Not applicable
  - (12) Not applicable
- B. FHLB (Federal Home Loan Bank) Agreements
  - (1) The Company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI). The Company has an outstanding line of credit balance of \$500,000 as of 12/31/2017. The company has pledged securities as collateral to maintain a \$4,100,000 line of credit. It is part of the Company's strategy to have a line of credit available for liquidity purposes. Any funds obtained from the FHLBI would be accounted for consistent with SSAP No. 15 - Debt and Holding Company Obligations as borrowed money. The table below indicates the amount of FHLBI stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBI.
  - (2) FHLB Capital Stock
    - a. Aggregate Totals

|                                | 1         | 2               | 3                       |
|--------------------------------|-----------|-----------------|-------------------------|
|                                | Total 2+3 | General Account | Protected Cell Accounts |
| 1. Current Year                |           |                 |                         |
| (a) Membership Stock - Class A | 142,900   | 142,900         |                         |
| (b) Membership Stock - Class B | 0         |                 |                         |
| (c) Activity Stock             | 0         |                 |                         |
| (d) Excess Stock               | 0         |                 |                         |
| (e) Aggregate Total (a+b+c+d)  | 142,900   | 142,900         | 0                       |



**NOTES TO FINANCIAL STATEMENTS**

(f) Actual or estimated Borrowing Capacity as Determined by the Insurer .....4,100,000 ..... XXX..... XXX.....

2. Prior Year-end

(a) Membership Stock - Class A ..... 142,900 ..... 142,900 ..... 0  
 (b) Membership Stock - Class B ..... 0 ..... 0 ..... 0  
 (c) Activity Stock ..... 0 ..... 0 ..... 0  
 (d) Excess Stock ..... 0 ..... 0 ..... 0  
 (e) Aggregate Total (a+b+c+d)..... 142,900 ..... 142,900 ..... 0  
 (f) Actual or estimated Borrowing Capacity as Determined by the Insurer .....4,000,000 ..... XXX..... XXX.....

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)  
 11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

|                  | 1                              | 2                           | Eligible for Redemption |                              |                        |              |
|------------------|--------------------------------|-----------------------------|-------------------------|------------------------------|------------------------|--------------|
|                  |                                |                             | 3                       | 4                            | 5                      | 6            |
|                  | Current Year Total (2+3+4+5+6) | Not Eligible for Redemption | Less Than 6 Months      | 6 Months to Less Than 1 Year | 1 to Less Than 3 Years | 3 to 5 Years |
| Membership Stock |                                |                             |                         |                              |                        |              |
| 1. Class A       | 142,900                        | 142,900                     |                         |                              |                        |              |
| 2. Class B       | 0                              |                             |                         |                              |                        |              |

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)  
 11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

|  | 1          | 2              | 3                         |
|--|------------|----------------|---------------------------|
|  | Fair Value | Carrying Value | Aggregate Total Borrowing |
| 1. Current Year Total General and Protected Cell Account Total Collateral Pledged (Lines 2+3)..... | 4,366,474  | 4,449,980      | 500,000                   |
| 2. Current Year General Account Total Collateral Pledged .....                                     | 4,366,474  | 4,449,980      | 500,000                   |
| 3. Current Year Protected Cell Account Total Collateral Pledged .....                              |            |                |                           |
| 4. Prior Year-end Total General and Protected Cell Account Total Collateral Pledged .....          | 4,363,917  | 4,457,101      | 0                         |

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)  
 11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)  
 11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)  
 11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

|  | 1          | 2              | 3   |
|--|------------|----------------|---|
|  | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
| 1. Current Year Total General and Protected Cell Account Maximum Collateral Pledged (Lines 2+3)..... | 4,454,114  | 4,452,375      | 2,000,000                                     |
| 2. Current Year General Account Maximum Collateral Pledged .....                                     | 4,454,114  | 4,452,375      | 2,000,000                                     |
| 3. Current Year Protected Cell Account Maximum Collateral Pledged .....                              |            |                |   |
| 4. Prior Year-end Total General and Protected Cell Account Maximum Collateral Pledged .....          | 4,363,917  | 4,457,101      | 2,000,000                                     |

(4) Borrowing from FHLB

a. Amount as of Reporting Date

|                                   | 1         | 2               | 3                      | 4                                       |
|-----------------------------------|-----------|-----------------|------------------------|---|
|                                   | Total 2+3 | General Account | Protected Cell Account | Funding Agreements Reserves Established |
| 1. Current Year                   |           |                 |                        |   |
| (a) Debt .....                    | 500,000   | 500,000         |                        | XXX.....                                |
| (b) Funding Agreements .....      | 0         |                 |                        |   |
| (c) Other .....                   | 0         |                 |                        | XXX.....                                |
| (d) Aggregate Total (a+b+c) ..... | 500,000   | 500,000         | 0                      | 0                                       |
| 2. Prior Year-end                 |           |                 |                        |   |
| (a) Debt .....                    | 0         | 0               | 0                      | XXX.....                                |
| (b) Funding Agreements .....      | 0         | 0               | 0                      | 0                                       |
| (c) Other .....                   | 0         | 0               | 0                      | XXX.....                                |
| (d) Aggregate Total (a+b+c) ..... | 0         | 0               | 0                      | 0                                       |

b. Maximum Amount During Reporting Period (Current Year)

| 1 | 2 | 3 |
|---|---|---|
|---|---|---|

**NOTES TO FINANCIAL STATEMENTS**

|  | Total 2+3 | General Account | Protected Cell<br>Accounts |
|--|-----------|-----------------|----------------------------|
| 1. Debt .....                          | 2,000,000 | 2,000,000       | .....                      |
| 2. Funding Agreements .....            | 0         | .....           | .....                      |
| 3. Other .....                         | 0         | .....           | .....                      |
| 4. Aggregate Total (Lines 1+2+3) ..... | 2,000,000 | 2,000,000       | ..... 0                    |

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

|                             | Does the company<br>have prepayment<br>obligations under the<br>following<br>arrangements<br>(YES/NO)? |
|-----------------------------|--|
| 1. Debt .....               | NO   |
| 2. Funding Agreements ..... | NO   |
| 3. Other .....              | NO   |

**NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

- A. Defined Benefit Plan: The Company does not have a Defined Benefit Plan
- B. Investment Policies and Strategies: Not applicable
- C. Fair Value of Plan Assets: Not applicable
- D. Basis Used to Determine Expected Long-Term Rate-of-Return: Not applicable
- E. Defined Contribution Plans: The Company does not have a Defined Contribution Plan
- F. Multiemployer Plans: Not applicable
- G. Consolidated/Holding Company Plans: Not applicable
- H. Postemployment Benefits and Compensated Absences: Not applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17): Not applicable

**NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

- (1) The Company has no common or preferred stock authorized, issued or outstanding
- (2) The Company has no preferred stock outstanding
- (3) Not applicable
- (4) Not applicable
- (5) Not applicable
- (6) Not applicable
- (7) Not applicable
- (8) Not applicable
- (9) Not applicable
- (10) The portion of unassigned funds (surplus) represented by unrealized gains is: \$4,528,000
- (11) The Company has no Surplus Notes outstanding at December 31, 2017.
- (12) Not applicable
- (13) Not applicable

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

- A. Contingent Commitments: Not applicable
- B. Assessments:
  - (1) Where Amount is Unknown: None  
Where Amount is Known: None
  - (2) Not applicable
  - (3) The Company has not accrued a liability for guaranty fund assessments. No assessment is anticipated for 2017.
- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- E. Product Warranties: The Company does not insure for product warranties.
- F. Joint and Several Liabilities: None
- G. All Other Contingencies:

## NOTES TO FINANCIAL STATEMENTS

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 assets that it considers to be impaired.

### NOTE 15 – LEASES

- A. Lessee Operating Lease: None  
 B. Lessor Leases: None

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

1. None  
 2. Not applicable  
 3. Not applicable  
 4. Not applicable

### NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

- A. Transfers of Receivables Reported as Sales  
     (1) Not applicable  
     (2) Not applicable  
 B. Transfer and Servicing of Financial Assets  
     (1) Not applicable  
     (2) Not applicable  
     (3) Not applicable  
     (4) Not applicable  
     (5) Not applicable  
     (6) Not applicable  
     (7) Not applicable  
 C. Wash Sales  
     (1) The Company does not utilize wash sales to enhance the yield on its investment portfolio.

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

#### A. ASO Plans:

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2017:

|   | (1)                    | (2)  | (3)        |
|---|------------------------|--|------------|
|   | ASO<br>Uninsured Plans | Uninsured Portion<br>of Partially Insured<br>Plans | Total ASO  |
| a. Net reimbursement for administrative Expenses (including administrative fees) in excess of actual expenses ..... | 466,915                | .....  | 466,915    |
| b. Total net other income or expenses (including interest paid to or received from plans) .....                     | (5,860)                | .....  | (5,860)    |
| c. Net gain or (loss) from operations .....   | 461,055                | 0  | 461,055    |
| d. Total claim payment volume .....   | 11,984,580             | .....  | 11,984,580 |

#### B. ASC Plans:

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2017:

|   | (1)                    | (2)  | (3)       |
|---|------------------------|--|-----------|
|   | ASC<br>Uninsured Plans | Uninsured Portion<br>of Partially Insured<br>Plans | Total ASC |
| a. Gross reimbursement for medical cost incurred .....                                | .....                  | .....  | 0         |
| b. Gross administrative fees accrued .....  | .....                  | .....  | 0         |
| c. Other income or expenses (including interest paid to or received from plans) ..... | .....                  | .....  | 0         |
| d. Gross expenses incurred (claims and administrative) .....                          | .....                  | .....  | 0         |
| e. Total net gain or loss from operations .....                                       | 0                      | 0  | 0         |

#### C. Medicare or Similarly Structured Cost Based Reimbursement Contract

- (1) Not applicable  
 (2) Not applicable  
 (3) Not applicable  
 (4) Not applicable

## NOTES TO FINANCIAL STATEMENTS

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

Not applicable

## NOTE 20 – FAIR VALUE MEASUREMENTS

A. 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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Significant Unobservable Inputs: This category for items measured at fair value on a recurring basis includes bonds and preferred stocks which are not exchange-traded.

## (1) Fair Value Measurements at Reporting Date

| Description for each class of asset or liability | (Level 1)  | (Level 2) | (Level 3) | Total      | Net Asset Value (NAV) Included in Level 2 |
|--|------------|-----------|-----------|------------|---|
| a. Assets at fair value                          |            |           |           |            |   |
| Cash Equivalent - MMF .....                      | 1,795,482  |           |           | 1,795,482  |   |
| Long Term - Indust & Misc .....                  |            | 1,525,114 |           | 1,525,114  |   |
| Common Stock - Indust & Misc .....               |            | 142,900   |           | 142,900    |   |
| Common Stock - Mutual Funds .....                | 15,028,596 |           |           | 15,028,596 |   |
| Total assets at fair value .....                 | 16,824,078 | 1,668,014 | 0         | 18,492,092 |   |

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Total | Net Asset Value (NAV) Included in Level 2 |
|--|-----------|-----------|-----------|-------|---|
| b. Liabilities at fair value                     |           |           |           |       |   |
| .....  |           |           |           |       |   |
| .....  |           |           |           |       |   |
| Total liabilities at fair value .....            | 0         | 0         | 0         | 0     |   |

## (2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

| Description  | Beginning Balance at 01/01/2017 | 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 12/31/2017 |
|--------------|---------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
| a. Assets    |                                 |                        |                          |   |  |           |           |       |             |                              |
| .....        |                                 |                        |                          |   |  |           |           |       |             |                              |
| Total Assets | 0                               | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                            |

| Description       | Beginning Balance at 01/01/2017 | 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 12/31/2017 |
|-------------------|---------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
| b. Liabilities    |                                 |                        |                          |   |  |           |           |       |             |                              |
| .....             |                                 |                        |                          |   |  |           |           |       |             |                              |
| Total Liabilities | 0                               | 0                      | 0                        | 0   | 0  | 0         | 0         | 0     | 0           | 0                            |

## (3) Policy on transfers into and out of Level 3

At the end of each reporting period, the Company evaluates if any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted market prices for similar instruments in an inactive market were utilized or quoted market prices for similar instruments in an active market were utilized via matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Bonds carried at fair value categorized as Level 3 were valued using an income approach. These valuations were determined to be Level 3 valuations as the price was based on unobservable market data because the bonds are trading in an inactive market. The bonds were valued using present value techniques. In 2017, no bonds were categorized as Level 3. Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for similar instruments in an active market were utilized via matrix pricing as described above. Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

## (5) Derivative assets and liabilities: None

B. Not applicable

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

**NOTES TO FINANCIAL STATEMENTS**

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)  | (Level 2)  | (Level 3) | Not Practicable (Carrying Value) | Net Asset Value (NAV) Included in Level 2 |
|------------------------------|----------------------|-----------------|------------|------------|-----------|----------------------------------|---|
| Exempt MM Mutual Fund        | 1,795,482            | 1,795,482       | 1,795,482  | 0          | 0         |                                  |   |
| Hybrid Securities            | 299,678              | 280,673         | 0          | 299,678    | 0         |                                  |   |
| Indust. & Misc.              | 62,000,969           | 59,890,786      | 0          | 62,000,969 | 0         |                                  |   |
| Mutual Funds                 | 15,028,596           | 15,028,596      | 15,028,596 | 0          | 0         |                                  |   |
| Political Subdivision        | 1,519,813            | 1,273,428       | 0          | 1,519,813  | 0         |                                  |   |
| Special Rev./Assess. Oblig.  | 10,377,145           | 10,010,911      | 0          | 10,377,145 | 0         |                                  |   |
| States, Terr. & Poss.        | 1,971,867            | 1,810,925       | 0          | 1,971,867  | 0         |                                  |   |
| Unknown                      | 14,500               | 14,500          | 14,500     | 0          | 0         |                                  |   |
| US Government                | 9,246,150            | 9,284,853       | 0          | 9,246,150  | 0         |                                  |   |

D. Not Practicable to Estimate Fair Value: None

**NOTE 21 – OTHER ITEMS**

- A. Unusual or Infrequent Items: None
- B. Troubled Debt Restructuring Debtors: None
- C. Other Disclosures: None
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable and Non-Transferable Tax Credits: None
- F. Subprime Mortgage Related Risk Exposure
  - (1) Not applicable
  - (2) Direct Exposure through Investments in Subprime Mortgage Loans: None
  - (3) Direct Exposure Through Other Investments

|   | (1)<br>Actual Cost | (2)<br>Book/Adjusted Carrying Value (excluding interest) | (3)<br>Fair Value | (4)<br>Other-Than-Temporary Impairment Losses Recognized |
|---|--------------------|--|-------------------|--|
| a. Residential mortgage backed securities | 272,676            | 273,590  | 340,492           | 65,800   |
| b. Commercial mortgage backed securities  | 379,419            | 369,157  | 377,253           |  |
| c. Collateralized debt obligations        |                    |  |                   |  |
| d. Structured securities                  |                    |  |                   |  |
| e. Equity investment in SCAs *            |                    |  |                   |  |
| f. Other assets                           |                    |  |                   |  |
| g. Total                                  | 652,095            | 642,747  | 717,745           | 65,800   |

\* These investments comprise 0.650 % of the companies invested assets.

G. Insurance Linked Securities (ILS) Contracts: None

**NOTE 22 – EVENTS SUBSEQUENT**

Type II – Non-recognized Subsequent Events:

|  | Current Year  | Prior Year |
|--|---------------|------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? | NO            |            |
| B. ACA fee assessment payable for the upcoming year  | \$            | \$         |
| C. ACA fee assessment paid   | \$            | \$         |
| D. Premium written subject to ACA 9010 assessment  | \$            | \$         |
| E. Total Adjusted Capital before surplus adjustment<br>(Five-Year Historical Line 28)  | \$ 48,994,140 |            |
| F. Total Adjusted Capital after surplus adjustment<br>(Five-Year Historical Line 28 minus 22B above)   | \$ 48,994,140 |            |
| G. Authorized Control Level<br>(Five-Year Historical Line 29)  | \$ 4,689,562  |            |
| H. Would reporting the ACA assessment as of Dec. 31, 2017 have triggered an RBC action level (YES/NO)?   | NO            |            |

**NOTE 23 – REINSURANCE**

- A. Unsecured Reinsurance Recoverables: Not applicable
- B. Reinsurance Recoverable in Dispute: Not applicable
- C. Reinsurance Assumed and Ceded

## NOTES TO FINANCIAL STATEMENTS

| (1)                                      | Assumed Reinsurance       |                             | Ceded Reinsurance         |                             | Net                       |                             |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|  | (1)<br>Premium<br>Reserve | (2)<br>Commission<br>Equity | (3)<br>Premium<br>Reserve | (4)<br>Commission<br>Equity | (5)<br>Premium<br>Reserve | (6)<br>Commission<br>Equity |
| a. Affiliates .....                      | .....                     | .....                       | .....                     | .....                       | ..... 0                   | .....0                      |
| b. All Other .....                       | .....                     | .....                       | ..... 349,019             | .....                       | .....(349,019)            | .....0                      |
| c. Total .....                           | ..... 0                   | .....0                      | ..... 349,019             | .....0                      | .....(349,019)            | .....0                      |
| d. Direct Unearned Premium Reserve ..... | .....                     | .....                       | .....                     | .....                       | .....                     | ..... 5,874,282             |

(2) Not applicable

(3) Not applicable

D. Uncollectible Reinsurance: None

E. Commutation of Ceded Reinsurance: None

F. Retroactive Reinsurance: None

G. Reinsurance Accounted for as a Deposit: None

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements: None

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation: None

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

A. The Company does not write retrospectively rated policies

B. Not applicable

C. Not applicable

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act: Not applicable

E. Non-admitted Retrospective Premium: Not applicable

F. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions

Yes [ ] No [ X ]

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$99,000 in 2017 as a result of re-estimation of unpaid losses and loss adjustment expenses on medical professional and other liability lines of business. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not write retrospectively rated policies.

B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

G. Not applicable

**NOTE 27 – STRUCTURED SETTLEMENTS**

A. Not applicable

B. Not applicable

**NOTE 28 – HEALTH CARE RECEIVABLES**

A. Pharmaceutical Rebate Receivables: None

B. Risk Sharing Receivables: None

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 29 – PARTICIPATING POLICIES**

Not applicable

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: December 31, 2017
3. Was anticipated investment income utilized in the calculation? NO

**NOTE 31 – HIGH DEDUCTIBLES**

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

(1) Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims

| Annual Statement Line of Business | Gross (of High Deductible) Loss Reserves | Reserve Credit for High Deductibles | Billed Recoverables on Paid Claims | Total High Deductibles and Billed Recoverables |
|-----------------------------------|--|-------------------------------------|------------------------------------|--|
| Medical Professional Liability    | 5,070,461                                | 3,570,351                           | 146,154                            | 3,716,505                                      |

(2) Unsecured Amounts of High Deductibles

- a. Total high deductibles and billed recoverables on paid claims ..... 3,716,505
- b. Collateral on balance sheet .....
- c. Collateral off balance sheet .....
- d. Total unsecured deductibles and billed recoverables on paid claims ..... 3,716,505
- e. Percentage unsecured .....100.0 %

(3) High Deductible Recoverables Amounts on Paid Claims

- a. Amount of overdue nonadmitted (either due to aging or collateral) .....0
- b. Total over 90 days overdue admitted .....0
- c. Total overdue (a+b) .....0

(4) The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies:  
Not applicable

B. Unsecured High Deductible Recoverables: None

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

- A. Tabular Discount: Non applicable
- B. Nontabular Discount: Not applicable
- C. Not applicable

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? No
- B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE): Not applicable
- C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR): Not applicable
- D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? No
- E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE): None
- F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR): None

**NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

At December 31, 2017, the Company has \$30,487,000 identified to subscriber savings accounts, all from company operations. Of this amount, \$1,450,000 is reported in Aggregate write-ins for liabilities (page 3, line 25) for amounts due to terminated policyholders. The balance identified to subscriber savings accounts, \$29,037,000 is reported in Unassigned funds (surplus) (page 3, line 35). The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Company.

**NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

The company does not write multiple peril crop insurance.

**NOTE 36 – FINANCIAL GUARANTY INSURANCE**

A. The company does not write financial guaranty insurance

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
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 [ X ] N/A [ ]
- 1.3 State Regulating? ..... Michigan
- 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 [ X ] No [ ]
- 2.2 If yes, date of change: ..... 11/16/2017
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2016
- 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. .... 12/31/2013
- 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). .... 06/01/2015
- 3.4 By what department or departments?  
State of Michigan, Department of Insurance and Financial Services .....
- 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 [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of 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 Company 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 [ X ]
- 6.2 If yes, give full information:  
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... 0.0 %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |



**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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?  
Andrews Hooper Pavlik PLC, 2311 E. Beltline Ave STE 200, Grand Rapids MI 49546
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jeremy Pecora, FCAS, Willis Towers Watson, 26555 Evergreen STE 1600 Southfield MI 40876, Consulting Actuary .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....  
12.12 Number of parcels involved .....0  
12.13 Total book/adjusted carrying value .....\$ .....0
- 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 [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, 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<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>Amount |
|--|--------------------------------------|--|-------------|
|  |                                      |  |             |

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.11 To directors or other officers.....               | \$ ..... | 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 [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |          |   |
|---------------------------------|----------|---|
| 21.21 Rented from others.....   | \$ ..... | 0 |
| 21.22 Borrowed from others..... | \$ ..... | 0 |
| 21.23 Leased from others .....  | \$ ..... | 0 |
| 21.24 Other .....               | \$ ..... | 0 |
- 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 \$ ..... | 0 |
| 22.22 Amount paid as expenses .....                     | 0 |
| 22.23 Other amounts paid .....                          | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

**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)  
.....
- 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 ]

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

|  |          |   |
|--|----------|---|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....                   | \$ ..... | 0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... | \$ ..... | 0 |
| 24.103 Total payable for securities lending reported on the liability page .....                                       | \$ ..... | 0 |

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 [  ] 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 -<br>excluding FHLB Capital Stock ..... | \$ ..... | 0         |
| 25.27 FHLB Capital Stock .....   | \$ ..... | 142,900   |
| 25.28 On deposit with states .....   | \$ ..... | 305,804   |
| 25.29 On deposit with other regulatory bodies .....  | \$ ..... | 0         |
| 25.30 Pledged as collateral - excluding collateral pledged to<br>an FHLB .....                 | \$ ..... | 0         |
| 25.31 Pledged as collateral to FHLB - including assets<br>backing funding agreements .....     | \$ ..... | 4,449,980 |
| 25.32 Other .....  | \$ ..... | 0         |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  |             |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [  ] No [  ]

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 [  ]

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 [  ] No [  ]

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

| 1<br>Name of Custodian(s)                    | 2<br>Custodian's Address                                    |
|--|---|
| Fifth Third Bank .....                       | 5050 Kingsley Dr, Cincinnati, OH 45263 .....                |
| Federal Home Loan Bank of Indianapolis ..... | 8250 Woodfield Crossing Blvdl, Indianapolis, IN 46240 ..... |

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<br>Name(s) | 2<br>Location(s) | 3<br>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 [  ]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual              | 2<br>Affiliation |
|--|------------------|
| Asset Allocation & Management Co., LLC ..... | U.....           |
| Zazove/AAM Advisors .....                    | U.....           |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual              | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|--|------------------------------------|----------------------|---|
| 108975 .....                                   | Asset Allocation & Management Co., LLC ..... | .....                              | .....                | NO.....   |
| 104751 .....                                   | Zazove/AAM Advisors .....                    | .....                              | .....                | NO.....   |

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #      | 2<br>Name of Mutual Fund                 | 3<br>Book/Adjusted<br>Carrying Value |
|-------------------|--|--------------------------------------|
| 256210-10-5 ..... | DODGE & COX INC MF .....                 | 2,015,541                            |
| 4812CO-38-1 ..... | JPMORGAN CORE BOND CL I MF .....         | 2,000,693                            |
| 922908-30-6 ..... | VANGRD INX TRS INX CL INV MF .....       | 8,706,659                            |
| 921943-80-9 ..... | VANGUARD DVLPD MKT INDX CL ADMI MF ..... | 2,305,703                            |
| 29.2999 - Total   |  | 15,028,596                           |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund   | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---|--|---|---------------------------|
| DODGE & COX INC MF .....                    | Charter Communications, Inc. ....                        | 44,342  | 12/31/2017 .....          |
| DODGE & COX INC MF .....                    | State of California GO .....                             | 40,311  | 12/31/2017 .....          |
| DODGE & COX INC MF .....                    | Bank of America Corp. ....                               | 38,295  | 12/31/2017 .....          |
| DODGE & COX INC MF .....                    | Petroleos Mexicanos .....                                | 34,264  | 12/31/2017 .....          |
| DODGE & COX INC MF .....                    | State of Illinois GO .....                               | 34,264  | 12/31/2017 .....          |
| JPMORGAN CORE BOND CL I MF .....            | U.S. Treasury Bonds, 2.88%, 05/15/2043 .....             | 20,007  | 12/31/2017 .....          |
| JPMORGAN CORE BOND CL I MF .....            | U.S. Treasury Bonds, 3.63%, 08/15/2043 .....             | 20,007  | 12/31/2017 .....          |
| JPMORGAN CORE BOND CL I MF .....            | U.S. Treasury STRIPS Bonds, 0.00%, 08/15/2020 .....      | 18,006  | 12/31/2017 .....          |
| JPMORGAN CORE BOND CL I MF .....            | Resolution Funding Corp. STRIPS, 0.00%, 07/15/2020 ..... |   |                           |
| JPMORGAN CORE BOND CL I MF .....            |  | 16,006  | 12/31/2017 .....          |
| JPMORGAN CORE BOND CL I MF .....            | U.S. Treasury STRIPS Bonds, 0.00%, 02/15/2023 .....      | 16,006  | 12/31/2017 .....          |
| VANGRD INX TRS INX CL INV MF .....          | APPLE INC .....  | 247,704   | 12/31/2017 .....          |
| VANGRD INX TRS INX CL INV MF .....          | MICROSOFT CORP .....                                     | 208,960   | 12/31/2017 .....          |
| VANGRD INX TRS INX CL INV MF .....          | AMAZON.COM INC .....                                     | 151,757   | 12/31/2017 .....          |
| VANGRD INX TRS INX CL INV MF .....          | FACEBOOK INC-A .....                                     | 133,299   | 12/31/2017 .....          |
| VANGRD INX TRS INX CL INV MF .....          | JOHNSON&JOHNSON .....                                    | 118,846   | 12/31/2017 .....          |
| VANGUARD DVLPD MKT INDX CL ADMI MF .....    | NESTLE SA-REG .....                                      | 30,689  | 12/31/2017 .....          |
| VANGUARD DVLPD MKT INDX CL ADMI MF .....    | HSBC HOLDINGS PL .....                                   | 23,841  | 12/31/2017 .....          |
| VANGUARD DVLPD MKT INDX CL ADMI MF .....    | SAMSUNG ELECTRON .....                                   | 23,495  | 12/31/2017 .....          |
| VANGUARD DVLPD MKT INDX CL ADMI MF .....    | NOVARTIS AG-REG .....                                    | 21,512  | 12/31/2017 .....          |
| VANGUARD DVLPD MKT INDX CL ADMI MF .....    | ROCHE HLDG-GENUS .....                                   | 20,083  | 12/31/2017 .....          |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

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)<br>Value | Fair Value | Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
| 30.1 Bonds .....            | 82,408,676                    | 85,272,722 | 2,864,046  |
| 30.2 Preferred stocks ..... | 0                             | 0          | 0  |
| 30.3 Totals                 | 82,408,676                    | 85,272,722 | 2,864,046  |

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

Most securities are priced using IDC or NAIC-SVO .....

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 [ ] No [ X ]

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 [ ] 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 Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

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

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**GENERAL INTERROGATORIES**

33. By self-designating 5\*GI securities, the reporting entity is certifying the following elements of each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? ..... Yes [ ] No [ X ]

**OTHER**

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

34.2 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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

35.1 Amount of payments for legal expenses, if any? .....\$ .....68,779

35.2 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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

36.2 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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**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? ..... \$ 0  
 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. .... \$ 0

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 .....             | \$ <u>0</u>               |
| 1.62 Total incurred claims .....            | \$ <u>0</u>               |
| 1.63 Number of covered lives .....          | <u>0</u>                  |
| All years prior to most current three years |                           |
| 1.64 Total premium earned .....             | \$ <u>0</u>               |
| 1.65 Total incurred claims .....            | \$ <u>0</u>               |
| 1.66 Number of covered lives .....          | <u>0</u>                  |

1.7 Group policies:

|   |                           |
|---|---------------------------|
|   | Most current three years: |
| 1.71 Total premium earned .....             | \$ <u>0</u>               |
| 1.72 Total incurred claims .....            | \$ <u>0</u>               |
| 1.73 Number of covered lives .....          | <u>0</u>                  |
| All years prior to most current three years |                           |
| 1.74 Total premium earned .....             | \$ <u>0</u>               |
| 1.75 Total incurred claims .....            | \$ <u>0</u>               |
| 1.76 Number of covered lives .....          | <u>0</u>                  |

2. Health Test:

|                                   | 1            | 2          |  |
|-----------------------------------|--------------|------------|--|
|                                   | Current Year | Prior Year |  |
| 2.1 Premium Numerator .....       | 0            | 0          |  |
| 2.2 Premium Denominator .....     | 16,007,757   | 13,531,041 |  |
| 2.3 Premium Ratio (2.1/2.2) ..... | 0.000        | 0.000      |  |
| 2.4 Reserve Numerator .....       | 0            | 0          |  |
| 2.5 Reserve Denominator .....     | 49,746,982   | 44,684,566 |  |
| 2.6 Reserve Ratio (2.4/2.5) ..... | 0.000        | 0.000      |  |

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 .....     | \$ <u>0</u> |
| 3.22 Non-participating policies ..... | \$ <u>0</u> |

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? ..... % 0.0

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 [ X ] No [ ]

5.2 If yes, is the commission paid:

|  |                          |
|--|--------------------------|
| 5.21 Out of Attorney's-in-fact compensation..... | Yes [ ] No [ X ] N/A [ ] |
| 5.22 As a direct expense of the exchange.....    | Yes [ X ] No [ ] N/A [ ] |

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

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ X ]

5.5 If yes, give full information  
 .....

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
The company does not insure for worker's compensation .....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
The company's actuary occasionally uses a stochastic simulation to estimate the amount of variability in the book of business. This information is used in setting the company's net retention. ....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The Company does not insure for property loss. ....
- 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 reinsurance treaty for physicians excess of loss coverage covers over a limit per occurrence, regardless of the number of insured defendants. ....
- 7.1 Has this 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 ratio cap, an aggregate limit or any similar provisions)? ..... Yes [ ] No [ X ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ..... 0
- 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 [ ]
- 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 common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 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 reinsurances 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 [ ] No [ ] N/A [ X ]



# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]
- 11.2 If yes, give full information  
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses .....\$ .....0  
12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$ .....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which 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 [ X ] N/A [ ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From .....0.0 %  
12.42 To .....0.0 %
- 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 [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit .....\$ .....0  
12.62 Collateral and other funds .....\$ .....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): .....\$ .....0
- 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: .....0
- 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<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home .....       | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.12 Products .....   | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.13 Automobile ..... | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.14 Other* .....     | 0                              | 0                            | 0                              | 0                               | 0                             |

\* Disclose type of coverage:  
.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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 ..... | \$ ..... | 0 |
| 17.12 Unfunded portion of Interrogatory 17.11 .....   | \$ ..... | 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....                            | \$ ..... | 0 |
| 17.14 Case reserves portion of Interrogatory 17.11 .....  | \$ ..... | 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11 .....  | \$ ..... | 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11 .....   | \$ ..... | 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11 .....  | \$ ..... | 0 |

Provide the following information for all other amounts included in Schedule F - P art 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 ..... | \$ ..... | 0 |
| 17.19 Unfunded portion of Interrogatory 17.18 .....   | \$ ..... | 0 |
| 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18.....                            | \$ ..... | 0 |
| 17.21 Case reserves portion of Interrogatory 17.18 .....  | \$ ..... | 0 |
| 17.22 Incurred but not reported portion of Interrogatory 17.18 .....  | \$ ..... | 0 |
| 17.23 Unearned premium portion of Interrogatory 17.18 .....   | \$ ..... | 0 |
| 17.24 Contingent commission portion of Interrogatory 17.18 .....  | \$ ..... | 0 |

18.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....0

18.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

18.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

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

|   | 1<br>2017   | 2<br>2016  | 3<br>2015  | 4<br>2014   | 5<br>2013   |
|---|-------------|------------|------------|-------------|-------------|
| <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)  | 18,976,540  | 16,667,028 | 13,922,943 | 12,981,918  | 15,178,804  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0          | 0          | 0           | 0           |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0          | 0          | 0           | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0          | 0          | 0           | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0          | 0          | 0           | 0           |
| 6. Total (Line 35)  | 18,976,540  | 16,667,028 | 13,922,943 | 12,981,918  | 15,178,804  |
| <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)  | 16,588,422  | 14,652,406 | 11,968,647 | 11,247,823  | 12,952,832  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0          | 0          | 0           | 0           |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0          | 0          | 0           | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)  | 0           | 0          | 0          | 0           | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)   | 0           | 0          | 0          | 0           | 0           |
| 12. Total (Line 35)   | 16,588,422  | 14,652,406 | 11,968,647 | 11,247,823  | 12,952,832  |
| <b>Statement of Income (Page 4)</b>   |             |            |            |             |             |
| 13. Net underwriting gain (loss) (Line 8)   | (850,520)   | 1,685,063  | 1,534,395  | 3,138,604   | 2,189,863   |
| 14. Net investment gain or (loss) (Line 11)   | 3,745,312   | 2,486,917  | 3,019,769  | 3,147,465   | 4,340,431   |
| 15. Total other income (Line 15)  | 487,569     | 112,136    | 81,835     | 2,350,869   | 521,976     |
| 16. Dividends to policyholders (Line 17)  | 0           | 0          | 0          | 0           | 0           |
| 17. Federal and foreign income taxes incurred (Line 19)   | (232,755)   | 407,566    | 157,513    | (22,776)    | (157,353)   |
| 18. Net income (Line 20)  | 3,615,116   | 3,876,550  | 4,478,487  | 8,659,714   | 7,209,623   |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |             |            |            |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)   | 104,527,194 | 99,073,104 | 98,946,625 | 106,621,145 | 103,117,624 |
| 20. Premiums and considerations (Page 2, Col. 3)  |             |            |            |             |             |
| 20.1 In course of collection (Line 15.1)  | 521,837     | 1,023,995  | 864,963    | 536,781     | 796,158     |
| 20.2 Deferred and not yet due (Line 15.2)   | 1,873,291   | 1,814,977  | 1,384,898  | 1,441,789   | 1,238,763   |
| 20.3 Accrued retrospective premiums (Line 15.3)   | 0           | 0          | 0          | 0           | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)   | 55,583,054  | 48,411,990 | 48,451,364 | 51,848,056  | 50,504,219  |
| 22. Losses (Page 3, Line 1)   | 26,576,026  | 22,324,086 | 21,035,410 | 21,386,668  | 22,644,793  |
| 23. Loss adjustment expenses (Page 3, Line 3)   | 17,645,693  | 17,415,882 | 16,617,921 | 16,371,837  | 17,515,219  |
| 24. Unearned premiums (Page 3, Line 9)  | 5,525,263   | 4,944,598  | 3,823,233  | 3,589,731   | 4,146,440   |
| 25. Capital paid up (Page 3, Lines 30 & 31)   | 0           | 0          | 0          | 0           | 0           |
| 26. Surplus as regards policyholders (Page 3, Line 37)  | 48,944,140  | 50,661,115 | 50,495,261 | 54,773,089  | 52,613,404  |
| <b>Cash Flow (Page 5)</b>   |             |            |            |             |             |
| 27. Net cash from operations (Line 11)  | 7,160,746   | 6,615,947  | 3,895,775  | 4,165,181   | 4,447,625   |
| <b>Risk-Based Capital Analysis</b>  |             |            |            |             |             |
| 28. Total adjusted capital  | 48,944,140  | 50,819,210 | 50,495,261 | 54,773,089  | 52,613,404  |
| 29. Authorized control level risk-based capital   | 4,689,562   | 4,568,154  | 4,196,025  | 4,385,830   | 4,752,592   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |             |            |            |             |             |
| 30. Bonds (Line 1)  | 81.4        | 83.1       | 83.1       | 76.4        | 81.2        |
| 31. Stocks (Lines 2.1 & 2.2)  | 15.0        | 14.5       | 14.4       | 12.9        | 15.6        |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2)   | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)  | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5)  | 3.6         | 2.4        | 2.5        | 10.7        | 3.3         |
| 35. Contract loans (Line 6)   | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 36. Derivatives (Line 7)  | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 37. Other invested assets (Line 8)  | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 38. Receivables for securities (Line 9)   | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10)   | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11)   | 0.0         | 0.0        | 0.0        | 0.0         | 0.0         |
| 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 (Schedule D, Summary, Line 12, Col. 1)   | 0           | 0          | 0          | 0           | 0           |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)  | 0           | 0          | 0          | 0           | 0           |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)   | 0           | 0          | 0          | 0           | 0           |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)   | 0           | 0          | 0          | 0           | 0           |
| 46. Affiliated mortgage loans on real estate  | 0           | 0          | 0          | 0           | 0           |
| 47. All other affiliated  | 0           | 0          | 0          | 0           | 0           |
| 48. Total of above Lines 42 to 47   | 0           | 0          | 0          | 0           | 0           |
| 49. Total Investment in Parent included in Lines 42 to 47 above   | 0           | 0          | 0          | 0           | 0           |
| 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         |

**FIVE-YEAR HISTORICAL DATA**

(Continued)

|  | 1<br>2017   | 2<br>2016 | 3<br>2015   | 4<br>2014 | 5<br>2013 |
|--|-------------|-----------|-------------|-----------|-----------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |             |           |             |           |           |
| 51. Net unrealized capital gains (losses) (Line 24)  | 1,508,007   | 791,212   | (675,514)   | 224,842   | 1,026,521 |
| 52. Dividends to stockholders (Line 35)  | 0           | 0         | 0           | 0         | 0         |
| 53. Change in surplus as regards policyholders for the year (Line 38)  | (1,716,974) | 165,853   | (4,277,827) | 2,159,683 | 1,725,573 |
| <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)  | 8,580,495   | 3,911,295 | 4,430,782   | 3,840,347 | 8,782,502 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0         | 0           | 0         | 0         |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0         | 0           | 0         | 0         |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0         | 0           | 0         | 0         |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0         | 0           | 0         | 0         |
| 59. Total (Line 35)  | 8,580,495   | 3,911,295 | 4,430,782   | 3,840,347 | 8,782,502 |
| <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)  | 6,080,495   | 3,911,295 | 4,430,782   | 3,840,347 | 5,432,502 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0         | 0           | 0         | 0         |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0         | 0           | 0         | 0         |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0         | 0           | 0         | 0         |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0         | 0           | 0         | 0         |
| 65. Total (Line 35)  | 6,080,495   | 3,911,295 | 4,430,782   | 3,840,347 | 5,432,502 |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>   |             |           |             |           |           |
| 66. Premiums earned (Line 1)   | 100.0       | 100.0     | 100.0       | 100.0     | 100.0     |
| 67. Losses incurred (Line 2)   | 64.5        | 38.4      | 34.8        | 21.9      | 28.8      |
| 68. Loss expenses incurred (Line 3)  | 27.9        | 36.5      | 38.4        | 29.0      | 32.5      |
| 69. Other underwriting expenses incurred (Line 4)  | 12.8        | 12.6      | 13.7        | 22.6      | 21.8      |
| 70. Net underwriting gain (loss) (Line 8)  | (5.3)       | 12.5      | 13.1        | 26.6      | 17.0      |
| <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)   | 9.4         | 10.9      | 12.8        | 2.8       | 17.6      |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)   | 92.5        | 74.9      | 73.2        | 50.9      | 61.2      |
| 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)   | 33.9        | 28.9      | 23.7        | 20.5      | 24.6      |
| <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)   | (108)       | (2,957)   | (3,275)     | (5,061)   | (4,522)   |
| 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 100.0)                 | (0.2)       | (5.9)     | (6.0)       | (9.6)     | (8.9)     |
| <b>Two Year Loss Development (\$000 omitted)</b>   |             |           |             |           |           |
| 76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)                       | (6,700)     | (5,745)   | (8,083)     | (8,534)   | (12,618)  |
| 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) | (13.3)      | (10.5)    | (15.4)      | (16.8)    | (31.6)    |

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



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Michigan

DURING THE YEAR 2017

NAIC Company Code 31429

| Line of Business  | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|---|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|   | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.1 Allied lines .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.2 Multiple peril crop .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.3 Federal flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.4 Private crop .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.5 Private flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 3. Farmowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 4. Homeowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.1 Commercial multiple peril (non-liability portion) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.2 Commercial multiple peril (liability portion) .....                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 6. Mortgage guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 8. Ocean marine .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 9. Inland marine .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 10. Financial guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 11. Medical professional liability .....                                  | 18,751,301  | 18,224,678                  | .0  | 5,806,447                             | 8,539,994                                   | 12,930,438                  | 30,671,540                | 3,051,452   | 3,263,154   | 18,715,738   | .0                                       | 125,600                        |
| 12. Earthquake .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 13. Group accident and health (b) .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 14. Credit accident and health (group and individual) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.1 Collectively renewable accident and health (b) .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.2 Non-cancelable accident and health(b) .....                          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.3 Guaranteed renewable accident and health(b) .....                    | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.4 Non-renewable for stated reasons only (b) .....                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.5 Other accident only .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.6 Medicare Title XVIII exempt from state taxes or fees .....           | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.7 All other accident and health (b) .....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.8 Federal employees health benefits plan premium (b) .....             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 16. Workers' compensation .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 17.1 Other Liability - occurrence .....                                   | 70,275  | 70,275                      | .0  | 22,533                                | (33,115)                                    | (13,610)                    | 100,638                   | 15,301  | 28,962  | 70,447   | .0                                       | .0                             |
| 17.2 Other Liability - claims made .....                                  | 154,965   | 142,636                     | .0  | 45,301                                | 73,616                                      | 138,559                     | 112,644                   | 5,918   | 51,394  | 78,852   | .0                                       | .0                             |
| 17.3 Excess workers' compensation .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 18. Products liability .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.1 Private passenger auto no-fault (personal injury protection) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.2 Other private passenger auto liability .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.3 Commercial auto no-fault (personal injury protection) .....          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.4 Other commercial auto liability .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.1 Private passenger auto physical damage .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.2 Commercial auto physical damage .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 22. Aircraft (all perils) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 23. Fidelity .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 24. Surety .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 26. Burglary and theft .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 27. Boiler and machinery .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 28. Credit .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 30. Warranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 34. Aggregate write-ins for other lines of business .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 35. TOTALS (a) .....  | 18,976,541  | 18,437,589                  | 0   | 5,874,281                             | 8,580,495                                   | 13,055,387                  | 30,884,822                | 3,072,671   | 3,343,510   | 18,865,037   | 0  | 125,600                        |
| <b>DETAILS OF WRITE-INS</b>   |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3401. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3402. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3403. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... | .0  | .0                          | .0  | .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  | .0   | .0                                       | .0                             |

(a) Finance and service charges not included in Lines 1 to 35 \$ 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

NAIC Group Code 0000

BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2017

NAIC Company Code 31429

| Line of Business  | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|---|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|   | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.1 Allied lines .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.2 Multiple peril crop .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.3 Federal flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.4 Private crop .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.5 Private flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 3. Farmowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 4. Homeowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.1 Commercial multiple peril (non-liability portion) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.2 Commercial multiple peril (liability portion) .....                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 6. Mortgage guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 8. Ocean marine .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 9. Inland marine .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 10. Financial guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 11. Medical professional liability .....                                  | 18,751,301  | 18,224,678                  | .0  | 5,806,447                             | 8,539,994                                   | 12,930,438                  | 30,671,540                | 3,051,452   | 3,263,154   | 18,715,738   | .0                                       | 125,600                        |
| 12. Earthquake .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 13. Group accident and health (b) .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 14. Credit accident and health (group and individual) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.1 Collectively renewable accident and health (b) .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.2 Non-cancelable accident and health(b) .....                          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.3 Guaranteed renewable accident and health(b) .....                    | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.4 Non-renewable for stated reasons only (b) .....                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.5 Other accident only .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.6 Medicare Title XVIII exempt from state taxes or fees .....           | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.7 All other accident and health (b) .....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.8 Federal employees health benefits plan premium (b) .....             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 16. Workers' compensation .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 17.1 Other Liability - occurrence .....                                   | 70,275  | 70,275                      | .0  | 22,533                                | (33,115)                                    | (13,610)                    | 100,638                   | 15,301  | 28,962  | 70,447   | .0                                       | .0                             |
| 17.2 Other Liability - claims made .....                                  | 154,965   | 142,636                     | .0  | 45,301                                | 73,616                                      | 138,559                     | 112,644                   | 5,918   | 51,394  | 78,852   | .0                                       | .0                             |
| 17.3 Excess workers' compensation .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 18. Products liability .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.1 Private passenger auto no-fault (personal injury protection) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.2 Other private passenger auto liability .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.3 Commercial auto no-fault (personal injury protection) .....          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.4 Other commercial auto liability .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.1 Private passenger auto physical damage .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.2 Commercial auto physical damage .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 22. Aircraft (all perils) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 23. Fidelity .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 24. Surety .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 26. Burglary and theft .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 27. Boiler and machinery .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 28. Credit .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 30. Warranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 34. Aggregate write-ins for other lines of business .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 35. TOTALS (a) .....  | 18,976,541  | 18,437,589                  | 0   | 5,874,281                             | 8,580,495                                   | 13,055,387                  | 30,884,822                | 3,072,671   | 3,343,510   | 18,865,037   | 0  | 125,600                        |
| <b>DETAILS OF WRITE-INS</b>   |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3401. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3402. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3403. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... | .0  | .0                          | .0  | .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  | .0   | .0                                       | .0                             |

(a) Finance and service charges not included in Lines 1 to 35 \$ 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0

19 GT

Schedule F - Part 1

**NONE**

Schedule F - Part 2

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

| 1<br>ID<br>Number | 2<br>NAIC<br>Com-<br>pany<br>Code | 3<br>Name of Reinsurer  | 4<br>Domiciliary<br>Jurisdiction | 5<br>Special<br>Code | 6<br>Reinsurance<br>Premiums<br>Ceded | 7<br>Reinsurance Recoverable On |               |                                     |                                     |                             |                            |                            |                                      |                                      | 8<br>Reinsurance Payable           |  | 18<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Cols. 15 -<br>[16 + 17] | 19<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties |   |
|-------------------|-----------------------------------|---|----------------------------------|----------------------|---------------------------------------|---------------------------------|---------------|-------------------------------------|-------------------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------------|--------------------------------------|------------------------------------|--|--|--|---|
|                   |                                   |   |                                  |                      |                                       | 7<br>Paid<br>Losses             | 8<br>Paid LAE | 9<br>Known Case<br>Loss<br>Reserves | 10<br>Known Case<br>LAE<br>Reserves | 11<br>IBNR Loss<br>Reserves | 12<br>IBNR LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commis-<br>sions | 15<br>Columns<br>7 thru 14<br>Totals | 16<br>Ceded<br>Balances<br>Payable | 17<br>Other<br>Amounts<br>Due to<br>Reinsurers |  |  |   |
| 0499999.          |                                   | Total Authorized - Affiliates - U.S. Non-Pool                           |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 0799999.          |                                   | Total Authorized - Affiliates - Other (Non-U.S.)                        |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 0899999.          |                                   | Total Authorized - Affiliates   |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 48-0921045        | 39845                             | Westport Insurance Corp (ERC)   | MO                               |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 95-2371728        | 22667                             | Ace American Insurance Company  | PA                               | 2                    | 476                                   | 0                               | 0             | 0                                   | 0                                   | 555                         | 389                        | 46                         | 0                                    | 990                                  | 0                                  | 0  | 990  | 0  | 0 |
| 35-0506406        | 11843                             | Medical Protective Co   | IN                               | 2                    | 285                                   | 0                               | 0             | 0                                   | 0                                   | 459                         | 322                        | 70                         | 0                                    | 851                                  | 0                                  | 0  | 851  | 0  | 0 |
| 31-1024978        | 41297                             | Scottsdale Insurance Company  | OH                               |                      | 205                                   | 0                               | 0             | 0                                   | 0                                   | 106                         | 74                         | 102                        | 0                                    | 282                                  | 0                                  | 0  | 282  | 0  | 0 |
| 42-0635534        | 15865                             | NCMIC Insurance Company   | IA                               |                      | 328                                   | 0                               | 175           | 0                                   | 0                                   | 720                         | 505                        | 33                         | 0                                    | 1,433                                | 27                                 | 0  | 1,406  | 0  | 0 |
| 47-0574325        | 32603                             | Berkley Insurance Company   | DE                               |                      | 328                                   | 0                               | 0             | 0                                   | 0                                   | 720                         | 505                        | 33                         | 0                                    | 1,258                                | 27                                 | 0  | 1,231  | 0  | 0 |
| 13-4924125        | 10227                             | Munich Reinsurance America Inc  | DE                               |                      | 328                                   | 0                               | 0             | 0                                   | 0                                   | 720                         | 505                        | 33                         | 0                                    | 1,258                                | 27                                 | 0  | 1,231  | 0  | 0 |
| 13-3138390        | 42307                             | Navigators Insurance Company  | NY                               |                      | 132                                   | 0                               | 0             | 0                                   | 0                                   | 293                         | 203                        | 13                         | 0                                    | 509                                  | 12                                 | 0  | 497  | 0  | 0 |
| 91-1160717        | 40738                             | Physicians Insurance a Mutual Co  | WA                               |                      | 197                                   | 0                               | 0             | 0                                   | 0                                   | 432                         | 303                        | 19                         | 0                                    | 754                                  | 16                                 | 0  | 738  | 0  | 0 |
| 0999998.          |                                   | Total Authorized - Other U.S. Unaffiliated Insurers (Under \$100,000)   |                                  |                      | 109                                   | 0                               | 0             | 0                                   | 0                                   | 129                         | 90                         | 0                          | 0                                    | 219                                  | 0                                  | 0  | 219  | 0  | 0 |
| 0999999.          |                                   | Total Authorized - Other U.S. Unaffiliated Insurers                     |                                  |                      | 2,388                                 | 0                               | 175           | 0                                   | 4,134                               | 2,896                       | 349                        | 0                          | 7,554                                | 109                                  | 0                                  | 7,445  | 0  | 0  |   |
| 1099999.          |                                   | Total Authorized - Pools - Mandatory Pools                              |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 1299998.          |                                   | Total Authorized - Other Non-U.S. Insurers (Under \$100,000)            |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 1299999.          |                                   | Total Authorized - Other Non-U.S. Insurers                              |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 1399999.          |                                   | Total Authorized  |                                  |                      | 2,388                                 | 0                               | 175           | 0                                   | 4,134                               | 2,896                       | 349                        | 0                          | 7,554                                | 109                                  | 0                                  | 7,445  | 0  | 0  |   |
| 1799999.          |                                   | Total Unauthorized - Affiliates - U.S. Non-Pool                         |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2099999.          |                                   | Total Unauthorized - Affiliates - Other (Non-U.S.)                      |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2199999.          |                                   | Total Unauthorized - Affiliates   |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2299998.          |                                   | Total Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000) |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2299999.          |                                   | Total Unauthorized - Other U.S. Unaffiliated Insurers                   |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2599998.          |                                   | Total Unauthorized - Other Non-U.S. Insurers (Under \$100,000)          |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2599999.          |                                   | Total Unauthorized - Other Non-U.S. Insurers                            |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 2699999.          |                                   | Total Unauthorized  |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3099999.          |                                   | Total Certified - Affiliates - U.S. Non-Pool                            |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3399999.          |                                   | Total Certified - Affiliates - Other (Non-U.S.)                         |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3499999.          |                                   | Total Certified - Affiliates  |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3599998.          |                                   | Total Certified - Other U.S. Unaffiliated Insurers (Under \$100,000)    |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3599999.          |                                   | Total Certified - Other U.S. Unaffiliated Insurers                      |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3899998.          |                                   | Total Certified - Other Non-U.S. Insurers (Under \$100,000)             |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3899999.          |                                   | Total Certified - Other Non-U.S. Insurers                               |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 3999999.          |                                   | Total Certified   |                                  |                      | 0                                     | 0                               | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0  | 0  | 0 |
| 4099999.          |                                   | Total Authorized, Unauthorized and Certified                            |                                  |                      | 2,388                                 | 0                               | 175           | 0                                   | 4,134                               | 2,896                       | 349                        | 0                          | 7,554                                | 109                                  | 0                                  | 7,445  | 0  | 0  |   |



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

| 1<br>ID<br>Number              | 2<br>NAIC<br>Com-<br>pany<br>Code | 3<br>Name of Reinsurer | 4<br>Domiciliary<br>Jurisdiction | 5<br>Special<br>Code | 6<br>Reinsurance<br>Premiums<br>Ceded | Reinsurance Recoverable On |               |                                     |                                     |                             |                            |                            |                                      |                                      |                                    | Reinsurance Payable                            |   | 18<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Cols. 15 -<br>[16 + 17] | 19<br>Funds Held<br>By Company<br>Under<br>Reinsurance<br>Treaties |
|--------------------------------|-----------------------------------|------------------------|----------------------------------|----------------------|---------------------------------------|----------------------------|---------------|-------------------------------------|-------------------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------------|--------------------------------------|------------------------------------|--|---|--|--|
|                                |                                   |                        |                                  |                      |                                       | 7<br>Paid<br>Losses        | 8<br>Paid LAE | 9<br>Known Case<br>Loss<br>Reserves | 10<br>Known Case<br>LAE<br>Reserves | 11<br>IBNR Loss<br>Reserves | 12<br>IBNR LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commis-<br>sions | 15<br>Columns<br>7 thru 14<br>Totals | 16<br>Ceded<br>Balances<br>Payable | 17<br>Other<br>Amounts<br>Due to<br>Reinsurers |   |  |  |
| 4199999. Total Protected Cells |                                   |                        |                                  |                      |                                       | 0                          | 0             | 0                                   | 0                                   | 0                           | 0                          | 0                          | 0                                    | 0                                    | 0                                  | 0  | 0 | 0  | 0  |
| 9999999 Totals                 |                                   |                        |                                  |                      |                                       | 2,388                      | 0             | 0                                   | 175                                 | 0                           | 4,134                      | 2,896                      | 349                                  | 0                                    | 7,554                              | 109  | 0 | 7,445  | 0  |

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties.  
The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

|    | 1<br>Name of Reinsurer               | 2<br>Commission Rate | 3<br>Ceded Premium |
|----|--------------------------------------|----------------------|--------------------|
| 1. | NCMIC Insurance Company .....        | 10.000               | 186,335            |
| 2. | SCOTTSDALE INS CO .....              | 8.000                | 205,000            |
| 3. | Ace American Insurance Company ..... | 3.000                | 290,000            |
| 4. | .....                                | 0.000                | 0                  |
| 5. | .....                                | 0.000                | 0                  |

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

|    | 1<br>Name of Reinsurer               | 2<br>Total Recoverables | 3<br>Ceded Premiums | 4<br>Affiliated  |
|----|--------------------------------------|-------------------------|---------------------|------------------|
| 1. | Ace American Insurance Company ..... | 0                       | 0                   | Yes [ ] No [ X ] |
| 2. | NCMIC Insurance Company .....        | 0                       | 0                   | Yes [ ] No [ X ] |
| 3. | Berkley Insurance Company .....      | 0                       | 0                   | Yes [ ] No [ X ] |
| 4. | Munich Reinsurance America Inc ..... | 0                       | 0                   | Yes [ ] No [ X ] |
| 5. | Medical Protective Co .....          | 0                       | 0                   | Yes [ ] No [ X ] |

Schedule F - Part 4

**NONE**

Schedule F - Part 5

**NONE**

Schedule F - Part 5 - Bank Footnote

**NONE**

Schedule F - Part 6 - Section 1 - Provision for Reinsurance Ceded to Certified Reinsurers

**NONE**

Schedule F - Part 6 - Section 1 - Bank Footnote

**NONE**

Schedule F - Part 6 - Section 2 - Provision for Overdue Reinsurance Ceded to Certified Reinsurers

**NONE**

Schedule F - Part 7 - Provision for Overdue Authorized Reinsurance

**NONE**

Schedule F - Part 8 - Provision for Overdue Reinsurance

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 9**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

|   | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|---|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>  |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 12) .....   | 101,227,888                        | 0                               | 101,227,888                       |
| 2. Premiums and considerations (Line 15) .....  | 2,395,128                          | 109,000                         | 2,504,128                         |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) ..... | 0                                  | 0                               | 0                                 |
| 4. Funds held by or deposited with reinsured companies (Line 16.2) .....                  | 0                                  | 0                               | 0                                 |
| 5. Other assets .....   | 904,178                            | 0                               | 904,178                           |
| 6. Net amount recoverable from reinsurers .....   | 0                                  | 7,333,473                       | 7,333,473                         |
| 7. Protected cell assets (Line 27) .....  | 0                                  | 0                               | 0                                 |
| 8. Totals (Line 28) .....   | 104,527,194                        | 7,442,473                       | 111,969,667                       |
| <b>LIABILITIES (Page 3)</b>   |                                    |                                 |                                   |
| 9. Losses and loss adjustment expenses (Lines 1 through 3) .....                          | 44,221,719                         | 7,202,454                       | 51,424,173                        |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8) .....                      | 1,121,099                          | 0                               | 1,121,099                         |
| 11. Unearned premiums (Line 9) .....  | 5,525,263                          | 349,019                         | 5,874,282                         |
| 12. Advance premiums (Line 10) .....  | 1,255,790                          | 0                               | 1,255,790                         |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2) .....                              | 0                                  | 0                               | 0                                 |
| 14. Ceded reinsurance premiums payable (net of ceding commissions (Line 12) .....         | 109,000                            | (109,000)                       | 0                                 |
| 15. Funds held by company under reinsurance treaties (Line 13) .....                      | 0                                  | 0                               | 0                                 |
| 16. Amounts withheld or retained by company for account of others (Line 14) .....         | 0                                  | 0                               | 0                                 |
| 17. Provision for reinsurance (Line 16) .....   | 0                                  | 0                               | 0                                 |
| 18. Other liabilities .....   | 3,350,183                          | 0                               | 3,350,183                         |
| 19. Total liabilities excluding protected cell business (Line 26) .....                   | 55,583,054                         | 7,442,473                       | 63,025,527                        |
| 20. Protected cell liabilities (Line 27) .....  | 0                                  | 0                               | 0                                 |
| 21. Surplus as regards policyholders (Line 37)  | 48,944,140                         | XXX                             | 48,944,140                        |
| 22. Totals (Line 38)  | 104,527,194                        | 7,442,473                       | 111,969,667                       |

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? ..... Yes [ ] No [ X ]

If yes, give full explanation: .....

Schedule H - Part 1 - Analysis of Underwriting Operations

**NONE**

Schedule H - Part 2 - Reserves and Liabilities

**NONE**

Schedule H - Part 3 - Test of Prior Year's Claim Reserves and Liabilities

**NONE**

Schedule H - Part 4 - Reinsurance

**NONE**

Schedule H - Part 5 - Health Claims

**NONE**

**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<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |  |   |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 293                            | 293        | 611                                   | 594        | 1                            | 0          | 282                                    | 18  | XXX  |
| 2. 2008  | 18,643                  | 2,920      | 15,723           | 10,911                         | 3,750      | 4,594                                 | 304        | 650                          | 0          | 0                                      | 12,101  | XXX  |
| 3. 2009  | 19,865                  | 2,708      | 17,157           | 7,364                          | 425        | 3,267                                 | 57         | 630                          | 0          | 14                                     | 10,779  | XXX  |
| 4. 2010  | 15,207                  | 2,350      | 12,857           | 3,914                          | 0          | 4,210                                 | 0          | 460                          | 0          | 0                                      | 8,584   | XXX  |
| 5. 2011  | 14,535                  | 2,046      | 12,489           | 2,112                          | 0          | 2,569                                 | 0          | 350                          | 0          | 0                                      | 5,031   | XXX  |
| 6. 2012  | 14,833                  | 2,067      | 12,766           | 3,761                          | 0          | 2,695                                 | 0          | 467                          | 0          | 0                                      | 6,923   | XXX  |
| 7. 2013  | 15,166                  | 2,282      | 12,884           | 3,358                          | 0          | 3,495                                 | 0          | 591                          | 0          | 0                                      | 7,444   | XXX  |
| 8. 2014  | 13,592                  | 1,789      | 11,803           | 1,480                          | 0          | 1,864                                 | 0          | 421                          | 0          | 0                                      | 3,765   | XXX  |
| 9. 2015  | 13,673                  | 1,938      | 11,735           | 5,685                          | 2,500      | 1,137                                 | 0          | 488                          | 0          | 0                                      | 4,810   | XXX  |
| 10. 2016   | 15,464                  | 1,932      | 13,532           | 1,946                          | 0          | 857                                   | 0          | 347                          | 0          | 0                                      | 3,150   | XXX  |
| 11. 2017   | 18,284                  | 2,276      | 16,008           | 146                            | 0          | 132                                   | 0          | 178                          | 0          | 0                                      | 456   | XXX  |
| 12. Totals   | XXX                     | XXX        | XXX              | 40,970                         | 6,968      | 25,431                                | 955        | 4,583                        | 0          | 296                                    | 63,061  | XXX  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|            |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 1. Prior   | 0                        | 0           | 102                      | 81          | 39                                  | 0           | 75                       | 57          | 3                          | 0           | 0   | 81   | XXX   |
| 2. 2008    | 0                        | 0           | 134                      | 82          | 0                                   | 0           | 127                      | 57          | 6                          | 0           | 0   | 128  | XXX   |
| 3. 2009    | 0                        | 0           | 221                      | 140         | 3                                   | 0           | 205                      | 98          | 9                          | 0           | 0   | 200  | XXX   |
| 4. 2010    | 0                        | 0           | 268                      | 157         | 0                                   | 0           | 336                      | 110         | 16                         | 0           | 0   | 353  | XXX   |
| 5. 2011    | 935                      | 0           | 258                      | 180         | 122                                 | 0           | 287                      | 126         | 38                         | 0           | 0   | 1,334                                      | XXX   |
| 6. 2012    | 335                      | 0           | 416                      | 232         | 129                                 | 0           | 396                      | 162         | 33                         | 0           | 0   | 915  | XXX   |
| 7. 2013    | 810                      | 0           | 916                      | 369         | 203                                 | 0           | 983                      | 259         | 90                         | 0           | 0   | 2,374                                      | XXX   |
| 8. 2014    | 2,740                    | 0           | 902                      | 399         | 483                                 | 0           | 1,245                    | 279         | 152                        | 0           | 0   | 4,844                                      | XXX   |
| 9. 2015    | 1,783                    | 175         | 2,629                    | 621         | 311                                 | 0           | 2,768                    | 435         | 259                        | 0           | 0   | 6,519                                      | XXX   |
| 10. 2016   | 4,412                    | 0           | 4,930                    | 777         | 720                                 | 0           | 4,153                    | 544         | 475                        | 0           | 0   | 13,369                                     | XXX   |
| 11. 2017   | 560                      | 0           | 8,536                    | 1,098       | 226                                 | 0           | 6,057                    | 769         | 593                        | 0           | 0   | 14,105                                     | XXX   |
| 12. Totals | 11,575                   | 175         | 19,312                   | 4,136       | 2,236                               | 0           | 16,632                   | 2,896       | 1,674                      | 0           | 0   | 44,222                                     | XXX   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 21  | 60                         |
| 2. 2008    | 16,422                                  | 4,193       | 12,229    | 88.1  | 143.6       | 77.8      | 0                   | 0                  | 0.0  | 52  | 76                         |
| 3. 2009    | 11,699                                  | 720         | 10,979    | 58.9  | 26.6        | 64.0      | 0                   | 0                  | 0.0  | 81  | 119                        |
| 4. 2010    | 9,204                                   | 267         | 8,937     | 60.5  | 11.4        | 69.5      | 0                   | 0                  | 0.0  | 111                                       | 242                        |
| 5. 2011    | 6,671                                   | 306         | 6,365     | 45.9  | 15.0        | 51.0      | 0                   | 0                  | 0.0  | 1,013                                     | 321                        |
| 6. 2012    | 8,232                                   | 394         | 7,838     | 55.5  | 19.1        | 61.4      | 0                   | 0                  | 0.0  | 519                                       | 396                        |
| 7. 2013    | 10,446                                  | 628         | 9,818     | 68.9  | 27.5        | 76.2      | 0                   | 0                  | 0.0  | 1,357                                     | 1,017                      |
| 8. 2014    | 9,287                                   | 678         | 8,609     | 68.3  | 37.9        | 72.9      | 0                   | 0                  | 0.0  | 3,243                                     | 1,601                      |
| 9. 2015    | 15,060                                  | 3,731       | 11,329    | 110.1   | 192.5       | 96.5      | 0                   | 0                  | 0.0  | 3,616                                     | 2,903                      |
| 10. 2016   | 17,840                                  | 1,321       | 16,519    | 115.4   | 68.4        | 122.1     | 0                   | 0                  | 0.0  | 8,565                                     | 4,804                      |
| 11. 2017   | 16,428                                  | 1,867       | 14,561    | 89.8  | 82.0        | 91.0      | 0                   | 0                  | 0.0  | 7,998                                     | 6,107                      |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 26,576                                    | 17,646                     |

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.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**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<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 30,809   | 26,528    | 23,630    | 21,646    | 21,117    | 20,662    | 20,613    | 20,534    | 20,834    | 20,660     | (174)          | 126            |
| 2. 2008                             | 14,957   | 15,685    | 16,075    | 14,022    | 12,023    | 11,537    | 11,930    | 11,868    | 11,748    | 11,573     | (175)          | (295)          |
| 3. 2009                             | XXX  | 14,623    | 13,978    | 14,227    | 11,502    | 10,245    | 9,985     | 10,581    | 10,516    | 10,340     | (176)          | (241)          |
| 4. 2010                             | XXX  | XXX       | 12,805    | 11,985    | 10,463    | 9,491     | 9,307     | 9,045     | 8,894     | 8,461      | (433)          | (584)          |
| 5. 2011                             | XXX  | XXX       | XXX       | 11,677    | 10,789    | 9,004     | 6,972     | 5,787     | 6,016     | 5,977      | (39)           | 190            |
| 6. 2012                             | XXX  | XXX       | XXX       | XXX       | 11,958    | 12,391    | 10,511    | 9,278     | 7,665     | 7,338      | (327)          | (1,940)        |
| 7. 2013                             | XXX  | XXX       | XXX       | XXX       | XXX       | 12,148    | 11,099    | 10,302    | 10,385    | 9,137      | (1,248)        | (1,165)        |
| 8. 2014                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 10,562    | 10,309    | 9,176     | 8,036      | (1,140)        | (2,273)        |
| 9. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 11,100    | 10,613    | 10,582     | (31)           | (518)          |
| 10. 2016                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12,062    | 15,697     | 3,635          | XXX            |
| 11. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 13,790     | XXX            | XXX            |
| 12. Totals                          |  |           |           |           |           |           |           |           |           |            | (108)          | (6,700)        |

**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<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|--|
|                                     | 1<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |   |  |
| 1. Prior                            | .000  | 7,529     | 12,682    | 16,971    | 18,159    | 18,712    | 19,644    | 20,049    | 20,565    | 20,582     | XXX   | XXX  |
| 2. 2008                             | 437   | 1,310     | 2,920     | 5,903     | 9,388     | 10,679    | 10,859    | 11,451    | 11,452    | 11,451     | XXX   | XXX  |
| 3. 2009                             | XXX   | 376       | 1,268     | 4,890     | 6,179     | 8,320     | 9,006     | 10,114    | 10,148    | 10,149     | XXX   | XXX  |
| 4. 2010                             | XXX   | XXX       | 902       | 1,834     | 2,851     | 4,624     | 6,784     | 8,070     | 8,119     | 8,124      | XXX   | XXX  |
| 5. 2011                             | XXX   | XXX       | XXX       | 449       | 1,154     | 2,334     | 3,697     | 4,132     | 4,352     | 4,681      | XXX   | XXX  |
| 6. 2012                             | XXX   | XXX       | XXX       | XXX       | 281       | 1,971     | 3,356     | 4,872     | 5,635     | 6,456      | XXX   | XXX  |
| 7. 2013                             | XXX   | XXX       | XXX       | XXX       | XXX       | 441       | 1,433     | 2,602     | 5,367     | 6,853      | XXX   | XXX  |
| 8. 2014                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 264       | 1,179     | 2,474     | 3,344      | XXX   | XXX  |
| 9. 2015                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 503       | 1,338     | 4,322      | XXX   | XXX  |
| 10. 2016                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 406       | 2,803      | XXX   | XXX  |
| 11. 2017                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 278        | 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<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |
| 1. Prior                            | 20,427  | 10,849    | 4,773     | 2,197     | 1,170     | 862       | 516       | 283       | 171       | 39         |
| 2. 2008                             | 13,510  | 10,488    | 6,867     | 3,303     | 1,116     | 690       | 542       | 416       | 296       | 122        |
| 3. 2009                             | XXX   | 13,082    | 9,870     | 6,662     | 3,381     | 952       | 589       | 376       | 368       | 188        |
| 4. 2010                             | XXX   | XXX       | 10,987    | 8,480     | 5,507     | 2,089     | 1,008     | 806       | 771       | 337        |
| 5. 2011                             | XXX   | XXX       | XXX       | 10,666    | 8,068     | 5,105     | 2,031     | 924       | 462       | 239        |
| 6. 2012                             | XXX   | XXX       | XXX       | XXX       | 10,354    | 7,831     | 5,237     | 2,979     | 1,022     | 418        |
| 7. 2013                             | XXX   | XXX       | XXX       | XXX       | XXX       | 10,617    | 7,944     | 5,025     | 2,737     | 1,271      |
| 8. 2014                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 9,676     | 7,158     | 4,001     | 1,469      |
| 9. 2015                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 9,435     | 6,579     | 4,341      |
| 10. 2016                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 9,599     | 7,762      |
| 11. 2017                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12,726     |

Schedule P - Part 1A - Homeowners/Farmowners

**NONE**

Schedule P - Part 1B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 1E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |  |   |  |
| 1. Prior.....  | XXX                     | XXX        | XXX              | 293                            | 293        | 581                                   | 564        | 1                            | 0          | 282                                    | 18  | XXX  |
| 2. 2008.....   | 12,184                  | 1,377      | 10,807           | 8,844                          | 3,350      | 3,134                                 | 280        | 480                          | 0          | 0                                      | 8,828   | 210  |
| 3. 2009.....   | 11,948                  | 1,471      | 10,477           | 4,246                          | 0          | 2,387                                 | 15         | 466                          | 0          | 14                                     | 7,084   | 195  |
| 4. 2010.....   | 9,359                   | 1,164      | 8,195            | 3,453                          | 0          | 3,064                                 | 0          | 358                          | 0          | 0                                      | 6,875   | 182  |
| 5. 2011.....   | 9,265                   | 1,140      | 8,125            | 1,388                          | 0          | 1,503                                 | 0          | 235                          | 0          | 0                                      | 3,126   | 156  |
| 6. 2012.....   | 9,171                   | 1,165      | 8,006            | 2,325                          | 0          | 1,382                                 | 0          | 308                          | 0          | 0                                      | 4,015   | 157  |
| 7. 2013.....   | 9,627                   | 1,407      | 8,220            | 1,958                          | 0          | 2,471                                 | 0          | 420                          | 0          | 0                                      | 4,849   | 157  |
| 8. 2014.....   | 8,309                   | 1,057      | 7,252            | 1,163                          | 0          | 1,242                                 | 0          | 300                          | 0          | 0                                      | 2,705   | 121  |
| 9. 2015.....   | 8,684                   | 1,182      | 7,502            | 650                            | 0          | 365                                   | 0          | 208                          | 0          | 0                                      | 1,223   | 113  |
| 10. 2016.....  | 8,334                   | 1,043      | 7,291            | 788                            | 0          | 121                                   | 0          | 141                          | 0          | 0                                      | 1,050   | 152  |
| 11. 2017.....  | 8,595                   | 1,082      | 7,513            | 106                            | 0          | 34                                    | 0          | 46                           | 0          | 0                                      | 186   | 85   |
| 12. Totals   | XXX                     | XXX        | XXX              | 25,214                         | 3,643      | 16,284                                | 859        | 2,963                        | 0          | 296                                    | 39,959  | XXX  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
|               |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 84                       | 64          | 39                                  | 0           | 63                       | 45          | 3                          | 0           | 0   | 80   | 1   |
| 2. 2008.....  | 0                        | 0           | 107                      | 57          | 0                                   | 0           | 108                      | 40          | 6                          | 0           | 0   | 124  | 0   |
| 3. 2009.....  | 0                        | 0           | 188                      | 110         | 3                                   | 0           | 182                      | 77          | 9                          | 0           | 0   | 195  | 1   |
| 4. 2010.....  | 0                        | 0           | 228                      | 120         | 0                                   | 0           | 303                      | 84          | 16                         | 0           | 0   | 343  | 0   |
| 5. 2011.....  | 435                      | 0           | 216                      | 143         | 80                                  | 0           | 252                      | 100         | 24                         | 0           | 0   | 764  | 5   |
| 6. 2012.....  | 335                      | 0           | 349                      | 182         | 129                                 | 0           | 340                      | 127         | 31                         | 0           | 0   | 875  | 13  |
| 7. 2013.....  | 735                      | 0           | 704                      | 265         | 141                                 | 0           | 842                      | 186         | 77                         | 0           | 0   | 2,048                                      | 14  |
| 8. 2014.....  | 1,845                    | 0           | 653                      | 269         | 302                                 | 0           | 1,049                    | 188         | 114                        | 0           | 0   | 3,506                                      | 20  |
| 9. 2015.....  | 1,085                    | 0           | 2,118                    | 437         | 241                                 | 0           | 2,106                    | 306         | 201                        | 0           | 0   | 5,008                                      | 13  |
| 10. 2016..... | 261                      | 0           | 2,915                    | 477         | 193                                 | 0           | 2,623                    | 334         | 247                        | 0           | 0   | 5,428                                      | 22  |
| 11. 2017..... | 11                       | 0           | 4,239                    | 565         | 35                                  | 0           | 3,144                    | 396         | 329                        | 0           | 0   | 6,797                                      | 40  |
| 12. Totals    | 4,707                    | 0           | 11,801                   | 2,689       | 1,163                               | 0           | 11,012                   | 1,883       | 1,057                      | 0           | 0   | 25,168                                     | 129   |

|               | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|---------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|               | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 20  | 60                         |
| 2. 2008.....  | 12,679                                  | 3,727       | 8,952     | 104.1   | 270.7       | 82.8      | 0                   | 0                  | 0.0  | 50  | 74                         |
| 3. 2009.....  | 7,481                                   | 202         | 7,279     | 62.6  | 13.7        | 69.5      | 0                   | 0                  | 0.0  | 78  | 117                        |
| 4. 2010.....  | 7,422                                   | 204         | 7,218     | 79.3  | 17.5        | 88.1      | 0                   | 0                  | 0.0  | 108                                       | 235                        |
| 5. 2011.....  | 4,133                                   | 243         | 3,890     | 44.6  | 21.3        | 47.9      | 0                   | 0                  | 0.0  | 508                                       | 256                        |
| 6. 2012.....  | 5,199                                   | 309         | 4,890     | 56.7  | 26.5        | 61.1      | 0                   | 0                  | 0.0  | 502                                       | 373                        |
| 7. 2013.....  | 7,348                                   | 451         | 6,897     | 76.3  | 32.1        | 83.9      | 0                   | 0                  | 0.0  | 1,174                                     | 874                        |
| 8. 2014.....  | 6,668                                   | 457         | 6,211     | 80.3  | 43.2        | 85.6      | 0                   | 0                  | 0.0  | 2,229                                     | 1,277                      |
| 9. 2015.....  | 6,974                                   | 743         | 6,231     | 80.3  | 62.9        | 83.1      | 0                   | 0                  | 0.0  | 2,766                                     | 2,242                      |
| 10. 2016..... | 7,289                                   | 811         | 6,478     | 87.5  | 77.8        | 88.8      | 0                   | 0                  | 0.0  | 2,699                                     | 2,729                      |
| 11. 2017..... | 7,944                                   | 961         | 6,983     | 92.4  | 88.8        | 92.9      | 0                   | 0                  | 0.0  | 3,685                                     | 3,112                      |
| 12. Totals    | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 13,819                                    | 11,349                     |



**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            |   | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|---|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |   |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |   |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |   |  |   |  |
| 1. Prior.....  | XXX                     | XXX        | XXX              | 0                              | 0          | 30                                    | 30         | 0                            | 0          | 0 | 0                                      | XXX   |  |
| 2. 2008.....   | 6,424                   | 1,543      | 4,881            | 2,065                          | 400        | 1,460                                 | 24         | 170                          | 0          | 0 | 0                                      | 90  |  |
| 3. 2009.....   | 7,862                   | 1,237      | 6,625            | 3,116                          | 425        | 880                                   | 42         | 164                          | 0          | 0 | 0                                      | 83  |  |
| 4. 2010.....   | 5,792                   | 1,186      | 4,606            | 451                            | 0          | 1,117                                 | 0          | 100                          | 0          | 0 | 0                                      | 83  |  |
| 5. 2011.....   | 5,218                   | 906        | 4,312            | 710                            | 0          | 1,064                                 | 0          | 114                          | 0          | 0 | 0                                      | 86  |  |
| 6. 2012.....   | 5,611                   | 902        | 4,709            | 1,434                          | 0          | 1,309                                 | 0          | 159                          | 0          | 0 | 0                                      | 94  |  |
| 7. 2013.....   | 5,490                   | 875        | 4,615            | 1,378                          | 0          | 1,014                                 | 0          | 169                          | 0          | 0 | 0                                      | 100   |  |
| 8. 2014.....   | 5,239                   | 732        | 4,507            | 256                            | 0          | 565                                   | 0          | 113                          | 0          | 0 | 0                                      | 83  |  |
| 9. 2015.....   | 4,944                   | 756        | 4,188            | 4,888                          | 2,500      | 769                                   | 0          | 264                          | 0          | 0 | 0                                      | 113   |  |
| 10. 2016.....  | 7,000                   | 889        | 6,111            | 1,154                          | 0          | 735                                   | 0          | 206                          | 0          | 0 | 0                                      | 188   |  |
| 11. 2017.....  | 9,476                   | 1,194      | 8,282            | 39                             | 0          | 98                                    | 0          | 132                          | 0          | 0 | 0                                      | 293   |  |
| 12. Totals   | XXX                     | XXX        | XXX              | 15,491                         | 3,325      | 9,041                                 | 96         | 1,591                        | 0          | 0 | 0                                      | XXX   |  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 18                       | 17          | 0                                   | 0           | 12                       | 12          | 0                          | 0           | 0   | 1  | 0   |
| 2. 2008.....  | 0                        | 0           | 27                       | 25          | 0                                   | 0           | 19                       | 17          | 0                          | 0           | 0   | 4  | 0   |
| 3. 2009.....  | 0                        | 0           | 33                       | 30          | 0                                   | 0           | 23                       | 21          | 0                          | 0           | 0   | 5  | 0   |
| 4. 2010.....  | 0                        | 0           | 39                       | 37          | 0                                   | 0           | 32                       | 26          | 0                          | 0           | 0   | 8  | 0   |
| 5. 2011.....  | 500                      | 0           | 42                       | 37          | 42                                  | 0           | 35                       | 26          | 14                         | 0           | 0   | 570  | 1   |
| 6. 2012.....  | 0                        | 0           | 67                       | 50          | 0                                   | 0           | 56                       | 35          | 2                          | 0           | 0   | 40   | 0   |
| 7. 2013.....  | 75                       | 0           | 206                      | 104         | 62                                  | 0           | 137                      | 73          | 12                         | 0           | 0   | 315  | 5   |
| 8. 2014.....  | 895                      | 0           | 238                      | 130         | 181                                 | 0           | 188                      | 91          | 37                         | 0           | 0   | 1,318                                      | 11  |
| 9. 2015.....  | 698                      | 175         | 475                      | 184         | 70                                  | 0           | 637                      | 129         | 55                         | 0           | 0   | 1,447                                      | 13  |
| 10. 2016..... | 4,151                    | 0           | 1,964                    | 300         | 527                                 | 0           | 1,494                    | 210         | 223                        | 0           | 0   | 7,849                                      | 60  |
| 11. 2017..... | 549                      | 0           | 4,186                    | 530         | 191                                 | 0           | 2,836                    | 371         | 256                        | 0           | 0   | 7,117                                      | 164   |
| 12. Totals    | 6,868                    | 175         | 7,295                    | 1,444       | 1,073                               | 0           | 5,469                    | 1,011       | 599                        | 0           | 0   | 18,674                                     | 254   |

|               | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|---------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|               | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 1   | 0                          |
| 2. 2008.....  | 3,741                                   | 466         | 3,275     | 58.2  | 30.2        | 67.1      | 0                   | 0                  | 0.0  | 2   | 2                          |
| 3. 2009.....  | 4,216                                   | 518         | 3,698     | 53.6  | 41.9        | 55.8      | 0                   | 0                  | 0.0  | 3   | 2                          |
| 4. 2010.....  | 1,739                                   | 63          | 1,676     | 30.0  | 5.3         | 36.4      | 0                   | 0                  | 0.0  | 2   | 6                          |
| 5. 2011.....  | 2,521                                   | 63          | 2,458     | 48.3  | 7.0         | 57.0      | 0                   | 0                  | 0.0  | 505                                       | 65                         |
| 6. 2012.....  | 3,027                                   | 85          | 2,942     | 53.9  | 9.4         | 62.5      | 0                   | 0                  | 0.0  | 17  | 23                         |
| 7. 2013.....  | 3,053                                   | 177         | 2,876     | 55.6  | 20.2        | 62.3      | 0                   | 0                  | 0.0  | 177                                       | 138                        |
| 8. 2014.....  | 2,473                                   | 221         | 2,252     | 47.2  | 30.2        | 50.0      | 0                   | 0                  | 0.0  | 1,003                                     | 315                        |
| 9. 2015.....  | 7,856                                   | 2,988       | 4,868     | 158.9   | 395.2       | 116.2     | 0                   | 0                  | 0.0  | 814                                       | 633                        |
| 10. 2016..... | 10,454                                  | 510         | 9,944     | 149.3   | 57.4        | 162.7     | 0                   | 0                  | 0.0  | 5,815                                     | 2,034                      |
| 11. 2017..... | 8,287                                   | 901         | 7,386     | 87.5  | 75.5        | 89.2      | 0                   | 0                  | 0.0  | 4,205                                     | 2,912                      |
| 12. Totals    | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 12,544                                    | 6,130                      |

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned    |       |             | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|--------------------|-------|-------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1                  | 2     | 3           | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  | Direct and Assumed | Ceded | Net (1 - 2) | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior   | XXX                | XXX   | XXX         |                                |            |                                       |            |                              |            |  |   | XXX  |
| 2. 2008  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 3. 2009  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 4. 2010  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 5. 2011  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 6. 2012  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 7. 2013  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 8. 2014  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 9. 2015  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 10. 2016   |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 11. 2017   |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 12. Totals   | XXX                | XXX   | XXX         |                                |            |                                       |            |                              |            |  |   | XXX  |

**NONE**

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
| 1. Prior   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 2. 2008    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 3. 2009    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 4. 2010    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 5. 2011    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 6. 2012    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 7. 2013    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 8. 2014    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 9. 2015    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 10. 2016   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 11. 2017   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 12. Totals |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |

**NONE**

|            | Total Losses and Loss Expenses Incurred |       |     | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |       |     | Nontabular Discount |              | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                      |
|------------|---|-------|-----|---|-------|-----|---------------------|--------------|--|---|----------------------|
|            | 26                                      | 27    | 28  | 29  | 30    | 31  | 32                  | 33           |  | 35  | 36                   |
|            | Direct and Assumed                      | Ceded | Net | Direct and Assumed  | Ceded | Net | Loss                | Loss Expense |  | Losses Unpaid                             | Loss Expenses Unpaid |
| 1. Prior   | XXX                                     | XXX   | XXX | XXX   | XXX   | XXX |                     |              | XXX  |   |                      |
| 2. 2008    |   |       |     |   |       |     |                     |              |  |   |                      |
| 3. 2009    |   |       |     |   |       |     |                     |              |  |   |                      |
| 4. 2010    |   |       |     |   |       |     |                     |              |  |   |                      |
| 5. 2011    |   |       |     |   |       |     |                     |              |  |   |                      |
| 6. 2012    |   |       |     |   |       |     |                     |              |  |   |                      |
| 7. 2013    |   |       |     |   |       |     |                     |              |  |   |                      |
| 8. 2014    |   |       |     |   |       |     |                     |              |  |   |                      |
| 9. 2015    |   |       |     |   |       |     |                     |              |  |   |                      |
| 10. 2016   |   |       |     |   |       |     |                     |              |  |   |                      |
| 11. 2017   |   |       |     |   |       |     |                     |              |  |   |                      |
| 12. Totals | XXX                                     | XXX   | XXX | XXX   | XXX   | XXX |                     |              | XXX  |   |                      |

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior.....  | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2008.....   | 35                      | 0          | 35               | 2                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 3. 2009.....   | 26                      | 0          | 26               | 2                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 4. 2010.....   | 27                      | 0          | 27               | 9                              | 0          | 6                                     | 0          | 1                            | 0          | 0                                      | 0   | 6  |
| 5. 2011.....   | 27                      | 0          | 27               | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 6. 2012.....   | 27                      | 0          | 27               | 1                              | 0          | 1                                     | 0          | 0                            | 0          | 0                                      | 0   | 17   |
| 7. 2013.....   | 27                      | 0          | 27               | 21                             | 0          | 10                                    | 0          | 2                            | 0          | 0                                      | 0   | 2  |
| 8. 2014.....   | 27                      | 0          | 27               | 0                              | 0          | 0                                     | 0          | 1                            | 0          | 0                                      | 0   | 3  |
| 9. 2015.....   | 27                      | 0          | 27               | 142                            | 0          | 3                                     | 0          | 13                           | 0          | 0                                      | 0   | 7  |
| 10. 2016.....  | 67                      | 0          | 67               | 0                              | 0          | 1                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 11. 2017.....  | 70                      | 0          | 70               | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 2  |
| 12. Totals   | XXX                     | XXX        | XXX              | 177                            | 0          | 21                                    | 0          | 17                           | 0          | 0                                      | 0   | XXX  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2008.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2009.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2010.....  | 0                        | 0           | 1                        | 0           | 0                                   | 0           | 1                        | 0           | 0                          | 0           | 0   | 2  | 0   |
| 5. 2011.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2012.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2013.....  | 0                        | 0           | 6                        | 0           | 0                                   | 0           | 4                        | 0           | 1                          | 0           | 0   | 11   | 0   |
| 8. 2014.....  | 0                        | 0           | 4                        | 0           | 0                                   | 0           | 3                        | 0           | 0                          | 0           | 0   | 7  | 0   |
| 9. 2015.....  | 0                        | 0           | 32                       | 0           | 0                                   | 0           | 22                       | 0           | 3                          | 0           | 0   | 57   | 0   |
| 10. 2016..... | 0                        | 0           | 30                       | 0           | 0                                   | 0           | 21                       | 0           | 3                          | 0           | 0   | 54   | 0   |
| 11. 2017..... | 0                        | 0           | 28                       | 0           | 0                                   | 0           | 19                       | 0           | 2                          | 0           | 0   | 49   | 2   |
| 12. Totals    | 0                        | 0           | 101                      | 0           | 0                                   | 0           | 70                       | 0           | 9                          | 0           | 0   | 180  | 2   |

|               | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|---------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|               | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2008.....  | 2                                       | 0           | 2         | 5.7   | 0.0         | 5.7       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 3. 2009.....  | 2                                       | 0           | 2         | 7.7   | 0.0         | 7.7       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 4. 2010.....  | 18                                      | 0           | 18        | 66.7  | 0.0         | 66.7      | 0                   | 0                  | 0.0  | 1   | 1                          |
| 5. 2011.....  | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 6. 2012.....  | 2                                       | 0           | 2         | 7.4   | 0.0         | 7.4       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 7. 2013.....  | 44                                      | 0           | 44        | 163.0   | 0.0         | 163.0     | 0                   | 0                  | 0.0  | 6   | 5                          |
| 8. 2014.....  | 8                                       | 0           | 8         | 29.6  | 0.0         | 29.6      | 0                   | 0                  | 0.0  | 4   | 3                          |
| 9. 2015.....  | 215                                     | 0           | 215       | 796.3   | 0.0         | 796.3     | 0                   | 0                  | 0.0  | 32  | 25                         |
| 10. 2016..... | 55                                      | 0           | 55        | 82.1  | 0.0         | 82.1      | 0                   | 0                  | 0.0  | 30  | 24                         |
| 11. 2017..... | 49                                      | 0           | 49        | 70.0  | 0.0         | 70.0      | 0                   | 0                  | 0.0  | 28  | 21                         |
| 12. Totals    | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 101                                       | 79                         |

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2008  | 0                       | 0          | 0                | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 0  |
| 3. 2009  | 29                      | 0          | 29               | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 1  |
| 4. 2010  | 29                      | 0          | 29               | 1                              | 0          | 23                                    | 0          | 1                            | 0          | 0                                      | 0   | 3  |
| 5. 2011  | 25                      | 0          | 25               | 14                             | 0          | 2                                     | 0          | 1                            | 0          | 0                                      | 0   | 21   |
| 6. 2012  | 24                      | 0          | 24               | 1                              | 0          | 3                                     | 0          | 0                            | 0          | 0                                      | 0   | 6  |
| 7. 2013  | 22                      | 0          | 22               | 1                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 8. 2014  | 17                      | 0          | 17               | 61                             | 0          | 57                                    | 0          | 7                            | 0          | 0                                      | 0   | 6  |
| 9. 2015  | 18                      | 0          | 18               | 5                              | 0          | 0                                     | 0          | 3                            | 0          | 0                                      | 0   | 7  |
| 10. 2016   | 63                      | 0          | 63               | 4                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 7  |
| 11. 2017   | 143                     | 0          | 143              | 1                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 9  |
| 12. Totals   | XXX                     | XXX        | XXX              | 88                             | 0          | 85                                    | 0          | 12                           | 0          | 0                                      | 0   | XXX  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2008    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2009    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2010    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2011    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2012    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2013    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 8. 2014    | 0                        | 0           | 7                        | 0           | 0                                   | 0           | 5                        | 0           | 1                          | 0           | 0   | 13   | 0   |
| 9. 2015    | 0                        | 0           | 4                        | 0           | 0                                   | 0           | 3                        | 0           | 0                          | 0           | 0   | 7  | 0   |
| 10. 2016   | 0                        | 0           | 21                       | 0           | 0                                   | 0           | 15                       | 0           | 2                          | 0           | 0   | 38   | 0   |
| 11. 2017   | 0                        | 0           | 83                       | 3           | 0                                   | 0           | 58                       | 2           | 6                          | 0           | 0   | 142  | 0   |
| 12. Totals | 0                        | 0           | 115                      | 3           | 0                                   | 0           | 81                       | 2           | 9                          | 0           | 0   | 200  | 0   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2008    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 3. 2009    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 4. 2010    | 25                                      | 0           | 25        | 86.2  | 0.0         | 86.2      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 5. 2011    | 17                                      | 0           | 17        | 68.0  | 0.0         | 68.0      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 6. 2012    | 4                                       | 0           | 4         | 16.7  | 0.0         | 16.7      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 7. 2013    | 1                                       | 0           | 1         | 4.5   | 0.0         | 4.5       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 8. 2014    | 138                                     | 0           | 138       | 811.8   | 0.0         | 811.8     | 0                   | 0                  | 0.0  | 7   | 6                          |
| 9. 2015    | 15                                      | 0           | 15        | 83.3  | 0.0         | 83.3      | 0                   | 0                  | 0.0  | 4   | 3                          |
| 10. 2016   | 42                                      | 0           | 42        | 66.7  | 0.0         | 66.7      | 0                   | 0                  | 0.0  | 21  | 17                         |
| 11. 2017   | 148                                     | 5           | 143       | 103.5   | 0.0         | 100.0     | 0                   | 0                  | 0.0  | 80  | 62                         |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 112                                       | 88                         |

Schedule P - Part 1I - Special Property (Fire, Allied Lines...)

**NONE**

Schedule P - Part 1J - Auto Physical Damage

**NONE**

Schedule P - Part 1K - Fidelity/Surety

**NONE**

Schedule P - Part 1L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 1M - International

**NONE**

Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 1R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 1T - Warranty

**NONE**

Schedule P - Part 2A - Homeowners/Farmowners

**NONE**

Schedule P - Part 2B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 2E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 2F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 24,956   | 21,094    | 19,149    | 17,391    | 16,917    | 16,460    | 16,453    | 16,378    | 16,678    | 16,503     | (175)          | 125            |
| 2. 2008                             | 11,024   | 12,490    | 12,209    | 10,239    | 8,889     | 8,388     | 8,811     | 8,747     | 8,633     | 8,466      | (167)          | (281)          |
| 3. 2009                             | XXX  | 10,519    | 10,185    | 9,820     | 8,046     | 6,657     | 6,419     | 7,018     | 6,968     | 6,804      | (164)          | (214)          |
| 4. 2010                             | XXX  | XXX       | 9,118     | 8,833     | 8,167     | 7,578     | 7,671     | 7,385     | 7,258     | 6,844      | (414)          | (541)          |
| 5. 2011                             | XXX  | XXX       | XXX       | 7,985     | 7,606     | 6,669     | 5,082     | 3,950     | 3,932     | 3,631      | (301)          | (319)          |
| 6. 2012                             | XXX  | XXX       | XXX       | XXX       | 7,729     | 8,102     | 6,793     | 5,960     | 4,641     | 4,551      | (90)           | (1,409)        |
| 7. 2013                             | XXX  | XXX       | XXX       | XXX       | XXX       | 8,031     | 7,678     | 7,330     | 7,585     | 6,400      | (1,185)        | (930)          |
| 8. 2014                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 6,800     | 6,894     | 6,471     | 5,797      | (674)          | (1,097)        |
| 9. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 7,102     | 6,662     | 5,822      | (840)          | (1,280)        |
| 10. 2016                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6,651     | 6,090      | (561)          | XXX            |
| 11. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6,608      | XXX            | XXX            |
| 12. Totals                          |  |           |           |           |           |           |           |           |           |            | (4,571)        | (5,946)        |

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|            |       |       |       |       |       |       |       |       |       |       |       |         |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| 1. Prior   | 5,801 | 5,404 | 4,464 | 4,252 | 4,198 | 4,201 | 4,159 | 4,156 | 4,156 | 4,157 | 1     | 1       |
| 2. 2008    | 3,903 | 3,170 | 3,844 | 3,776 | 3,131 | 3,147 | 3,117 | 3,119 | 3,113 | 3,105 | (8)   | (14)    |
| 3. 2009    | XXX   | 4,064 | 3,767 | 4,384 | 3,446 | 3,584 | 3,563 | 3,561 | 3,546 | 3,534 | (12)  | (27)    |
| 4. 2010    | XXX   | XXX   | 3,628 | 3,080 | 2,236 | 1,867 | 1,595 | 1,620 | 1,597 | 1,576 | (21)  | (44)    |
| 5. 2011    | XXX   | XXX   | XXX   | 3,632 | 3,128 | 2,296 | 1,870 | 1,818 | 2,067 | 2,330 | 263   | 512     |
| 6. 2012    | XXX   | XXX   | XXX   | XXX   | 4,180 | 4,249 | 3,690 | 3,303 | 3,015 | 2,781 | (234) | (522)   |
| 7. 2013    | XXX   | XXX   | XXX   | XXX   | XXX   | 4,000 | 3,349 | 2,913 | 2,750 | 2,695 | (55)  | (218)   |
| 8. 2014    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,679 | 3,262 | 2,549 | 2,102 | (447) | (1,160) |
| 9. 2015    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,821 | 3,749 | 4,549 | 800   | 728     |
| 10. 2016   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 5,299 | 9,515 | 4,216 | XXX     |
| 11. 2017   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,998 | XXX   | XXX     |
| 12. Totals |       |       |       |       |       |       |       |       |       |       | 4,503 | (744)   |

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

|            |     |     |     |     |     |     |     |     |     |  |     |     |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|
| 1. Prior   |     |     |     |     |     |     |     |     |     |  |     |     |
| 2. 2008    |     |     |     |     |     |     |     |     |     |  |     |     |
| 3. 2009    | XXX |     |     |     |     |     |     |     |     |  |     |     |
| 4. 2010    | XXX | XXX |     |     |     |     |     |     |     |  |     |     |
| 5. 2011    | XXX | XXX | XXX |     |     |     |     |     |     |  |     |     |
| 6. 2012    | XXX | XXX | XXX | XXX |     |     |     |     |     |  |     |     |
| 7. 2013    | XXX | XXX | XXX | XXX | XXX |     |     |     |     |  |     |     |
| 8. 2014    | XXX | XXX | XXX | XXX | XXX | XXX |     |     |     |  |     |     |
| 9. 2015    | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  |     |     |
| 10. 2016   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  |     | XXX |
| 11. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  | XXX | XXX |
| 12. Totals |     |     |     |     |     |     |     |     |     |  |     |     |

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|            |     |     |     |     |     |     |     |     |     |     |      |      |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior   | 52  | 30  | 17  | 3   | 2   | 1   | 1   | 0   | 0   | 0   | 0    | 0    |
| 2. 2008    | 30  | 25  | 22  | 7   | 3   | 2   | 2   | 2   | 2   | 2   | 0    | 0    |
| 3. 2009    | XXX | 23  | 18  | 16  | 10  | 4   | 3   | 2   | 2   | 2   | 0    | 0    |
| 4. 2010    | XXX | XXX | 28  | 33  | 28  | 20  | 17  | 16  | 15  | 17  | 2    | 1    |
| 5. 2011    | XXX | XXX | XXX | 26  | 26  | 16  | 4   | 3   | 1   | 0   | (1)  | (3)  |
| 6. 2012    | XXX | XXX | XXX | XXX | 25  | 22  | 16  | 10  | 6   | 2   | (4)  | (8)  |
| 7. 2013    | XXX | XXX | XXX | XXX | XXX | 100 | 61  | 55  | 48  | 41  | (7)  | (14) |
| 8. 2014    | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15  | 7   | (8)  | (13) |
| 9. 2015    | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 157 | 187 | 199 | 12   | 42   |
| 10. 2016   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60  | 52  | (8)  | XXX  |
| 11. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 47  | XXX  | XXX  |
| 12. Totals |     |     |     |     |     |     |     |     |     |     | (14) | 5    |

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|            |     |     |     |     |     |     |     |     |     |     |      |      |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 2. 2008    | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 3. 2009    | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 4. 2010    | XXX | XXX | 31  | 39  | 32  | 26  | 24  | 24  | 24  | 24  | 0    | 0    |
| 5. 2011    | XXX | XXX | XXX | 34  | 29  | 23  | 16  | 16  | 16  | 16  | 0    | 0    |
| 6. 2012    | XXX | XXX | XXX | XXX | 24  | 18  | 12  | 5   | 3   | 4   | (1)  | (1)  |
| 7. 2013    | XXX | XXX | XXX | XXX | XXX | 17  | 11  | 4   | 2   | 1   | (1)  | (3)  |
| 8. 2014    | XXX | XXX | XXX | XXX | XXX | XXX | 60  | 133 | 141 | 130 | (11) | (3)  |
| 9. 2015    | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 20  | 15  | 12  | (3)  | (8)  |
| 10. 2016   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 52  | 40  | (12) | XXX  |
| 11. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 137 | XXX  | XXX  |
| 12. Totals |     |     |     |     |     |     |     |     |     |     | (26) | (15) |

Schedule P - Part 2I - Special Property

**NONE**

Schedule P - Part 2J - Auto Physical Damage

**NONE**

Schedule P - Part 2K - Fidelity/Surety

**NONE**

Schedule P - Part 2L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 2M - International

**NONE**

Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 2R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 2T - Warranty

**NONE**

Schedule P - Part 3A - Homeowners/Farmowners

**NONE**

Schedule P - Part 3B - Private Passenger Auto Liability/Medical

**NONE**



Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 3E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END<br>(\$000 OMITTED) |       |       |        |        |        |        |        |        |        | 11<br>Number of<br>Claims<br>Closed<br>With<br>Loss<br>Payment | 12<br>Number of<br>Claims<br>Closed<br>Without<br>Loss<br>Payment |
|-------------------------------------|--|-------|-------|--------|--------|--------|--------|--------|--------|--------|--|---|
|                                     | 1  | 2     | 3     | 4      | 5      | 6      | 7      | 8      | 9      | 10     |  |   |
|                                     | 2008   | 2009  | 2010  | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   |  |   |
| 1. Prior                            | .000   | 5,446 | 9,301 | 12,819 | 14,007 | 14,556 | 15,488 | 15,893 | 16,409 | 16,426 | 392  | 0   |
| 2. 2008                             | 296  | 849   | 1,915 | 3,947  | 6,445  | 7,701  | 7,755  | 8,347  | 8,348  | 8,348  | 74   | 136   |
| 3. 2009                             | XXX  | 144   | 582   | 1,832  | 3,053  | 4,994  | 5,478  | 6,584  | 6,618  | 6,618  | 59   | 135   |
| 4. 2010                             | XXX  | XXX   | 691   | 1,367  | 1,979  | 3,327  | 5,294  | 6,464  | 6,513  | 6,517  | 63   | 119   |
| 5. 2011                             | XXX  | XXX   | XXX   | 152    | 530    | 1,238  | 2,011  | 2,440  | 2,627  | 2,891  | 53   | 98  |
| 6. 2012                             | XXX  | XXX   | XXX   | XXX    | 128    | 1,314  | 1,556  | 2,263  | 2,887  | 3,707  | 45   | 99  |
| 7. 2013                             | XXX  | XXX   | XXX   | XXX    | XXX    | 202    | 507    | 1,357  | 3,307  | 4,429  | 51   | 92  |
| 8. 2014                             | XXX  | XXX   | XXX   | XXX    | XXX    | XXX    | 118    | 682    | 1,621  | 2,405  | 38   | 63  |
| 9. 2015                             | XXX  | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | 133    | 481    | 1,015  | 32   | 68  |
| 10. 2016                            | XXX  | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 113    | 909    | 39   | 91  |
| 11. 2017                            | XXX  | XXX   | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 140    | 6  | 39  |

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|          |      |       |       |       |       |       |       |       |       |       |    |     |
|----------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----|-----|
| 1. Prior | .000 | 2,083 | 3,381 | 4,152 | 4,152 | 4,156 | 4,156 | 4,156 | 4,156 | 4,156 | 95 | 0   |
| 2. 2008  | 139  | 459   | 1,003 | 1,954 | 2,941 | 2,976 | 3,102 | 3,102 | 3,102 | 3,101 | 21 | 69  |
| 3. 2009  | XXX  | 230   | 684   | 3,056 | 3,124 | 3,324 | 3,526 | 3,528 | 3,528 | 3,529 | 31 | 52  |
| 4. 2010  | XXX  | XXX   | 200   | 431   | 835   | 1,260 | 1,453 | 1,569 | 1,569 | 1,568 | 21 | 62  |
| 5. 2011  | XXX  | XXX   | XXX   | 281   | 604   | 1,079 | 1,669 | 1,675 | 1,708 | 1,774 | 17 | 68  |
| 6. 2012  | XXX  | XXX   | XXX   | XXX   | 149   | 652   | 1,795 | 2,604 | 2,743 | 2,743 | 27 | 67  |
| 7. 2013  | XXX  | XXX   | XXX   | XXX   | XXX   | 230   | 894   | 1,213 | 2,028 | 2,392 | 17 | 78  |
| 8. 2014  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | 108   | 378   | 734   | 821   | 4  | 68  |
| 9. 2015  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 229   | 706   | 3,157 | 26 | 74  |
| 10. 2016 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 287   | 1,889 | 31 | 97  |
| 11. 2017 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 137   | 14 | 115 |

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

|          |      |     |     |     |     |     |     |     |     |  |     |     |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|
| 1. Prior | .000 |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 2. 2008  |      |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 3. 2009  | XXX  |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 4. 2010  | XXX  | XXX |     |     |     |     |     |     |     |  | XXX | XXX |
| 5. 2011  | XXX  | XXX | XXX |     |     |     |     |     |     |  | XXX | XXX |
| 6. 2012  | XXX  | XXX | XXX | XXX |     |     |     |     |     |  | XXX | XXX |
| 7. 2013  | XXX  | XXX | XXX | XXX | XXX |     |     |     |     |  | XXX | XXX |
| 8. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX |     |     |     |  | XXX | XXX |
| 9. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  | XXX | XXX |
| 10. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  | XXX | XXX |
| 11. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  | XXX | XXX |

**NONE**

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|          |      |     |     |     |     |     |     |     |     |     |   |    |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|
| 1. Prior | .000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 3 | 0  |
| 2. 2008  | 2    | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 3 | 1  |
| 3. 2009  | XXX  | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2 | 2  |
| 4. 2010  | XXX  | XXX | 3   | 13  | 13  | 13  | 13  | 13  | 13  | 15  | 5 | 1  |
| 5. 2011  | XXX  | XXX | XXX | 0   | 4   | 1   | 1   | 1   | 1   | 0   | 1 | 3  |
| 6. 2012  | XXX  | XXX | XXX | XXX | 2   | 2   | 2   | 2   | 2   | 2   | 2 | 15 |
| 7. 2013  | XXX  | XXX | XXX | XXX | XXX | 8   | 31  | 31  | 31  | 31  | 1 | 1  |
| 8. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0 | 3  |
| 9. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | 136 | 146 | 145 | 3 | 4  |
| 10. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2   | 1   | 0 | 4  |
| 11. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 0 | 0  |

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|          |      |     |     |     |     |     |     |     |     |     |    |   |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|---|
| 1. Prior | .000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 2. 2008  | 0    | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0 |
| 3. 2009  | XXX  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 1 |
| 4. 2010  | XXX  | XXX | 8   | 23  | 24  | 24  | 24  | 24  | 24  | 24  | 1  | 2 |
| 5. 2011  | XXX  | XXX | XXX | 16  | 16  | 16  | 16  | 16  | 16  | 16  | 19 | 2 |
| 6. 2012  | XXX  | XXX | XXX | XXX | 2   | 3   | 3   | 3   | 3   | 4   | 2  | 4 |
| 7. 2013  | XXX  | XXX | XXX | XXX | XXX | 1   | 1   | 1   | 1   | 1   | 4  | 0 |
| 8. 2014  | XXX  | XXX | XXX | XXX | XXX | XXX | 38  | 119 | 119 | 118 | 6  | 0 |
| 9. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | 5   | 5   | 5   | 7  | 0 |
| 10. 2016 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 4   | 4   | 5  | 2 |
| 11. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1   | 4  | 5 |

Schedule P - Part 3I - Special Property

**NONE**

Schedule P - Part 3J - Auto Physical Damage

**NONE**

Schedule P - Part 3K - Fidelity/Surety

**NONE**

Schedule P - Part 3L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 3M - International

**NONE**

Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 3R - Section 1 - Product Liability - Occurrence

**NONE**

Schedule P - Part 3R - Section 2 - Product Liability - Claims-Made

**NONE**

Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 3T - Warranty

**NONE**

Schedule P - Part 4A - Homeowners/Farmowners

**NONE**

Schedule P - Part 4B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 4E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 4F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| 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   | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|                                     | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| 1. Prior                            | 17,494  | 9,561 | 4,299 | 2,098 | 1,126 | 819   | 514   | 283   | 171   | 38    |
| 2. 2008                             | 10,349  | 8,884 | 6,050 | 3,021 | 1,047 | 659   | 527   | 399   | 285   | 118   |
| 3. 2009                             | XXX   | 9,929 | 8,417 | 5,395 | 3,105 | 867   | 563   | 343   | 350   | 183   |
| 4. 2010                             | XXX   | XXX   | 8,014 | 6,736 | 4,446 | 1,910 | 947   | 762   | 741   | 327   |
| 5. 2011                             | XXX   | XXX   | XXX   | 7,610 | 6,336 | 4,268 | 1,863 | 807   | 411   | 225   |
| 6. 2012                             | XXX   | XXX   | XXX   | XXX   | 7,393 | 6,293 | 4,575 | 2,515 | 751   | 380   |
| 7. 2013                             | XXX   | XXX   | XXX   | XXX   | XXX   | 7,603 | 6,089 | 3,698 | 2,336 | 1,095 |
| 8. 2014                             | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,451 | 5,083 | 3,013 | 1,245 |
| 9. 2015                             | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,285 | 5,545 | 3,481 |
| 10. 2016                            | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,272 | 4,727 |
| 11. 2017                            | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,422 |

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|          |       |       |       |       |       |       |       |       |       |       |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Prior | 2,887 | 1,259 | 457   | 96    | 42    | 42    | 1     | 0     | 0     | 1     |
| 2. 2008  | 3,133 | 1,581 | 802   | 277   | 68    | 31    | 15    | 17    | 11    | 4     |
| 3. 2009  | XXX   | 3,115 | 1,429 | 1,246 | 268   | 83    | 25    | 33    | 18    | 5     |
| 4. 2010  | XXX   | XXX   | 2,934 | 1,713 | 1,038 | 170   | 57    | 41    | 28    | 8     |
| 5. 2011  | XXX   | XXX   | XXX   | 3,017 | 1,699 | 815   | 165   | 115   | 51    | 14    |
| 6. 2012  | XXX   | XXX   | XXX   | XXX   | 2,925 | 1,510 | 646   | 454   | 267   | 38    |
| 7. 2013  | XXX   | XXX   | XXX   | XXX   | XXX   | 2,974 | 1,815 | 1,300 | 383   | 166   |
| 8. 2014  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,199 | 2,041 | 951   | 205   |
| 9. 2015  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,114 | 983   | 799   |
| 10. 2016 | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,221 | 2,948 |
| 11. 2017 | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,121 |

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

|          |     |     |     |     |     |     |     |     |     |  |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| 1. Prior |     |     |     |     |     |     |     |     |     |  |
| 2. 2008  |     |     |     |     |     |     |     |     |     |  |
| 3. 2009  | XXX |     |     |     |     |     |     |     |     |  |
| 4. 2010  | XXX | XXX |     |     |     |     |     |     |     |  |
| 5. 2011  | XXX | XXX | XXX |     |     |     |     |     |     |  |
| 6. 2012  | XXX | XXX | XXX | XXX |     |     |     |     |     |  |
| 7. 2013  | XXX | XXX | XXX | XXX | XXX |     |     |     |     |  |
| 8. 2014  | XXX | XXX | XXX | XXX | XXX | XXX |     |     |     |  |
| 9. 2015  | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  |
| 10. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  |
| 11. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  |

**NONE**

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|          |     |     |     |     |     |     |     |     |     |    |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior | 46  | 29  | 17  | 3   | 2   | 1   | 1   | 0   | 0   | 0  |
| 2. 2008  | 28  | 23  | 15  | 5   | 1   | 0   | 0   | 0   | 0   | 0  |
| 3. 2009  | XXX | 21  | 16  | 14  | 8   | 2   | 1   | 0   | 0   | 0  |
| 4. 2010  | XXX | XXX | 21  | 20  | 15  | 7   | 4   | 3   | 2   | 2  |
| 5. 2011  | XXX | XXX | XXX | 21  | 20  | 15  | 3   | 2   | 0   | 0  |
| 6. 2012  | XXX | XXX | XXX | XXX | 23  | 20  | 14  | 8   | 4   | 0  |
| 7. 2013  | XXX | XXX | XXX | XXX | XXX | 25  | 30  | 24  | 17  | 10 |
| 8. 2014  | XXX | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15  | 7  |
| 9. 2015  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 21  | 41  | 54 |
| 10. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 58  | 51 |
| 11. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 47 |

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|          |     |     |     |     |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. Prior | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2. 2008  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 3. 2009  | XXX | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0   |
| 4. 2010  | XXX | XXX | 18  | 11  | 8   | 2   | 0   | 0   | 0   | 0   |
| 5. 2011  | XXX | XXX | XXX | 18  | 13  | 7   | 0   | 0   | 0   | 0   |
| 6. 2012  | XXX | XXX | XXX | XXX | 13  | 8   | 2   | 2   | 0   | 0   |
| 7. 2013  | XXX | XXX | XXX | XXX | XXX | 15  | 10  | 3   | 1   | 0   |
| 8. 2014  | XXX | XXX | XXX | XXX | XXX | XXX | 3   | 14  | 22  | 12  |
| 9. 2015  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10  | 7   |
| 10. 2016 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 48  | 36  |
| 11. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 136 |

Schedule P - Part 4I - Special Property

**NONE**

Schedule P - Part 4J - Auto Physical Damage

**NONE**

Schedule P - Part 4K - Fidelity/Surety

**NONE**

Schedule P - Part 4L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 4M - International

**NONE**

Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 4R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 4T - Warranty

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 1

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 2

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 3

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 1

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 2

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 3

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 1

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 2

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 3

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 1

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 2

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 3

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 1

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 2

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 3

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 156   | 198  | 18   | 14   | 10   | 4    | 3    | 1    | 2    | 142  |
| 2. 2008.....   | 15  | 37   | 56   | 64   | 67   | 72   | 72   | 74   | 74   | 74   |
| 3. 2009.....   | XXX   | 8    | 23   | 37   | 42   | 52   | 56   | 57   | 61   | 59   |
| 4. 2010.....   | XXX   | XXX  | 14   | 33   | 41   | 49   | 56   | 61   | 64   | 63   |
| 5. 2011.....   | XXX   | XXX  | XXX  | 18   | 35   | 42   | 48   | 50   | 60   | 53   |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 15   | 32   | 38   | 38   | 49   | 45   |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 13   | 37   | 41   | 63   | 51   |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 12   | 27   | 61   | 38   |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 15   | 42   | 32   |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 69   | 39   |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 6    |

**SECTION 2A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 191   | 113  | 71   | 54   | 26   | 16   | 11   | 6    | 2    | 1    |
| 2. 2008.....   | 72  | 77   | 61   | 36   | 12   | 8    | 4    | 1    | 0    | 0    |
| 3. 2009.....   | XXX   | 43   | 60   | 62   | 42   | 22   | 14   | 10   | 2    | 1    |
| 4. 2010.....   | XXX   | XXX  | 44   | 53   | 67   | 37   | 20   | 12   | 9    | 0    |
| 5. 2011.....   | XXX   | XXX  | XXX  | 33   | 35   | 32   | 32   | 20   | 10   | 5    |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 49   | 30   | 24   | 25   | 21   | 13   |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 46   | 31   | 41   | 27   | 14   |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 31   | 23   | 16   | 20   |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 43   | 60   | 13   |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 58   | 22   |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 40   |

**SECTION 3A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 392   | 331  | 20   | 16   | 2    | 4    | 2    | 39   | 0    | 409  |
| 2. 2008.....   | 94  | 132  | 172  | 180  | 184  | 192  | 196  | 210  | 210  | 210  |
| 3. 2009.....   | XXX   | 53   | 113  | 157  | 169  | 180  | 184  | 196  | 200  | 195  |
| 4. 2010.....   | XXX   | XXX  | 65   | 117  | 163  | 171  | 176  | 183  | 193  | 182  |
| 5. 2011.....   | XXX   | XXX  | XXX  | 59   | 100  | 125  | 140  | 152  | 166  | 156  |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 70   | 103  | 116  | 144  | 168  | 157  |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 66   | 105  | 152  | 180  | 157  |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 53   | 101  | 134  | 121  |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 80   | 167  | 113  |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 180  | 152  |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 85   |



**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE  
SECTION 1B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 15  | 27   | 11   | 6    | 0    | 0    | 0    | 0    | 0    | 51   |
| 2. 2008  | 4   | 8    | 16   | 17   | 20   | 20   | 21   | 21   | 21   | 21   |
| 3. 2009  | XXX   | 6    | 16   | 28   | 29   | 29   | 30   | 31   | 32   | 31   |
| 4. 2010  | XXX   | XXX  | 4    | 10   | 13   | 15   | 16   | 17   | 19   | 21   |
| 5. 2011  | XXX   | XXX  | XXX  | 5    | 10   | 13   | 14   | 16   | 22   | 17   |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 4    | 12   | 19   | 22   | 27   | 27   |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 5    | 13   | 16   | 25   | 17   |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 1    | 1    | 27   | 4    |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    | 83   | 26   |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 76   | 31   |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 14   |

**SECTION 2B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 99  | 40   | 13   | 1    | 1    | 1    | 1    | 0    | 0    | 0    |
| 2. 2008  | 55  | 48   | 17   | 10   | 2    | 1    | 0    | 0    | 0    | 0    |
| 3. 2009  | XXX   | 54   | 23   | 4    | 1    | 2    | 1    | 0    | 0    | 0    |
| 4. 2010  | XXX   | XXX  | 60   | 22   | 12   | 6    | 3    | 1    | 0    | 0    |
| 5. 2011  | XXX   | XXX  | XXX  | 48   | 28   | 16   | 4    | 1    | 1    | 1    |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 71   | 37   | 22   | 12   | 1    | 0    |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 56   | 24   | 11   | 4    | 5    |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 35   | 18   | 11   | 11   |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 47   | 13   | 13   |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 61   | 60   |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 164  |

**SECTION 3B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 49  | 30   | 3    | 0    | 0    | 2    | 0    | 15   | 0    | 171  |
| 2. 2008  | 66  | 78   | 78   | 78   | 78   | 78   | 78   | 90   | 88   | 90   |
| 3. 2009  | XXX   | 70   | 76   | 76   | 76   | 77   | 77   | 85   | 86   | 83   |
| 4. 2010  | XXX   | XXX  | 72   | 77   | 80   | 79   | 78   | 80   | 78   | 83   |
| 5. 2011  | XXX   | XXX  | XXX  | 73   | 84   | 85   | 83   | 86   | 98   | 86   |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 85   | 93   | 97   | 98   | 99   | 94   |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 71   | 74   | 98   | 110  | 100  |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 47   | 77   | 126  | 83   |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 94   | 177  | 113  |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 176  | 188  |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 293  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 1   | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 2    |
| 2. 2008  | 2   | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| 3. 2009  | XXX   | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| 4. 2010  | XXX   | XXX  | 3    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| 5. 2011  | XXX   | XXX  | XXX  | 0    | 1    | 1    | 1    | 1    | 1    | 1    |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 2    | 2    | 2    | 2    | 2    | 2    |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 0    | 1    | 1    | 1    | 1    |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    | 0    |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 1    | 3    | 3    |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    |

**SECTION 2A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 3   | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2008  | 1   | 0    | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2009  | XXX   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 4. 2010  | XXX   | XXX  | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 5. 2011  | XXX   | XXX  | XXX  | 1    | 1    | 0    | 0    | 0    | 0    | 0    |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    | 0    |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    | 0    |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    | 0    |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    |

**SECTION 3A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior   | 1   | (1)  | 0    | 0    | 0    | 0    | 0    | 1    | 0    | 4    |
| 2. 2008  | 3   | 3    | 4    | 3    | 3    | 3    | 3    | 4    | 4    | 4    |
| 3. 2009  | XXX   | 2    | 2    | 2    | 2    | 2    | 2    | 4    | 4    | 4    |
| 4. 2010  | XXX   | XXX  | 4    | 5    | 5    | 5    | 5    | 6    | 6    | 6    |
| 5. 2011  | XXX   | XXX  | XXX  | 1    | 2    | 1    | 1    | 2    | 2    | 4    |
| 6. 2012  | XXX   | XXX  | XXX  | XXX  | 3    | 3    | 3    | 16   | 16   | 17   |
| 7. 2013  | XXX   | XXX  | XXX  | XXX  | XXX  | 1    | 1    | 2    | 2    | 2    |
| 8. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 3    | 3    | 3    |
| 9. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 5    | 6    | 7    |
| 10. 2016   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 4    |
| 11. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    |

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**  
**SECTION 1B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2008.....   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2009.....   | XXX   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 4. 2010.....   | XXX   | XXX  | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| 5. 2011.....   | XXX   | XXX  | XXX  | 17   | 19   | 19   | 19   | 19   | 19   | 19   |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 1    | 2    | 2    | 2    | 2    | 2    |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 3    | 4    | 4    | 4    | 4    |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 4    | 6    | 6    | 6    |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 7    | 7    |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 5    |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 4    |

**SECTION 2B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2008.....   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2009.....   | XXX   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 4. 2010.....   | XXX   | XXX  | 2    | 1    | 0    | 0    | 0    | 0    | 0    | 0    |
| 5. 2011.....   | XXX   | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    | 0    | 0    |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 2    | 1    | 1    | 0    | 0    | 0    |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    | 0    | 0    |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 1    | 0    | 0    |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    |

**SECTION 3B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2008  | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2008.....   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2009.....   | XXX   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    |
| 4. 2010.....   | XXX   | XXX  | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| 5. 2011.....   | XXX   | XXX  | XXX  | 19   | 19   | 19   | 19   | 21   | 23   | 21   |
| 6. 2012.....   | XXX   | XXX  | XXX  | XXX  | 3    | 3    | 3    | 6    | 6    | 6    |
| 7. 2013.....   | XXX   | XXX  | XXX  | XXX  | XXX  | 4    | 4    | 4    | 4    | 4    |
| 8. 2014.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 8    | 6    | 6    |
| 9. 2015.....   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 7    | 7    | 7    |
| 10. 2016.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    | 7    |
| 11. 2017.....  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    |

Schedule P - Part 5R - Products Liability - Occurrence - Section 1A

**NONE**

Schedule P - Part 5R - Products Liability - Occurrence - Section 2A

**NONE**

Schedule P - Part 5R - Products Liability - Occurrence - Section 3A

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 1B

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 2B

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 3B

**NONE**

Schedule P - Part 5T - Warranty - Section 1

**NONE**

Schedule P - Part 5T - Warranty - Section 2

**NONE**

Schedule P - Part 5T - Warranty - Section 3

**NONE**

Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical - Section 1

**NONE**

Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical - Section 2

**NONE**

Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 1

**NONE**

Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL  
SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |   |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |   |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX   |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX   | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX   | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX   | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |   |           |           |           |           |           |           |           |           |            | XXX                             |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE  
SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                               |
| 2. 2008.....   | 35  | 35        | 35        | 35        | 35        | 35        | 35        | 35        | 35        | 35         | 0                               |
| 3. 2009.....   | XXX   | 26        | 26        | 26        | 26        | 26        | 26        | 26        | 26        | 26         | 0                               |
| 4. 2010.....   | XXX   | XXX       | 27        | 27        | 27        | 27        | 27        | 27        | 27        | 27         | 0                               |
| 5. 2011.....   | XXX   | XXX       | XXX       | 27        | 27        | 27        | 27        | 27        | 27        | 27         | 0                               |
| 6. 2012.....   | XXX   | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27        | 27         | 0                               |
| 7. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27        | 27         | 0                               |
| 8. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27        | 27         | 0                               |
| 9. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 27        | 27        | 27         | 0                               |
| 10. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 67        | 67         | 0                               |
| 11. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 70         | 70                              |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 70                              |
| 13. Earned Premiums (Sch P-Pt. 1)                            | 35  | 26        | 27        | 27        | 27        | 27        | 27        | 27        | 67        | 70         | XXX                             |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                               |
| 2. 2008.....   | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                               |
| 3. 2009.....   | XXX   | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                               |
| 4. 2010.....   | XXX   | XXX       | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                               |
| 5. 2011.....   | XXX   | XXX       | XXX       | 25        | 25        | 25        | 25        | 25        | 25        | 25         | 0                               |
| 6. 2012.....   | XXX   | XXX       | XXX       | XXX       | 25        | 25        | 25        | 25        | 25        | 25         | 0                               |
| 7. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 17        | 17        | 17        | 17        | 17         | 0                               |
| 8. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 17        | 17        | 17        | 17         | 0                               |
| 9. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 18        | 18        | 18         | 0                               |
| 10. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 63        | 63         | 0                               |
| 11. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 143        | 143                             |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 143                             |
| 13. Earned Premiums (Sch P-Pt. 1)                            | 0   | 29        | 29        | 25        | 24        | 22        | 17        | 18        | 63        | 143        | XXX                             |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

**SCHEDULE P - PART 6M - INTERNATIONAL**

**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008   | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |   |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |   |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX   |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX   | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX   | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX   | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX   | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |   |           |           |           |           |           |           |           |           |            | XXX                             |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2008.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2009.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2010.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2011.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2012.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2013.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2016.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

Schedule P - Part 6N- Reinsurance A - Nonproportional Assumed Property - Section 1

**NONE**

Schedule P - Part 6N- Reinsurance A - Nonproportional Assumed Property - Section 2

**NONE**

Schedule P - Part 6O - Reinsurance B - Nonproportional Liability - Section 1

**NONE**

Schedule P - Part 6O - Reinsurance B - Nonproportional Assumed Liability - Section 2

**NONE**

Schedule P - Part 6R - Products Liability - Occurrence - Section 1A

**NONE**

Schedule P - Part 6R - Products Liability - Occurrence - Section 2A

**NONE**

Schedule P - Part 6R - Products Liability - Claims-Made - Section 1B

**NONE**

Schedule P - Part 6R - Products Liability - Claims-Made - Section 2B

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS (\$000 OMITTED)  
SECTION 1**

| Schedule P - Part 1   | 1<br>Total Net Losses and Expenses Unpaid | 2<br>Net Losses and Expenses Unpaid on Loss Sensitive Contracts | 3<br>Loss Sensitive as Percentage of Total | 4<br>Total Net Premiums Written | 5<br>Net Premiums Written on Loss Sensitive Contracts | 6<br>Loss Sensitive as Percentage of Total |
|---|---|---|--|---------------------------------|---|--|
| 1. Homeowners/Farmowners .....                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 2. Private Passenger Auto Liability/ Medical .....              | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 3. Commercial Auto/Truck Liability/ Medical .....               | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 4. Workers' Compensation .....                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 5. Commercial Multiple Peril .....                              | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 6. Medical Professional Liability - Occurrence .....            | 25,168                                    | 0   | 0.0  | 7,566                           | 0   | 0.0  |
| 7. Medical Professional Liability - Claims - Made .....         | 18,674                                    | 0   | 0.0  | 8,797                           | 0   | 0.0  |
| 8. Special Liability .....                                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 9. Other Liability - Occurrence .....                           | 180                                       | 0   | 0.0  | 70                              | 0   | 0.0  |
| 10. Other Liability - Claims-Made .....                         | 200                                       | 0   | 0.0  | 155                             | 0   | 0.0  |
| 11. Special Property .....                                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 12. Auto Physical Damage .....                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 13. Fidelity/Surety .....                                       | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 14. Other .....   | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 15. International .....   | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 16. Reinsurance - Nonproportional Assumed Property .....        | XXX                                       | XXX   | XXX  | XXX                             | XXX   | XXX  |
| 17. Reinsurance - Nonproportional Assumed Liability .....       | XXX                                       | XXX   | XXX  | XXX                             | XXX   | XXX  |
| 18. Reinsurance - Nonproportional Assumed Financial Lines ..... | XXX                                       | XXX   | XXX  | XXX                             | XXX   | XXX  |
| 19. Products Liability - Occurrence .....                       | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 20. Products Liability - Claims-Made .....                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 21. Financial Guaranty/Mortgage Guaranty .....                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 22. Warranty .....  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 23. Totals  | 44,222                                    | 0   | 0.0  | 16,588                          | 0   | 0.0  |

**SECTION 2**

| Years in Which Policies Were Issued | INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|
|                                     | 1  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2008   | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....                       |  |      |      |      |      |      |      |      |      |      |
| 2. 2008.....                        |  |      |      |      |      |      |      |      |      |      |
| 3. 2009.....                        | XXX  |      |      |      |      |      |      |      |      |      |
| 4. 2010.....                        | XXX  | XXX  |      |      |      |      |      |      |      |      |
| 5. 2011.....                        | XXX  | XXX  | XX   |      |      |      |      |      |      |      |
| 6. 2012.....                        | XXX  | XXX  | XX   | XX   |      |      |      |      |      |      |
| 7. 2013.....                        | XXX  | XXX  | XX   | XX   | XX   |      |      |      |      |      |
| 8. 2014.....                        | XXX  | XXX  | XX   | XXX  | XX   | X    |      |      |      |      |
| 9. 2015.....                        | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |
| 10. 2016.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |
| 11. 2017.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |

**SECTION 3**

| Years in Which Policies Were Issued | BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|
|                                     | 1  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2008   | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 1. Prior.....                       |  |      |      |      |      |      |      |      |      |      |
| 2. 2008.....                        |  |      |      |      |      |      |      |      |      |      |
| 3. 2009.....                        | XXX  |      |      |      |      |      |      |      |      |      |
| 4. 2010.....                        | XXX  | XXX  |      |      |      |      |      |      |      |      |
| 5. 2011.....                        | XXX  | XXX  | XX   |      |      |      |      |      |      |      |
| 6. 2012.....                        | XXX  | XXX  | XX   | XX   |      |      |      |      |      |      |
| 7. 2013.....                        | XXX  | XXX  | XX   | XX   | XX   |      |      |      |      |      |
| 8. 2014.....                        | XXX  | XXX  | XX   | XXX  | XX   | X    |      |      |      |      |
| 9. 2015.....                        | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |
| 10. 2016.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |
| 11. 2017.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |



Schedule P - Part 7A - Section 4 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7A - Section 5 - Primary Loss Sensitive Contracts

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS (\$000 OMITTED)**

**SECTION 1**

| Schedule P - Part 1                                       | 1<br>Total Net Losses and Expenses Unpaid | 2<br>Net Losses and Expenses Unpaid on Loss Sensitive Contracts | 3<br>Loss Sensitive as Percentage of Total | 4<br>Total Net Premiums Written | 5<br>Net Premiums Written on Loss Sensitive Contracts | 6<br>Loss Sensitive as Percentage of Total |
|---|---|---|--|---------------------------------|---|--|
| 1. Homeowners/Farmowners                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 2. Private Passenger Auto Liability/Medical               | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 3. Commercial Auto/Truck Liability/Medical                | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 4. Workers' Compensation                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 5. Commercial Multiple Peril                              | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 6. Medical Professional Liability - Occurrence            | 25,168                                    | 0   | 0.0  | 7,566                           | 0   | 0.0  |
| 7. Medical Professional Liability - Claims - Made         | 18,674                                    | 0   | 0.0  | 8,797                           | 0   | 0.0  |
| 8. Special Liability                                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 9. Other Liability - Occurrence                           | 180                                       | 0   | 0.0  | 70                              | 0   | 0.0  |
| 10. Other Liability - Claims-Made                         | 200                                       | 0   | 0.0  | 155                             | 0   | 0.0  |
| 11. Special Property                                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 12. Auto Physical Damage                                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 13. Fidelity/Surety                                       | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 14. Other   | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 15. International   | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 16. Reinsurance - Nonproportional Assumed Property        | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 17. Reinsurance - Nonproportional Assumed Liability       | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 18. Reinsurance - Nonproportional Assumed Financial Lines | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 19. Products Liability - Occurrence                       | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 20. Products Liability - Claims-Made                      | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 21. Financial Guaranty/Mortgage Guaranty                  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 22. Warranty  | 0   | 0   | 0.0  | 0                               | 0   | 0.0  |
| 23. Totals  | 44,222                                    | 0   | 0.0  | 16,588                          | 0   | 0.0  |

**SECTION 2**

| Years in Which Policies Were Issued | INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |
| 1. Prior                            |  |           |           |           |           |           |           |           |           |            |
| 2. 2008                             |  |           |           |           |           |           |           |           |           |            |
| 3. 2009                             | XXX  |           |           |           |           |           |           |           |           |            |
| 4. 2010                             | XXX  | XXX       |           |           |           |           |           |           |           |            |
| 5. 2011                             | XXX  | XXX       | XX        |           |           |           |           |           |           |            |
| 6. 2012                             | XXX  | XXX       | XX        | XX        |           |           |           |           |           |            |
| 7. 2013                             | XXX  | XXX       | XX        | XX        | XX        |           |           |           |           |            |
| 8. 2014                             | XXX  | XXX       | XX        | XXX       | XXX       | XX        |           |           |           |            |
| 9. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |
| 10. 2016                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |
| 11. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |

**NONE**

**SECTION 3**

| Years in Which Policies Were Issued | BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                     | 1<br>2008  | 2<br>2009 | 3<br>2010 | 4<br>2011 | 5<br>2012 | 6<br>2013 | 7<br>2014 | 8<br>2015 | 9<br>2016 | 10<br>2017 |
| 1. Prior                            |  |           |           |           |           |           |           |           |           |            |
| 2. 2008                             |  |           |           |           |           |           |           |           |           |            |
| 3. 2009                             | XXX  |           |           |           |           |           |           |           |           |            |
| 4. 2010                             | XXX  | XXX       |           |           |           |           |           |           |           |            |
| 5. 2011                             | XXX  | XXX       | XX        |           |           |           |           |           |           |            |
| 6. 2012                             | XXX  | XXX       | XX        | XX        |           |           |           |           |           |            |
| 7. 2013                             | XXX  | XXX       | XX        | XX        | XX        |           |           |           |           |            |
| 8. 2014                             | XXX  | XXX       | XX        | XXX       | XXX       | XX        |           |           |           |            |
| 9. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |
| 10. 2016                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |
| 11. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |

**NONE**

Schedule P - Part 7B - Section 4 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 5 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 6 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 7 - Reinsurance Loss Sensitive Contracts

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P INTERROGATORIES**

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? ..... Yes [ X ] No [ ]  
 If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? .....\$ .....1,927,000
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? ..... Yes [ X ] No [ ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? ..... Yes [ ] No [ X ]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? ..... Yes [ X ] No [ ] N/A [ ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

| Years in Which Premiums Were Earned and Losses Were Incurred | DDR Reserve Included in<br>Schedule P, Part 1F, Medical Professional Liability<br>Column 24: Total Net Losses and Expenses Unpaid |                             |
|--|---|-----------------------------|
|  | 1<br>Section 1: Occurrence  | 2<br>Section 2: Claims-Made |
| 1.601 Prior .....  | 0   | 0                           |
| 1.602 2008 .....   | 0   | 0                           |
| 1.603 2009 .....   | 0   | 0                           |
| 1.604 2010 .....   | 0   | 0                           |
| 1.605 2011 .....   | 0   | 0                           |
| 1.606 2012 .....   | 0   | 0                           |
| 1.607 2013 .....   | 0   | 0                           |
| 1.608 2014 .....   | 0   | 0                           |
| 1.609 2015 .....   | 0   | 0                           |
| 1.610 2016 .....   | 0   | 0                           |
| 1.611 2017 .....   | 0   | 0                           |
| 1.612 Totals   | 0   | 0                           |

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? ..... Yes [ X ] No [ ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? ..... Yes [ ] No [ X ]
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? ..... Yes [ ] No [ X ]
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33. Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:  
 (in thousands of dollars) 5.1 Fidelity .....0  
5.2 Surety .....0
6. Claim count information is reported per claim or per claimant (Indicate which) .....per claim.....  
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? ..... Yes [ ] No [ X ]
- 7.2 (An extended statement may be attached.)  
 #3: The calendar year A&O expense payments are allocated to year based on the current year loss and DCC expense payments. #6: Claims counts are recorded separately for each hospital and physician named in a claim if both or all are insured. ....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

| States, Etc.   | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges Not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
|--|--------------------|---|-----------------------------|---|---|-----------------------------|---------------------------|---|---|
|  |                    | 2<br>Direct Premiums Written  | 3<br>Direct Premiums Earned |   |   |                             |                           |   |   |
| 1. Alabama   | AL                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 2. Alaska  | AK                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 3. Arizona   | AZ                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 4. Arkansas  | AR                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 5. California  | CA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 6. Colorado  | CO                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 7. Connecticut   | CT                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 8. Delaware  | DE                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 9. District of Columbia  | DC                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 10. Florida  | FL                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 11. Georgia  | GA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 12. Hawaii   | HI                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 13. Idaho  | ID                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 14. Illinois   | IL                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 15. Indiana  | IN                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 16. Iowa   | IA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 17. Kansas   | KS                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 18. Kentucky   | KY                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 19. Louisiana  | LA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 20. Maine  | ME                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 21. Maryland   | MD                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 22. Massachusetts  | MA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 23. Michigan   | MI                 | L   | 18,976,541                  | 18,437,589  | 0   | 8,580,495                   | 13,055,387                | 30,884,822  | 0   |
| 24. Minnesota  | MN                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 25. Mississippi  | MS                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 26. Missouri   | MO                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 27. Montana  | MT                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 28. Nebraska   | NE                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 29. Nevada   | NV                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 30. New Hampshire  | NH                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 31. New Jersey   | NJ                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 32. New Mexico   | NM                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 33. New York   | NY                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 34. North Carolina   | NC                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 35. North Dakota   | ND                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 36. Ohio   | OH                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 37. Oklahoma   | OK                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 38. Oregon   | OR                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 39. Pennsylvania   | PA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 40. Rhode Island   | RI                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 41. South Carolina   | SC                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 42. South Dakota   | SD                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 43. Tennessee  | TN                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 44. Texas  | TX                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 45. Utah   | UT                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 46. Vermont  | VT                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 47. Virginia   | VA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 48. Washington   | WA                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 49. West Virginia  | WV                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 50. Wisconsin  | WI                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 51. Wyoming  | WY                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 52. American Samoa   | AS                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 53. Guam   | GU                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 54. Puerto Rico  | PR                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 55. U.S. Virgin Islands  | VI                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 56. Northern Mariana Islands   | MP                 | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 57. Canada   | CAN                | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 58. Aggregate other alien  | OT                 | XXX   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 59. Totals   | (a)                | 1   | 18,976,541                  | 18,437,589  | 0   | 8,580,495                   | 13,055,387                | 30,884,822  | 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   |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  |                    | XXX   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |

(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 (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

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

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

**SCHEDULE T - PART 2  
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

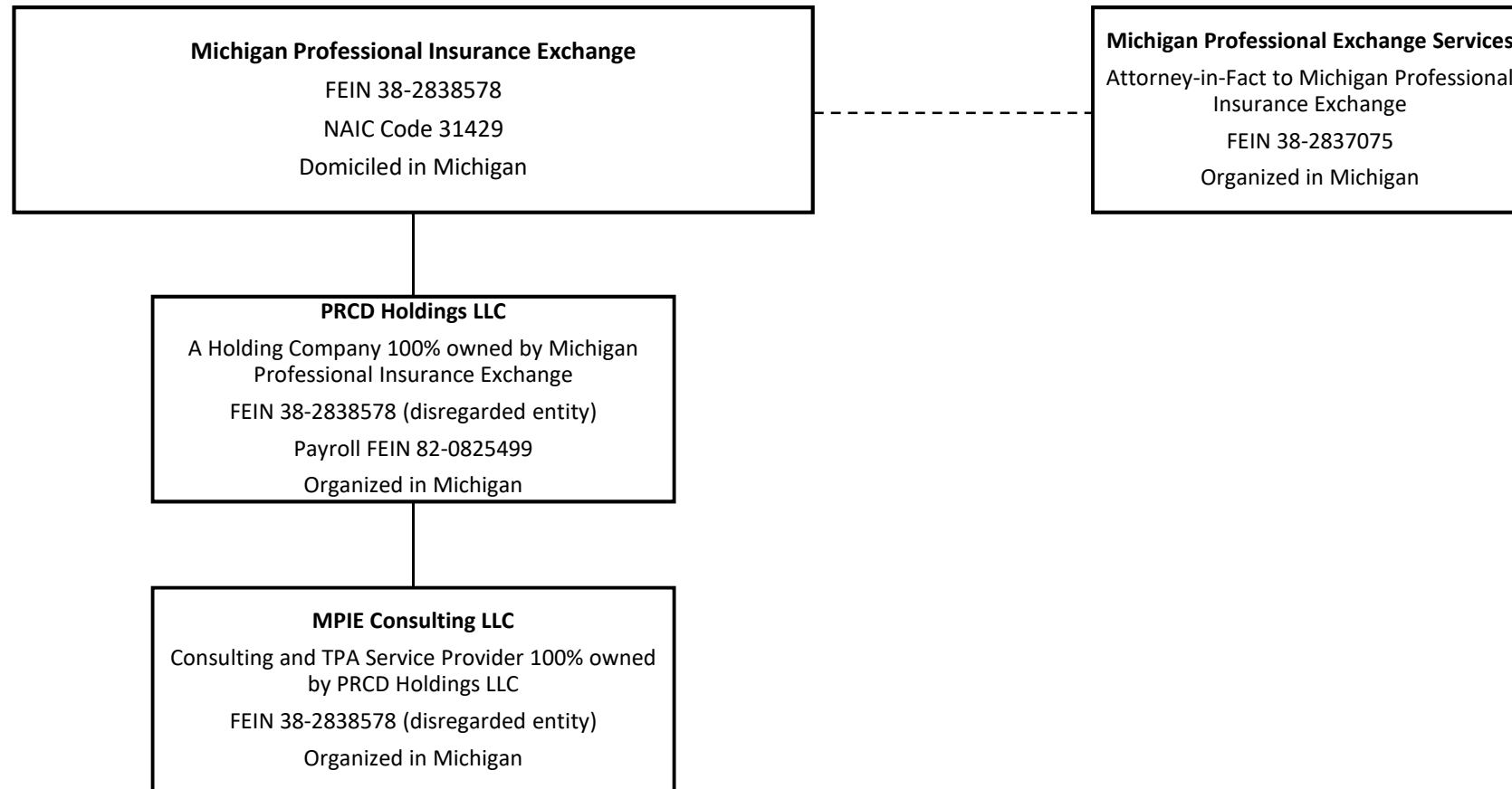
| States, Etc.                 | Direct Business Only                |  |   |  |                                | Totals |
|------------------------------|-------------------------------------|--|---|--|--------------------------------|--------|
|                              | 1<br>Life<br>(Group and Individual) | 2<br>Annuities<br>(Group and Individual) | 3<br>Disability<br>Income<br>(Group and Individual) | 4<br>Long-Term<br>Care<br>(Group and Individual) | 5<br>Deposit-Type<br>Contracts |        |
| 1. Alabama                   | AL                                  |  |   |  |                                |        |
| 2. Alaska                    | AK                                  |  |   |  |                                |        |
| 3. Arizona                   | AZ                                  |  |   |  |                                |        |
| 4. Arkansas                  | AR                                  |  |   |  |                                |        |
| 5. California                | CA                                  |  |   |  |                                |        |
| 6. Colorado                  | CO                                  |  |   |  |                                |        |
| 7. Connecticut               | CT                                  |  |   |  |                                |        |
| 8. Delaware                  | DE                                  |  |   |  |                                |        |
| 9. District of Columbia      | DC                                  |  |   |  |                                |        |
| 10. Florida                  | FL                                  |  |   |  |                                |        |
| 11. Georgia                  | GA                                  |  |   |  |                                |        |
| 12. Hawaii                   | HI                                  |  |   |  |                                |        |
| 13. Idaho                    | ID                                  |  |   |  |                                |        |
| 14. Illinois                 | IL                                  |  |   |  |                                |        |
| 15. Indiana                  | IN                                  |  |   |  |                                |        |
| 16. Iowa                     | IA                                  |  |   |  |                                |        |
| 17. Kansas                   | KS                                  |  |   |  |                                |        |
| 18. Kentucky                 | KY                                  |  |   |  |                                |        |
| 19. Louisiana                | LA                                  |  |   |  |                                |        |
| 20. Maine                    | ME                                  |  |   |  |                                |        |
| 21. Maryland                 | MD                                  |  |   |  |                                |        |
| 22. Massachusetts            | MA                                  |  |   |  |                                |        |
| 23. Michigan                 | MI                                  |  |   |  |                                |        |
| 24. Minnesota                | MN                                  |  |   |  |                                |        |
| 25. Mississippi              | MS                                  |  |   |  |                                |        |
| 26. Missouri                 | MO                                  |  |   |  |                                |        |
| 27. Montana                  | MT                                  |  |   |  |                                |        |
| 28. Nebraska                 | NE                                  |  |   |  |                                |        |
| 29. Nevada                   | NV                                  |  |   |  |                                |        |
| 30. New Hampshire            | NH                                  |  |   |  |                                |        |
| 31. New Jersey               | NJ                                  |  |   |  |                                |        |
| 32. New Mexico               | NM                                  |  |   |  |                                |        |
| 33. New York                 | NY                                  |  |   |  |                                |        |
| 34. North Carolina           | NC                                  |  |   |  |                                |        |
| 35. North Dakota             | ND                                  |  |   |  |                                |        |
| 36. Ohio                     | OH                                  |  |   |  |                                |        |
| 37. Oklahoma                 | OK                                  |  |   |  |                                |        |
| 38. Oregon                   | OR                                  |  |   |  |                                |        |
| 39. Pennsylvania             | PA                                  |  |   |  |                                |        |
| 40. Rhode Island             | RI                                  |  |   |  |                                |        |
| 41. South Carolina           | SC                                  |  |   |  |                                |        |
| 42. South Dakota             | SD                                  |  |   |  |                                |        |
| 43. Tennessee                | TN                                  |  |   |  |                                |        |
| 44. Texas                    | TX                                  |  |   |  |                                |        |
| 45. Utah                     | UT                                  |  |   |  |                                |        |
| 46. Vermont                  | VT                                  |  |   |  |                                |        |
| 47. Virginia                 | VA                                  |  |   |  |                                |        |
| 48. Washington               | WA                                  |  |   |  |                                |        |
| 49. West Virginia            | WV                                  |  |   |  |                                |        |
| 50. Wisconsin                | WI                                  |  |   |  |                                |        |
| 51. Wyoming                  | WY                                  |  |   |  |                                |        |
| 52. American Samoa           | AS                                  |  |   |  |                                |        |
| 53. Guam                     | GU                                  |  |   |  |                                |        |
| 54. Puerto Rico              | PR                                  |  |   |  |                                |        |
| 55. U.S. Virgin Islands      | VI                                  |  |   |  |                                |        |
| 56. Northern Mariana Islands | MP                                  |  |   |  |                                |        |
| 57. Canada                   | CAN                                 |  |   |  |                                |        |
| 58. Aggregate Other Alien    | OT                                  |  |   |  |                                |        |
| 59. Total                    |                                     |  |   |  |                                |        |

**NONE**

STATEMENT AS OF September 30, 2017 OF THE Michigan Professional Insurance Exchange

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

**PART 1 – ORGANIZATIONAL CHART**



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

| 1          | 2          | 3                 | 4          | 5            | 6   | 7  | 8   | 9                    | 10                               | 11   | 12   | 13   | 14   | 15                               | 16 |
|------------|------------|-------------------|------------|--------------|-----|--|---|----------------------|----------------------------------|--|--|--|--|----------------------------------|----|
| Group Code | Group Name | NAIC Company Code | ID Number  | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries Or Affiliates   | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/Person(s) | Is an SCA Filing Required? (Y/N) | *  |
|            |            | 31429             | 38-2838578 |              |     |  | Michigan Professional Insurance Exchange      | MI                   | RE                               | Board of Directors                             | Board of Directors   | 0.000                                      | Board of Directors                         | N                                |    |
|            |            |                   | 38-2837075 |              |     |  | Michigan Professional Exchange Services, Inc. | MI                   | NIA                              | Michigan Professional Insurance Exchange       | Attorney-In-Fact   | 0.000                                      | Michigan Professional Insurance Exchange   | N                                |    |
|            |            |                   | 38-2838578 |              |     |  | PRCD Holdings LLC                             | MI                   | DS                               | Michigan Professional Insurance Exchange       | Ownership  | 100.000                                    | Michigan Professional Insurance Exchange   | N                                |    |
|            |            |                   | 38-2838578 |              |     |  | MPIE Consulting LLC                           | MI                   | DS                               | PRCD Holdings                                  | Ownership  | 100.000                                    | Michigan Professional Insurance Exchange   | N                                |    |

|          |             |
|----------|-------------|
| Asterisk | Explanation |
|----------|-------------|



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE Y**










**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

| 1                       | 2            | 3   | 4                        | 5                        | 6   | 7   | 8   | 9   | 10  | 11   | 12          | 13  |
|-------------------------|--------------|---|--------------------------|--------------------------|---|---|---|---|-----|--|-------------|---|
| NAIC<br>Company<br>Code | ID<br>Number | Names of Insurers and Parent,<br>Subsidiaries or Affiliates       | Shareholder<br>Dividends | Capital<br>Contributions | Purchases, Sales<br>or Exchanges of<br>Loans, Securities,<br>Real Estate,<br>Mortgage Loans or<br>Other Investments | Income/<br>(Disbursements)<br>Incurred in<br>Connection with<br>Guarantees or<br>Undertakings for<br>the Benefit of any<br>Affiliate(s) | Management<br>Agreements and<br>Service Contracts | Income/<br>(Disbursements)<br>Incurred Under<br>Reinsurance<br>Agreements | *   | Any Other Material<br>Activity Not in the<br>Ordinary Course of<br>the Insurer's<br>Business | Totals      | Reinsurance<br>Recoverable/<br>(Payable) on<br>Losses and/or<br>Reserve Credit<br>Taken/(Liability) |
| 31429                   | 38-2838578   | Michigan Professional Insurance Exchange                          | 0                        | (1,000,000)              | 0   | 0   | 0   | 0   |     | 0  | (1,000,000) | 0   |
| 31429                   | 38-2838578   | Michigan Professional Insurance Exchange<br>and PRCO Holdings LLC | 0                        | 1,000,000                | 0   | 0   | 0   | 0   |     | 0  | 1,000,000   | 0   |
| 9999999 Control Totals  |              |   | 0                        | 0                        | 0   | 0   | 0   | 0   | XXX | 0  | 0           | 0   |

# ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

|  | Responses   |
|--|---|
| <b>MARCH FILING</b>  |   |
| 1. Will an actuarial opinion be filed by March 1? .....  | YES   |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....  | YES   |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? .....  | YES   |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? .....  | YES   |
| <b>APRIL FILING</b>  |   |
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? .....   | YES   |
| 6. Will Management's Discussion and Analysis be filed by April 1? .....  | YES   |
| 7. Will the Supplemental Investment Risk Interrogatories be filed by April 1? .....  | YES   |
| <b>MAY FILING</b>  |   |
| 8. Will this company be included in a combined annual statement which is filed with the NAIC by May 1? .....   | YES   |
| <b>JUNE FILING</b>   |   |
| 9. Will an audited financial report be filed by June 1? .....  | YES   |
| 10. Will Accountant's Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? .....   | YES   |
| <b>AUGUST FILING</b>   |   |
| 11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? .....  | SEE EXPLANATION   |
| <p>The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of <b>NO</b> to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter <b>SEE EXPLANATION</b> and provide an explanation following the interrogatory questions.</p> |   |
| <b>MARCH FILING</b>  |   |
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? .....   | SEE EXPLANATION   |
| 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1? .....   | SEE EXPLANATION   |
| 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? .....   | NO  |
| 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1? .....   | YES   |
| 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? .....   | NO  |
| 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1? .....   | NO  |
| 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1? .....  | NO  |
| 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....  | NO  |
| 20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)? .....   | YES   |
| 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1? .....   | YES   |
| 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1? .....  | NO  |
| 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1? .....   | NO  |
| 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....   | NO  |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? .....   | NO  |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? .....   | NO  |
| 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? .....   | NO  |
| 28. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception - Asbestos and Pollution Contracts be filed with the state of domicile and the NAIC by March 1? .....  | NO  |
| <b>APRIL FILING</b>  |   |
| 29. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....  | NO  |
| 30. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....  | NO  |
| 31. Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....  | NO  |
| 32. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....  | NO  |
| 33. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? .....   | NO  |
| 34. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1? .....   | YES   |
| <b>AUGUST FILING</b>   |   |
| 35. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? .....   | NO  |
| <p>Explanations:</p>   |   |
| 11. The data for this supplement is not required to be filed.  |   |
| 12. The data for this supplement is not required to be filed.  |   |
| 13. The data for this supplement is not required to be filed.  |   |
| 14. The data for this supplement is not required to be filed.  |   |
| 16. The data for this supplement is not required to be filed.  |   |
| 17. The data for this supplement is not required to be filed.  |   |
| 18. The data for this supplement is not required to be filed.  |   |
| 19. The data for this supplement is not required to be filed.  |   |
| 22. The data for this supplement is not required to be filed.  |   |
| 23. The data for this supplement is not required to be filed.  |   |
| 24. The data for this supplement is not required to be filed.  |   |
| 25. The data for this supplement is not required to be filed.  |   |
| 26. The data for this supplement is not required to be filed.  |   |
| 27. The data for this supplement is not required to be filed.  |   |
| 28. The data for this supplement is not required to be filed.  |   |
| 29. The data for this supplement is not required to be filed.  |   |
| 30. The data for this supplement is not required to be filed.  |   |
| 31. The data for this supplement is not required to be filed.  |   |
| 32. The data for this supplement is not required to be filed.  |   |
| 33. The data for this supplement is not required to be filed.  |   |
| 35. The data for this supplement is not required to be filed.  |   |
| <p>Bar Codes:</p>  |   |
| 14. Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]   | <br>3 1 4 2 9 2 0 1 7 3 6 0 0 0 0 0 0 |
| 16. Trusteed Surplus Statement [Document Identifier 490]   | <br>3 1 4 2 9 2 0 1 7 4 9 0 0 0 0 0 0 |
| 17. Premiums Attributed to Protected Cells Exhibit [Document Identifier 385]   | <br>3 1 4 2 9 2 0 1 7 3 8 5 0 0 0 0 0 |
| 18. Reinsurance Summary Supplemental Filing [Document Identifier 401]  | <br>3 1 4 2 9 2 0 1 7 4 0 1 0 0 0 0 0 |
| 19. Medicare Part D Coverage Supplement [Document Identifier 365]  | <br>3 1 4 2 9 2 0 1 7 3 6 5 0 0 0 0 0 |
| 22. Exceptions to the Reinsurance Attestation Supplement [Document Identifier 400]   | <br>3 1 4 2 9 2 0 1 7 4 0 0 0 0 0 0 0 |
| 23. Bail Bond Supplement [Document Identifier 500]   | <br>3 1 4 2 9 2 0 1 7 5 0 0 0 0 0 0 0 |
| 24. Director and Officer Insurance Coverage Supplement [Document Identifier 505]   | <br>3 1 4 2 9 2 0 1 7 5 0 5 0 0 0 0 0 |
| 25. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]  | <br>3 1 4 2 9 2 0 1 7 2 2 4 0 0 0 0 0 |

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

26. Relief from the one-year cooling off period for independent CPA  
[Document Identifier 225]



27. Relief from the Requirements for Audit Committees [Document Identifier 226]



28. Reinsurance Counterparty Reporting Exception – Asbestos and Pollution  
Contracts [Document Identifier 555]



29. Credit Insurance Experience Exhibit [Document Identifier 230]



30. Long-Term Care Experience Reporting Forms [Document Identifier 306]



31. Accident and Health Policy Experience Exhibit [Document Identifier 210]



32. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216]



33. Supplemental Health Care Exhibit's Expense Allocation Report  
[Document Identifier 217]



35. Management's Report of Internal Control Over Financial Reporting  
[Document Identifier 223]



**SUMMARY INVESTMENT SCHEDULE**

| Investment Categories   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |  |                                   |                 |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
|   | 1<br>Amount               | 2<br>Percentage | 3<br>Amount   | 4<br>Securities Lending Reinvested Collateral Amount | 5<br>Total (Col. 3 + 4)<br>Amount | 6<br>Percentage |
| 1. Bonds:   |                           |                 |   |  |                                   |                 |
| 1.1 U.S. treasury securities  | 6,199,468                 | 6.063           | 6,199,468   | 0  | 6,199,468                         | 6.124           |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities):  |                           |                 |   |  |                                   |                 |
| 1.21 Issued by U.S. government agencies   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.22 Issued by U.S. government sponsored agencies   | 1,274,228                 | 1.246           | 1,274,228   | 0  | 1,274,228                         | 1.259           |
| 1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:   |                           |                 |   |  |                                   |                 |
| 1.41 States, territories and possessions general obligations  | 1,810,925                 | 1.771           | 1,810,925   | 0  | 1,810,925                         | 1.789           |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations                                 | 1,273,428                 | 1.245           | 1,273,428   | 0  | 1,273,428                         | 1.258           |
| 1.43 Revenue and assessment obligations   | 5,011,198                 | 4.901           | 5,011,198   | 0  | 5,011,198                         | 4.950           |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.245           | 250,000   | 0  | 250,000                           | 0.247           |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS):   |                           |                 |   |  |                                   |                 |
| 1.51 Pass-through securities:   |                           |                 |   |  |                                   |                 |
| 1.511 Issued or guaranteed by GNMA  | 23,364                    | 0.023           | 23,364  | 0  | 23,364                            | 0.023           |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 2,026,706                 | 1.982           | 2,026,706   | 0  | 2,026,706                         | 2.002           |
| 1.513 All other   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.52 CMOs and REMICs:   |                           |                 |   |  |                                   |                 |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA   | 4,390,456                 | 4.294           | 4,390,456   | 0  | 4,390,456                         | 4.337           |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.523 All other   | 16,310,731                | 15.953          | 16,310,731  | 0  | 16,310,731                        | 16.113          |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |                 |   |  |                                   |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)   | 32,917,862                | 32.195          | 32,917,862  | 0  | 32,917,862                        | 32.519          |
| 2.2 Unaffiliated non-U.S. securities (including Canada)   | 10,920,311                | 10.681          | 10,920,311  | 0  | 10,920,311                        | 10.788          |
| 2.3 Affiliated securities   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3. Equity interests:  |                           |                 |   |  |                                   |                 |
| 3.1 Investments in mutual funds   | 15,028,596                | 14.699          | 15,028,596  | 0  | 15,028,596                        | 14.846          |
| 3.2 Preferred stocks:   |                           |                 |   |  |                                   |                 |
| 3.21 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.22 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |                 |   |  |                                   |                 |
| 3.31 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.32 Unaffiliated   | 142,900                   | 0.140           | 142,900   | 0  | 142,900                           | 0.141           |
| 3.4 Other equity securities:  |                           |                 |   |  |                                   |                 |
| 3.41 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.42 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |                 |   |  |                                   |                 |
| 3.51 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.52 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4. Mortgage loans:  |                           |                 |   |  |                                   |                 |
| 4.1 Construction and land development   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.2 Agricultural  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.3 Single family residential properties  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.4 Multifamily residential properties  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.5 Commercial loans  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.6 Mezzanine real estate loans   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5. Real estate investments:   |                           |                 |   |  |                                   |                 |
| 5.1 Property occupied by company  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 6. Contract loans   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 7. Derivatives  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 8. Receivables for securities   | 9,989                     | 0.010           | 0   | 0  | 0                                 | 0.000           |
| 9. Securities Lending (Line 10, Asset Page reinvested collateral)   | 0                         | 0.000           | 0   | XXX  | XXX                               | XXX             |
| 10. Cash, cash equivalents and short-term investments   | 3,647,715                 | 3.568           | 3,647,715   | 0  | 3,647,715                         | 3.603           |
| 11. Other invested assets   | 1,006,827                 | 0.985           | 0   | 0  | 0                                 | 0.000           |
| 12. Total invested assets   | 102,244,704               | 100.000         | 101,227,888   | 0  | 101,227,888                       | 100.000         |

Schedule A - Verification - Real Estate

**NONE**

Schedule B - Verification - Mortgage Loans

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Other Long-Term Invested Assets

|     |  |           |           |
|-----|--|-----------|-----------|
| 1.  | Book/adjusted carrying value, December 31 of prior year .....                            |           | 0         |
| 2.  | Cost of acquired:  |           |           |
|     | 2.1 Actual cost at time of acquisition (Part 2, Column 8) .....                          | 0         |           |
|     | 2.2 Additional investment made after acquisition (Part 2, Column 9) .....                | 1,000,000 | 1,000,000 |
| 3.  | Capitalized deferred interest and other:   |           |           |
|     | 3.1 Totals, Part 1, Column 16 .....  | 0         |           |
|     | 3.2 Totals, Part 3, Column 12 .....  | 0         | 0         |
| 4.  | Accrual of discount .....  |           | 0         |
| 5.  | Unrealized valuation increase (decrease):  |           |           |
|     | 5.1 Totals, Part 1, Column 13 .....  | 6,827     |           |
|     | 5.2 Totals, Part 3, Column 9 .....   | 0         | 6,827     |
| 6.  | Total gain (loss) on disposals, Part 3, Column 19 .....                                  |           | 0         |
| 7.  | Deduct amounts received on disposals, Part 3, Column 16 .....                            |           | 0         |
| 8.  | Deduct amortization of premium and depreciation .....                                    |           | 0         |
| 9.  | Total foreign exchange change in book/adjusted carrying value:                           |           |           |
|     | 9.1 Totals, Part 1, Column 17 .....  | 0         |           |
|     | 9.2 Totals, Part 3, Column 14 .....  | 0         | 0         |
| 10. | Deduct current year's other than temporary impairment recognized:                        |           |           |
|     | 10.1 Totals, Part 1, Column 15 .....   | 0         |           |
|     | 10.2 Totals, Part 3, Column 11 .....   | 0         | 0         |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) ..... |           | 1,006,827 |
| 12. | Deduct total nonadmitted amounts .....   |           | 1,006,827 |
| 13. | Statement value at end of current period (Line 11 minus Line 12) .....                   |           | 0         |

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

|     |   |           |            |
|-----|---|-----------|------------|
| 1.  | Book/adjusted carrying value, December 31 of prior year .....                         |           | 93,314,080 |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7 .....                             |           | 30,743,005 |
| 3.  | Accrual of discount .....   |           | 40,816     |
| 4.  | Unrealized valuation increase (decrease):   |           |            |
|     | 4.1. Part 1, Column 12 .....  | 1,507     |            |
|     | 4.2. Part 2, Section 1, Column 15 .....   | 0         |            |
|     | 4.3. Part 2, Section 2, Column 13 .....   | 1,808,370 |            |
|     | 4.4. Part 4, Column 11 .....  | (425,895) | 1,383,983  |
| 5.  | Total gain (loss) on disposals, Part 4, Column 19 .....                               |           | 2,325,398  |
| 6.  | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....      |           | 29,667,051 |
| 7.  | Deduct amortization of premium .....  |           | 560,058    |
| 8.  | Total foreign exchange change in book/adjusted carrying value:                        |           |            |
|     | 8.1. Part 1, Column 15 .....  | 0         |            |
|     | 8.2. Part 2, Section 1, Column 19 .....   | 0         |            |
|     | 8.3. Part 2, Section 2, Column 16 .....   | 0         |            |
|     | 8.4. Part 4, Column 15 .....  | 0         | 0          |
| 9.  | Deduct current year's other than temporary impairment recognized:                     |           |            |
|     | 9.1. Part 1, Column 14 .....  | 0         |            |
|     | 9.2. Part 2, Section 1, Column 17 .....   | 0         |            |
|     | 9.3. Part 2, Section 2, Column 14 .....   | 0         |            |
|     | 9.4. Part 4, Column 13 .....  | 0         | 0          |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... |           | 97,580,173 |
| 11. | Deduct total nonadmitted amounts .....  |           | 0          |
| 12. | Statement value at end of current period (Line 10 minus Line 11) .....                |           | 97,580,173 |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description   |                            | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value | 3<br>Actual Cost | 4<br>Par Value of Bonds |
|---|----------------------------|--------------------------------------|-----------------|------------------|-------------------------|
| <b>BONDS</b>  |                            |                                      |                 |                  |                         |
| Governments<br>(Including all obligations guaranteed<br>by governments)   | 1. United States .....     | 9,284,853                            | 9,246,150       | 9,287,984        | 9,266,134               |
|   | 2. Canada .....            | 0                                    | 0               | 0                | 0                       |
|   | 3. Other Countries .....   | 0                                    | 0               | 0                | 0                       |
|   | 4. Totals                  | 9,284,853                            | 9,246,150       | 9,287,984        | 9,266,134               |
| U.S. States, Territories and<br>Possessions<br>(Direct and guaranteed)  | 5. Totals                  | 1,810,925                            | 1,971,867       | 1,818,160        | 1,700,000               |
| U.S. Political Subdivisions of States,<br>Territories and Possessions (Direct<br>and guaranteed)  | 6. Totals                  | 1,273,428                            | 1,519,813       | 1,284,044        | 1,250,000               |
| U.S. Special Revenue and Special<br>Assessment Obligations and all Non-<br>Guaranteed Obligations of Agencies<br>and Authorities of Governments and<br>their Political Subdivisions | 7. Totals                  | 10,010,911                           | 10,377,145      | 10,134,253       | 9,671,368               |
| Industrial and Miscellaneous, SVO<br>Identified Funds and Hybrid<br>Securities (unaffiliated)   | 8. United States .....     | 49,108,248                           | 50,745,171      | 49,703,633       | 48,230,959              |
|   | 9. Canada .....            | 1,390,159                            | 1,511,012       | 1,393,431        | 1,385,000               |
|   | 10. Other Countries .....  | 9,530,153                            | 9,901,564       | 9,750,648        | 9,367,550               |
|   | 11. Totals                 | 60,028,560                           | 62,157,747      | 60,847,711       | 58,983,509              |
| Parent, Subsidiaries and Affiliates   | 12. Totals                 | 0                                    | 0               | 0                | 0                       |
|   | 13. Total Bonds            | 82,408,676                           | 85,272,722      | 83,372,151       | 80,871,011              |
| <b>PREFERRED STOCKS</b>   |                            |                                      |                 |                  |                         |
| Industrial and Miscellaneous<br>(unaffiliated)  | 14. United States .....    | 0                                    | 0               | 0                |                         |
|   | 15. Canada .....           | 0                                    | 0               | 0                |                         |
|   | 16. Other Countries .....  | 0                                    | 0               | 86,202           |                         |
|   | 17. Totals                 | 0                                    | 0               | 86,202           |                         |
| Parent, Subsidiaries and Affiliates   | 18. Totals                 | 0                                    | 0               | 0                |                         |
|   | 19. Total Preferred Stocks | 0                                    | 0               | 86,202           |                         |
| <b>COMMON STOCKS</b>  |                            |                                      |                 |                  |                         |
| Industrial and Miscellaneous<br>(unaffiliated)  | 20. United States .....    | 15,171,497                           | 15,171,497      | 10,283,363       |                         |
|   | 21. Canada .....           | 0                                    | 0               | 0                |                         |
|   | 22. Other Countries .....  | 0                                    | 0               | 0                |                         |
|   | 23. Totals                 | 15,171,497                           | 15,171,497      | 10,283,363       |                         |
| Parent, Subsidiaries and Affiliates   | 24. Totals                 | 0                                    | 0               | 0                |                         |
|   | 25. Total Common Stocks    | 15,171,497                           | 15,171,497      | 10,283,363       |                         |
|   | 26. Total Stocks           | 15,171,497                           | 15,171,497      | 10,369,565       |                         |
|   | 27. Total Bonds and Stocks | 97,580,173                           | 100,444,219     | 93,741,716       |                         |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 10.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|---|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 1.1 NAIC 1  | 184,821             | 1,131,147                           | 5,201,677                             | 321,030                                | 2,446,178          | XXX                      | 9,284,853               | 11.3                               | 10,954,376                           | 13.7                              | 9,284,853                      | 0                                   |
| 1.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.7 Totals  | 184,821             | 1,131,147                           | 5,201,677                             | 321,030                                | 2,446,178          | XXX                      | 9,284,853               | 11.3                               | 10,954,376                           | 13.7                              | 9,284,853                      | 0                                   |
| <b>2. All Other Governments</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 2.1 NAIC 1  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.7 Totals  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| <b>3. U.S. States, Territories and Possessions etc.,<br/>Guaranteed</b>                       |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 3.1 NAIC 1  | 500,000             | 0                                   | 500,000                               | 0                                      | 810,925            | XXX                      | 1,810,925               | 2.2                                | 1,813,880                            | 2.3                               | 1,810,925                      | 0                                   |
| 3.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.7 Totals  | 500,000             | 0                                   | 500,000                               | 0                                      | 810,925            | XXX                      | 1,810,925               | 2.2                                | 1,813,880                            | 2.3                               | 1,810,925                      | 0                                   |
| <b>4. U.S. Political Subdivisions of States, Territories and<br/>Possessions, Guaranteed</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 4.1 NAIC 1  | 0                   | 0                                   | 0                                     | 1,273,428                              | 0                  | XXX                      | 1,273,428               | 1.5                                | 1,274,969                            | 1.6                               | 1,273,428                      | 0                                   |
| 4.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.7 Totals  | 0                   | 0                                   | 0                                     | 1,273,428                              | 0                  | XXX                      | 1,273,428               | 1.5                                | 1,274,969                            | 1.6                               | 1,273,428                      | 0                                   |
| <b>5. U.S. Special Revenue &amp; Special Assessment<br/>Obligations, etc., Non-Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 5.1 NAIC 1  | 1,061,792           | 3,770,841                           | 3,808,851                             | 545,484                                | 823,944            | XXX                      | 10,010,911              | 12.1                               | 11,685,218                           | 14.6                              | 10,010,911                     | 0                                   |
| 5.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.7 Totals  | 1,061,792           | 3,770,841                           | 3,808,851                             | 545,484                                | 823,944            | XXX                      | 10,010,911              | 12.1                               | 11,685,218                           | 14.6                              | 10,010,911                     | 0                                   |



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 10.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|---|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Industrial &amp; Miscellaneous (Unaffiliated)</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 6.1 NAIC 1  | 5,048,697           | 17,516,640                          | 10,295,547                            | 2,758,180                              | 1,627,216          | XXX                      | 37,246,279              | 45.2                               | 32,758,916                           | 40.8                              | 21,593,799                     | 15,652,480                          |
| 6.2 NAIC 2  | 372,523             | 8,145,569                           | 7,809,143                             | 0                                      | 1,200,909          | XXX                      | 17,528,144              | 21.3                               | 17,035,484                           | 21.2                              | 16,464,004                     | 1,064,139                           |
| 6.3 NAIC 3  | 332,993             | 2,259,438                           | 875,146                               | 11,556                                 | 224                | XXX                      | 3,479,357               | 4.2                                | 3,340,540                            | 4.2                               | 2,568,345                      | 911,012                             |
| 6.4 NAIC 4  | 6,542               | 618,665                             | 794,040                               | 4,240                                  | 0                  | XXX                      | 1,423,487               | 1.7                                | 1,057,780                            | 1.3                               | 1,156,187                      | 267,300                             |
| 6.5 NAIC 5  | 0                   | 0                                   | 70,620                                | 0                                      | 0                  | XXX                      | 70,620                  | 0.1                                | 0                                    | 0.0                               | 19,213                         | 51,408                              |
| 6.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 6.7 Totals  | 5,760,754           | 28,540,313                          | 19,844,495                            | 2,773,976                              | 2,828,348          | XXX                      | 59,747,886              | 72.5                               | 54,192,720                           | 67.6                              | 41,801,548                     | 17,946,338                          |
| <b>7. Hybrid Securities</b>                             |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 7.1 NAIC 1  | 0                   | 280,673                             | 0                                     | 0                                      | 0                  | XXX                      | 280,673                 | 0.3                                | 288,665                              | 0.4                               | 280,673                        | 0                                   |
| 7.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.7 Totals  | 0                   | 280,673                             | 0                                     | 0                                      | 0                  | XXX                      | 280,673                 | 0.3                                | 288,665                              | 0.4                               | 280,673                        | 0                                   |
| <b>8. Parent, Subsidiaries and Affiliates</b>           |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 8.1 NAIC 1  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.7 Totals  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| <b>9. SVO Identified Funds</b>                          |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 9.1 NAIC 1  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.2 NAIC 2  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.3 NAIC 3  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.4 NAIC 4  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.5 NAIC 5  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.6 NAIC 6  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.7 Totals  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation                                       | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 10.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>10. Total Bonds Current Year</b>                    |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 10.1 NAIC 1  | (d) 6,795,309       | 22,699,301                          | 19,806,075                            | 4,898,121                              | 5,708,263          | 0                        | 59,907,069              | 72.7                               | XXX                                  | XXX                               | 44,254,589                     | 15,652,480                          |
| 10.2 NAIC 2  | (d) 372,523         | 8,145,569                           | 7,809,143                             | 0                                      | 1,200,909          | 0                        | 17,528,144              | 21.3                               | XXX                                  | XXX                               | 16,464,004                     | 1,064,139                           |
| 10.3 NAIC 3  | (d) 332,993         | 2,259,438                           | 875,146                               | 11,556                                 | 224                | 0                        | 3,479,357               | 4.2                                | XXX                                  | XXX                               | 2,568,345                      | 911,012                             |
| 10.4 NAIC 4  | (d) 6,542           | 618,665                             | 794,040                               | 4,240                                  | 0                  | 0                        | 1,423,487               | 1.7                                | XXX                                  | XXX                               | 1,156,187                      | 267,300                             |
| 10.5 NAIC 5  | (d) 0               | 0                                   | 70,620                                | 0                                      | 0                  | 0                        | 70,620                  | 0.1                                | XXX                                  | XXX                               | 19,213                         | 51,408                              |
| 10.6 NAIC 6  | (d) 0               | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.7 Totals  | 7,507,367           | 33,722,974                          | 29,355,024                            | 4,913,917                              | 6,909,396          | 0                        | (b) 82,408,676          | 100.0                              | XXX                                  | XXX                               | 64,462,338                     | 17,946,338                          |
| 10.8 Line 10.7 as a % of Col. 7                        | 9.1                 | 40.9                                | 35.6                                  | 6.0                                    | 8.4                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 78.2                           | 21.8                                |
| <b>11. Total Bonds Prior Year</b>                      |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 11.1 NAIC 1  | 6,502,018           | 22,069,809                          | 18,150,153                            | 5,024,996                              | 7,029,046          | 0                        | XXX                     | XXX                                | 58,776,023                           | 73.3                              | 48,122,721                     | 10,653,303                          |
| 11.2 NAIC 2  | 833,289             | 7,107,759                           | 7,595,884                             | 597,785                                | 900,768            | 0                        | XXX                     | XXX                                | 17,035,484                           | 21.2                              | 15,648,411                     | 1,387,073                           |
| 11.3 NAIC 3  | 97,206              | 2,332,929                           | 754,875                               | 0                                      | 155,530            | 0                        | XXX                     | XXX                                | 3,340,540                            | 4.2                               | 2,958,980                      | 381,560                             |
| 11.4 NAIC 4  | 0                   | 678,490                             | 379,290                               | 0                                      | 0                  | 0                        | XXX                     | XXX                                | 1,057,780                            | 1.3                               | 487,949                        | 569,831                             |
| 11.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | XXX                     | XXX                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 11.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | XXX                     | XXX                                | (c) 0                                | 0.0                               | 0                              | 0                                   |
| 11.7 Totals  | 7,432,513           | 32,188,988                          | 26,880,202                            | 5,622,782                              | 8,085,344          | 0                        | XXX                     | XXX                                | (b) 80,209,828                       | 100.0                             | 67,218,061                     | 12,991,767                          |
| 11.8 Line 11.7 as a % of Col. 9                        | 9.3                 | 40.1                                | 33.5                                  | 7.0                                    | 10.1               | 0.0                      | XXX                     | XXX                                | 100.0                                | XXX                               | 83.8                           | 16.2                                |
| <b>12. Total Publicly Traded Bonds</b>                 |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 12.1 NAIC 1  | 4,286,835           | 15,241,695                          | 15,847,895                            | 3,294,633                              | 5,583,531          | 0                        | 44,254,589              | 53.7                               | 48,122,721                           | 60.0                              | 44,254,589                     | XXX                                 |
| 12.2 NAIC 2  | 350,680             | 7,856,862                           | 7,055,554                             | 0                                      | 1,200,909          | 0                        | 16,464,004              | 20.0                               | 15,648,411                           | 19.5                              | 16,464,004                     | XXX                                 |
| 12.3 NAIC 3  | 332,993             | 1,880,597                           | 342,975                               | 11,556                                 | 224                | 0                        | 2,568,345               | 3.1                                | 2,958,980                            | 3.7                               | 2,568,345                      | XXX                                 |
| 12.4 NAIC 4  | 6,542               | 351,365                             | 794,040                               | 4,240                                  | 0                  | 0                        | 1,156,187               | 1.4                                | 487,949                              | 0.6                               | 1,156,187                      | XXX                                 |
| 12.5 NAIC 5  | 0                   | 0                                   | 19,213                                | 0                                      | 0                  | 0                        | 19,213                  | 0.0                                | 0                                    | 0.0                               | 19,213                         | XXX                                 |
| 12.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | XXX                                 |
| 12.7 Totals  | 4,977,051           | 25,330,520                          | 24,059,676                            | 3,310,428                              | 6,784,664          | 0                        | 64,462,338              | 78.2                               | 67,218,061                           | 83.8                              | 64,462,338                     | XXX                                 |
| 12.8 Line 12.7 as a % of Col. 7                        | 7.7                 | 39.3                                | 37.3                                  | 5.1                                    | 10.5               | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 100.0                          | XXX                                 |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10 | 6.0                 | 30.7                                | 29.2                                  | 4.0                                    | 8.2                | 0.0                      | 78.2                    | XXX                                | XXX                                  | XXX                               | 78.2                           | XXX                                 |
| <b>13. Total Privately Placed Bonds</b>                |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 13.1 NAIC 1  | 2,508,474           | 7,457,606                           | 3,958,180                             | 1,603,489                              | 124,732            | 0                        | 15,652,480              | 19.0                               | 10,653,303                           | 13.3                              | XXX                            | 15,652,480                          |
| 13.2 NAIC 2  | 21,843              | 288,707                             | 753,589                               | 0                                      | 0                  | 0                        | 1,064,139               | 1.3                                | 1,387,073                            | 1.7                               | XXX                            | 1,064,139                           |
| 13.3 NAIC 3  | 0                   | 378,841                             | 532,171                               | 0                                      | 0                  | 0                        | 911,012                 | 1.1                                | 381,560                              | 0.5                               | XXX                            | 911,012                             |
| 13.4 NAIC 4  | 0                   | 267,300                             | 0                                     | 0                                      | 0                  | 0                        | 267,300                 | 0.3                                | 569,831                              | 0.7                               | XXX                            | 267,300                             |
| 13.5 NAIC 5  | 0                   | 0                                   | 51,408                                | 0                                      | 0                  | 0                        | 51,408                  | 0.1                                | 0                                    | 0.0                               | XXX                            | 51,408                              |
| 13.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | XXX                            | 0                                   |
| 13.7 Totals  | 2,530,316           | 8,392,454                           | 5,295,348                             | 1,603,489                              | 124,732            | 0                        | 17,946,338              | 21.8                               | 12,991,767                           | 16.2                              | XXX                            | 17,946,338                          |
| 13.8 Line 13.7 as a % of Col. 7                        | 14.1                | 46.8                                | 29.5                                  | 8.9                                    | 0.7                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | XXX                            | 100.0                               |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10 | 3.1                 | 10.2                                | 6.4                                   | 1.9                                    | 0.2                | 0.0                      | 21.8                    | XXX                                | XXX                                  | XXX                               | XXX                            | 21.8                                |

(a) Includes \$ 17,860,788 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 423,123 current year, \$ 0 prior year of bonds with Z designations and \$ 466,679, current year \$ 0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5\* designations and \$ 0, current year \$ 0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 0 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type   | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 10.6 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 1.1 Issuer Obligations   | 0                   | 305,804                             | 3,447,485                             | 0                                      | 2,446,178          | XXX                      | 6,199,468               | 7.5                                | 7,540,111                            | 9.4                               | 6,199,468                      | 0                               |
| 1.2 Residential Mortgage-Backed Securities   | 32,614              | 102,672                             | 5,739                                 | 2,684                                  | 0                  | XXX                      | 143,708                 | 0.2                                | 320,954                              | 0.4                               | 143,708                        | 0                               |
| 1.3 Commercial Mortgage-Backed Securities  | 152,207             | 722,671                             | 1,748,453                             | 318,346                                | 0                  | XXX                      | 2,941,677               | 3.6                                | 3,093,311                            | 3.9                               | 2,941,677                      | 0                               |
| 1.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 1.5 Totals   | 184,821             | 1,131,147                           | 5,201,677                             | 321,030                                | 2,446,178          | XXX                      | 9,284,853               | 11.3                               | 10,954,376                           | 13.7                              | 9,284,853                      | 0                               |
| <b>2. All Other Governments</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 2.1 Issuer Obligations   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.5 Totals   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| <b>3. U.S. States, Territories and Possessions, Guaranteed</b>                           |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 3.1 Issuer Obligations   | 500,000             | 0                                   | 500,000                               | 0                                      | 810,925            | XXX                      | 1,810,925               | 2.2                                | 1,813,880                            | 2.3                               | 1,810,925                      | 0                               |
| 3.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.5 Totals   | 500,000             | 0                                   | 500,000                               | 0                                      | 810,925            | XXX                      | 1,810,925               | 2.2                                | 1,813,880                            | 2.3                               | 1,810,925                      | 0                               |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 4.1 Issuer Obligations   | 0                   | 0                                   | 0                                     | 1,273,428                              | 0                  | XXX                      | 1,273,428               | 1.5                                | 1,274,969                            | 1.6                               | 1,273,428                      | 0                               |
| 4.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.5 Totals   | 0                   | 0                                   | 0                                     | 1,273,428                              | 0                  | XXX                      | 1,273,428               | 1.5                                | 1,274,969                            | 1.6                               | 1,273,428                      | 0                               |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 5.1 Issuer Obligations   | 495,010             | 1,984,228                           | 3,051,993                             | 0                                      | 754,195            | XXX                      | 6,285,427               | 7.6                                | 6,513,585                            | 8.1                               | 6,285,427                      | 0                               |
| 5.2 Residential Mortgage-Backed Securities   | 566,782             | 1,536,613                           | 756,857                               | 545,484                                | 69,749             | XXX                      | 3,475,485               | 4.2                                | 4,921,633                            | 6.1                               | 3,475,485                      | 0                               |
| 5.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 5.4 Other Loan-Backed and Structured Securities  | 0                   | 250,000                             | 0                                     | 0                                      | 0                  | XXX                      | 250,000                 | 0.3                                | 250,000                              | 0.3                               | 250,000                        | 0                               |
| 5.5 Totals   | 1,061,792           | 3,770,841                           | 3,808,851                             | 545,484                                | 823,944            | XXX                      | 10,010,911              | 12.1                               | 11,685,218                           | 14.6                              | 10,010,911                     | 0                               |
| <b>6. Industrial and Miscellaneous</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 6.1 Issuer Obligations   | 2,290,921           | 19,116,695                          | 14,007,743                            | 997,130                                | 2,559,234          | XXX                      | 38,971,723              | 47.3                               | 37,761,621                           | 47.1                              | 34,248,389                     | 4,723,334                       |
| 6.2 Residential Mortgage-Backed Securities   | 1,532,870           | 3,255,943                           | 2,242,602                             | 1,306,078                              | 269,115            | XXX                      | 8,606,608               | 10.4                               | 4,339,005                            | 5.4                               | 1,373,915                      | 7,232,692                       |
| 6.3 Commercial Mortgage-Backed Securities  | 0                   | 3,828,967                           | 3,284,044                             | 470,768                                | 0                  | XXX                      | 7,583,779               | 9.2                                | 6,510,409                            | 8.1                               | 3,433,244                      | 4,150,535                       |
| 6.4 Other Loan-Backed and Structured Securities  | 1,936,963           | 2,338,708                           | 310,105                               | 0                                      | 0                  | XXX                      | 4,585,777               | 5.6                                | 5,581,686                            | 7.0                               | 2,745,999                      | 1,839,777                       |
| 6.5 Totals   | 5,760,754           | 28,540,313                          | 19,844,495                            | 2,773,976                              | 2,828,348          | XXX                      | 59,747,886              | 72.5                               | 54,192,720                           | 67.6                              | 41,801,548                     | 17,946,338                      |
| <b>7. Hybrid Securities</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 7.1 Issuer Obligations   | 0                   | 280,673                             | 0                                     | 0                                      | 0                  | XXX                      | 280,673                 | 0.3                                | 288,665                              | 0.4                               | 280,673                        | 0                               |
| 7.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.5 Totals   | 0                   | 280,673                             | 0                                     | 0                                      | 0                  | XXX                      | 280,673                 | 0.3                                | 288,665                              | 0.4                               | 280,673                        | 0                               |
| <b>8. Parent, Subsidiaries and Affiliates</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 8.1 Issuer Obligations   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.5 Totals   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type                                   | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 10.6 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>9. SVO Identified Funds</b>                         |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 9.1 Exchange Traded Funds Identified by the SVO        | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 9.2 Bond Mutual Funds Identified by the SVO            | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 9.3 Totals   | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| <b>10. Total Bonds Current Year</b>                    |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 10.1 Issuer Obligations                                | 3,285,931           | 21,687,401                          | 21,007,222                            | 2,270,557                              | 6,570,532          | XXX                      | 54,821,643              | 66.5                               | XXX                                  | XXX                               | 50,098,310                     | 4,723,334                       |
| 10.2 Residential Mortgage-Backed Securities            | 2,132,265           | 4,895,227                           | 3,005,199                             | 1,854,245                              | 338,864            | XXX                      | 12,225,801              | 14.8                               | XXX                                  | XXX                               | 4,993,108                      | 7,232,692                       |
| 10.3 Commercial Mortgage-Backed Securities             | 152,207             | 4,551,637                           | 5,032,497                             | 789,114                                | 0                  | XXX                      | 10,525,456              | 12.8                               | XXX                                  | XXX                               | 6,374,921                      | 4,150,535                       |
| 10.4 Other Loan-Backed and Structured Securities       | 1,936,963           | 2,588,708                           | 310,105                               | 0                                      | 0                  | XXX                      | 4,835,777               | 5.9                                | XXX                                  | XXX                               | 2,995,999                      | 1,839,777                       |
| 10.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| 10.6 Totals  | 7,507,367           | 33,722,974                          | 29,355,024                            | 4,913,917                              | 6,909,396          | 0                        | 82,408,676              | 100.0                              | XXX                                  | XXX                               | 64,462,338                     | 17,946,338                      |
| 10.7 Line 10.6 as a % of Col. 7                        | 9.1                 | 40.9                                | 35.6                                  | 6.0                                    | 8.4                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 78.2                           | 21.8                            |
| <b>11. Total Bonds Prior Year</b>                      |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 11.1 Issuer Obligations                                | 3,086,008           | 22,601,830                          | 20,671,260                            | 3,457,575                              | 5,376,159          | XXX                      | XXX                     | XXX                                | 55,192,831                           | 68.8                              | 50,438,346                     | 4,754,486                       |
| 11.2 Residential Mortgage-Backed Securities            | 1,826,330           | 4,112,224                           | 2,128,720                             | 1,234,395                              | 279,923            | XXX                      | XXX                     | XXX                                | 9,581,591                            | 11.9                              | 6,471,973                      | 3,109,618                       |
| 11.3 Commercial Mortgage-Backed Securities             | 24,070              | 2,139,353                           | 4,080,223                             | 930,812                                | 2,429,262          | XXX                      | XXX                     | XXX                                | 9,603,720                            | 12.0                              | 5,430,331                      | 4,173,389                       |
| 11.4 Other Loan-Backed and Structured Securities       | 2,496,105           | 3,335,581                           | 0                                     | 0                                      | 0                  | XXX                      | XXX                     | XXX                                | 5,831,686                            | 7.3                               | 4,877,412                      | 954,274                         |
| 11.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | XXX                     | XXX                                | 0                                    | 0.0                               | 0                              | 0                               |
| 11.6 Totals  | 7,432,513           | 32,188,988                          | 26,880,202                            | 5,622,782                              | 8,085,344          | 0                        | XXX                     | XXX                                | 80,209,828                           | 100.0                             | 67,218,061                     | 12,991,767                      |
| 11.7 Line 11.6 as a % of Col. 9                        | 9.3                 | 40.1                                | 33.5                                  | 7.0                                    | 10.1               | 0.0                      | XXX                     | XXX                                | 100.0                                | XXX                               | 83.8                           | 16.2                            |
| <b>12. Total Publicly Traded Bonds</b>                 |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 12.1 Issuer Obligations                                | 2,739,894           | 19,800,827                          | 19,017,456                            | 2,028,177                              | 6,511,956          | XXX                      | 50,098,310              | 60.8                               | 50,438,346                           | 62.9                              | 50,098,310                     | XXX                             |
| 12.2 Residential Mortgage-Backed Securities            | 763,541             | 1,911,034                           | 1,081,920                             | 963,906                                | 272,707            | XXX                      | 4,993,108               | 6.1                                | 6,471,973                            | 8.1                               | 4,993,108                      | XXX                             |
| 12.3 Commercial Mortgage-Backed Securities             | 152,207             | 2,254,173                           | 3,650,194                             | 318,346                                | 0                  | XXX                      | 6,374,921               | 7.7                                | 5,430,331                            | 6.8                               | 6,374,921                      | XXX                             |
| 12.4 Other Loan-Backed and Structured Securities       | 1,321,408           | 1,364,486                           | 310,105                               | 0                                      | 0                  | XXX                      | 2,995,999               | 3.6                                | 4,877,412                            | 6.1                               | 2,995,999                      | XXX                             |
| 12.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | XXX                             |
| 12.6 Totals  | 4,977,051           | 25,330,520                          | 24,059,676                            | 3,310,428                              | 6,784,664          | 0                        | 64,462,338              | 78.2                               | 67,218,061                           | 83.8                              | 64,462,338                     | XXX                             |
| 12.7 Line 12.6 as a % of Col. 7                        | 7.7                 | 39.3                                | 37.3                                  | 5.1                                    | 10.5               | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 100.0                          | XXX                             |
| 12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10 | 6.0                 | 30.7                                | 29.2                                  | 4.0                                    | 8.2                | 0.0                      | 78.2                    | XXX                                | XXX                                  | XXX                               | 78.2                           | XXX                             |
| <b>13. Total Privately Placed Bonds</b>                |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 13.1 Issuer Obligations                                | 546,037             | 1,886,574                           | 1,989,766                             | 242,381                                | 58,575             | XXX                      | 4,723,334               | 5.7                                | 4,754,486                            | 5.9                               | XXX                            | 4,723,334                       |
| 13.2 Residential Mortgage-Backed Securities            | 1,368,724           | 2,984,193                           | 1,923,279                             | 890,340                                | 66,157             | XXX                      | 7,232,692               | 8.8                                | 3,109,618                            | 3.9                               | XXX                            | 7,232,692                       |
| 13.3 Commercial Mortgage-Backed Securities             | 0                   | 2,297,464                           | 1,382,303                             | 470,768                                | 0                  | XXX                      | 4,150,535               | 5.0                                | 4,173,389                            | 5.2                               | XXX                            | 4,150,535                       |
| 13.4 Other Loan-Backed and Structured Securities       | 615,555             | 1,224,223                           | 0                                     | 0                                      | 0                  | XXX                      | 1,839,777               | 2.2                                | 954,274                              | 1.2                               | XXX                            | 1,839,777                       |
| 13.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | XXX                            | 0                               |
| 13.6 Totals  | 2,530,316           | 8,392,454                           | 5,295,348                             | 1,603,489                              | 124,732            | 0                        | 17,946,338              | 21.8                               | 12,991,767                           | 16.2                              | XXX                            | 17,946,338                      |
| 13.7 Line 13.6 as a % of Col. 7                        | 14.1                | 46.8                                | 29.5                                  | 8.9                                    | 0.7                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | XXX                            | 100.0                           |
| 13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10 | 3.1                 | 10.2                                | 6.4                                   | 1.9                                    | 0.2                | 0.0                      | 21.8                    | XXX                                | XXX                                  | XXX                               | XXX                            | 21.8                            |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

|   | 1       | 2       | 3              | 4                                      | 5  |
|---|---------|---------|----------------|--|--|
|   | Total   | Bonds   | Mortgage Loans | Other Short-term Investment Assets (a) | Investments in Parent, Subsidiaries and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year .....                          | 762,049 | 762,049 | 0              | 0                                      | 0  |
| 2. Cost of short-term investments acquired .....  | 0       | 0       | 0              | 0                                      | 0  |
| 3. Accrual of discount .....  | 0       | 0       | 0              | 0                                      | 0  |
| 4. Unrealized valuation increase (decrease) .....   | 0       | 0       | 0              | 0                                      | 0  |
| 5. Total gain (loss) on disposals .....   | 0       | 0       | 0              | 0                                      | 0  |
| 6. Deduct consideration received on disposals .....                                       | 762,049 | 762,049 | 0              | 0                                      | 0  |
| 7. Deduct amortization of premium .....   | 0       | 0       | 0              | 0                                      | 0  |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | 0       | 0       | 0              | 0                                      | 0  |
| 9. Deduct current year's other than temporary impairment recognized .....                 | 0       | 0       | 0              | 0                                      | 0  |
| 10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 0       | 0       | 0              | 0                                      | 0  |
| 11. Deduct total nonadmitted amounts .....  | 0       | 0       | 0              | 0                                      | 0  |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 0       | 0       | 0              | 0                                      | 0  |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

**NONE**

Schedule DB - Part B - Verification - Futures Contracts

**NONE**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**NONE**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**NONE**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

|   | 1          | 2     | 3                            | 4         |
|---|------------|-------|------------------------------|-----------|
|   | Total      | Bonds | Money Market<br>Mutual funds | Other (a) |
| 1. Book/adjusted carrying value, December 31 of prior year .....                          | 0          | 0     | 0                            | 0         |
| 2. Cost of cash equivalents acquired .....  | 23,043,302 | 0     | 23,043,302                   | 0         |
| 3. Accrual of discount .....  | 0          | 0     | 0                            | 0         |
| 4. Unrealized valuation increase (decrease) .....   | 0          | 0     | 0                            | 0         |
| 5. Total gain (loss) on disposals .....   | 0          | 0     | 0                            | 0         |
| 6. Deduct consideration received on disposals .....                                       | 21,247,820 | 0     | 21,247,820                   | 0         |
| 7. Deduct amortization of premium .....   | 0          | 0     | 0                            | 0         |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | 0          | 0     | 0                            | 0         |
| 9. Deduct current year's other than temporary impairment recognized .....                 | 0          | 0     | 0                            | 0         |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 1,795,482  | 0     | 1,795,482                    | 0         |
| 11. Deduct total nonadmitted amounts .....  | 0          | 0     | 0                            | 0         |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 1,795,482  | 0     | 1,795,482                    | 0         |

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

Schedule A - Part 1 - Real Estate Owned

**NONE**

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**NONE**

Schedule A - Part 3 - Real Estate Disposed

**NONE**

Schedule B - Part 1 - Mortgage Loans Owned

**NONE**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

**NONE**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

**NONE**



ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

| 1<br>CUSIP<br>Identifi-<br>cation                     | 2<br>Name or Description | 3<br>Code | 4 Location   |            | 6<br>Name of Vendor<br>or General Partner | 7<br>NAIC<br>Designation | 8<br>Date<br>Originally<br>Acquired | 9<br>Type<br>and<br>Strategy | 10<br>Actual<br>Cost | 11<br>Fair<br>Value | 12<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances | Change in Book/Adjusted Carrying Value                  |   |  |  |   | 18<br>Invest-<br>ment<br>Income | 19<br>Commit-<br>ment<br>for<br>Additional<br>Invest-<br>ment | 20<br>Percen-<br>tage of<br>Own-<br>ership |       |     |
|---|--------------------------|-----------|--------------|------------|---|--------------------------|-------------------------------------|------------------------------|----------------------|---------------------|---|---|---|--|--|---|---------------------------------|---|--|-------|-----|
|   |                          |           | 4<br>City    | 5<br>State |   |                          |                                     |                              |                      |                     |   | 13<br>Unrealized<br>Valuation<br>Increase<br>(Decrease) | 14<br>Current<br>Year's<br>(Depre-<br>ciation)<br>or<br>(Amorti-<br>zation)/<br>Accretion | 15<br>Current<br>Year's<br>Other-<br>Than-<br>Tempo-<br>rary<br>Impair-<br>ment<br>Recogn-<br>ized | 16<br>Capital-<br>ized<br>Deferred<br>Interest<br>and<br>Other | 17<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |                                 |   |  |       |     |
|   | PRCD Holdings LLC        |           | Grand Rapids | MI         | PRCD Holdings LLC                         |                          | 05/01/2017                          |                              | 1,000,000            | 1,000,000           | 1,000,000   | 6,827   | 0   | 0  | 0  | 0   | 0                               | 0   | 0  | 0.000 |     |
| 2299999. Joint Venture Interests - Other - Affiliated |                          |           |              |            |   |                          |                                     |                              | 1,000,000            | 1,000,000           | 1,000,000   | 6,827   | 0   | 0  | 0  | 0   | 0                               | 0   | 0  | XXX   |     |
| 4499999. Total - Unaffiliated                         |                          |           |              |            |   |                          |                                     |                              | 0                    | 0                   | 0   | 0   | 0   | 0  | 0  | 0   | 0                               | 0   | 0  | 0     | XXX |
| 4599999. Total - Affiliated                           |                          |           |              |            |   |                          |                                     |                              | 1,000,000            | 1,000,000           | 1,000,000   | 6,827   | 0   | 0  | 0  | 0   | 0                               | 0   | 0  | XXX   |     |
| 4699999 - Totals                                      |                          |           |              |            |   |                          |                                     |                              | 1,000,000            | 1,000,000           | 1,000,000   | 6,827   | 0   | 0  | 0  | 0   | 0                               | 0   | 0  | XXX   |     |

E07

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

| 1<br>CUSIP<br>Identification | 2<br>Name or Description                     | Location     |            | 5<br>Name of Vendor<br>or General Partner | 6<br>Date<br>Originally<br>Acquired | 7<br>Type<br>and<br>Strategy | 8<br>Actual Cost<br>at Time of<br>Acquisition | 9<br>Additional<br>Investment Made<br>After Acquisition | 10<br>Amount of<br>Encumbrances | 11<br>Percentage of<br>Ownership |
|------------------------------|--|--------------|------------|---|-------------------------------------|------------------------------|---|---|---------------------------------|----------------------------------|
|                              |  | 3<br>City    | 4<br>State |   |                                     |                              |   |   |                                 |                                  |
|                              | PRCD Holdings LLC                            | Grand Rapids | MI         | PRCD Holdings LLC                         | 05/01/2017                          |                              | 0   | 1,000,000   | 0                               | 100.000                          |
| 2299999.                     | Joint Venture Interests - Other - Affiliated |              |            |   |                                     |                              | 0   | 1,000,000   | 0                               | XXX                              |
| 4499999.                     | Total - Unaffiliated                         |              |            |   |                                     |                              | 0   | 0   | 0                               | XXX                              |
| 4599999.                     | Total - Affiliated                           |              |            |   |                                     |                              | 0   | 1,000,000   | 0                               | XXX                              |
| 4699999.                     | Totals                                       |              |            |   |                                     |                              | 0   | 1,000,000   | 0                               | XXX                              |

E08

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 3**

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

| 1<br>CUSIP<br>Identification | 2<br>Name or Description | Location  |            | 5<br>Name of Purchaser or<br>Nature of Disposal | 6<br>Date<br>Originally<br>Acquired | 7<br>Disposal<br>Date | 8<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances,<br>Prior<br>Year | Change in Book/Adjusted Carrying Value                      |  |  |  |  |   | 15<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances<br>on<br>Disposal | 16<br>Consid-<br>eration | 17<br>Foreign<br>Exchange<br>Gain<br>(Loss)<br>on<br>Disposal | 18<br>Realized<br>Gain<br>(Loss) on<br>Disposal | 19<br>Total<br>Gain<br>(Loss) on<br>Disposal | 20<br>Invest-<br>ment<br>Income |
|------------------------------|--------------------------|-----------|------------|---|-------------------------------------|-----------------------|--|---|--|--|--|--|---|---|--------------------------|---|---|--|---------------------------------|
|                              |                          | 3<br>City | 4<br>State |   |                                     |                       |  | 9<br>Unrealized<br>Valuation<br>Increase<br>(De-<br>crease) | 10<br>Current<br>Year's<br>(Depre-<br>ciation) or<br>(Amorti-<br>zation)/<br>Accretion | 11<br>Current<br>Year's<br>Other-<br>Than-<br>Tempo-<br>rary<br>Impair-<br>ment<br>Recogn-<br>ized | 12<br>Capital-<br>ized<br>Deferred<br>Interest<br>and<br>Other | 13<br>Total<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value<br>(9+10-<br>11+12) | 14<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |   |                          |   |   |  |                                 |
| <b>NONE</b>                  |                          |           |            |   |                                     |                       |  |   |  |  |  |  |   |   |                          |   |   |  |                                 |
| 4699999 - Totals             |                          |           |            |   |                                     |                       |  |   |  |  |  |  |   |   |                          |   |   |  |                                 |















ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identification                                 | 2<br>Description | Codes                 |                                      |   | 6<br>NAIC<br>Des. | 7<br>Actual<br>Cost | Fair Value   |  | 10<br>Par<br>Value | 11<br>Book/<br>Adjusted<br>Carrying<br>Value | Change in Book/Adjusted Carrying Value   |   |   |  | Interest                         |   |  |   |  | Dates                                      |   |
|--|------------------|-----------------------|--------------------------------------|---|-------------------|---------------------|--|--|--------------------|--|--|---|---|--|----------------------------------|---|--|---|--|--|---|
|  |                  | 3<br>C<br>o<br>d<br>e | 4<br>F<br>o<br>r<br>e<br>i<br>g<br>n | 5<br>B<br>o<br>n<br>d<br>C<br>h<br>a<br>r |                   |                     | 8<br>R<br>a<br>t<br>e<br>U<br>s<br>e<br>d<br>t<br>o<br>O<br>b<br>t<br>a<br>i<br>n<br>F<br>a<br>i<br>r<br>V<br>a<br>l<br>u<br>e | 9<br>F<br>a<br>i<br>r<br>V<br>a<br>l<br>u<br>e |                    |  | 12<br>U<br>n<br>r<br>e<br>a<br>l<br>i<br>z<br>e<br>d<br>V<br>a<br>l<br>u<br>e<br>I<br>n<br>c<br>r<br>e<br>a<br>s<br>e/<br>(D<br>e<br>c<br>r<br>e<br>a<br>s<br>e) | 13<br>C<br>u<br>r<br>r<br>e<br>n<br>t<br>Y<br>e<br>a<br>r<br>'<br>(A<br>m<br>o<br>r<br>t<br>i<br>z<br>a<br>t<br>i<br>o<br>n)<br>A<br>c<br>c<br>r<br>e<br>t<br>i<br>o<br>n | 14<br>C<br>u<br>r<br>r<br>e<br>n<br>t<br>Y<br>e<br>a<br>r<br>'<br>O<br>t<br>h<br>e<br>r<br>-<br>T<br>e<br>m<br>p<br>o<br>r<br>a<br>r<br>y<br>I<br>m<br>p<br>a<br>i<br>r<br>m<br>e<br>n<br>t<br>R<br>e<br>c<br>o<br>g<br>n<br>i<br>z<br>e<br>d | 15<br>T<br>o<br>t<br>a<br>l<br>F<br>o<br>r<br>e<br>i<br>g<br>n<br>E<br>x<br>c<br>h<br>a<br>n<br>g<br>e<br>i<br>n<br>B<br>o<br>o<br>k/<br>A<br>d<br>j<br>u<br>s<br>t<br>e<br>d<br>C<br>a<br>r<br>r<br>y<br>i<br>n<br>g<br>V<br>a<br>l<br>u<br>e | 16<br>R<br>a<br>t<br>e<br>o<br>f | 17<br>E<br>f<br>f<br>e<br>c<br>t<br>i<br>v<br>e<br>R<br>a<br>t<br>e<br>o<br>f | 18<br>W<br>h<br>e<br>n<br>P<br>a<br>i<br>d | 19<br>A<br>d<br>m<br>i<br>t<br>t<br>e<br>d<br>A<br>m<br>o<br>u<br>n<br>t<br>D<br>u<br>e<br>a<br>n<br>d<br>A<br>c<br>c<br>r<br>u<br>e<br>d | 20<br>A<br>m<br>o<br>u<br>n<br>t<br>R<br>e<br>c<br>e<br>i<br>v<br>e<br>d<br>D<br>u<br>r<br>i<br>n<br>g<br>Y<br>e<br>a<br>r | 21<br>A<br>c<br>q<br>u<br>i<br>r<br>e<br>d | 22<br>S<br>t<br>a<br>t<br>e<br>d<br>C<br>o<br>n<br>t<br>r<br>a<br>c<br>t<br>u<br>a<br>l<br>M<br>a<br>t<br>u<br>r<br>i<br>t<br>y<br>D<br>a<br>t<br>e |
| 7799999. Total - Issuer Obligations                          |                  |                       |                                      |   |                   | 55,627,658          | XXX  | 57,558,354                                     | 53,651,564         | 54,821,643                                   | 389  | (347,467)   | 0   | 0  | XXX                              | XXX   | XXX  | 515,326   | 1,653,187  | XXX  | XXX   |
| 7899999. Total - Residential Mortgage-Backed Securities      |                  |                       |                                      |   |                   | 12,258,331          | XXX  | 12,389,716                                     | 12,085,277         | 12,225,801                                   | 1,118  | (9,986)   | 0   | 0  | XXX                              | XXX   | XXX  | 37,167  | 354,961  | XXX  | XXX   |
| 7999999. Total - Commercial Mortgage-Backed Securities       |                  |                       |                                      |   |                   | 10,651,459          | XXX  | 10,473,170                                     | 10,298,179         | 10,525,456                                   | 0  | (40,095)  | 0   | 0  | XXX                              | XXX   | XXX  | 29,984  | 359,926  | XXX  | XXX   |
| 8099999. Total - Other Loan-Backed and Structured Securities |                  |                       |                                      |   |                   | 4,834,702           | XXX  | 4,851,483                                      | 4,835,990          | 4,835,777                                    | 0  | 250   | 0   | 0  | XXX                              | XXX   | XXX  | 14,893  | 98,312   | XXX  | XXX   |
| 8199999. Total - SVO Identified Funds                        |                  |                       |                                      |   |                   | 0                   | XXX  | 0  | 0                  | 0  | 0  | 0   | 0   | 0  | XXX                              | XXX   | XXX  | 0   | 0  | XXX  | XXX   |
| 8399999 - Total Bonds  |                  |                       |                                      |   |                   | 83,372,151          | XXX  | 85,272,722                                     | 80,871,011         | 82,408,676                                   | 1,507  | (397,297)   | 0   | 0  | XXX                              | XXX   | XXX  | 597,371   | 2,466,386  | XXX  | XXX   |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 2 - SECTION 1**

Showing All PREFERRED STOCKS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identi-<br>fication | 2<br>Description   | Codes     |                   | 5<br>Number<br>of<br>Shares | 6<br>Par<br>Value<br>Per<br>Share | 7<br>Rate<br>Per<br>Share | 8<br>Book/<br>Adjusted<br>Carrying<br>Value | Fair Value  |                  | 11<br>Actual Cost | Dividends                    |   |   | Change in Book/Adjusted Carrying Value                   |   |   |   | 20<br>NAIC<br>Desig-<br>nation | 21<br>Date<br>Acquired |   |            |     |
|-----------------------------------|--|-----------|-------------------|-----------------------------|-----------------------------------|---------------------------|---|---|------------------|-------------------|------------------------------|---|---|--|---|---|---|--------------------------------|------------------------|---|------------|-----|
|                                   |  | 3<br>Code | 4<br>For-<br>eign |                             |                                   |                           |   | 9<br>Rate<br>Per<br>Share<br>Used to<br>Obtain<br>Fair<br>Value | 10<br>Fair Value |                   | 12<br>Declared<br>but Unpaid | 13<br>Amount<br>Received<br>During Year | 14<br>Nonadmitted<br>Declared But<br>Unpaid | 15<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 16<br>Current<br>Year's<br>(Amor-<br>tization)<br>Accretion | 17<br>Current<br>Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | 18<br>Total Change<br>in<br>Book/Adjusted<br>Carrying Value<br>(15 + 16 - 17) |                                |                        | 19<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |            |     |
| 12493V-AC-4                       | DASH3 1A C2 - CDO  |           | C                 | 200,470,490                 | 100.00                            | 0.000                     | 0   | 0.000   | 0                | 86,202            | 0                            | 0                                       | 0   | 0  | 0   | 0   | 0   | 0                              | 0                      | RP6SV   | 06/14/2001 |     |
| 8499999                           | Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) |           |                   |                             |                                   |                           |   | 0   | XXX              | 0                 | 86,202                       | 0                                       | 0   | 0  | 0   | 0   | 0   | 0                              | 0                      | 0   | XXX        | XXX |
| 8999999                           | Total Preferred Stocks   |           |                   |                             |                                   |                           |   | 0   | XXX              | 0                 | 86,202                       | 0                                       | 0   | 0  | 0   | 0   | 0   | 0                              | 0                      | 0   | XXX        | XXX |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 2 - SECTION 2**

Showing All COMMON STOCKS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identifi-<br>cation  | 2<br>Description                    | Codes     |                   | 5<br>Number<br>of<br>Shares | 6<br>Book/<br>Adjusted<br>Carrying<br>Value | Fair Value  |                 | 9<br>Actual Cost | Dividends                    |   |   | Change in Book/Adjusted Carrying Value                   |  |   |  | 17<br>NAIC<br>Market<br>Indicator<br>(a) | 18<br>Date<br>Acquired |            |     |
|--|-------------------------------------|-----------|-------------------|-----------------------------|---|---|-----------------|------------------|------------------------------|---|---|--|--|---|--|--|------------------------|------------|-----|
|  |                                     | 3<br>Code | 4<br>For-<br>eign |                             |   | 7<br>Rate<br>Per<br>Share<br>Used to<br>Obtain<br>Fair<br>Value | 8<br>Fair Value |                  | 10<br>Declared<br>but Unpaid | 11<br>Amount<br>Received<br>During Year | 12<br>Nonadmitted<br>Declared But<br>Unpaid | 13<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 14<br>Current Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | 15<br>Total Change in<br>Book/Adjusted<br>Carrying Value<br>(13 - 14) | 16<br>Total Foreign<br>Exchange<br>Change in<br>Book/Adjusted<br>Carrying<br>Value |  |                        |            |     |
| 427098-11-6  | HERCULES LLC                        |           |                   | 190,000                     | 0   | 0.001   | 0               | 0                | 0                            | 0                                       | 0   | 0  | 0  | 0   | 0  | 0  | V                      | 12/05/2016 |     |
| BFHLB0-00-9  | FHLB I COMMON STOCK                 | RF        |                   | 1,429,000                   | 142,900                                     | 100.000   | 142,900         | 142,900          | 0                            | 6,069                                   | 0   | 0  | 0  | 0   | 0  | 0  | V                      | 12/15/2014 |     |
| 9099999. Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) |                                     |           |                   |                             | 142,900                                     | XXX   | 142,900         | 142,900          | 0                            | 6,069                                   | 0   | 0  | 0  | 0   | 0  | 0  | 0                      | XXX        | XXX |
| 256210-10-5  | DODGE & COX INC MF                  |           |                   | 146,478,268                 | 2,015,541                                   | 13.760  | 2,015,541       | 2,028,750        | 0                            | 59,939                                  | 0   | 24,190   | 0  | 0   | 24,190   | 0  | U                      | 12/20/2017 |     |
| 481200-38-1  | JPMORGAN CORE BOND CL I MF          |           |                   | 172,771,457                 | 2,000,693                                   | 11.580  | 2,000,693       | 2,035,732        | 0                            | 56,730                                  | 0   | 16,507   | 0  | 0   | 16,507   | 0  | U                      | 12/28/2017 |     |
| 921943-80-9  | VANGUARD DIVLPD MKT INDX CL ADMI MF |           |                   | 160,007,117                 | 2,305,703                                   | 14.410  | 2,305,703       | 2,072,638        | 0                            | 62,751                                  | 0   | 392,543  | 0  | 0   | 392,543  | 0  | U                      | 12/21/2017 |     |
| 922908-30-6  | VANGRD INX TRS INX CL INV MF        |           |                   | 130,534,624                 | 8,706,659                                   | 66.700  | 8,706,659       | 4,003,342        | 0                            | 139,007                                 | 0   | 1,375,130  | 0  | 0   | 1,375,130  | 0  | U                      | 12/21/2017 |     |
| 9299999. Subtotal - Mutual Funds   |                                     |           |                   |                             | 15,028,596                                  | XXX   | 15,028,596      | 10,140,463       | 0                            | 318,426                                 | 0   | 1,808,370  | 0  | 0   | 1,808,370  | 0  | XXX                    | XXX        |     |
| 9799999 - Total Common Stocks  |                                     |           |                   |                             | 15,171,497                                  | XXX   | 15,171,497      | 10,283,363       | 0                            | 324,495                                 | 0   | 1,808,370  | 0  | 0   | 1,808,370  | 0  | XXX                    | XXX        |     |
| 9899999 - Total Preferred and Common Stocks                                    |                                     |           |                   |                             | 15,171,497                                  | XXX   | 15,171,497      | 10,369,565       | 0                            | 324,495                                 | 0   | 1,808,370  | 0  | 0   | 1,808,370  | 0  | XXX                    | XXX        |     |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....4 , the total \$ value (included in Column 8) of all such issues \$ .....15,028,596

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1<br>CUSIP<br>Identification                             | 2<br>Description                         | 3<br>Foreign | 4<br>Date<br>Acquired | 5<br>Name of Vendor              | 6<br>Number of Shares<br>of Stock | 7<br>Actual Cost | 8<br>Par Value   | 9<br>Paid for Accrued<br>Interest and<br>Dividends |
|--|--|--------------|-----------------------|----------------------------------|-----------------------------------|------------------|------------------|--|
| 912810-RJ-9  | UNITED STATES TREASURY                   |              | 09/20/2017            | BMO CAPITAL MARKETS CORP         |                                   | 1,040,356        | 1,000,000        | 10,598   |
| 912810-RK-6  | UNITED STATES TREASURY                   |              | 01/18/2017            | NOMURA SECURITIES INTL INC       |                                   | 902,387          | 1,000,000        | 10,666   |
| 912828-U2-4  | UNITED STATES TREASURY                   |              | 08/10/2017            | NOMURA SECURITIES INTL INC       |                                   | 736,937          | 750,000          | 3,750  |
| 912828-V9-8  | UNITED STATES TREASURY                   |              | 08/31/2017            | BANC / AMERICA SECUR. LLC, MONT. |                                   | 1,010,434        | 1,000,000        | 1,039  |
| <b>0599999. Subtotal - Bonds - U.S. Governments</b>      |  |              |                       |                                  |                                   | <b>3,690,113</b> | <b>3,750,000</b> | <b>26,053</b>                                      |
| 3137G1-BII-6   | FH 17SC02 2A1 - CMO                      |              | 07/19/2017            | BANC / AMERICA SECUR. LLC, MONT. |                                   | 153,217          | 150,000          | 350  |
| <b>3199999. Subtotal - Bonds - U.S. Special Revenues</b> |  |              |                       |                                  |                                   | <b>153,217</b>   | <b>150,000</b>   | <b>350</b>   |
| 002824-BE-9  | ABBOTT LABORATORIES                      |              | 03/01/2017            | BNP PARIBAS SECURITIES BOND      |                                   | 302,286          | 300,000          | 2,862  |
| 00440E-AU-1  | CHUBB INA HOLDINGS INC                   | C.           | 01/25/2017            | WELLS FARGO SECURITIES LLC       |                                   | 502,235          | 500,000          | 3,474  |
| 00507U-AS-0  | ACTAVIS FUNDING SCS                      | C.           | 01/19/2017            | MORGAN STANLEY & CO INC, NY      |                                   | 199,632          | 200,000          | 2,723  |
| 023135-BA-3  | AMAZON.COM INC                           |              | 08/16/2017            | VARIOUS                          |                                   | 230,422          | 230,000          | .0   |
| 037680-AA-3  | AEPWV 1113 A1 - ABS                      |              | 01/30/2017            | BNP Paribas                      |                                   | 581,256          | 584,315          | 5,865  |
| 037833-CG-3  | APPLE INC                                |              | 02/02/2017            | GOLDMAN SACHS & CO, NY           |                                   | 299,868          | 300,000          | .0   |
| 038222-AL-9  | APPLIED MATERIALS INC                    |              | 03/30/2017            | VARIOUS                          |                                   | 215,120          | 215,000          | .55  |
| 04365J-AC-3  | ACER 171 A3 - ABS                        |              | 04/26/2017            | BANC / AMERICA SECUR. LLC, MONT. |                                   | 599,968          | 600,000          | .0   |
| 05526D-BA-2  | BAT CAPITAL CORP                         | C.           | 08/08/2017            | DEUTSCHE BANK SECURITIES, INC.   |                                   | 100,000          | 100,000          | .0   |
| 05565Q-DB-1  | BP CAPITAL MARKETS PLC                   | C.           | 01/17/2017            | UBS SECURITIES                   |                                   | 343,445          | 350,000          | 2,305  |
| 05723K-AB-6  | BAKER HUGHES A GE COMPANY LLC            |              | 12/07/2017            | MORGAN STANLEY & CO INC, NY      |                                   | 301,004          | 300,000          | .0   |
| 09061G-AF-8  | BIOMARIN PHARMACEUTICAL INC              |              | 10/19/2017            | VARIOUS                          |                                   | 186,966          | 160,000          | 658  |
| 09061G-AH-4  | BIOMARIN PHARMACEUTICAL INC              |              | 10/26/2017            | DEUTSCHE BANK SECURITIES, INC.   |                                   | 19,193           | 20,000           | .26  |
| 12503M-AA-6  | CB&E HOLDINGS INC                        |              | 06/12/2017            | VARIOUS                          |                                   | 301,359          | 300,000          | 935  |
| 12594X-AC-8  | CSMC 17HL1 A3 - CMO/RMBS                 |              | 06/26/2017            | CREDIT SUISSE SECURITIES (USA)   |                                   | 613,781          | 600,000          | 1,633  |
| 12640H-HH-9  | CSX CORP                                 |              | 04/26/2017            | UBS SECURITIES                   |                                   | 99,878           | 100,000          | .0   |
| 136385-AV-3  | CANADIAN NATURAL RESOURCES LTD           |              | 01/12/2017            | LIQUIDNET, INC.                  |                                   | 157,799          | 155,000          | 2,804  |
| 14040H-BT-1  | CAPITAL ONE FINANCIAL CORP               |              | 10/31/2017            | VARIOUS                          |                                   | 239,265          | 300,000          | .5   |
| 151290-BT-9  | CEMEX SAB DE CV                          | C.           | 10/11/2017            | VARIOUS                          |                                   | 250,069          | 225,000          | 432  |
| 15200W-AC-9  | CNP 4 A3 - ABS                           |              | 02/01/2017            | WELLS FARGO SECURITIES LLC       |                                   | 589,897          | 581,000          | 5,278  |
| 171779-AK-7  | CIENA CORP                               |              | 12/07/2017            | VARIOUS                          |                                   | 162,667          | 125,000          | 1,971  |
| 17291E-AW-1  | CGCMT 16P6 A5 - CMBS                     |              | 02/09/2017            | UBS SECURITIES LLC / CM0652      |                                   | 521,797          | 500,000          | 672  |
| 177376-AD-2  | CITRIX SYSTEMS INC                       |              | 06/07/2017            | BARCLAYS CAPITAL INC             |                                   | 12,369           | 10,000           | .8   |
| 223622-AD-3  | COHEN GROUP INC                          |              | 12/12/2017            | SG COHEN SECURITIES CORP         |                                   | 150,000          | 150,000          | .0   |
| 22943F-AH-3  | CTRIIP.COM INTERNATIONAL LTD             | C.           | 12/14/2017            | VARIOUS                          |                                   | 275,098          | 235,000          | 1,376  |
| 25432G-AC-3  | DIME COMMUNITY BANCSHARES INC            |              | 07/01/2017            | SANDLER O'NEILL & PARTNERS, LP   |                                   | 125,000          | 125,000          | .0   |
| 26444G-AC-7  | DUKE ENERGY FLORIDA PROJECT FINANCE LLC  |              | 02/10/2017            | MORGAN STANLEY & CO INC, NY      |                                   | 572,658          | 600,000          | 9,856  |
| 267475-AB-7  | DYCOM INDUSTRIES INC                     |              | 02/14/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 43,302           | 40,000           | 127  |
| 29358Q-AF-6  | ENSCO PLC                                | C.           | 01/09/2017            | Not Available                    |                                   | 72,606           | 72,000           | 144  |
| 298736-AH-2  | EURONET WORLDWIDE INC                    |              | 12/18/2017            | VARIOUS                          |                                   | 171,415          | 145,000          | 606  |
| 33850B-AT-4  | FSMT 171 2A2 - CMO/RMBS                  |              | 07/27/2017            | JP MORGAN SECURITIES LLC         |                                   | 607,969          | 600,000          | 1,500  |
| 33850R-AE-2  | FSMT 172 A5 - CMO/RMBS                   |              | 10/26/2017            | JP MORGAN SECURITIES LLC         |                                   | 609,000          | 600,000          | 1,750  |
| 36251X-AR-8  | GSMS 16G84 A4 - CMBS                     |              | 01/18/2017            | JEFFERIES & CO INC, NEW YORK     |                                   | 620,250          | 600,000          | 1,262  |
| 393657-AJ-0  | GREENBRIER CO INC                        |              | 11/30/2017            | VARIOUS                          |                                   | 355,360          | 325,000          | 1,885  |
| 45866Q-AD-9  | INTERDIGITAL INC                         |              | 08/02/2017            | VARIOUS                          |                                   | 517,382          | 430,000          | 2,290  |
| 46641C-AV-3  | JPMIT 141 2A2 - CMO/RMBS                 |              | 02/01/2017            | JP MORGAN SECURITIES LLC         |                                   | 597,557          | 594,491          | 289  |
| 46646B-AC-2  | JPMIT 161 A3 - CMO/RMBS                  |              | 12/01/2017            | JP MORGAN SECURITIES LLC         |                                   | 487,906          | 470,882          | .0   |
| 46648C-AB-0  | JPMIT 171 A2 - CMO/RMBS                  |              | 02/17/2017            | JP MORGAN SECURITIES LLC         |                                   | 503,281          | 500,000          | 1,313  |
| 46648H-AC-7  | J.P. MORGAN MORTGAGE TRUST 2017-2 - CMO  |              | 05/22/2017            | JP MORGAN SECURITIES LLC         |                                   | 610,359          | 600,000          | 1,750  |
| 46648U-AJ-3  | JPMIT 174 A9 - CMO/RMBS                  |              | 10/18/2017            | JP MORGAN SECURITIES LLC         |                                   | 506,411          | 500,000          | 1,458  |
| 46649H-AC-6  | J.P. MORGAN MORTGAGE TRUST 2017-6 - CMO  |              | 12/14/2017            | JP MORGAN SECURITIES LLC         |                                   | 608,203          | 600,000          | 1,633  |
| 47102X-AH-8  | JANUS CAPITAL GROUP INC                  |              | 02/09/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 12,369           | 10,000           | .6   |
| 53061Q-AD-6  | LIBERTY INTERACTIVE LLC                  |              | 12/20/2017            | VARIOUS                          |                                   | 235,202          | 210,000          | 702  |
| 531229-AB-8  | LIBERTY MEDIA CORP                       |              | 12/20/2017            | VARIOUS                          |                                   | 157,533          | 140,000          | 263  |
| 531229-AE-2  | LIBERTY MEDIA CORP                       |              | 11/02/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 36,488           | 35,000           | .79  |
| 55024U-AA-7  | LUMENTUM HOLDINGS INC                    |              | 12/13/2017            | VARIOUS                          |                                   | 80,623           | 75,000           | 43   |
| 55336V-AG-5  | MARKWEST ENERGY PARTNERS LP              |              | 04/19/2017            | BARCLAYS CAPITAL INC             |                                   | 186,992          | 175,000          | 3,346  |
| 55608B-AA-3  | MACQUARIE INFRASTRUCTURE CO LLC          |              | 09/27/2017            | VARIOUS                          |                                   | 158,075          | 145,000          | 1,144  |
| 60855R-AD-2  | MOLINA HEALTHCARE INC                    |              | 10/16/2017            | Merrill Lynch                    |                                   | 57,625           | 50,000           | 142  |
| 63633D-AE-4  | NATIONAL HEALTH INVESTORS INC            |              | 02/23/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 101,005          | 90,000           | 1,194  |
| 64125C-AC-3  | NEUROCRINE BIOSCIENCES INC               |              | 05/08/2017            | BARCLAYS CAPITAL INC             |                                   | 51,540           | 50,000           | .28  |
| 655664-AS-9  | NORDSTROM INC                            |              | 03/24/2017            | VARIOUS                          |                                   | 223,799          | 225,000          | 389  |
| 66705P-AC-7  | NORTHSTAR REALTY FINANCE CORP (MARYLAND) |              | 06/20/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 119,125          | 100,000          | 119  |
| 69354N-AA-4  | PRIA GROUP INC                           |              | 09/25/2017            | VARIOUS                          |                                   | 196,792          | 205,000          | 877  |
| 697435-AB-1  | PALO ALTO NETWORKS INC                   |              | 05/01/2017            | VARIOUS                          |                                   | 147,458          | 125,000          | .0   |
| 72650R-BJ-0  | PLAINS ALL AMERICAN PIPELINE LP          |              | 01/24/2017            | CITIGROUP GLOBAL MARKETS INC.    |                                   | 309,207          | 300,000          | 3,953  |
| 741503-AX-4  | PRICELINE GROUP INC                      |              | 12/05/2017            | VARIOUS                          |                                   | 573,629          | 510,000          | 930  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1<br>CUSIP<br>Identification  | 2<br>Description                         | 3<br>Foreign | 4<br>Date<br>Acquired | 5<br>Name of Vendor                      | 6<br>Number of Shares<br>of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued<br>Interest and<br>Dividends |
|---|--|--------------|-----------------------|--|-----------------------------------|------------------|----------------|--|
| 749695-AT-0   | RPM INTERNATIONAL INC                    |              | 08/02/2017            | VARIOUS                                  |                                   | 293,638          | 250,000        | 1,014  |
| 74973W-AB-3   | ALCOA INC                                |              | 12/19/2017            | VARIOUS                                  |                                   | 99,895           | 90,000         | 226  |
| 756577-AD-4   | RED HAT INC                              |              | 01/10/2017            | CITIGROUP GLOBAL MARKETS INC             |                                   | 17,825           | 15,000         | 11   |
| 767201-AS-5   | RIO TINTO FINANCE (USA) LTD              | C            | 03/21/2017            | JP MORGAN SECURITIES LLC                 |                                   | 414,260          | 400,000        | 4,125  |
| 775109-BF-7   | ROGERS COMMUNICATIONS INC                |              | 06/14/2017            | MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS |                                   | 293,643          | 300,000        | 822  |
| 780287-AA-6   | ROYAL GOLD INC                           |              | 09/27/2017            | VARIOUS                                  |                                   | 364,284          | 331,000        | 2,942  |
| 78403D-AL-4   | SBAC 171 1C - ABS                        |              | 04/04/2017            | BARCLAYS CAPITAL INC                     |                                   | 500,000          | 500,000        | 0  |
| 81762P-AD-4   | SERVICENOW INC                           |              | 12/04/2017            | VARIOUS                                  |                                   | 150,847          | 140,000        | 0  |
| 84756N-AF-6   | SPECTRA ENERGY PARTNERS LP               |              | 01/09/2017            | GOLDMAN SACHS & CO, NY                   |                                   | 276,709          | 280,000        | 3,169  |
| 87938W-AU-7   | TELEFONICA EMISIOES SAU                  | C            | 03/02/2017            | CITIGROUP GLOBAL MARKETS INC             |                                   | 301,115          | 300,000        | 0  |
| 896522-AF-6   | TRINITY INDUSTRIES INC                   |              | 06/07/2017            | VARIOUS                                  |                                   | 61,589           | 50,000         | 386  |
| 902104-AA-6   | 11-VI INC                                |              | 08/24/2017            | Merrill Lynch                            |                                   | 90,000           | 90,000         | 0  |
| 90270R-BE-3   | UBSBB 12C4 A5 - CMBS                     |              | 03/16/2017            | JEFFERIES & CO INC, NEW YORK             |                                   | 503,828          | 500,000        | 792  |
| 948596-AA-9   | WEIBO CORP                               | C            | 10/26/2017            | GOLDMAN SACHS & CO, NY                   |                                   | 35,000           | 35,000         | 0  |
| 97651L-AC-5   | WIN 154 A3 - CMO/RMBS                    |              | 01/23/2017            | BAIRD (ROBERT W.) & CO. INC.             |                                   | 486,335          | 480,553        | 1,168  |
| 98138H-AE-1   | WORKDAY INC                              |              | 11/30/2017            | VARIOUS                                  |                                   | 114,245          | 115,000        | 45   |
| 984332-AF-3   | YAHOO                                    |              | 06/29/2017            | CITIGROUP GLOBAL MARKETS INC             |                                   | 101,462          | 90,000         | 0  |
| 98954M-AA-9   | ZILLOW GROUP INC                         |              | 11/14/2017            | VARIOUS                                  |                                   | 64,158           | 60,000         | 546  |
| D06216-FT-3   | BASF SE                                  | D            | 06/27/2017            | VARIOUS                                  |                                   | 512,325          | 500,000        | 1,181  |
| F63048-JJ-9   | COMPAGNIE GENERALE DES ETABLISSEMENTS MI | D            | 12/27/2017            | VARIOUS                                  |                                   | 611,950          | 600,000        | 0  |
| F92124-BF-6   | TOTAL SA                                 | D            | 11/14/2017            | VARIOUS                                  |                                   | 406,300          | 400,000        | 581  |
| N72482-AE-7   | QIAGEN NV                                | D            | 11/07/2017            | NOMURA SECURITIES INTL INC               |                                   | 204,600          | 200,000        | 156  |
| N8T23V-AD-3   | SIEMENS FINANCIERINGSMAATSCHAPPIJ NV     | D            | 03/30/2017            | DEUTSCHE BANK SECURITIES, INC.           |                                   | 311,250          | 250,000        | 539  |
| Y1508P-AB-8   | CHINA RAILWAY CONSTRUCTION CORP LTD      | D            | 07/05/2017            | BNP Paribas                              |                                   | 285,525          | 250,000        | 0  |
| 3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) |  |              |                       |  |                                   | 23,472,277       | 22,614,242     | 89,862   |
| 8399997. Total - Bonds - Part 3   |  |              |                       |  |                                   | 27,315,606       | 26,514,242     | 116,265  |
| 8399998. Total - Bonds - Part 5   |  |              |                       |  |                                   | 2,109,534        | 1,932,750      | 7,532  |
| 8399999. Total - Bonds  |  |              |                       |  |                                   | 29,425,140       | 28,446,992     | 123,797  |
| 8999997. Total - Preferred Stocks - Part 3                              |  |              |                       |  |                                   | 0                | XXX            | 0  |
| 8999998. Total - Preferred Stocks - Part 5                              |  |              |                       |  |                                   | 0                | XXX            | 0  |
| 8999999. Total - Preferred Stocks                                       |  |              |                       |  |                                   | 0                | XXX            | 0  |
| 256210-10-5   | DODGE & COX INC MF                       |              | 12/20/2017            | VARIOUS                                  | 6,933,658                         | 94,939           |                | 0  |
| 4812C0-38-1   | JPMORGAN CORE BOND CL 1 MF               |              | 12/28/2017            | VARIOUS                                  | 10,536,511                        | 121,730          |                | 0  |
| 921943-80-9   | VANGUARD DVLDP MKT INDX CL ADM1 MF       |              | 12/21/2017            | VARIOUS                                  | 44,980,846                        | 562,751          |                | 0  |
| 922908-30-6   | VANGRD INX TRS INX CL INV MF             |              | 12/21/2017            | Not Available                            | 2,234,180                         | 139,007          |                | 0  |
| 9299999. Subtotal - Common Stocks - Mutual Funds                        |  |              |                       |  |                                   |                  | 918,426        | XXX  |
| 9799997. Total - Common Stocks - Part 3                                 |  |              |                       |  |                                   |                  | 918,426        | XXX  |
| 9799998. Total - Common Stocks - Part 5                                 |  |              |                       |  |                                   |                  | 399,439        | XXX  |
| 9799999. Total - Common Stocks  |  |              |                       |  |                                   |                  | 1,317,865      | XXX  |
| 9899999. Total - Preferred and Common Stocks                            |  |              |                       |  |                                   |                  | 1,317,865      | XXX  |
| 9999999 - Totals  |  |              |                       |  |                                   | 30,743,005       | XXX            | 123,797  |











ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 4**

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1<br>CUSIP<br>Identi-<br>fication            | 2<br>Description | 3<br>For-<br>eign | 4<br>Disposal<br>Date | 5<br>Name<br>of Purchaser | 6<br>Number of<br>Shares of<br>Stock | 7<br>Con-<br>sideration | 8<br>Par Value | 9<br>Actual Cost | 10<br>Prior Year<br>Book/<br>Adjusted<br>Carrying<br>Value | Change In Book/Adjusted Carrying Value                 |  |   |  |   | 16<br>Book/<br>Adjusted<br>Carrying<br>Value at<br>Disposal<br>Date | 17<br>Foreign<br>Exchange<br>Gain<br>(Loss) on<br>Disposal | 18<br>Realized<br>Gain (Loss)<br>on Disposal | 19<br>Total Gain<br>(Loss) on<br>Disposal | 20<br>Bond<br>Interest/<br>Stock<br>Dividends<br>Received<br>During<br>Year | 21<br>Stated<br>Con-<br>tractual<br>Maturity<br>Date |
|--|------------------|-------------------|-----------------------|---------------------------|--------------------------------------|-------------------------|----------------|------------------|--|--|--|---|--|---|---|--|--|---|---|--|
|  |                  |                   |                       |                           |                                      |                         |                |                  |  | 11<br>Unrealized<br>Valuation<br>Increase/<br>Decrease | 12<br>Current<br>Year's<br>(Amor-<br>tization)/<br>Accretion | 13<br>Current<br>Year's<br>Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | 14<br>Total<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value<br>(11+12-13) | 15<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |   |  |  |   |   |  |
| 9799997. Total - Common Stocks - Part 4      |                  |                   |                       |                           |                                      | 1,500,000               | XXX            | 954,135          | 1,421,602  | (467,467)  | 0  | 0   | (467,467)  | 0   | 954,135   | 0  | 545,865                                      | 545,865                                   | 0   | XXX  |
| 9799998. Total - Common Stocks - Part 5      |                  |                   |                       |                           |                                      | 402,656                 | XXX            | 399,439          | 0  | 0  | 0  | 0   | 0  | 0   | 399,439   | 0  | 3,217  | 3,217                                     | 0   | XXX  |
| 9799999. Total - Common Stocks               |                  |                   |                       |                           |                                      | 1,902,656               | XXX            | 1,353,574        | 1,421,602  | (467,467)  | 0  | 0   | (467,467)  | 0   | 1,353,574   | 0  | 549,082                                      | 549,082                                   | 0   | XXX  |
| 9899999. Total - Preferred and Common Stocks |                  |                   |                       |                           |                                      | 1,902,656               | XXX            | 1,353,574        | 1,421,602  | (467,467)  | 0  | 0   | (467,467)  | 0   | 1,353,574   | 0  | 549,082                                      | 549,082                                   | 0   | XXX  |
| 9999999 - Totals                             |                  |                   |                       |                           |                                      | 29,667,051              | XXX            | 27,823,694       | 24,847,111   | (425,895)  | (121,945)  | 0   | (547,840)  | 0   | 27,341,653  | 0  | 2,325,398                                    | 2,325,398                                 | 437,607   | XXX  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 5**

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1  | 2  | 3       | 4             | 5                              | 6             | 7                              | 8   | 9           | 10            | 11  | Change in Book/Adjusted Carrying Value    |  |   |   |  | 17                                       | 18                               | 19                            | 20  | 21                                      |        |       |   |   |
|--|--|---------|---------------|--------------------------------|---------------|--------------------------------|---|-------------|---------------|---|---|--|---|---|--|--|----------------------------------|-------------------------------|---|---|--------|-------|---|---|
|  |  |         |               |                                |               |                                |   |             |               |   | 12  | 13                                       | 14  | 15  | 16   |  |                                  |                               |   |   |        |       |   |   |
| CUSIP Identification   | Description                              | Foreign | Date Acquired | Name of Vendor                 | Disposal Date | Name of Purchaser              | Par Value (Bonds) or Number of Shares (Stock) | Actual Cost | Consideration | Book/ Adjusted Carrying Value at Disposal | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in Book/ Adjusted Carrying Valu (12 + 13 - 14) | Total Foreign Exchange Change in Book/ Adjusted Carrying Value | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Interest and Dividends Received During Year | Paid for Accrued Interest and Dividends |        |       |   |   |
| 020520-AB-8  | ALON USA ENERGY INC                      |         | 07/31/2017    | WELLS FARGO SECURITIES LLC     | 11/21/2017    | BMO Capital Markets            | 20,000  | 22,550      | 23,900        | 21,844                                    | 0   | (706)                                    | 0   | (706)   | 0  | 0  | 2,057                            | 2,057                         | 0   | 415                                     | 230    |       |   |   |
| 04010L-AS-2  | ARES CAPITAL CORP                        |         | 01/24/2017    | JP MORGAN SECURITIES INC.      | 04/18/2017    | CREDIT SUISSE SECURITIES (USA) | 320,000                                       | 320,000     | 321,600       | 320,000                                   | 0   | 0  | 0   | 0   | 0  | 0  | 1,600                            | 1,600                         | 0   | 2,800                                   | 0      |       |   |   |
| 126349-AF-6  | CSG SYSTEMS INTERNATIONAL INC            |         | 02/02/2017    | JP MORGAN SECURITIES INC.      | 08/17/2017    | CITIGROUP GLOBAL MARKETS INC.  | 90,000  | 93,381      | 96,274        | 93,053                                    | 0   | (328)                                    | 0   | (328)   | 0  | 0  | 3,221                            | 3,221                         | 0   | 3,581                                   | 1,509  |       |   |   |
| 25156P-BA-0  | DEUTSCHE TELEKOM INTERNATIONAL FINANCE B | C       | 03/01/2017    | CITIGROUP GLOBAL MARKETS INC.  | 08/28/2017    | NY                             | 300,000                                       | 299,868     | 305,619       | 299,882                                   | 0   | 14                                       | 0   | 14  | 0  | 0  | 5,737                            | 5,737                         | 0   | 6,660                                   | 1,320  |       |   |   |
| 29359Q-AF-6  | ENSOC PLC                                | C       | 01/09/2017    | Not Available                  | 06/01/2017    | Not Available                  | 72,750  | 75,660      | 72,605        | 75,653                                    | 0   | (7)                                      | 0   | (7)   | 0  | 0  | (3,049)                          | (3,049)                       | 0   | 146                                     | 0      |       |   |   |
| 31787A-AM-3  | FINISAR CORP                             |         | 03/14/2017    | VARIOUS                        | 12/11/2017    | VARIOUS                        | 145,000                                       | 165,627     | 151,384       | 157,450                                   | 0   | (8,177)                                  | 0   | (8,177)   | 0  | 0  | (6,066)                          | (6,066)                       | 0   | 638                                     | 93     |       |   |   |
| 458140-AD-2  | INTEL CORP                               |         | 10/27/2017    | VARIOUS                        | 12/08/2017    | VARIOUS                        | 310,000                                       | 453,854     | 502,555       | 451,911                                   | 0   | (1,943)                                  | 0   | (1,943)   | 0  | 0  | 50,643                           | 50,643                        | 0   | 5,731                                   | 3,177  |       |   |   |
| 55024U-AA-7  | LUMENTUM HOLDINGS INC                    |         | 03/03/2017    | GOLDMAN SACHS & CO, NY         | 03/24/2017    | CREDIT SUISSE SECURITIES (USA) | 240,000                                       | 240,000     | 262,248       | 240,000                                   | 0   | 0  | 0   | 0   | 0  | 0  | 22,248                           | 22,248                        | 0   | 35                                      | 0      |       |   |   |
| 60855R-AD-2  | MOLINA HEALTHCARE INC                    |         | 01/03/2017    | GOLDMAN SACHS & CO, NY         | 06/22/2017    | NOMURA SECURITIES INTL INC     | 20,000  | 22,625      | 26,154        | 21,859                                    | 0   | (765)                                    | 0   | (765)   | 0  | 0  | 4,294                            | 4,294                         | 0   | 282                                     | 127    |       |   |   |
| 697435-AB-1  | PALO ALTO NETWORKS INC                   |         | 03/21/2017    | DEUTSCHE BANK SECURITIES, INC. | 11/21/2017    | RBC CAPITAL MARKETS            | 15,000  | 17,709      | 21,956        | 15,000                                    | 0   | (2,709)                                  | 0   | (2,709)   | 0  | 0  | 6,956                            | 6,956                         | 0   | 0                                       | 0      |       |   |   |
| 741503-AS-5  | PRICELINE.COM                            |         | 01/30/2017    | CITIGROUP GLOBAL MARKETS INC.  | 07/12/2017    | BARCLAYS CAPITAL INC           | 40,000  | 53,552      | 60,805        | 51,733                                    | 0   | (1,819)                                  | 0   | (1,819)   | 0  | 0  | 9,073                            | 9,073                         | 0   | 82                                      | 18     |       |   |   |
| 852234-AA-1  | SQUARE INC                               |         | 05/03/2017    | VARIOUS                        | 10/12/2017    | VARIOUS                        | 85,000  | 85,846      | 127,079       | 85,769                                    | 0   | (78)                                     | 0   | (78)  | 0  | 0  | 41,310                           | 41,310                        | 0   | 191                                     | 10     |       |   |   |
| 87157D-AC-3  | SYNAPTICS INC                            |         | 06/21/2017    | WELLS FARGO SECURITIES LLC     | 11/08/2017    | BMO Capital Markets            | 90,000  | 90,000      | 85,367        | 90,000                                    | 0   | 0  | 0   | 0   | 0  | 0  | (4,633)                          | (4,633)                       | 0   | 168                                     | 0      |       |   |   |
| 92343V-BG-8  | VERIZON COMMUNICATIONS INC               |         | 01/13/2017    | WELLS FARGO SECURITIES LLC     | 08/28/2017    | MARKETAXESS CORPORATION        | 125,000                                       | 109,584     | 108,395       | 109,785                                   | 0   | 201                                      | 0   | 201   | 0  | 0  | (1,390)                          | (1,390)                       | 0   | 4,010                                   | 1,043  |       |   |   |
| 94419L-AA-9  | WAYFAIR INC                              |         | 09/26/2017    | VARIOUS                        | 11/01/2017    | DEUTSCHE BANK SECURITIES, INC. | 60,000  | 59,277      | 60,170        | 59,291                                    | 0   | 14                                       | 0   | 14  | 0  | 0  | 879                              | 879                           | 0   | 30                                      | 4      |       |   |   |
| <b>3899999. Subtotal - Industrial and Miscellaneous (Unaffiliated)</b>                 |  |         |               |                                |               |                                | 1,932,750                                     | 2,109,534   | 2,226,111     | 2,093,230                                 | 0   | (16,303)                                 | 0   | (16,303)  | 0  | 0  | 132,881                          | 132,881                       | 0   | 24,767                                  | 7,532  |       |   |   |
| <b>8399998. Total - Bonds</b>  |  |         |               |                                |               |                                | 1,932,750                                     | 2,109,534   | 2,226,111     | 2,093,230                                 | 0   | (16,303)                                 | 0   | (16,303)  | 0  | 0  | 0                                | 132,881                       | 132,881                                     | 0                                       | 24,767 | 7,532 |   |   |
| <b>8999998. Total - Preferred Stocks</b>   |  |         |               |                                |               |                                | 0   | 0           | 0             | 0   | 0   | 0  | 0   | 0   | 0  | 0  | 0                                | 0                             | 0   | 0                                       | 0      | 0     | 0 |   |
| 02208R-10-6  | ALTRA INDUSTRIAL MOTION ORD              |         | 01/01/2017    | Adjustment                     | 02/08/2017    | VARIOUS                        | 3,517,290                                     | 129,085     | 133,006       | 129,085                                   | 0   | 0  | 0   | 0   | 0  | 0  | 3,921                            | 3,921                         | 0   | 0                                       | 0      |       |   |   |
| 478160-10-4  | JOHNSON & JOHNSON ORD                    |         | 10/20/2017    | VARIOUS                        | 10/23/2017    | VARIOUS                        | 1,993,243                                     | 270,354     | 269,650       | 270,354                                   | 0   | 0  | 0   | 0   | 0  | 0  | (705)                            | (705)                         | 0   | 0                                       | 0      |       |   |   |
| <b>9099999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)</b> |  |         |               |                                |               |                                | 399,439                                       | 402,656     | 399,439       | 399,439                                   | 0   | 0  | 0   | 0   | 0  | 0  | 3,217                            | 3,217                         | 0   | 0                                       | 0      | 0     | 0 |   |
| <b>9799998. Total - Common Stocks</b>  |  |         |               |                                |               |                                | 399,439                                       | 402,656     | 399,439       | 399,439                                   | 0   | 0  | 0   | 0   | 0  | 0  | 0                                | 0                             | 3,217                                       | 3,217                                   | 0      | 0     | 0 | 0 |
| <b>9899999. Total - Preferred and Common Stocks</b>                                    |  |         |               |                                |               |                                | 399,439                                       | 402,656     | 399,439       | 399,439                                   | 0   | 0  | 0   | 0   | 0  | 0  | 0                                | 0                             | 3,217                                       | 3,217                                   | 0      | 0     | 0 | 0 |
| <b>9999999 - Totals</b>  |  |         |               |                                |               |                                | 2,508,973                                     | 2,628,767   | 2,492,669     | 2,492,669                                 | 0   | (16,303)                                 | 0   | (16,303)  | 0  | 0  | 136,097                          | 136,097                       | 0   | 24,767                                  | 7,532  |       |   |   |

Schedule D-Part 6-Section 1-Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

**NONE**

Schedule D - Part 6 - Section 2

**NONE**

Schedule DA - Part 1 - Short-Term Investments Owned

**NONE**

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

**NONE**

Schedule DB - Part A - Section 2 - Options, Caps, Floors, Collars, Swaps and Forwards Terminated

**NONE**

Schedule DB - Part B - Section 1 - Futures Contracts Open

**NONE**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

**NONE**

Schedule DB - Part B - Section 2 - Futures Contracts Terminated

**NONE**

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

**NONE**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

**NONE**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

**NONE**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

**NONE**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE E - PART 1 - CASH**

| 1<br>Depository  | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Year | 5<br>Amount of Interest Accrued December 31 of Current Year | 6<br>Balance | 7<br>* |
|--|-----------|-----------------------|--|---|--------------|--------|
| Fifth Third Bank .....   |           | 0.000                 | 0  | 0   | 165,500      | XXX    |
| Macatawa Bank .....  |           | 0.000                 | 0  | 0   | 1,686,733    | XXX    |
| 0199998 Deposits in ... 0 depositories which do not exceed the allowable limit in any one depository (See instructions) - open depositories      | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0199999. Totals - Open Depositories  | XXX       | XXX                   | 0  | 0   | 1,852,233    | XXX    |
| 0299998 Deposits in ... 0 depositories which do not exceed the allowable limit in any one depository (See instructions) - suspended depositories | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0299999. Totals - Suspended Depositories   | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0399999. Total Cash on Deposit   | XXX       | XXX                   | 0  | 0   | 1,852,233    | XXX    |
| 0499999. Cash in Company's Office  | XXX       | XXX                   | XXX  | XXX   | 0            | XXX    |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
|  |           |                       |  |   |              |        |
| 0599999 Total - Cash   | XXX       | XXX                   | 0  | 0   | 1,852,233    | XXX    |

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

|                  |           |               |           |                   |           |                   |           |
|------------------|-----------|---------------|-----------|-------------------|-----------|-------------------|-----------|
| 1. January.....  | 6,066,658 | 4. April..... | 1,065,041 | 7. July.....      | 1,568,211 | 10. October.....  | 286,741   |
| 2. February..... | 5,824,860 | 5. May.....   | 2,403,248 | 8. August.....    | 3,556,354 | 11. November..... | 3,067,897 |
| 3. March.....    | 5,567,944 | 6. June.....  | 2,843,241 | 9. September..... | 2,091,043 | 12. December..... | 1,819,684 |

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

| 1<br>CUSIP | 2<br>Description  | 3<br>Code | 4<br>Date Acquired | 5<br>Rate of Interest | 6<br>Maturity Date | 7<br>Book/Adjusted<br>Carrying Value | 8<br>Amount of Interest<br>Due and Accrued | 9<br>Amount Received<br>During Year |
|------------|---|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|-------------------------------------|
|            | 0599999. Total - U.S. Government Bonds  |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 1099999. Total - All Other Government Bonds                                     |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 1799999. Total - U.S. States, Territories and Possessions Bonds                 |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 2499999. Total - U.S. Political Subdivisions Bonds                              |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 3199999. Total - U.S. Special Revenues Bonds                                    |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds              |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 4899999. Total - Hybrid Securities  |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 5599999. Total - Parent, Subsidiaries and Affiliates Bonds                      |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 6099999. Subtotal - SVO Identified Funds  |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 7799999. Total - Issuer Obligations   |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 7899999. Total - Residential Mortgage-Backed Securities                         |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 7999999. Total - Commercial Mortgage-Backed Securities                          |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 8099999. Total - Other Loan-Backed and Structured Securities                    |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 8199999. Total - SVO Identified Funds   |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | 8399999. Total Bonds  |           |                    |                       |                    | 0                                    | 0  | 0                                   |
|            | FEDERATED GOVT OBL: INST  |           | 12/28/2017         | 1.180                 | XXX                | 1,795,482                            | 1,723                                      | 48                                  |
|            | 8599999. Subtotal - Exempt Money Market Mutual Funds - as Identified by the SVO |           |                    |                       |                    | 1,795,482                            | 1,723                                      | 48                                  |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            |   |           |                    |                       |                    |                                      |  |                                     |
|            | 8899999 - Total Cash Equivalents  |           |                    |                       |                    | 1,795,482                            | 1,723                                      | 48                                  |

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.  | 1<br>Type of Deposit | 2<br>Purpose of Deposit       | Deposits For the Benefit of All Policyholders |                 | All Other Special Deposits        |                 |
|---|----------------------|-------------------------------|---|-----------------|-----------------------------------|-----------------|
|   |                      |                               | 3<br>Book/Adjusted Carrying Value             | 4<br>Fair Value | 5<br>Book/Adjusted Carrying Value | 6<br>Fair Value |
| 1. Alabama  | AL                   |                               | 0   | 0               | 0                                 | 0               |
| 2. Alaska   | AK                   |                               | 0   | 0               | 0                                 | 0               |
| 3. Arizona  | AZ                   |                               | 0   | 0               | 0                                 | 0               |
| 4. Arkansas   | AR                   |                               | 0   | 0               | 0                                 | 0               |
| 5. California   | CA                   |                               | 0   | 0               | 0                                 | 0               |
| 6. Colorado   | CO                   |                               | 0   | 0               | 0                                 | 0               |
| 7. Connecticut  | CT                   |                               | 0   | 0               | 0                                 | 0               |
| 8. Delaware   | DE                   |                               | 0   | 0               | 0                                 | 0               |
| 9. District of Columbia   | DC                   |                               | 0   | 0               | 0                                 | 0               |
| 10. Florida   | FL                   |                               | 0   | 0               | 0                                 | 0               |
| 11. Georgia   | GA                   |                               | 0   | 0               | 0                                 | 0               |
| 12. Hawaii  | HI                   |                               | 0   | 0               | 0                                 | 0               |
| 13. Idaho   | ID                   |                               | 0   | 0               | 0                                 | 0               |
| 14. Illinois  | IL                   |                               | 0   | 0               | 0                                 | 0               |
| 15. Indiana   | IN                   |                               | 0   | 0               | 0                                 | 0               |
| 16. Iowa  | IA                   |                               | 0   | 0               | 0                                 | 0               |
| 17. Kansas  | KS                   |                               | 0   | 0               | 0                                 | 0               |
| 18. Kentucky  | KY                   |                               | 0   | 0               | 0                                 | 0               |
| 19. Louisiana   | LA                   |                               | 0   | 0               | 0                                 | 0               |
| 20. Maine   | ME                   |                               | 0   | 0               | 0                                 | 0               |
| 21. Maryland  | MD                   |                               | 0   | 0               | 0                                 | 0               |
| 22. Massachusetts   | MA                   |                               | 0   | 0               | 0                                 | 0               |
| 23. Michigan  | MI                   | B Benefits All Policy Holders | 305,804                                       | 300,830         | 0                                 | 0               |
| 24. Minnesota   | MN                   |                               | 0   | 0               | 0                                 | 0               |
| 25. Mississippi   | MS                   |                               | 0   | 0               | 0                                 | 0               |
| 26. Missouri  | MO                   |                               | 0   | 0               | 0                                 | 0               |
| 27. Montana   | MT                   |                               | 0   | 0               | 0                                 | 0               |
| 28. Nebraska  | NE                   |                               | 0   | 0               | 0                                 | 0               |
| 29. Nevada  | NV                   |                               | 0   | 0               | 0                                 | 0               |
| 30. New Hampshire   | NH                   |                               | 0   | 0               | 0                                 | 0               |
| 31. New Jersey  | NJ                   |                               | 0   | 0               | 0                                 | 0               |
| 32. New Mexico  | NM                   |                               | 0   | 0               | 0                                 | 0               |
| 33. New York  | NY                   |                               | 0   | 0               | 0                                 | 0               |
| 34. North Carolina  | NC                   |                               | 0   | 0               | 0                                 | 0               |
| 35. North Dakota  | ND                   |                               | 0   | 0               | 0                                 | 0               |
| 36. Ohio  | OH                   |                               | 0   | 0               | 0                                 | 0               |
| 37. Oklahoma  | OK                   |                               | 0   | 0               | 0                                 | 0               |
| 38. Oregon  | OR                   |                               | 0   | 0               | 0                                 | 0               |
| 39. Pennsylvania  | PA                   |                               | 0   | 0               | 0                                 | 0               |
| 40. Rhode Island  | RI                   |                               | 0   | 0               | 0                                 | 0               |
| 41. South Carolina  | SC                   |                               | 0   | 0               | 0                                 | 0               |
| 42. South Dakota  | SD                   |                               | 0   | 0               | 0                                 | 0               |
| 43. Tennessee   | TN                   |                               | 0   | 0               | 0                                 | 0               |
| 44. Texas   | TX                   |                               | 0   | 0               | 0                                 | 0               |
| 45. Utah  | UT                   |                               | 0   | 0               | 0                                 | 0               |
| 46. Vermont   | VT                   |                               | 0   | 0               | 0                                 | 0               |
| 47. Virginia  | VA                   |                               | 0   | 0               | 0                                 | 0               |
| 48. Washington  | WA                   |                               | 0   | 0               | 0                                 | 0               |
| 49. West Virginia   | WV                   |                               | 0   | 0               | 0                                 | 0               |
| 50. Wisconsin   | WI                   |                               | 0   | 0               | 0                                 | 0               |
| 51. Wyoming   | WY                   |                               | 0   | 0               | 0                                 | 0               |
| 52. American Samoa  | AS                   |                               | 0   | 0               | 0                                 | 0               |
| 53. Guam  | GU                   |                               | 0   | 0               | 0                                 | 0               |
| 54. Puerto Rico   | PR                   |                               | 0   | 0               | 0                                 | 0               |
| 55. U.S. Virgin Islands   | VI                   |                               | 0   | 0               | 0                                 | 0               |
| 56. Northern Mariana Islands  | MP                   |                               | 0   | 0               | 0                                 | 0               |
| 57. Canada  | CAN                  |                               | 0   | 0               | 0                                 | 0               |
| 58. Aggregate Alien and Other                                       | OT                   | XXX                           | 4,449,980                                     | 4,366,474       | 0                                 | 0               |
| 59. Subtotal  | XXX                  | XXX                           | 4,755,784                                     | 4,667,304       | 0                                 | 0               |
| DETAILS OF WRITE-INS  |                      |                               |   |                 |                                   |                 |
| 5801. FHLBI   | B                    | Collateral pledged for debt   | 4,449,980                                     | 4,366,474       | 0                                 | 0               |
| 5802.   |                      |                               |   |                 |                                   |                 |
| 5803.   |                      |                               |   |                 |                                   |                 |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX                  | XXX                           | 0   | 0               | 0                                 | 0               |
| 5899. Totals (Lines 5801 thru 5803 plus 5898)(Line 58 above)        | XXX                  | XXX                           | 4,449,980                                     | 4,366,474       | 0                                 | 0               |





SUPPLEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

Designate the type of health care providers reported on this page:  
Physicians, including surgeons and osteopaths

**SUPPLEMENT "A" TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

| States, etc.   | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But Not<br>Reported |
|--|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|--|
|  |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |  |
| 1. Alabama   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 2. Alaska  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 3. Arizona   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 4. Arkansas  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 5. California  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 6. Colorado  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 7. Connecticut   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 8. Delaware  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 9. District of Columbia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 10. Florida  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 11. Georgia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 12. Hawaii   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 13. Idaho  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 14. Illinois   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 15. Indiana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 16. Iowa   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 17. Kansas   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 18. Kentucky   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 19. Louisiana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 20. Maine  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 21. Maryland   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 22. Massachusetts  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 23. Michigan   | 11,313,292                         | 11,148,833                        | 8,035,473          | 72                          | 8,325,300                         | 7,643,948               | 139                         | 13,628,291   |
| 24. Minnesota  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 25. Mississippi  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 26. Missouri   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 27. Montana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 28. Nebraska   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 29. Nevada   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 30. New Hampshire  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 31. New Jersey   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 32. New Mexico   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 33. New York   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 34. North Carolina   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 35. North Dakota   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 36. Ohio   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 37. Oklahoma   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 38. Oregon   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 39. Pennsylvania   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 40. Rhode Island   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 41. South Carolina   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 42. South Dakota   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 43. Tennessee  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 44. Texas  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 45. Utah   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 46. Vermont  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 47. Virginia   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 48. Washington   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 49. West Virginia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 50. Wisconsin  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 51. Wyoming  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 52. American Samoa   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 53. Guam   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 54. Puerto Rico  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 55. U.S. Virgin Islands  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 56. Northern Mariana Islands   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 57. Canada   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58. Aggregate other alien  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 59. Total  | 11,313,292                         | 11,148,833                        | 8,035,473          | 72                          | 8,325,300                         | 7,643,948               | 139                         | 13,628,291   |
| DETAILS OF WRITE-INS   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58001.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58002.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58003.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58999. Totals (Lines 58001 thru 58003 plus 58998)(Line 58 above)     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |



SUPPLEMENT FOR THE YEAR 2017 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

Designate the type of health care providers reported on this page:  
Hospitals

**SUPPLEMENT "A" TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

| States, etc.  | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But Not<br>Reported |
|---|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|--|
|   |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |  |
| 1. Alabama.....AL   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 2. Alaska.....AK  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 3. Arizona.....AZ   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 4. Arkansas.....AR  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 5. California.....CA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 6. Colorado.....CO  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 7. Connecticut.....CT   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 8. Delaware.....DE  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 9. District of Columbia.....DC  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 10. Florida.....FL  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 11. Georgia.....GA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 12. Hawaii.....HI   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 13. Idaho.....ID  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 14. Illinois.....IL   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 15. Indiana.....IN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 16. Iowa.....IA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 17. Kansas.....KS   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 18. Kentucky.....KY   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 19. Louisiana.....LA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 20. Maine.....ME  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 21. Maryland.....MD   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 22. Massachusetts.....MA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 23. Michigan.....MI   | 7,438,009                          | 7,075,845                         | 504,520            | 24                          | 4,605,137                         | 3,931,193               | 38                          | 5,468,108  |
| 24. Minnesota.....MN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 25. Mississippi.....MS  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 26. Missouri.....MO   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 27. Montana.....MT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 28. Nebraska.....NE   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 29. Nevada.....NV   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 30. New Hampshire.....NH  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 31. New Jersey.....NJ   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 32. New Mexico.....NM   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 33. New York.....NY   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 34. North Carolina.....NC   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 35. North Dakota.....ND   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 36. Ohio.....OH   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 37. Oklahoma.....OK   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 38. Oregon.....OR   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 39. Pennsylvania.....PA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 40. Rhode Island.....RI   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 41. South Carolina.....SC   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 42. South Dakota.....SD   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 43. Tennessee.....TN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 44. Texas.....TX  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 45. Utah.....UT   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 46. Vermont.....VT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 47. Virginia.....VA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 48. Washington.....WA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 49. West Virginia.....WV  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 50. Wisconsin.....WI  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 51. Wyoming.....WY  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 52. American Samoa.....AS   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 53. Guam.....GU   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 54. Puerto Rico.....PR  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 55. U.S. Virgin Islands.....VI  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 56. Northern Mariana Islands.....MP                                       | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 57. Canada.....CAN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58. Aggregate other alien.....OT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 59. Total   | 7,438,009                          | 7,075,845                         | 504,520            | 24                          | 4,605,137                         | 3,931,193               | 38                          | 5,468,108  |
| DETAILS OF WRITE-INS  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58001.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58002.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58003.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page..... | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58999. Totals (Lines 58001 thru 58003 plus 58998)(Line 58 above)          | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |

**Audited Statutory Basis Financial Statements  
and Other Supplementary Information**

**Michigan Professional  
Insurance Exchange**

*Years Ended December 31, 2017 and 2016  
with Report of Independent Auditors*



**ANDREWS HOOPER PAVLIK PLC**

Michigan Professional Insurance Exchange

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Years Ended December 31, 2017 and 2016

**Contents**

Audited Statutory Basis Financial Statements

|   |   |
|---|---|
| Report of Independent Auditors .....  | 1 |
| Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus ..... | 3 |
| Statements of Operations - Statutory Basis .....                                      | 4 |
| Statements of Changes in Policyholders' Surplus - Statutory Basis .....               | 5 |
| Statements of Cash Flows - Statutory Basis .....                                      | 6 |
| Notes to Statutory Basis Financial Statements .....                                   | 7 |

Other Supplementary Information

|   |    |
|---|----|
| Report of Independent Auditors on Other Supplementary Information ..... | 30 |
| Supplemental Summary of Investments .....                               | 31 |
| Supplemental Investment Risks Interrogatories .....                     | 32 |
| General Interrogatories Part 2, No. 7, 8, & 9.....                      | 38 |

## Report of Independent Auditors

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

We have audited the accompanying statutory basis financial statements of Michigan Professional Insurance Exchange (Exchange), which comprise the statutory statement of admitted assets, liabilities, and policyholders' surplus as of December 31, 2017 and 2016, and the related statutory statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these statutory basis financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free from material misstatement.

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

of significant accounting estimates made by management, as well as evaluating the overall presentation of the statutory basis financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the statutory basis financial statements, the statutory basis financial statements are prepared by the Exchange on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, practices of which differ from accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Exchange as of December 31, 2017 and 2016, or the changes in financial position or cash flows thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Exchange as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services.

*Andrews Hooper Paulik PLC*

Grand Rapids, Michigan  
May 23, 2018

## Michigan Professional Insurance Exchange

### Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus

|  | <b>December 31</b>    |                      |
|--|-----------------------|----------------------|
|  | <b>2017</b>           | <b>2016</b>          |
| <b>Admitted assets</b>   |                       |                      |
| Cash and investments:  |                       |                      |
| Bonds at amortized cost (market value of \$85,272,722<br>in 2017 and \$81,747,302 in 2016) | \$ 82,408,676         | \$ 79,447,779        |
| Common stock at fair market value  | 15,171,497            | 13,866,301           |
| Cash and short-term investments  | 3,647,715             | 2,278,733            |
| Total cash and investments   | 101,227,888           | 95,592,813           |
| Other assets:  |                       |                      |
| Accrued investment income  | 594,583               | 597,130              |
| Premiums receivable  | 521,837               | 1,023,995            |
| Deferred premiums  | 1,873,291             | 1,814,977            |
| Federal income tax recoverable   | 163,440               | 2,274                |
| Aggregate write-ins for other-than-invested assets   | 146,155               | 41,916               |
|  | <b>\$ 104,527,194</b> | <b>\$ 99,073,105</b> |
| <b>Reserves, other liabilities, and policyholders' surplus</b>                             |                       |                      |
| Reserves:  |                       |                      |
| Unpaid losses  | \$ 26,576,026         | \$ 22,324,086        |
| Loss adjustment expenses   | 17,645,693            | 17,415,882           |
| Total reserves   | 44,221,719            | 39,739,968           |
| Other liabilities:   |                       |                      |
| Unearned premiums (net of ceded reinsurance of \$349,019<br>in 2017 and \$236,732 in 2016) | 5,525,263             | 4,944,598            |
| Advance premiums   | 1,255,790             | 1,025,100            |
| Ceded reinsurance premiums payable   | 109,131               | 36,982               |
| Commissions payable  | 8,838                 | 7,718                |
| Accrued other expenses   | 377,810               | 479,220              |
| Taxes, licenses, and fees  | (43,761)              | 46,329               |
| Net deferred tax liability   | 278,212               | 3,063                |
| Borrowed money   | 500,000               | -                    |
| Self insurance funds held  | 1,900,052             | 469,012              |
| Subscribers savings accounts payable to terminated<br>policyholders                        | 1,450,000             | 1,660,000            |
|  | <b>11,361,335</b>     | <b>8,672,022</b>     |
| Policyholders' surplus:  |                       |                      |
| Unassigned funds   | 48,944,140            | 50,661,115           |
|  | <b>48,944,140</b>     | <b>50,661,115</b>    |
|  | <b>\$ 104,527,194</b> | <b>\$ 99,073,105</b> |

See accompanying notes.

Michigan Professional Insurance Exchange

Statements of Operations - Statutory Basis

|  | <b>Year Ended December 31</b> |               |
|--|-------------------------------|---------------|
|  | <b>2017</b>                   | <b>2016</b>   |
| Net premiums earned  | <b>\$ 16,007,757</b>          | \$ 13,531,041 |
| Losses incurred  | <b>10,332,435</b>             | 5,199,971     |
| Loss adjustment expenses incurred  | <b>4,472,504</b>              | 4,936,372     |
| Other underwriting expenses incurred   | <b>2,053,338</b>              | 1,709,635     |
|  | <b>16,858,277</b>             | 11,845,978    |
| Underwriting income  | <b>(850,520)</b>              | 1,685,063     |
| Net investment income  | <b>2,181,566</b>              | 2,266,628     |
| Net realized gains on sale of investments (net of tax of<br>\$761,652 in 2017 and \$113,482 in 2016)   | <b>1,563,746</b>              | 220,289       |
| Net gain (loss) from premium balances charged off (net of<br>amount recovered of \$20,654 in 2017 and \$934 in 2016 and<br>amount charged of \$0 in 2017 and \$19,836 in 2016) | <b>20,654</b>                 | (18,902)      |
| Miscellaneous income   | <b>466,915</b>                | 131,038       |
| Income before federal income taxes   | <b>3,382,361</b>              | 4,284,116     |
| Federal income tax   | <b>(232,755)</b>              | 407,566       |
| Net income   | <b>\$ 3,615,116</b>           | \$ 3,876,550  |

See accompanying notes.



## Michigan Professional Insurance Exchange

### Statements of Changes in Policyholders' Surplus - Statutory Basis

|  | <b>Surplus<br/>Note</b> | <b>Unassigned<br/>Surplus</b> | <b>Total</b>         |
|--|-------------------------|-------------------------------|----------------------|
| Balances as of January 1, 2016                                       | \$ 1,000,000            | \$ 49,495,261                 | \$ 50,495,261        |
| Net income   |                         | 3,876,550                     | 3,876,550            |
| Distribution of subscriber savings                                   |                         | (1,757,443)                   | (1,757,443)          |
| Terminated subscriber savings payable                                |                         | (1,660,000)                   | (1,660,000)          |
| Adjustments to prior year balances                                   |                         | (158,095)                     | (158,095)            |
| Change in unrealized gain on investments,<br>net of tax of \$287,925 |                         | 791,212                       | 791,212              |
| Surplus note change  | (1,000,000)             |                               | (1,000,000)          |
| Change in nonadmitted assets   |                         | 82,596                        | 82,596               |
| Change in net deferred income tax                                    |                         | (8,966)                       | (8,966)              |
| Balances as of December 31, 2016                                     | -                       | 50,661,115                    | 50,661,115           |
| Net income   |                         | <b>3,615,116</b>              | <b>3,615,116</b>     |
| Distribution of subscriber savings                                   |                         | <b>(3,916,850)</b>            | <b>(3,916,850)</b>   |
| Terminated subscriber savings payable                                |                         | <b>(1,450,000)</b>            | <b>(1,450,000)</b>   |
| Change in unrealized gain on investments,<br>net of tax of \$117,198 |                         | <b>1,508,007</b>              | <b>1,508,007</b>     |
| Change in nonadmitted assets   |                         | <b>(1,080,900)</b>            | <b>(1,080,900)</b>   |
| Change in net deferred income tax                                    |                         | <b>(392,348)</b>              | <b>(392,348)</b>     |
| Balances as of December 31, 2017                                     | \$ -                    | <b>\$ 48,944,140</b>          | <b>\$ 48,944,140</b> |

Michigan Professional Insurance Exchange

Statements of Cash Flows - Statutory Basis

|  | <b>Year Ended December 31</b> |                     |
|--|-------------------------------|---------------------|
|  | <b>2017</b>                   | <b>2016</b>         |
| <b>Operating activities</b>                          |                               |                     |
| Premiums collected                                   | \$ 17,331,033                 | \$ 14,194,483       |
| Net investment income                                | 2,703,355                     | 2,744,176           |
| Miscellaneous income                                 | 487,569                       | 111,202             |
| Benefit and loss related payments                    | (6,184,736)                   | (3,909,100)         |
| Commissions, expenses paid, and other deductions     | (6,486,411)                   | (6,031,170)         |
| Federal income taxes paid                            | (690,064)                     | (335,550)           |
| Net cash from operating activities                   | <u>7,160,746</u>              | <u>6,774,041</u>    |
| <b>Investing activities</b>                          |                               |                     |
| Proceeds from investments sold, matured, or repaid   | 29,667,051                    | 21,885,902          |
| Investments acquired                                 | (31,743,005)                  | (21,066,955)        |
| Net cash from investing activities                   | <u>(2,075,954)</u>            | <u>818,947</u>      |
| <b>Financing activities</b>                          |                               |                     |
| Surplus note repayment                               | -                             | (1,000,000)         |
| Borrowed funds                                       | 500,000                       | -                   |
| Other cash applied                                   | (4,215,810)                   | (6,734,623)         |
| Net cash from financing activities                   | <u>(3,715,810)</u>            | <u>(7,734,623)</u>  |
| Net change in cash and short-term investments        | 1,368,982                     | (141,635)           |
| Cash and short-term investments at beginning of year | 2,278,733                     | 2,420,368           |
| Cash and short-term investments at end of year       | <u>\$ 3,647,715</u>           | <u>\$ 2,278,733</u> |

See accompanying notes.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### **1. Organization and Significant Accounting Policies**

Michigan Professional Insurance Exchange (Exchange), a reciprocal insurance exchange, was issued a final certificate of authority to conduct operations on October 1, 1988. The purpose of the Exchange is to provide medical professional liability and general liability insurance to certain hospitals and physicians. Hospitals that had policies or agreements with the Exchange during the years ended December 31, 2017 and 2016 included Spectrum Health Hospitals, North Ottawa Community Hospital, Pine Rest Christian Mental Health Services, Lakeland Regional Health System, Holland Hospital, Watervliet Community Hospital, Sparrow Health System, and Bronson Methodist Hospital. As more fully described in Note 9, the Exchange has a deposit premium agreement with Spectrum Health Hospitals.

The eligible subscribers of the Exchange are limited to certain hospitals and physicians as specified in the Bylaws of the Exchange. The Exchange prefers to write policies for both the hospital organization and its associated medical staff. The Exchange's Board of Directors can approve or revoke eligibility for any physician licensed to practice in Michigan. See Note 8 for a discussion of reinsurance arrangements.

The Exchange has no employees and contracts with a related entity, Michigan Professional Exchange Services (MPES), for its staff, building space, fidelity bond coverage, equipment, supplies, and other administrative costs. MPES leases employees from PRCD Holdings LLC. The Exchange uses the services of 25 employees.

On May 1, 2017, the Exchange formed a downstream noninsurance holding company, PRCD Holdings LLC (PRCD). PRCD leases employees to MPES, the attorney-in-fact for the holding company, and to other subsidiaries of PRCD. On July 1, 2017, PRCD formed a wholly owned subsidiary, MPIE Consulting LLC (MCON), to provide third party administrative and consulting services.

### **Basis of Presentation**

The financial statements are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services and the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP). The Michigan prescribed and permitted accounting practices used in preparation of the accompanying financial statements did not differ from NAIC SAP. NAIC SAP practices and presentation vary in some respects from accounting principles generally accepted in the United

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 1. Organization and Significant Accounting Policies (continued)

#### Basis of Presentation (continued)

States of America (U.S. GAAP). The more significant variances between NAIC SAP and U.S. GAAP are as follows:

Bonds are reported at amortized cost rather than reporting certain bonds at fair value.

Redeemable preferred stock is reported at the lower of cost or amortized cost rather than reporting at fair value.

Unpaid losses, loss adjustment expenses, and unearned premiums are presented net of reinsurance in accordance with NAIC SAP.

Investments in the Exchange's unaudited downstream subsidiaries are nonadmitted assets. Under U.S. GAAP, such investments would be consolidated with the accounts and operations of the Exchange.

Certain assets designated as nonadmitted assets are excluded from the statutory statement of admitted assets, liabilities, and policyholders' surplus and the changes in such assets are credited or charged directly to unassigned surplus. These assets primarily consist of unaudited downstream subsidiaries, uncollected premiums, and aggregate write-ins for other-than-invested assets.

Deferred tax assets and liabilities are determined in a manner similar to U.S. GAAP; however, additional criteria are then applied to those assets that may require certain amounts to be nonadmitted. The change in net deferred tax assets is recorded as a change in policyholders' surplus. Under U.S. GAAP, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years and a valuation allowance is established for deferred tax assets not realizable.

The statements of cash flow differ in certain respects from the presentation required by U.S. GAAP.

Realized gains or losses are recorded net of tax in the statements of income. Under U.S. GAAP, the tax associated with realized gains or losses is recorded as an income tax expense or benefit.

The effects of the foregoing variances from U.S. GAAP on the Exchange's statutory-basis financial statement have not been determined, but are presumed to be material.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 1. Organization and Significant Accounting Policies (continued)

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Exchange uses various methods including market, income, and cost approaches. Based on these approaches, the Exchange often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and of the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Exchange utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Exchange is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing as asset or liability.

In determining the appropriate levels, the Exchange performs a detailed analysis of the assets and liabilities that are subject to the authoritative guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### **1. Organization and Significant Accounting Policies (continued)**

#### **Investments**

Cash and short-term investments include cash, cash equivalents, money market funds, corporate notes, and certificates of deposit with initial terms of less than one year. Short-term investments are stated at cost.

Fixed maturities (bonds) with an NAIC designation of one or two are reported at amortized cost using the scientific method. Fixed maturities with an NAIC designation of three or greater are carried at the lower of amortized cost or fair value. The Exchange held 32 such securities as of December 31, 2017 and 25 as of December 31, 2016. The Exchange has the ability and intent to hold these investments until maturity.

The Exchange's management continually monitors investments for impairment that is other than temporary. Management takes into account industry analyst reports, sector credit ratings, volatility of the security's market price, and/or any other information that management considers relevant in determining if the impairment is an other-than-temporary impairment (OTTI). If management determines that an investment is OTTI, the investment would be written down at that time. There were no write downs on OTTI securities during 2017 or 2016.

The Exchange has elected to use book value of loan-backed securities as the cost for applying the retroactive adjustment method to securities purchased before that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

Common stock equity securities represent investments in four mutual funds and the Federal Home Loan Bank (FHLB) of Indianapolis, and are reported at fair value. Realized gains and losses were calculated using the specific identification method. Unrealized gains and losses are recorded in unappropriated surplus, net of deferred income tax.

Preferred stock equity securities are investments in bonds with certain characteristics that require reporting as preferred stocks in accordance with the NAIC Valuation of Securities Manual.

#### **Premium Revenue and Unearned Premiums**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. In addition, unearned premiums include death, disability, and retirement (DDR) reserves for tail coverage for

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### **1. Organization and Significant Accounting Policies (continued)**

#### **Premium Revenue and Unearned Premiums (continued)**

independent practitioners with claims-made coverage. Such reserves are computed by prorata methods for direct business. The Exchange anticipates investment income as a factor in premium deficiency calculations. The results of this calculation did not indicate a premium deficiency reserve at December 31, 2017 or 2016.

#### **Losses and Loss Adjustment Expenses**

The reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience of the Exchange and other relevant Michigan professional insurance company liability data, for losses incurred but not reported.

The estimated liability is continually reviewed and any adjustments which become necessary are included in operations. In the opinion of the Exchange, the reserves for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate net cost of losses and loss adjustment expenses. However, because the reserve determination involves predictions of the timing and amount of future claim payments, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Loss and loss adjustment expenses are charged to income as incurred.

#### **Federal Income Taxes**

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases based on enacting laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income, with certain limitations.

On December 22, 2017, the President of the United States signed a tax bill which reduced the corporate income tax rate from 34 percent to 21 percent effective for tax years beginning on or after January 1, 2018. As a result, the Exchange's deferred tax assets and liabilities were remeasured for the effects of the tax rate change on the date the law was enacted.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2017

**1. Organization and Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

**Concentrations, Risks, and Uncertainties**

Financial instruments, which potentially subject the Exchange to concentrations of credit risk, consist principally of cash and investments.

**Reclassification**

Certain amounts from 2016 have been reclassified to conform with the 2017 presentation.

**Subsequent Events**

Management has evaluated subsequent events through May 23, 2018, which is the date the financial statements were available to be issued.



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2017

**2. Investments in Bonds and Equity Securities**

The amortized cost or cost for debt and equity securities, unrealized gains (losses), and fair value of debt and equity securities are summarized as follows:

|   | <u>Amortized<br/>Cost</u> | <u>Unrealized<br/>Gains (Losses)</u> | <u>Fair Value</u>    |
|---|---------------------------|--------------------------------------|----------------------|
| <b>December 31, 2017</b>                            |                           |                                      |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 15,849,920             | \$ 716,800                           | \$ 16,566,720        |
| Mortgage-backed securities                          | 27,587,033                | 127,335                              | 27,714,368           |
| Corporate securities                                | 38,971,723                | 2,019,911                            | 40,991,634           |
| Total debt securities                               | <u>\$ 82,408,676</u>      | <u>\$ 2,864,046</u>                  | <u>\$ 85,272,722</u> |

|                                       | <u>Cost</u>          | <u>Unrealized<br/>Gains (Losses)</u> | <u>Fair Value</u>    |
|---------------------------------------|----------------------|--------------------------------------|----------------------|
| <b>December 31, 2017</b>              |                      |                                      |                      |
| Vanguard Developed Markets Index Fund | \$ 2,072,638         | \$ 233,065                           | \$ 2,305,703         |
| Vanguard Total Market Index Fund      | 4,003,342            | 4,703,317                            | 8,706,659            |
| JP Morgan Core                        | 2,035,732            | (35,038)                             | 2,000,694            |
| FHLB common stock                     | 142,900              | -                                    | 142,900              |
| Dodge and Cox Income Fund             | 2,028,750            | (13,209)                             | 2,015,541            |
| Total common stock                    | <u>\$ 10,283,362</u> | <u>\$ 4,888,135</u>                  | <u>\$ 15,171,497</u> |

|                          | <u>Cost</u>      | <u>Unrealized<br/>Gains (Losses)</u> | <u>Fair Value</u> |
|--------------------------|------------------|--------------------------------------|-------------------|
| <b>December 31, 2017</b> |                  |                                      |                   |
| CBO Holdings             | \$ 86,202        | \$ (86,202)                          | \$ -              |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ (86,202)</u>                   | <u>\$ -</u>       |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2017

**2. Investments in Bonds and Equity Securities (continued)**

|   | <b>Amortized<br/>Cost</b> | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---|---------------------------|--------------------------------------|----------------------|
| <b>December 31, 2016</b>                            |                           |                                      |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 16,669,161             | \$ 542,471                           | \$ 17,211,632        |
| Mortgage-backed securities                          | 25,016,997                | 134,129                              | 25,151,126           |
| Corporate securities                                | 37,761,621                | 1,622,923                            | 39,384,544           |
| Total debt securities                               | <u>\$ 79,447,779</u>      | <u>\$ 2,299,523</u>                  | <u>\$ 81,747,302</u> |

|                                       | <b>Cost</b>          | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---------------------------------------|----------------------|--------------------------------------|----------------------|
| <b>December 31, 2016</b>              |                      |                                      |                      |
| Vanguard Developed Markets Index Fund | \$ 2,078,493         | \$ (245,354)                         | \$ 1,833,139         |
| Vanguard Total Market Index Fund      | 4,249,866            | 3,881,528                            | 8,131,394            |
| JP Morgan Core                        | 1,914,002            | (51,545)                             | 1,862,457            |
| FHLB common stock                     | 142,900              | -                                    | 142,900              |
| Dodge and Cox Income Fund             | 1,933,811            | (37,400)                             | 1,896,411            |
| Total common stock                    | <u>\$ 10,319,072</u> | <u>\$ 3,547,229</u>                  | <u>\$ 13,866,301</u> |

|                          | <b>Cost</b>      | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b> |
|--------------------------|------------------|--------------------------------------|-------------------|
| <b>December 31, 2016</b> |                  |                                      |                   |
| CBO Holdings             | \$ 86,202        | \$ (86,202)                          | \$ -              |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ (86,202)</u>                   | <u>\$ -</u>       |

The fair value of investment securities is determined using quoted market values as shown in the NAIC Valuation of Securities Manual or other sources as of December 31. The fair value of mortgage-backed securities is determined using quotes from Interactive Data Corporation (IDC) or other sources including Fifth Third Bank in 2017 and 2016.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2017

**2. Investments in Bonds and Equity Securities (continued)**

The gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

|   | Less Than 12 Months  |                     | 12 Months or More   |                     | Total                |                     |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
|   | Fair Value           | Unrealized Losses   | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses   |
| <b>December 31, 2017</b>                            |                      |                     |                     |                     |                      |                     |
| Mortgage-backed securities                          | \$ 12,362,003        | \$ (133,996)        | \$ 2,327,456        | \$ (32,490)         | \$ 14,689,459        | \$ (166,486)        |
| U.S. Treasury and other U.S.<br>Government Agencies | 3,951,025            | (52,629)            | 983,218             | (40,646)            | 4,934,243            | (93,275)            |
| Corporate securities                                | 4,133,487            | (68,606)            | 1,636,984           | (77,791)            | 5,770,471            | (146,397)           |
| State securities                                    | 382,303              | (6,503)             | 461,012             | (7,852)             | 843,315              | (14,355)            |
| Total debt securities                               | <u>\$ 20,828,818</u> | <u>\$ (261,734)</u> | <u>\$ 5,408,670</u> | <u>\$ (158,779)</u> | <u>\$ 26,237,488</u> | <u>\$ (420,513)</u> |
|   |                      |                     |                     |                     |                      |                     |
|   | Less Than 12 Months  |                     | 12 Months or More   |                     | Total                |                     |
|   | Fair Value           | Unrealized Losses   | Fair Value          | Unrealized Losses   | Fair Value           | Unrealized Losses   |
| <b>December 31, 2017</b>                            |                      |                     |                     |                     |                      |                     |
| Mutual funds  | \$ 2,453,477         | \$ (22,898)         | \$ 1,317,325        | \$ (28,629)         | \$ 3,770,802         | \$ (51,527)         |
| Total common stock                                  | <u>\$ 2,453,477</u>  | <u>\$ (22,898)</u>  | <u>\$ 1,317,325</u> | <u>\$ (28,629)</u>  | <u>\$ 3,770,802</u>  | <u>\$ (51,527)</u>  |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2017

**2. Investments in Bonds and Equity Securities (continued)**

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2016</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 11,956,012       | \$ (158,182)      | \$ 1,528,319      | \$ (71,699)       | \$ 13,484,331 | \$ (229,881)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 4,990,630           | (137,208)         | -                 | -                 | 4,990,630     | (137,208)         |
| Corporate securities                                | 10,596,081          | (273,118)         | 929,895           | (130,025)         | 11,525,976    | (403,143)         |
| State securities                                    | 1,610,643           | (16,732)          | -                 | -                 | 1,610,643     | (16,732)          |
| Total debt securities                               | \$ 29,153,366       | \$ (585,240)      | \$ 2,458,214      | \$ (201,724)      | \$ 31,611,580 | \$ (786,964)      |
|   |                     |                   |                   |                   |               |                   |
|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2016</b>                            |                     |                   |                   |                   |               |                   |
| Mutual funds  | \$ 3,737,384        | \$ (90,603)       | \$ 1,558,677      | \$ (266,522)      | \$ 5,296,061  | \$ (357,125)      |
| Total common stock                                  | \$ 3,737,384        | \$ (90,603)       | \$ 1,558,677      | \$ (266,522)      | \$ 5,296,061  | \$ (357,125)      |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 2. Investments in Bonds and Equity Securities (continued)

Management believes that the unrealized losses indicated previously are temporary based on management's review for both 2017 and 2016. The unrealized losses for corporate securities and mortgage-backed securities are considered temporary based on management's intent and ability to hold to maturity and the security rating of the individual securities included.

The amortized cost and fair value of debt securities, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2017</b>              |                   |                |
| Due in one year or less               | \$ 3,186,564      | \$ 3,558,677   |
| Due after one year through five years | 21,399,146        | 22,297,698     |
| Due after five years                  | 30,235,933        | 31,701,979     |
|                                       | 54,821,643        | 57,558,354     |
| <br>Mortgage-backed securities        | <br>27,587,033    | <br>27,714,368 |
| Total debt securities                 | \$ 82,408,676     | \$ 85,272,722  |
| <br>                                  |                   |                |
|                                       | Amortized<br>Cost | Fair Value     |
| <b>December 31, 2016</b>              |                   |                |
| Due in one year or less               | \$ 2,267,982      | \$ 2,597,282   |
| Due after one year through five years | 22,484,912        | 23,481,052     |
| Due after five years                  | 29,677,888        | 30,517,842     |
|                                       | 54,430,782        | 56,596,176     |
| <br>Mortgage-backed securities        | <br>25,016,997    | <br>25,151,126 |
| Total debt securities                 | \$ 79,447,779     | \$ 81,747,302  |

Proceeds from sales and maturities of investments in debt and equity securities were \$29,667,051 during 2017 and \$21,885,902 during 2016. Net gains of \$2,325,398 in 2017 and \$333,771 in 2016 were realized on those sales.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 2. Investments in Bonds and Equity Securities (continued)

Major categories of net investment income are summarized as follows for the years ended December 31:

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Interest on bonds                      | \$ 2,252,761        | \$ 2,312,675        |
| Amortization on short-term investments | 324,495             | 327,656             |
| Dividends                              | 11,208              | 5,069               |
|  | <u>2,588,464</u>    | <u>2,645,400</u>    |
| Less investment expenses               | 406,898             | 378,772             |
|  | <u>\$ 2,181,566</u> | <u>\$ 2,266,628</u> |

Short-term investments with a cost of \$302,104 at December 31, 2017 and 2016 were on deposit in trust for the State of Michigan to comply with regulatory requirements.

The Exchange held an investment as of December 31, 2017 and 2016 that has characteristics of both a bond and a preferred stock. The book/adjusted carrying value of the security is \$0 as of December 31, 2017 and 2016.

The Exchange utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Common stocks and debt securities with NAIC designations higher than two are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss and liquidity assumptions. The Exchange has no assets or liabilities that are recorded at fair value on a non-recurring basis.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2017

#### 2. Investments in Bonds and Equity Securities (continued)

Fair values of assets measured on a recurring basis are as follows as of December 31:

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>2017</b>                        |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 1,525,114   | \$ -   | \$ 1,525,114  |
| Total bonds                        | -   | 1,525,114  |  | 1,525,114     |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               |   | 142,900  | -  | 142,900       |
| Mutual funds                       | 15,028,597  |  | -  | 15,028,597    |
| Total common stocks                | 15,028,597  | 142,900  | -  | 15,171,497    |
| Total assets at fair value         | \$ 15,028,597   | \$ 1,668,014   | \$ -   | \$ 16,696,611 |
| <b>2016</b>                        |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 1,371,400   | \$ -   | \$ 1,371,400  |
| Total bonds                        | -   | 1,371,400  | -  | 1,371,400     |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | -   | 142,900  | -  | 142,900       |
| Mutual funds                       | 13,723,401  | -  | -  | 13,723,401    |
| Total common stocks                | 13,723,401  | 142,900  | -  | 13,866,301    |
| Total assets at fair value         | \$ 13,723,401   | \$ 1,514,300   | \$ -   | \$ 15,237,701 |

There were no transfers to or from Levels 1 or 2.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2017

#### 2. Investments in Bonds and Equity Securities (continued)

Fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall are as follows at December 31:

|               | Fair Value            | Admitted<br>Value    | Level 1              | Level 2              | Level 3     | Not<br>Practicable<br>(Carrying<br>Value) |
|---------------|-----------------------|----------------------|----------------------|----------------------|-------------|---|
| <b>2017</b>   |                       |                      |                      |                      |             |   |
| Assets        |                       |                      |                      |                      |             |   |
| Bonds         | \$ 85,272,722         | \$ 82,408,676        | \$ -                 | \$ 85,272,722        | \$ -        | \$ -                                      |
| Common stocks | 15,171,497            | 15,171,497           | 15,028,597           | 142,900              | -           | -   |
| Total assets  | <u>\$ 100,444,219</u> | <u>\$ 97,580,173</u> | <u>\$ 15,028,597</u> | <u>\$ 85,415,622</u> | <u>\$ -</u> | <u>\$ -</u>                               |
| <b>2016</b>   |                       |                      |                      |                      |             |   |
| Assets        |                       |                      |                      |                      |             |   |
| Bonds         | \$ 81,747,302         | \$ 79,447,779        | \$ -                 | \$ 81,747,302        | \$ -        | \$ -                                      |
| Common stocks | 13,866,301            | 13,866,301           | 13,723,401           | 142,900              | -           | -   |
| Total assets  | <u>\$ 95,613,603</u>  | <u>\$ 93,314,080</u> | <u>\$ 13,723,401</u> | <u>\$ 81,890,202</u> | <u>\$ -</u> | <u>\$ -</u>                               |

#### 3. Line of Credit

Through its membership in the Federal Home Loan Bank of Indianapolis, the Exchange has pledged collateral with a fair value of \$4,366,474 and carrying value of \$4,449,980 in 2017 (\$4,363,917 and \$4,457,101 in 2016) and has a borrowing capacity available of \$4,100,000 in 2017 (\$4,000,000 in 2016). The December 31, 2017 pledged collateral was the maximum amount pledged during the year. It is part of the Exchange's strategy to have cash advances available for liquidity purposes. In addition, FHLB stock has been purchased and had a balance of \$142,900 as of December 31, 2017 and 2016. The Exchange had outstanding borrowings of \$500,000 as of December 31, 2017 (none as of December 31, 2016).

#### 4. Policyholders' Surplus

The Exchange established subscriber savings accounts as permitted by Section 832(f) of the Internal Revenue Code. The accounts represent allocations of some or all of the net income or losses of the Exchange. Disbursements of amounts allocated in the subscriber savings accounts require approval of the Exchange's Board of Directors. As of December 31, 2017, the Exchange



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 4. Policyholders' Surplus (continued)

had identified \$27,929,000 (\$30,948,000 as of December 31, 2016) for subscriber savings accounts. Of this amount, \$1,450,000 in 2017 and \$1,660,000 in 2016 was reported as a liability for amounts due to terminated policyholders. The remaining \$27,929,000 in 2017 and \$29,288,000 in 2016 was reported as policyholders' surplus-unassigned funds. The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Exchange.

On January 1, 2005, the subscriber savings account of Spectrum Health in the amount of \$5,059,908 was converted to a surplus note with no stated maturity, paying interest per annum (4.75% during the year ended December 31, 2016). In 2016, the Exchange repaid the remaining surplus note of \$1,000,000 and related interest to Spectrum Health with the approval of DIFS.

### 5. Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years have decreased by approximately \$105,000 in 2017 and \$2,626,000 in 2016, as a result of re-estimation of unpaid losses and LAE. This decrease is generally the result of ongoing analysis of recent loss development trends.

Original estimates are increased or decreased as additional information becomes known regarding individual claims. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

Activity in the liability for losses and loss adjustment expenses is summarized as follows for the years ended December 31:

|                             | <u>2017</u>          | <u>2016</u>          |
|-----------------------------|----------------------|----------------------|
| Reserves, beginning of year | \$ 39,739,968        | \$ 37,653,331        |
| Incurred losses             |                      |                      |
| Current year                | 14,561,000           | 12,762,000           |
| Prior years                 | (105,462)            | (2,625,657)          |
|                             | <u>14,455,538</u>    | <u>10,136,343</u>    |
| Paid losses                 |                      |                      |
| Current year                | 456,000              | 548,000              |
| Prior years                 | 9,517,787            | 7,501,706            |
|                             | <u>9,973,787</u>     | <u>8,049,706</u>     |
| Reserves, end of year       | <u>\$ 44,221,719</u> | <u>\$ 39,739,968</u> |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2017

#### 6. Federal Income Taxes

The components of the Exchange's net deferred tax asset (liability) are as follows as of December 31:

|  | 2017       |              |              | 2016       |              |              | Change       |             |              |
|--|------------|--------------|--------------|------------|--------------|--------------|--------------|-------------|--------------|
|  | Ordinary   | Capital      | Total        | Ordinary   | Capital      | Total        | Ordinary     | Capital     | Total        |
| Total gross deferred tax assets                | \$ 624,420 | \$ 46,814    | \$ 671,234   | \$ 958,804 | \$ 104,778   | \$ 1,063,582 | \$ (334,384) | \$ (57,964) | \$ (392,348) |
| Statutory valuation allowance adjustment       | -          | -            | -            | -          | -            | -            | -            | -           | -            |
| Adjusted gross deferred tax assets             | 624,420    | 46,814       | 671,234      | 958,804    | 104,778      | 1,063,582    | (334,384)    | (57,964)    | (392,348)    |
| Deferred tax assets nonadmitted                | -          | -            | -            | -          | -            | -            | -            | -           | -            |
| Subtotal net admitted deferred tax assets      | 624,420    | 46,814       | 671,234      | 958,804    | 104,778      | 1,063,582    | (334,384)    | (57,964)    | (392,348)    |
| Deferred tax liabilities                       | -          | 949,446      | 949,446      | -          | 1,066,645    | 1,066,645    | -            | (117,199)   | (117,199)    |
| Net admitted deferred tax assets (liabilities) | \$ 624,420 | \$ (902,632) | \$ (278,212) | \$ 958,804 | \$ (961,867) | \$ (3,063)   | \$ (334,384) | \$ 59,235   | \$ (275,149) |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 6. Federal Income Taxes (continued)

The amount of each result or component of the calculation by tax character of paragraphs 11.a., 11.b.i., 11.b.ii., and 11.c. of SSAP 101 is as follows as of December 31:

|   | 2017       |           |            | 2016         |            |              | Change       |             |              |
|---|------------|-----------|------------|--------------|------------|--------------|--------------|-------------|--------------|
|   | Ordinary   | Capital   | Total      | Ordinary     | Capital    | Total        | Ordinary     | Capital     | Total        |
| Admission Calculation Components SSAP 101, paragraphs 11.a., 11.b., and 11.c:   |            |           |            |              |            |              |              |             |              |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 669,807 | \$ -      | \$ 669,807 | \$ 605,577   | \$ -       | \$ 605,577   | \$ 64,230    | \$ -        | \$ 64,230    |
| (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) | -          | -         | -          | 168,799      | -          | 168,799      | (168,799)    | -           | (168,799)    |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | -          | -         | -          | 168,799      | -          | 168,799      | (168,799)    | -           | (168,799)    |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold  | -          | -         | 8,005,200  | -            | -          | 7,538,109    | -            | -           | 467,091      |
| (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  | (45,387)   | 46,814    | 1,427      | 353,227      | 104,778    | 458,005      | (398,614)    | (57,964)    | (456,578)    |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total)   | \$ 624,420 | \$ 46,814 | \$ 671,234 | \$ 1,127,603 | \$ 104,778 | \$ 1,232,381 | \$ (503,183) | \$ (57,964) | \$ (561,147) |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2017

#### 6. Federal Income Taxes (continued)

|   |               |               |
|---|---------------|---------------|
| Other Admissibility Criteria as of December 31:   | <b>2017</b>   | <b>2016</b>   |
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                              | 1,089.00%     | 1,171.00%     |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b)2 above | \$ 53,368,000 | \$ 50,254,059 |

|   | 2017     |         |       | 2016     |         |       | Change   |         |       |
|---|----------|---------|-------|----------|---------|-------|----------|---------|-------|
|   | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Impact of Tax Planning Strategies   |          |         |       |          |         |       |          |         |       |
| (a) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |
| (b) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |

Does the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

The provision for incurred taxes on earnings are as follows for the years ended December 31:

|   | 2017         | 2016       | Change       |
|---|--------------|------------|--------------|
| Federal                                   | \$ (232,755) | \$ 407,566 | \$ (640,321) |
| Foreign                                   | -            | -          | -            |
| Subtotal                                  | (232,755)    | 407,566    | (640,321)    |
| Federal income tax on net capital gains   | 761,652      | 113,482    | 648,170      |
| Utilization of capital loss carryforwards | -            | -          | -            |
| Other                                     | -            | -          | -            |
| Federal and foreign income taxes incurred | \$ 528,897   | \$ 521,048 | \$ 7,849     |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 6. Federal Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows at December 31. The 2017 amounts have been computed using a 21% tax rate and the prior year used a 34% tax rate.

|  | 2017         | 2016       | Change       |
|--|--------------|------------|--------------|
| Deferred tax assets                      |              |            |              |
| Ordinary:                                |              |            |              |
| Discounting of unpaid loss and LAE       | \$ 339,616   | \$ 552,864 | \$ (213,248) |
| Unearned premiums                        | 284,804      | 405,940    | (121,136)    |
|  | 624,420      | 958,804    | (334,384)    |
| Statutory valuation allowance adjustment | -            | -          | -            |
| Nonadmitted                              | -            | -          | -            |
| Admitted ordinary deferred tax assets    | 624,420      | 958,804    | (334,384)    |
| Capital:                                 |              |            |              |
| Investments                              | 46,814       | 104,778    | (57,964)     |
| Nonadmitted                              | -            | -          | -            |
| Admitted capital deferred tax assets     | 46,814       | 104,778    | (57,964)     |
| Admitted deferred tax assets             | 671,234      | 1,063,582  | (392,348)    |
| Deferred tax liabilities                 |              |            |              |
| Capital:                                 |              |            |              |
| Investments                              | 949,446      | 1,066,645  | (117,199)    |
| Admitted deferred tax liabilities        | 949,446      | 1,066,645  | (117,199)    |
| Net deferred tax asset (liability)       | \$ (278,212) | \$ (3,063) | \$ (275,149) |

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2017

#### 6. Federal Income Taxes (continued)

The significant items causing a difference between the statutory federal income tax rate and the Exchange's effective tax rate in 2017 and 2016 were as follows:

|  | 2017              | Effective<br>Tax Rate | 2016              | Effective<br>Tax Rate |
|--|-------------------|-----------------------|-------------------|-----------------------|
| Provision computed at statutory rate         | \$1,406,689       | 34.0 %                | \$ 1,494,866      | 34.0 %                |
| Allocation to subscriber savings             | (859,006)         | (20.7)%               | (907,800)         | (20.7)%               |
| Proration of tax exempt investment<br>income | -                 | 0.0 %                 | 6,689             | 0.2 %                 |
| Dividends received deduction                 | (41,966)          | (1.0)%                | (44,594)          | (1.0)%                |
| Prior period adjustment, taxes               | -                 | 0.0 %                 | (19,147)          | (0.4)%                |
| Tax rate differential                        | 415,528           | 10.0 %                | -                 | 0.0 %                 |
| <b>Total tax provision</b>                   | <b>\$ 921,245</b> | <b>22.3 %</b>         | <b>\$ 530,014</b> | <b>12.1 %</b>         |
| <br>   |                   |                       |                   |                       |
| Federal and foreign income taxes<br>expense  | \$ (232,755)      | (5.6)%                | \$ 407,566        | 9.3 %                 |
| Realized capital gains tax                   | 761,652           | 18.4 %                | 113,482           | 2.6 %                 |
| Change in net deferred income taxes          | 392,348           | 9.5 %                 | 8,966             | 0.2 %                 |
| <b>Total statutory income taxes</b>          | <b>\$ 921,245</b> | <b>22.3 %</b>         | <b>\$ 530,014</b> | <b>12.1 %</b>         |

As of December 31, 2017 and 2016, the Exchange had no alternative minimum tax credit carryforwards available to offset future regular income tax. The Exchange has no operating loss carryforwards available.

The following are income taxes incurred in the current and prior year, which will be available for recoupment in the event of future net losses:

|             |            |
|-------------|------------|
| <b>2017</b> | \$ 539,923 |
| <b>2016</b> | \$ 521,049 |

Federal income tax reported in the annual statement was allocated to realized capital gains in the amount of \$761,652 in 2017 and \$113,482 in 2016.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 7. Related Party Transactions

Michigan Professional Exchange Services, a not-for-profit corporation organized on a directorship basis, serves as attorney-in-fact for the Exchange. A management agreement exists between the two entities whereby Michigan Professional Exchange Services provides financial and technical support, including personnel, accounting, and legal services, on a cost reimbursement basis. Total expenses incurred by the Exchange under this management agreement were \$6,008,014 in 2017 and \$5,533,135 in 2016.

Direct premium revenues written from hospitals were \$7,663,249 for the year ended December 31, 2017 and \$5,967,959 for the year ended December 31, 2016.

### 8. Reinsurance

The Exchange has fully reinsured all claims made under the North Ottawa Community Hospital and Holland Hospital excess professional liability and general liability lines of business. No claims have been made on the general liability line since inception. Total ceded premiums earned for the hospital professional liability and general liability lines were \$748,457 in 2017 and \$606,103 in 2016. For physician professional liability claims, the reinsurance arrangement for the Exchange is a loss event contract where any claim over \$1,000,000 up to \$5,000,000 is covered. All physicians and all limits participate. A loss event can include multiple physicians and multiple days of treatment. Ceded premiums earned on the physician professional liability line of business were \$1,387,668 in 2017 and \$1,227,163 in 2016.

The net amount of return commissions recoverable (payable) as of December 31, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| <b>2017</b>                     |                     |                   |                   |                   |                 |                   |
| Total                           | \$ -                | \$ -              | \$ 349,019        | \$ -              | \$ 349,019      | \$ -              |
| Direct unearned premium reserve |                     |                   | \$ 5,874,282      |                   |                 |                   |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 8. Reinsurance (continued)

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| <b>2016</b>                     |                     |                   |                   |                   |                 |                   |
| Total                           | \$ -                | \$ -              | \$ 236,732        | \$ 6,293          | \$(236,732)     | \$ (6,293)        |
| Direct unearned premium reserve |                     |                   | \$ 5,181,330      |                   |                 |                   |

The Exchange has no reinsurance recoverables in dispute or deemed to be uncollectible as of December 31, 2017 and 2016. Further, the Exchange had not entered into any retroactive reinsurance agreements and had not commuted any contracts.

### 9. Deposit Premium Agreement

Effective July 1, 2004, the Exchange entered into a Deposit Premium Agreement with Spectrum Health Hospitals (Spectrum) for the purpose of providing loss administration services for professional medical liability after that date. Risk of loss on professional medical liability after July 1, 2004 will be retained by Spectrum.

Under this agreement, Spectrum has agreed to deposit monies (self insurance funds held) with the Exchange in an amount necessary to fund anticipated outlays for claims, allocated overhead expenses, defense and cost containment expenses, loss adjustment, and other payments defined under the agreement. The Exchange held self insurance funds of \$1,900,052 as of December 31, 2017 and \$469,012 as of December 31, 2016 related to this agreement. The Exchange pays Spectrum an interest charge (0.11% from July 1, 2015 through June 30, 2017 and 1.14% from July 1, 2017 through December 31, 2017) on deposit balances, computed monthly. Interest incurred under the arrangement was \$5,992 for 2017 and \$8,831 for 2016.



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2017

### 10. High Deductibles

The Exchange's reserve credit recorded on unpaid claims and amounts billed and recoverable on paid claims for high deductible policies as of December 31 were as follows:

| <b>Annual Statement Line of Business</b> | <b>Gross (of High Deductible) Loss Reserves</b> | <b>Reserve Credit for High Deductibles</b> | <b>Billed Recoverables on Paid Claims</b> | <b>Total High Deductibles and Billed Recoverables</b> |
|--|---|--|---|---|
| <b>2017</b>                              |   |  |   |   |
| Michigan Professional Liability          | \$5,070,461                                     | \$ 3,570,351                               | \$ 146,154                                | \$ 3,716,505  |
| <b>2016</b>                              |   |  |   |   |
| Michigan Professional Liability          | \$ 389,348                                      | \$ 389,348                                 | \$ 41,914                                 | \$ 431,262  |

There were no paid recoverable amounts on high deductible policies over 90 days overdue as of December 31, 2017 or 2016 and 100% of the Exchange's total high deductible and billed recoverables on paid claims were unsecured.

## Other Supplementary Information

Report of Independent Auditors  
on Other Supplementary Information

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

The report on our audit of the basic statutory basis financial statements (financial statements) of Michigan Professional Insurance Exchange (Exchange) as of December 31, 2017 and for the year then ended is presented on pages one and two of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the Exchange as of December 31, 2017, and for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Exchange as of December 31, 2017, and for the year then ended. The Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 23, 2018

# Michigan Professional Insurance Exchange

## Supplemental Summary of Investments

December 31, 2017

|   | Gross Investment Holdings |        | Admitted Assets as Reported in the Annual |  |                |        |
|---|---------------------------|--------|---|--|----------------|--------|
|   | Amount                    | %      | Amount                                    | Securities Lending Reinvested Collateral | Total          | %      |
| 1. Bonds  |                           |        |   |  |                |        |
| 1.1 U.S. Treasury securities  | \$ 6,199,468              | 6.1%   | \$ 6,199,468                              | \$ -                                     | \$ 6,199,468   | 6.1%   |
| 1.2 U.S. Government agency obligations (including mortgage-backed securities)   |                           |        |   |  |                |        |
| 1.21 Issued by U.S. Government agencies   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 1.22 Issued by U.S. Government-sponsored agencies   | 1,274,228                 | 1.2%   | 1,274,228                                 | -  | 1,274,228      | 1.3%   |
| 1.3 Foreign government (including Canada, excluding mortgage-backed securities)   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 1.4 Securities issued by states, territories and possessions, and political subdivisions in the U.S.  |                           |        |   |  |                |        |
| 1.41 U.S. states and territories and possessions general obligations  | 1,810,925                 | 1.8%   | 1,810,925                                 | -  | 1,810,925      | 1.8%   |
| 1.42 Political subdivisions of U.S. states, territories, and possessions general obligations  | 1,273,428                 | 1.2%   | 1,273,428                                 | -  | 1,273,428      | 1.3%   |
| 1.43 Revenue and assessment obligations   | 5,011,198                 | 4.9%   | 5,011,198                                 | -  | 5,011,198      | 5.0%   |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.2%   | 250,000                                   | -  | 250,000        | 0.3%   |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS)  |                           |        |   |  |                |        |
| 1.51 Pass-through securities  |                           |        |   |  |                |        |
| 1.511 Issued or guaranteed by GNMA  | 23,364                    | 0.0%   | 23,364                                    | -  | 23,364         | 0.0%   |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 2,026,706                 | 2.0%   | 2,026,706                                 | -  | 2,026,706      | 2.0%   |
| 1.513 All other   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 1.52 CMOs and REMICs  |                           |        |   |  |                |        |
| 1.521 Issued or guaranteed by FNMA, FHLMC, GNMA or VA   | 4,390,456                 | 4.3%   | 4,390,456                                 | -  | 4,390,456      | 4.3%   |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 1.523 All other   | 16,310,731                | 16.0%  | 16,310,731                                | -  | 16,310,731     | 16.1%  |
| 2. Other debt and other fixed income securities (excluding short-term)  |                           |        |   |  |                |        |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans related by the SVO)  | 32,917,862                | 32.2%  | 32,917,862                                | -  | 32,917,862     | 32.5%  |
| 2.2 Unaffiliated foreign securities   | 10,920,311                | 10.7%  | 10,920,311                                | -  | 10,920,311     | 10.8%  |
| 2.3 Affiliated securities   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3. Equity interests   |                           |        |   |  |                |        |
| 3.1 Investments in mutual funds   | 15,028,596                | 14.7%  | 15,028,596                                | -  | 15,028,596     | 14.8%  |
| 3.2 Preferred stocks  |                           |        |   |  |                |        |
| 3.21 Affiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.22 Unaffiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.3 Publicly traded equity securities (excluding preferred stocks)  |                           |        |   |  |                |        |
| 3.31 Affiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.32 Unaffiliated   | 142,900                   | 0.1%   | 142,900                                   | -  | 142,900        | 0.1%   |
| 3.4 Other equity securities   |                           |        |   |  |                |        |
| 3.41 Affiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.42 Unaffiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.5 Other equity interests including tangible personal property under leases  |                           |        |   |  |                |        |
| 3.51 Affiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 3.52 Unaffiliated   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4. Mortgage loans   |                           |        |   |  |                |        |
| 4.1 Construction and land development   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4.2 Agricultural  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4.3 Single family residential properties  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4.4 Multifamily residential properties  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4.5 Commercial loans  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 4.6 Mezzanine real estate loans   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 5. Real estate investments  |                           |        |   |  |                |        |
| 5.1 Property occupied by the company  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 5.2 Property held for production of income  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 5.3 Property held for sale  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 6. Contract loans   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 7. Derivatives  | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 8. Receivables for securities   | 9,989                     | 0.0%   | -   | -  | -              | 0.0%   |
| 9. Securities lending (line 10, Asset Page reinvested collateral)   | -                         | 0.0%   | -   | -  | -              | 0.0%   |
| 10. Cash and short-term investments   | 3,647,715                 | 3.6%   | 3,647,715                                 | -  | 3,647,715      | 3.6%   |
| 11. Other invested assets   | 1,006,827                 | 1.0%   | -   | -  | -              | 0.0%   |
| 12. Total invested assets   | \$ 102,244,704            | 100.0% | \$ 101,227,888                            | \$ -                                     | \$ 101,227,888 | 100.0% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

1. Report entity's total admitted assets as reported on page two of this Annual Statement. \$104,527,194

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

|      | 1   | 2                       | 3            | 4                                   |
|------|---|-------------------------|--------------|-------------------------------------|
|      | Issuer  | Description of Exposure | Amount       | Percentage of Total Admitted Assets |
| 2.01 | Federal National Mortgage Association<br>Fannie Mae     | MBS, CMO                | \$ 2,796,451 | 2.7%                                |
| 2.02 | Federal Home Loan Mortgage Corp.                        | Bonds, MBS,<br>CMO      | \$ 1,953,262 | 1.9%                                |
| 2.03 | Oklahoma, State of                                      | Municipal               | \$ 957,528   | 0.9%                                |
| 2.04 | Texas Department of Transportation                      | Municipal               | \$ 857,670   | 0.8%                                |
| 2.05 | Washington, State of                                    | Municipal               | \$ 810,925   | 0.8%                                |
| 2.06 | WFRBS Commercial Mortgage Trust<br>2013-C13             | CMO                     | \$ 763,211   | 0.7%                                |
| 2.07 | RBS Commercial Funding Inc.<br>2013-SMV Trust           | CMO                     | \$ 760,706   | 0.7%                                |
| 2.08 | Indianapolis Local Public Improvement<br>Bond Bank      | Municipal               | \$ 754,195   | 0.7%                                |
| 2.09 | Duke Energy Corporation                                 | Corp                    | \$ 753,785   | 0.7%                                |
| 2.10 | BAMLL Commercial Mortgage<br>Securities Trust 2012-Park | CMO                     | \$ 753,631   | 0.7%                                |

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

|      | Bonds    | 1             | 2     | Preferred Stock | 3        | 4         |
|------|----------|---------------|-------|-----------------|----------|-----------|
| 3.01 | NAIC - 1 | \$ 59,907,068 | 57.3% | 3.07            | P/RP - 1 | \$ 0 0.0% |
| 3.02 | NAIC - 2 | \$ 17,528,144 | 16.8% | 3.08            | P/RP - 2 | \$ 0 0.0% |
| 3.03 | NAIC - 3 | \$ 3,479,357  | 3.3%  | 3.09            | P/RP - 3 | \$ 0 0.0% |
| 3.04 | NAIC - 4 | \$ 1,423,487  | 1.4%  | 3.10            | P/RP - 4 | \$ 0 0.0% |
| 3.05 | NAIC - 5 | \$ 70,620     | 0.1%  | 3.11            | P/RP - 5 | \$ 0 0.0% |
| 3.06 | NAIC - 6 | \$ 0          | 0.0%  | 3.12            | P/RP - 6 | \$ 0 0.0% |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

4. Assets held in foreign investments:

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

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

|  |              |      |
|--|--------------|------|
| 4.02 Total admitted assets held in foreign investments               | \$ 9,530,153 | 9.1% |
| 4.03 Foreign-currency-denominated investments                        | \$ 0         | 0.0% |
| 4.04 Insurance liabilities denominated in that same foreign currency | \$ 0         | 0.0% |

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

|   | 1            | 2    |
|---|--------------|------|
| 5.01 Countries designated NAIC-1          | \$ 8,993,927 | 8.6% |
| 5.02 Countries designated NAIC-2          | \$ 536,226   | 0.5% |
| 5.03 Countries designated NAIC-3 or below | \$ 0         | 0.0% |

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

|                                       | 1            | 2    |
|---------------------------------------|--------------|------|
| Countries designated NAIC-1:          |              |      |
| 6.01 Country 1: United Kingdom        | \$ 1,284,558 | 1.2% |
| 6.02 Country 2: Germany               | \$ 1,265,209 | 1.2% |
| Countries designated NAIC-2:          |              |      |
| 6.03 Country 1: Spain                 | \$ 301,101   | 0.3% |
| 6.04 Country 2: Mexico                | \$ 235,125   | 0.2% |
| Countries designated NAIC-3 or below: |              |      |
| 6.05 Country 1:                       | \$ 0         | 0.0% |
| 6.06 Country 2:                       | \$ 0         | 0.0% |

7. Aggregate unhedged foreign currency exposure:

|  | 1    | 2    |
|--|------|------|
|  | \$ 0 | 0.0% |

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

|   | 1    | 2    |
|---|------|------|
| 8.01 Countries designated NAIC-1          | \$ 0 | 0.0% |
| 8.02 Countries designated NAIC-2          | \$ 0 | 0.0% |
| 8.03 Countries designated NAIC-3 or below | \$ 0 | 0.0% |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

|                                       |            | 1    | 2    |
|---------------------------------------|------------|------|------|
| Countries designated NAIC-1:          |            |      |      |
| 9.01                                  | Country 1: | \$ 0 | 0.0% |
| 9.02                                  | Country 2: | \$ 0 | 0.0% |
| Countries designated NAIC-2:          |            |      |      |
| 9.03                                  | Country 1: | \$ 0 | 0.0% |
| 9.04                                  | Country 2: | \$ 0 | 0.0% |
| Countries desingated NAIC-3 or below: |            |      |      |
| 9.05                                  | Country 1: | \$ 0 | 0.0% |
| 9.06                                  | Country 2: | \$ 0 | 0.0% |

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

|        |   | 1           | 2 | 3          | 4    |
|--------|---|-------------|---|------------|------|
|        |   | NAIC        |   |            |      |
| Issuer |   | Designation |   |            |      |
| 10.01  | Svenska Handelsbanken AB                          | 1FE         |   | \$ 694,879 | 0.7% |
| 10.02  | Anheuser-Bush Inbev Finance Inc.                  | 2FE         |   | \$ 601,366 | 0.6% |
| 10.03  | Compagnie Générale des<br>Établissements Michelin | 1           |   | \$ 597,213 | 0.6% |
| 10.04  | Shell International Finance B.V.                  | 1FE         |   | \$ 593,773 | 0.6% |
| 10.05  | Siemens Financieringsmaatschappij N.V.            | 1FE         |   | \$ 554,118 | 0.5% |
| 10.06  | BASF SE   | 1FE         |   | \$ 511,148 | 0.5% |
| 10.07  | Chubb Ina Holdings Inc.                           | 1FE         |   | \$ 501,902 | 0.5% |
| 10.08  | Qiagen N.V.                                       | 2           |   | \$ 413,825 | 0.4% |
| 10.09  | Rio Tinto Finance (USA) Limited                   | 1FE         |   | \$ 413,049 | 0.4% |
| 10.10  | Total SA  | 1FE         |   | \$ 406,155 | 0.4% |

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

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

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

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

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

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

Michigan Professional Insurance Exchange

Supplemental Investment Risks Interrogatories

13. Amounts and percentages of admitted assets held in the 10 largest equity interests:

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

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

|       | 1                          | 2            | 3    |
|-------|----------------------------|--------------|------|
|       | Issuer                     |              |      |
| 13.02 | Vanguard Index Funds       | \$ 8,706,659 | 8.3% |
| 13.03 | Vanguard Tax-Managed Funds | \$ 2,305,703 | 2.2% |
| 13.04 | Dodge & Cox Income Fund    | \$ 2,015,541 | 1.9% |
| 13.05 | JPMorgan Trust II          | \$ 2,000,694 | 1.9% |
| 13.06 | FHLB I Common Stock        | \$ 142,900   | 0.1% |
| 13.07 | Hercules LLC               | \$ 0         | 0.0% |
| 13.08 |                            | \$ 0         | 0.0% |
| 13.09 |                            | \$ 0         | 0.0% |
| 13.10 |                            | \$ 0         | 0.0% |
| 13.11 |                            | \$ 0         | 0.0% |

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

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

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

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

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

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

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

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

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

17. Not applicable.

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

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

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



## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

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

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

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

|   | At Year-End |        | At End of Each Quarter |         |         |
|---|-------------|--------|------------------------|---------|---------|
|   |             |        | 1st Qtr                | 2nd Qtr | 3rd Qtr |
|   | 1           | 2      | 3                      | 4       | 5       |
| 20.01 Securities lending agreements<br>(do not include assets held as collateral for such transactions) | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 20.02 Repurchase agreements   | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 20.03 Reverse repurchase agreements   | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 20.04 Dollar repurchase agreements  | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 20.05 Dollar reverse repurchase agreements  | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |

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

|                         | Owned |        | Written |        |
|-------------------------|-------|--------|---------|--------|
|                         | 1     | 2      | 3       | 4      |
| 21.01 Hedging           | \$ 0  | 0.000% | \$ 0    | 0.000% |
| 21.02 Income generation | \$ 0  | 0.000% | \$ 0    | 0.000% |
| 21.03 Other             | \$ 0  | 0.000% | \$ 0    | 0.000% |

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

|                         | At Year-End |        | At End of Each Quarter |         |         |
|-------------------------|-------------|--------|------------------------|---------|---------|
|                         |             |        | 1st Qtr                | 2nd Qtr | 3rd Qtr |
|                         | 1           | 2      | 3                      | 4       | 5       |
| 22.01 Hedging           | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 22.02 Income generation | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 22.03 Replications      | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |
| 22.04 Other             | \$ 0        | 0.000% | \$ 0                   | \$ 0    | \$ 0    |

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

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

|                         | At End of Each Quarter |        |         |         |         |
|-------------------------|------------------------|--------|---------|---------|---------|
|                         | At Year-End            |        | 1st Qtr | 2nd Qtr | 3rd Qtr |
|                         | 1                      | 2      | 3       | 4       | 5       |
| 23.01 Hedging           | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 23.02 Income generation | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 23.03 Replications      | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |
| 23.04 Other             | \$ 0                   | 0.000% | \$ 0    | \$ 0    | \$ 0    |

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9

- 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)?
- 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(s) 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 to commute the reinsurance contract except for such provisions which are triggered only 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

## Michigan Professional Insurance Exchange

### General Interrogatories Part 2, No. 7, 8, & 9

(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 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 engages in only 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]



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE

## MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

NAIC Group Code 0000 (Current) (Prior) NAIC Company Code 31429 Employer's ID Number 38-2838578

Organized under the Laws of MICHIGAN, State of Domicile or Port of Entry MI  
Country of Domicile United States of America

Incorporated/Organized 05/24/1988 Commenced Business 10/01/1988

Statutory Home Office 333 Bridge St NW, Suite 810, Grand Rapids, MI, US 49504  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 333 Bridge St NW, Suite 810  
(Street and Number)  
Grand Rapids, MI, US 49504 616-202-2288  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 333 Bridge St NW, Suite 810, Grand Rapids, MI, US 49504  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 333 Bridge St NW, Suite 810  
(Street and Number)  
Grand Rapids, MI, US 49504 616-202-2782  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.mpie.org

Statutory Statement Contact Cathryn Joy Peterson, 616-202-2782  
(Name) (Area Code) (Telephone Number)  
kpeterson@mpie.org, 616-741-1999  
(E-mail Address) (FAX Number)

### OFFICERS

President Michelle Marie Hoppes Chairman Donald Harper Jones  
EVP & Chief Financial Officer Cathryn Joy Peterson Vice-Chairman John Clifton Throop

### OTHER

Margaret Anne Curtin, Vice President Risk & Business Dev

### DIRECTORS OR TRUSTEES

|                             |                           |                               |
|-----------------------------|---------------------------|-------------------------------|
| <u>Terrence John Endres</u> | <u>Paul Henry Karsten</u> | <u>David Michael Krhovsky</u> |
| <u>Scott Dennis Larson</u>  | <u>Kimberly Kay McCoy</u> | <u>Robert Bruce Nolan #</u>   |
| <u>Paula Marie Reichle</u>  | <u>Lori Robin Smith #</u> | <u>Shellee Jene Yaklin</u>    |
| <u>Jamie L Frost #</u>      |                           |                               |

State of Michigan SS:  
County of Kent

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.

Michelle Hoppes  
President

Cathryn Peterson  
EVP & Chief Financial Officer

John Throop, MD  
Vice-Chairman

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**ASSETS**

|  | Current Year |                         |   | Prior Year                  |
|--|--------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 85,293,987   | 0                       | 85,293,987                                | 82,408,676                  |
| 2. Stocks (Schedule D):  |              |                         |   |                             |
| 2.1 Preferred stocks .....   | 0            | 0                       | 0   | 0                           |
| 2.2 Common stocks .....  | 10,853,761   | 0                       | 10,853,761                                | 15,171,497                  |
| 3. Mortgage loans on real estate (Schedule B):   |              |                         |   |                             |
| 3.1 First liens .....  | 0            | 0                       | 0   | 0                           |
| 3.2 Other than first liens .....   | 0            | 0                       | 0   | 0                           |
| 4. Real estate (Schedule A):   |              |                         |   |                             |
| 4.1 Properties occupied by the company (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.2 Properties held for the production of income (less<br>\$ .....0 encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.3 Properties held for sale (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 5. Cash (\$ .....4,280,574 , Schedule E - Part 1), cash equivalents<br>(\$ .....1,278,371 , Schedule E - Part 2) and short-term<br>investments (\$ .....1,966,823 , Schedule DA) ..... | 7,525,767    | 0                       | 7,525,767                                 | 3,647,715                   |
| 6. Contract loans (including \$ .....0 premium notes) .....  | 0            | 0                       | 0   | 0                           |
| 7. Derivatives (Schedule DB) .....   | 0            | 0                       | 0   | 0                           |
| 8. Other invested assets (Schedule BA) .....   | 1,198,865    | 0                       | 1,198,865                                 | 0                           |
| 9. Receivable for securities .....   | 0            | 0                       | 0   | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  | 0            | 0                       | 0   | 0                           |
| 11. Aggregate write-ins for invested assets .....  | 0            | 0                       | 0   | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 104,872,380  | 0                       | 104,872,380                               | 101,227,888                 |
| 13. Title plants less \$ .....0 charged off (for Title insurers<br>only) .....   | 0            | 0                       | 0   | 0                           |
| 14. Investment income due and accrued .....  | 610,379      | 0                       | 610,379                                   | 594,583                     |
| 15. Premiums and considerations:   |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   | 626,434      | 219,084                 | 407,350                                   | 521,837                     |
| 15.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ .....0<br>earned but unbilled premiums) .....                        | 1,817,064    | 0                       | 1,817,064                                 | 1,873,291                   |
| 15.3 Accrued retrospective premiums (\$ .....0 ) and<br>contracts subject to redetermination (\$ .....0 ) .....  | 0            | 0                       | 0   | 0                           |
| 16. Reinsurance:   |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....   | 0            | 0                       | 0   | 0                           |
| 16.2 Funds held by or deposited with reinsured companies .....   | 0            | 0                       | 0   | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts .....  | 0            | 0                       | 0   | 0                           |
| 17. Amounts receivable relating to uninsured plans .....   | 0            | 0                       | 0   | 0                           |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....   | 0            | 0                       | 0   | 163,440                     |
| 18.2 Net deferred tax asset .....  | 301,691      | 0                       | 301,691                                   | 0                           |
| 19. Guaranty funds receivable or on deposit .....  | 0            | 0                       | 0   | 0                           |
| 20. Electronic data processing equipment and software .....  | 0            | 0                       | 0   | 0                           |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ .....0 ) .....   | 0            | 0                       | 0   | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   | 0            | 0                       | 0   | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 0            | 0                       | 0   | 0                           |
| 24. Health care (\$ .....0 ) and other amounts receivable .....  | 0            | 0                       | 0   | 0                           |
| 25. Aggregate write-ins for other than invested assets .....   | 2,120,815    | 1,602,000               | 518,815                                   | 146,155                     |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....  | 110,348,763  | 1,821,084               | 108,527,679                               | 104,527,194                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....   | 0            | 0                       | 0   | 0                           |
| 28. Total (Lines 26 and 27) .....  | 110,348,763  | 1,821,084               | 108,527,679                               | 104,527,194                 |
| <b>DETAILS OF WRITE-INS</b>  |              |                         |   |                             |
| 1101. ....   |              |                         |   |                             |
| 1102. ....   |              |                         |   |                             |
| 1103. ....   |              |                         |   |                             |
| 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. Cash advance to AIF receivable .....   | 1,602,000    | 1,602,000               | 0   | 0                           |
| 2502. Deductible recoverable .....   | 518,815      | 0                       | 518,815                                   | 146,155                     |
| 2503. ....   |              |                         |   |                             |
| 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) .....   | 2,120,815    | 1,602,000               | 518,815                                   | 146,155                     |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....  | 28,616,222        | 26,576,026      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....   | 0                 | 0               |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....  | 17,523,409        | 17,645,693      |
| 4. Commissions payable, contingent commissions and other similar charges .....  | 13,805            | 8,838           |
| 5. Other expenses (excluding taxes, licenses and fees) .....  | 498,542           | 377,810         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....  | 12,445            | (43,761)        |
| 7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses)) .....   | 68,445            | 0               |
| 7.2 Net deferred tax liability .....  | 0                 | 278,212         |
| 8. Borrowed money \$ .....0 and interest thereon \$ .....0 .....  | 0                 | 500,000         |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....623,488 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) ..... | 5,485,090         | 5,525,263       |
| 10. Advance premium .....   | 1,321,216         | 1,255,790       |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders .....   | 0                 | 0               |
| 11.2 Policyholders .....  | 0                 | 0               |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....  | 274,843           | 109,131         |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....  | 0                 | 0               |
| 14. Amounts withheld or retained by company for account of others .....   | 0                 | 0               |
| 15. Remittances and items not allocated .....   | 0                 | 0               |
| 16. Provision for reinsurance (including \$ .....0 certified) (Schedule F, Part 3, Column 78) .....   | 0                 | 0               |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....   | 0                 | 0               |
| 18. Drafts outstanding .....  | 0                 | 0               |
| 19. Payable to parent, subsidiaries and affiliates .....  | 0                 | 0               |
| 20. Derivatives .....   | 0                 | 0               |
| 21. Payable for securities .....  | 0                 | 0               |
| 22. Payable for securities lending .....  | 0                 | 0               |
| 23. Liability for amounts held under uninsured plans .....  | 0                 | 0               |
| 24. Capital notes \$ .....0 and interest thereon \$ .....0 .....  | 0                 | 0               |
| 25. Aggregate write-ins for liabilities .....   | 1,775,694         | 3,350,052       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....   | 55,589,711        | 55,583,054      |
| 27. Protected cell liabilities .....  | 0                 | 0               |
| 28. Total liabilities (Lines 26 and 27) .....   | 55,589,711        | 55,583,054      |
| 29. Aggregate write-ins for special surplus funds .....   | 0                 | 0               |
| 30. Common capital stock .....  | 0                 | 0               |
| 31. Preferred capital stock .....   | 0                 | 0               |
| 32. Aggregate write-ins for other than special surplus funds .....  | 0                 | 0               |
| 33. Surplus notes .....   | 0                 | 0               |
| 34. Gross paid in and contributed surplus .....   | 0                 | 0               |
| 35. Unassigned funds (surplus) .....  | 52,937,968        | 48,944,140      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0 shares common (value included in Line 30 \$ .....0 ) .....  | 0                 | 0               |
| 36.2 .....0 shares preferred (value included in Line 31 \$ .....0 ) .....   | 0                 | 0               |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....  | 52,937,968        | 48,944,140      |
| 38. TOTALS (Page 2, Line 28, Col. 3) .....  | 108,527,679       | 104,527,194     |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 2501. Subscriber savings accounts payable to terminated policyholders .....   | 950,000           | 1,450,000       |
| 2502. Self Insurance funds held .....   | 825,694           | 1,900,052       |
| 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) .....  | 1,775,694         | 3,350,052       |
| 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               |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**STATEMENT OF INCOME**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  | 17,236,631        | 16,007,757      |
| <b>DEDUCTIONS:</b>   |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  | 6,118,588         | 10,332,435      |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  | 3,432,166         | 4,472,504       |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   | 2,261,339         | 2,053,338       |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 11,812,093        | 16,858,277      |
| 7. Net income of protected cells.....  | 0                 | 0               |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....  | 5,424,538         | (850,520)       |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 2,355,243         | 2,181,566       |
| 10. Net realized capital gains or (losses) less capital gains tax of \$ 385,409 (Exhibit of Capital Gains (Losses) ).....                                    | 1,449,870         | 1,563,746       |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 3,805,113         | 3,745,312       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 171,188 ).....                                 | (171,188)         | 20,654          |
| 13. Finance and service charges not included in premiums.....  | 0                 | 0               |
| 14. Aggregate write-ins for miscellaneous income.....  | 0                 | 466,915         |
| 15. Total other income (Lines 12 through 14).....  | (171,188)         | 487,569         |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 9,058,463         | 3,382,361       |
| 17. Dividends to policyholders.....  | 0                 | 0               |
| 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)..... | 9,058,463         | 3,382,361       |
| 19. Federal and foreign income taxes incurred.....   | 646,476           | (232,755)       |
| 20. Net income (Line 18 minus Line 19)(to Line 22).....  | 8,411,987         | 3,615,116       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 48,944,140        | 50,661,114      |
| 22. Net income (from Line 20).....   | 8,411,987         | 3,615,116       |
| 23. Net transfers (to) from Protected Cell accounts.....   | 0                 | 0               |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (416,755).....   | (1,604,737)       | 1,508,007       |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   | 0                 | 0               |
| 26. Change in net deferred income tax.....   | 163,148           | (392,348)       |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....   | 830,642           | (1,080,899)     |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  | 0                 | 0               |
| 29. Change in surplus notes.....   | 0                 | 0               |
| 30. Surplus (contributed to) withdrawn from protected cells.....   | 0                 | 0               |
| 31. Cumulative effect of changes in accounting principles.....   | 0                 | 0               |
| 32. Capital changes:   |                   |                 |
| 32.1 Paid in.....  | 0                 | 0               |
| 32.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 32.3 Transferred to surplus.....   | 0                 | 0               |
| 33. Surplus adjustments:   |                   |                 |
| 33.1 Paid in.....  | 0                 | 0               |
| 33.2 Transferred to capital (Stock Dividend).....  | 0                 | 0               |
| 33.3 Transferred from capital.....   | 0                 | 0               |
| 34. Net remittances from or (to) Home Office.....  | 0                 | 0               |
| 35. Dividends to stockholders.....   | 0                 | 0               |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   | 0                 | 0               |
| 37. Aggregate write-ins for gains and losses in surplus.....   | (3,807,212)       | (5,366,850)     |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | 3,993,828         | (1,716,974)     |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 52,937,968        | 48,944,140      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   |                   |                 |
| 0502. ....   |                   |                 |
| 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).....   | 0                 | 0               |
| 1401. Self Insurance Admin Income.....   | 0                 | 2,796,624       |
| 1402. Self Insurance Admin Expense.....  | 0                 | (2,329,709)     |
| 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).....  | 0                 | 466,915         |
| 3701. Subscriber savings accounts due to terminated policyholders.....   | (950,000)         | (1,450,000)     |
| 3702. Distribution of Subscriber's Savings Accounts.....   | (2,858,633)       | (3,916,850)     |
| 3703. Adjustments to prior year balances.....  | 1,421             | 0               |
| 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).....  | (3,807,212)       | (5,366,850)     |



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**CASH FLOW**

|   | 1            | 2           |
|---|--------------|-------------|
|   | Current Year | Prior Year  |
| <b>Cash from Operations</b>   |              |             |
| 1. Premiums collected net of reinsurance .....  | 17,427,122   | 17,331,033  |
| 2. Net investment income .....  | 2,413,265    | 2,703,355   |
| 3. Miscellaneous income .....   | 0            | 487,569     |
| 4. Total (Lines 1 through 3) .....  | 19,840,387   | 20,521,957  |
| 5. Benefit and loss related payments .....  | 4,451,052    | 6,184,736   |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    | 0            | 0           |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 6,708,242    | 6,486,411   |
| 8. Dividends paid to policyholders .....  | 0            | 0           |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....       | 831,346      | 690,064     |
| 10. Total (Lines 5 through 9) .....   | 11,990,640   | 13,361,211  |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | 7,849,747    | 7,160,746   |
| <b>Cash from Investments</b>  |              |             |
| 12. Proceeds from investments sold, matured or repaid:  |              |             |
| 12.1 Bonds .....  | 26,298,898   | 27,764,395  |
| 12.2 Stocks .....   | 3,927,829    | 1,902,656   |
| 12.3 Mortgage loans .....   | 0            | 0           |
| 12.4 Real estate .....  | 0            | 0           |
| 12.5 Other invested assets .....  | 0            | 0           |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | 0            | 0           |
| 12.7 Miscellaneous proceeds .....   | 0            | 0           |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 30,226,726   | 29,667,051  |
| 13. Cost of investments acquired (long-term only):  |              |             |
| 13.1 Bonds .....  | 29,112,154   | 29,425,140  |
| 13.2 Stocks .....   | 519,622      | 1,317,865   |
| 13.3 Mortgage loans .....   | 0            | 0           |
| 13.4 Real estate .....  | 0            | 0           |
| 13.5 Other invested assets .....  | 1,198,865    | 1,000,000   |
| 13.6 Miscellaneous applications .....   | 0            | 0           |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 30,830,641   | 31,743,005  |
| 14. Net increase (decrease) in contract loans and premium notes .....   | 0            | 0           |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (603,915)    | (2,075,954) |
| <b>Cash from Financing and Miscellaneous Sources</b>  |              |             |
| 16. Cash provided (applied):  |              |             |
| 16.1 Surplus notes, capital notes .....   | 0            | 0           |
| 16.2 Capital and paid in surplus, less treasury stock .....   | 0            | 0           |
| 16.3 Borrowed funds .....   | (500,000)    | 500,000     |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0            | 0           |
| 16.5 Dividends to stockholders .....  | 0            | 0           |
| 16.6 Other cash provided (applied) .....  | (2,867,778)  | (4,215,810) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (3,367,778)  | (3,715,810) |
| <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 Lines 15 and 17) .....       | 3,878,054    | 1,368,982   |
| 19. Cash, cash equivalents and short-term investments:  |              |             |
| 19.1 Beginning of year .....  | 3,647,714    | 2,278,732   |
| 19.2 End of period (Line 18 plus Line 19.1) .....   | 7,525,767    | 3,647,714   |

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

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

| Line of Business            |   | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(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 .....                   | 7,887,966   | 873,347   | 966,904   | 7,794,409  |
| 11.2                        | Medical professional liability - claims-made .....                  | 9,077,166   | 4,601,365   | 4,463,997   | 9,214,534  |
| 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 .....                                  | 72,367  | 12,341  | 14,918  | 69,790   |
| 17.2                        | Other liability - claims-made .....                                 | 158,959   | 38,210  | 39,271  | 157,898  |
| 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 .....                | 0   | 0   | 0   | 0  |
| 32.                         | Reinsurance - nonproportional assumed liability .....               | 0   | 0   | 0   | 0  |
| 33.                         | Reinsurance - nonproportional assumed financial lines .....         | 0   | 0   | 0   | 0  |
| 34.                         | Aggregate write-ins for other lines of business .....               | 0   | 0   | 0   | 0  |
| 35.                         | <b>TOTALS</b>   | <b>17,196,458</b>                                     | <b>5,525,263</b>  | <b>5,485,090</b>  | <b>17,236,631</b>  |
| <b>DETAILS OF WRITE-INS</b> |   |   |   |   |  |
| 3401.                       | .....   |   |   |   |  |
| 3402.                       | .....   |   |   |   |  |
| 3403.                       | .....   |   |   |   |  |
| 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  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business            |   | 1   | 2   | 3                              | 4  | 5   |
|-----------------------------|---|---|---|--------------------------------|--|---|
|                             |   | Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | Earned But Unbilled<br>Premium | Reserve for Rate<br>Credits and<br>Retrospective<br>Adjustments Based<br>on Experience | Total Reserve for<br>Unearned Premiums<br>Cols. 1 + 2 + 3 + 4 |
| 1.                          | Fire .....  | 0   | 0   | 0                              | 0  | 0   |
| 2.                          | Allied lines .....  | 0   | 0   | 0                              | 0  | 0   |
| 3.                          | Farmowners multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 4.                          | Homeowners multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 5.                          | Commercial multiple peril .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 6.                          | Mortgage guaranty .....   | 0   | 0   | 0                              | 0  | 0   |
| 8.                          | Ocean marine .....  | 0   | 0   | 0                              | 0  | 0   |
| 9.                          | Inland marine .....   | 0   | 0   | 0                              | 0  | 0   |
| 10.                         | Financial guaranty .....  | 0   | 0   | 0                              | 0  | 0   |
| 11.1                        | Medical professional liability - occurrence .....                   | 966,904   | 0   | 0                              | 0  | 966,904   |
| 11.2                        | Medical professional liability - claims-made .....                  | 2,629,997   | 1,834,000   | 0                              | 0  | 4,463,997   |
| 12.                         | Earthquake .....  | 0   | 0   | 0                              | 0  | 0   |
| 13.                         | Group accident and health .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 14.                         | Credit accident and health (group and individual) .....             | 0   | 0   | 0                              | 0  | 0   |
| 15.                         | Other accident and health .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 16.                         | Workers' compensation .....   | 0   | 0   | 0                              | 0  | 0   |
| 17.1                        | Other liability - occurrence .....                                  | 14,918  | 0   | 0                              | 0  | 14,918  |
| 17.2                        | Other liability - claims-made .....                                 | 39,271  | 0   | 0                              | 0  | 39,271  |
| 17.3                        | Excess workers' compensation .....                                  | 0   | 0   | 0                              | 0  | 0   |
| 18.1                        | Products liability - occurrence .....                               | 0   | 0   | 0                              | 0  | 0   |
| 18.2                        | Products liability - claims-made .....                              | 0   | 0   | 0                              | 0  | 0   |
| 19.1, 19.2                  | Private passenger auto liability .....                              | 0   | 0   | 0                              | 0  | 0   |
| 19.3, 19.4                  | Commercial auto liability .....                                     | 0   | 0   | 0                              | 0  | 0   |
| 21.                         | Auto physical damage .....  | 0   | 0   | 0                              | 0  | 0   |
| 22.                         | Aircraft (all perils) .....   | 0   | 0   | 0                              | 0  | 0   |
| 23.                         | Fidelity .....  | 0   | 0   | 0                              | 0  | 0   |
| 24.                         | Surety .....  | 0   | 0   | 0                              | 0  | 0   |
| 26.                         | Burglary and theft .....  | 0   | 0   | 0                              | 0  | 0   |
| 27.                         | Boiler and machinery .....  | 0   | 0   | 0                              | 0  | 0   |
| 28.                         | Credit .....  | 0   | 0   | 0                              | 0  | 0   |
| 29.                         | International .....   | 0   | 0   | 0                              | 0  | 0   |
| 30.                         | Warranty .....  | 0   | 0   | 0                              | 0  | 0   |
| 31.                         | Reinsurance - nonproportional assumed property .....                | 0   | 0   | 0                              | 0  | 0   |
| 32.                         | Reinsurance - nonproportional assumed liability .....               | 0   | 0   | 0                              | 0  | 0   |
| 33.                         | Reinsurance - nonproportional assumed financial lines .....         | 0   | 0   | 0                              | 0  | 0   |
| 34.                         | Aggregate write-ins for other lines of business .....               | 0   | 0   | 0                              | 0  | 0   |
| 35.                         | <b>TOTALS</b> .....   | <b>3,651,090</b>  | <b>1,834,000</b>  | <b>0</b>                       | <b>0</b>   | <b>5,485,090</b>  |
| 36.                         | Accrued retrospective premiums based on experience .....            |   |   |                                |  | 0   |
| 37.                         | Earned but unbilled premiums .....                                  |   |   |                                |  | 0   |
| 38.                         | Balance (Sum of Line 35 through 37) .....                           |   |   |                                |  | 5,485,090   |
| <b>DETAILS OF WRITE-INS</b> |   |   |   |                                |  |   |
| 3401.                       | .....   |   |   |                                |  |   |
| 3402.                       | .....   |   |   |                                |  |   |
| 3403.                       | .....   |   |   |                                |  |   |
| 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: Daily Prorata; Col. 2: Actuarial Calculation .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

| Line of Business  | 1<br>Direct Business (a) | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6<br>Net Premiums<br>Written<br>Cols. 1+2+3-4-5 |
|---|--------------------------|----------------------|--------------------------|--------------------|------------------------|---|
|   |                          | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates |   |
| 1. Fire   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 2. Allied lines   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 3. Farmowners multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 4. Homeowners multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 5. Commercial multiple peril  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 6. Mortgage guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 8. Ocean marine   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 9. Inland marine  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 10. Financial guaranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 11.1 Medical professional liability - occurrence                    | 9,135,150                | 0                    | 0                        | 1,247,184          | 0                      | 7,887,966                                       |
| 11.2 Medical professional liability - claims-made                   | 10,942,418               | 0                    | 0                        | 1,865,252          | 0                      | 9,077,166                                       |
| 12. Earthquake  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 13. Group accident and health                                       | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 14. Credit accident and health (group and individual)               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 15. Other accident and health                                       | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 16. Workers' compensation   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 17.1 Other liability - occurrence                                   | 72,367                   | 0                    | 0                        | 0                  | 0                      | 72,367  |
| 17.2 Other liability - claims-made                                  | 158,959                  | 0                    | 0                        | 0                  | 0                      | 158,959   |
| 17.3 Excess workers' compensation                                   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 18.1 Products liability - occurrence                                | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 18.2 Products liability - claims-made                               | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 19.1, 19.2 Private passenger auto liability                         | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 19.3, 19.4 Commercial auto liability                                | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 21. Auto physical damage  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 22. Aircraft (all perils)   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 23. Fidelity  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 24. Surety  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 26. Burglary and theft  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 27. Boiler and machinery  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 28. Credit  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 29. International   | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 30. Warranty  | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 31. Reinsurance - nonproportional assumed property                  | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 32. Reinsurance - nonproportional assumed liability                 | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX                      | 0                    | 0                        | 0                  | 0                      | 0   |
| 34. Aggregate write-ins for other lines of business                 | 0                        | 0                    | 0                        | 0                  | 0                      | 0   |
| 35. TOTALS  | 20,308,894               | 0                    | 0                        | 3,112,436          | 0                      | 17,196,458                                      |
| <b>DETAILS OF WRITE-INS</b>   |                          |                      |                          |                    |                        |   |
| 3401.   |                          |                      |                          |                    |                        |   |
| 3402.   |                          |                      |                          |                    |                        |   |
| 3403.   |                          |                      |                          |                    |                        |   |
| 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 reported on an annualized basis \$ .....0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

| Line of Business  | Losses Paid Less Salvage |                             |                               |  | 5<br>Net Losses Unpaid<br>Current Year<br>(Part 2A , Col. 8) | 6<br>Net Losses Unpaid<br>Prior Year | 7<br>Losses Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2) to<br>Premiums Earned<br>(Col. 4, Part 1) |
|---|--------------------------|-----------------------------|-------------------------------|--|--|--------------------------------------|---|---|
|   | 1<br>Direct Business     | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 -3 ) |  |                                      |   |   |
| 1. Fire   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 2. Allied lines   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 3. Farmowners multiple peril  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 4. Homeowners multiple peril  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 5. Commercial multiple peril  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 6. Mortgage guaranty  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 8. Ocean marine   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 9. Inland marine  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 10. Financial guaranty  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 11.1 Medical professional liability - occurrence                    | 1,330,371                | 0                           | 0                             | 1,330,371                              | 13,837,056   | 13,818,913                           | 1,348,514   | 17.3  |
| 11.2 Medical professional liability - claims-made                   | 2,777,435                | 0                           | 0                             | 2,777,435                              | 14,513,861   | 12,543,831                           | 4,747,465   | 51.5  |
| 12. Earthquake  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 13. Group accident and health                                       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 14. Credit accident and health (group and individual)               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 15. Other accident and health                                       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 16. Workers' compensation   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 17.1 Other liability - occurrence                                   | 7,020                    | 0                           | 0                             | 7,020                                  | 124,642  | 100,638                              | 31,024  | 44.5  |
| 17.2 Other liability - claims-made                                  | (36,434)                 | 0                           | 0                             | (36,434)                               | 140,663  | 112,644                              | (8,415)   | (5.3)   |
| 17.3 Excess workers' compensation                                   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 18.1 Products liability - occurrence                                | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 18.2 Products liability - claims-made                               | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 19.1, 19.2 Private passenger auto liability                         | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 19.3, 19.4 Commercial auto liability                                | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 21. Auto physical damage  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 22. Aircraft (all perils)   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 23. Fidelity  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 24. Surety  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 26. Burglary and theft  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 27. Boiler and machinery  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 28. Credit  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 29. International   | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 30. Warranty  | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 31. Reinsurance - nonproportional assumed property                  | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 32. Reinsurance - nonproportional assumed liability                 | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX                      | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 34. Aggregate write-ins for other lines of business                 | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                    | 0   | 0.0   |
| 35. TOTALS  | 4,078,392                | 0                           | 0                             | 4,078,392                              | 28,616,222   | 26,576,026                           | 6,118,588   | 35.5  |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                               |  |  |                                      |   |   |
| 3401.   |                          |                             |                               |  |  |                                      |   |   |
| 3402.   |                          |                             |                               |  |  |                                      |   |   |
| 3403.   |                          |                             |                               |  |  |                                      |   |   |
| 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   |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business  | Reported Losses |                             |   |  | Incurred But Not Reported |                             |                           | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid<br>Loss Adjustment<br>Expenses |
|---|-----------------|-----------------------------|---|--|---------------------------|-----------------------------|---------------------------|---|--|
|   | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct<br>Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But Not<br>Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |   |  |
| 1. Fire   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 2. Allied lines   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 3. Farmowners multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 4. Homeowners multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 5. Commercial multiple peril  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 6. Mortgage guaranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 8. Ocean marine   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 9. Inland marine  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 10. Financial guaranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 11.1 Medical professional liability - occurrence                    | 4,924,371       | 0                           | 0   | 4,924,371  | 11,463,996                | 0                           | 2,551,311                 | 13,837,056                                      | 10,806,050                                     |
| 11.2 Medical professional liability - claims-made                   | 9,851,639       | 0                           | 2,000,000                                 | 7,851,639  | 8,162,648                 | 0                           | 1,500,426                 | 14,513,861                                      | 6,509,095                                      |
| 12. Earthquake  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 13. Group accident and health                                       | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | (a) 0   | 0  |
| 14. Credit accident and health (group and individual)               | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 15. Other accident and health                                       | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | (a) 0   | 0  |
| 16. Workers' compensation   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 17.1 Other liability - occurrence                                   | 0               | 0                           | 0   | 0  | 124,642                   | 0                           | 0                         | 124,642   | 97,844   |
| 17.2 Other liability - claims-made                                  | 0               | 0                           | 0   | 0  | 140,663                   | 0                           | 0                         | 140,663   | 110,420  |
| 17.3 Excess workers' compensation                                   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 18.1 Products liability - occurrence                                | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 18.2 Products liability - claims-made                               | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 19.1, 19.2 Private passenger auto liability                         | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 19.3, 19.4 Commercial auto liability                                | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 21. Auto physical damage  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 22. Aircraft (all perils)   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 23. Fidelity  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 24. Surety  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 26. Burglary and theft  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 27. Boiler and machinery  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 28. Credit  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 29. International   | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 30. Warranty  | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 31. Reinsurance - nonproportional assumed property                  | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 32. Reinsurance - nonproportional assumed liability                 | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 33. Reinsurance - nonproportional assumed financial lines           | XXX             | 0                           | 0   | 0  | XXX                       | 0                           | 0                         | 0   | 0  |
| 34. Aggregate write-ins for other lines of business                 | 0               | 0                           | 0   | 0  | 0                         | 0                           | 0                         | 0   | 0  |
| 35. TOTALS  | 14,776,010      | 0                           | 2,000,000                                 | 12,776,010   | 19,891,949                | 0                           | 4,051,737                 | 28,616,222                                      | 17,523,409                                     |
| <b>DETAILS OF WRITE-INS</b>   |                 |                             |   |  |                           |                             |                           |   |  |
| 3401.   |                 |                             |   |  |                           |                             |                           |   |  |
| 3402.   |                 |                             |   |  |                           |                             |                           |   |  |
| 3403.   |                 |                             |   |  |                           |                             |                           |   |  |
| 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.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**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 .....  | 2,529,109                | 0                           | 0                   | 2,529,109  |
| 1.2 Reinsurance assumed .....   | 0                        | 0                           | 0                   | 0          |
| 1.3 Reinsurance ceded .....   | 473,988                  | 0                           | 0                   | 473,988    |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                | 2,055,121                | 0                           | 0                   | 2,055,121  |
| 2. Commission and brokerage:  |                          |                             |                     |            |
| 2.1 Direct excluding contingent .....   | 0                        | 46,136                      | 0                   | 46,136     |
| 2.2 Reinsurance assumed, excluding contingent .....                                     | 0                        | 0                           | 0                   | 0          |
| 2.3 Reinsurance ceded, excluding contingent .....                                       | 0                        | 330,102                     | 0                   | 330,102    |
| 2.4 Contingent - direct .....   | 0                        | 0                           | 0                   | 0          |
| 2.5 Contingent - reinsurance assumed .....  | 0                        | 0                           | 0                   | 0          |
| 2.6 Contingent - reinsurance ceded .....  | 0                        | 0                           | 0                   | 0          |
| 2.7 Policy and membership fees .....  | 0                        | 0                           | 0                   | 0          |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....        | 0                        | (283,966)                   | 0                   | (283,966)  |
| 3. Allowances to managers and agents .....  | 0                        | 0                           | 0                   | 0          |
| 4. Advertising .....  | 0                        | 0                           | 0                   | 0          |
| 5. Boards, bureaus and associations .....   | 0                        | 0                           | 0                   | 0          |
| 6. Surveys and underwriting reports .....   | 0                        | 0                           | 0                   | 0          |
| 7. Audit of assureds' records .....   | 0                        | 0                           | 0                   | 0          |
| 8. Salary and related items:  |                          |                             |                     |            |
| 8.1 Salaries .....  | 738,570                  | 1,040,958                   | 53,148              | 1,832,676  |
| 8.2 Payroll taxes .....   | 44,227                   | 62,333                      | 3,181               | 109,741    |
| 9. Employee relations and welfare .....   | 110,253                  | 155,389                     | 7,933               | 273,575    |
| 10. Insurance .....   | 25,846                   | 36,431                      | 1,858               | 64,135     |
| 11. Directors' fees .....   | 9,483                    | 13,369                      | 683                 | 23,535     |
| 12. Travel and travel items .....   | 0                        | 170,046                     | 0                   | 170,046    |
| 13. Rent and rent items .....   | 50,620                   | 71,352                      | 3,636               | 125,608    |
| 14. Equipment .....   | 17,233                   | 24,297                      | 1,242               | 42,772     |
| 15. Cost or depreciation of EDP equipment and software .....                            | 167,444                  | 236,002                     | 12,047              | 415,493    |
| 16. Printing and stationery .....   | 15,657                   | 34,045                      | 1,127               | 50,829     |
| 17. Postage, telephone and telegraph, exchange and express .....                        | 2,451                    | 3,457                       | 177                 | 6,085      |
| 18. Legal and auditing .....  | 60,648                   | 166,462                     | 0                   | 227,110    |
| 19. Totals (Lines 3 to 18) .....  | 1,242,432                | 2,014,141                   | 85,032              | 3,341,605  |
| 20. Taxes, licenses and fees:   |                          |                             |                     |            |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... | 0                        | 323,261                     | 0                   | 323,261    |
| 20.2 Insurance department licenses and fees .....                                       | 0                        | 8,992                       | 0                   | 8,992      |
| 20.3 Gross guaranty association assessments .....                                       | 0                        | 0                           | 0                   | 0          |
| 20.4 All other (excluding federal and foreign income and real estate) .....             | 0                        | 0                           | 0                   | 0          |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   | 0                        | 332,253                     | 0                   | 332,253    |
| 21. Real estate expenses .....  | 0                        | 0                           | 0                   | 0          |
| 22. Real estate taxes .....   | 0                        | 0                           | 0                   | 0          |
| 23. Reimbursements by uninsured plans .....   | 0                        | 0                           | 0                   | 0          |
| 24. Aggregate write-ins for miscellaneous expenses .....                                | 134,613                  | 198,911                     | 292,102             | 625,626    |
| 25. Total expenses incurred .....   | 3,432,166                | 2,261,339                   | 377,134 (a)         | 6,070,639  |
| 26. Less unpaid expenses - current year .....   | 17,523,409               | 524,918                     | 0                   | 18,048,327 |
| 27. Add unpaid expenses - prior year .....  | 17,645,693               | 0                           | 0                   | 17,645,693 |
| 28. Amounts receivable relating to uninsured plans, prior year .....                    | 0                        | 0                           | 0                   | 0          |
| 29. Amounts receivable relating to uninsured plans, current year .....                  | 0                        | 0                           | 0                   | 0          |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)                                  | 3,554,450                | 1,736,421                   | 377,134             | 5,668,005  |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                     |            |
| 2401. Consulting fees .....   | 134,613                  | 198,911                     | 9,684               | 343,208    |
| 2402. Investment management and custody fees .....                                      | 0                        | 0                           | 282,418             | 282,418    |
| 2403. ....  | 0                        | 0                           | 0                   | 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)                            | 134,613                  | 198,911                     | 292,102             | 625,626    |

(a) Includes management fees of \$ 50,759 to affiliates and \$ 0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

|   | 1<br>Collected During Year | 2<br>Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. Government bonds  | (a) 216,331                | 204,360                 |
| 1.1 Bonds exempt from U.S. tax  | (a) 0                      | 0                       |
| 1.2 Other bonds (unaffiliated)  | (a) 2,205,811              | 2,230,110               |
| 1.3 Bonds of affiliates   | (a) 0                      | 0                       |
| 2.1 Preferred stocks (unaffiliated)                                     | (b) 0                      | 0                       |
| 2.11 Preferred stocks of affiliates                                     | (b) 0                      | 0                       |
| 2.2 Common stocks (unaffiliated)  | 310,760                    | 310,760                 |
| 2.21 Common stocks of affiliates  | 0                          | 0                       |
| 3. Mortgage loans   | (c) 0                      | 0                       |
| 4. Real estate  | (d) 0                      | 0                       |
| 5. Contract loans   | 0                          | 0                       |
| 6. Cash, cash equivalents and short-term investments                    | (e) 25,394                 | 26,764                  |
| 7. Derivative instruments   | (f) 0                      | 0                       |
| 8. Other invested assets  | (508)                      | (508)                   |
| 9. Aggregate write-ins for investment income                            | 4,974                      | 4,974                   |
| 10. Total gross investment income                                       | 2,762,763                  | 2,776,461               |
| 11. Investment expenses   |                            | (g) 377,134             |
| 12. Investment taxes, licenses and fees, excluding federal income taxes |                            | (g) 0                   |
| 13. Interest expense  |                            | (h) 44,084              |
| 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)                              |                            | 421,218                 |
| 17. Net investment income (Line 10 minus Line 16)                       |                            | 2,355,243               |
| <b>DETAILS OF WRITE-INS</b>   |                            |                         |
| 0901. Miscellaneous investment income                                   | 4,974                      | 4,974                   |
| 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)           | 4,974                      | 4,974                   |
| 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 \$ 51,451 accrual of discount less \$ 508,360 amortization of premium and less \$ 88,405 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 \$ 3,420 accrual of discount less \$ 0 amortization of premium and less \$ 553 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 \$ 0 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  | 2                             | 3  | 4  | 5   |
|--|--|-------------------------------|--|--|---|
|  | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1. U.S. Government bonds   | (88,046)                                     | 0                             | (88,046)   | 0  | 0   |
| 1.1 Bonds exempt from U.S. tax                                     | 0  | 0                             | 0  | 0  | 0   |
| 1.2 Other bonds (unaffiliated)                                     | 846,535                                      | 0                             | 846,535  | (229,526)                                      | 0   |
| 1.3 Bonds of affiliates  | 0  | 0                             | 0  | 0  | 0   |
| 2.1 Preferred stocks (unaffiliated)                                | 0  | 0                             | 0  | 0  | 0   |
| 2.11 Preferred stocks of affiliates                                | 0  | 0                             | 0  | 0  | 0   |
| 2.2 Common stocks (unaffiliated)                                   | 1,074,472                                    | 0                             | 1,074,472  | (1,984,001)                                    | 0   |
| 2.21 Common stocks of affiliates                                   | 0  | 0                             | 0  | 0  | 0   |
| 3. Mortgage loans  | 0  | 0                             | 0  | 0  | 0   |
| 4. Real estate   | 0  | 0                             | 0  | 0  | 0   |
| 5. Contract loans  | 0  | 0                             | 0  | 0  | 0   |
| 6. Cash, cash equivalents and short-term investments               | 0  | 0                             | 0  | 0  | 0   |
| 7. Derivative instruments  | 0  | 0                             | 0  | 0  | 0   |
| 8. Other invested assets   | 2,318  | 0                             | 2,318  | 192,038  | 0   |
| 9. Aggregate write-ins for capital gains (losses)                  | 0  | 0                             | 0  | 0  | 0   |
| 10. Total capital gains (losses)                                   | 1,835,279                                    | 0                             | 1,835,279  | (2,021,490)                                    | 0   |
| <b>DETAILS OF WRITE-INS</b>  |  |                               |  |  |   |
| 0901.  |  |                               |  |  |   |
| 0902.  |  |                               |  |  |   |
| 0903.  |  |                               |  |  |   |
| 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   |



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**EXHIBIT OF NON-ADMITTED ASSETS**

|   | 1  | 2                                      | 3  |
|---|--|--|--|
|   | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....   | 0  | 0                                      | 0  |
| 2. Stocks (Schedule D):   |  |  |  |
| 2.1 Preferred stocks .....  | 0  | 0                                      | 0  |
| 2.2 Common stocks .....   | 0  | 0                                      | 0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |  |
| 3.1 First liens .....   | 0  | 0                                      | 0  |
| 3.2 Other than first liens.....   | 0  | 0                                      | 0  |
| 4. Real estate (Schedule A):  |  |  |  |
| 4.1 Properties occupied by the company .....  | 0  | 0                                      | 0  |
| 4.2 Properties held for the production of income.....   | 0  | 0                                      | 0  |
| 4.3 Properties held for sale .....  | 0  | 0                                      | 0  |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... | 0  | 0                                      | 0  |
| 6. Contract loans .....   | 0  | 0                                      | 0  |
| 7. Derivatives (Schedule DB) .....  | 0  | 0                                      | 0  |
| 8. Other invested assets (Schedule BA) .....  | 0  | 1,006,827                              | 1,006,827  |
| 9. Receivables for securities .....   | 0  | 0                                      | 0  |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....   | 0  | 0                                      | 0  |
| 11. Aggregate write-ins for invested assets .....   | 0  | 0                                      | 0  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....   | 0  | 1,006,827                              | 1,006,827  |
| 13. Title plants (for Title insurers only) .....  | 0  | 0                                      | 0  |
| 14. Investment income due and accrued .....   | 0  | 0                                      | 0  |
| 15. Premiums and considerations:  |  |  |  |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....  | 219,084                                  | 37,899                                 | (181,185)  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     | 0  | 0                                      | 0  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      | 0  | 0                                      | 0  |
| 16. Reinsurance:  |  |  |  |
| 16.1 Amounts recoverable from reinsurers .....  | 0  | 0                                      | 0  |
| 16.2 Funds held by or deposited with reinsured companies .....  | 0  | 0                                      | 0  |
| 16.3 Other amounts receivable under reinsurance contracts .....   | 0  | 0                                      | 0  |
| 17. Amounts receivable relating to uninsured plans .....  | 0  | 0                                      | 0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      | 0  | 0                                      | 0  |
| 18.2 Net deferred tax asset .....   | 0  | 0                                      | 0  |
| 19. Guaranty funds receivable or on deposit .....   | 0  | 0                                      | 0  |
| 20. Electronic data processing equipment and software .....   | 0  | 0                                      | 0  |
| 21. Furniture and equipment, including health care delivery assets .....  | 0  | 0                                      | 0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....  | 0  | 0                                      | 0  |
| 23. Receivables from parent, subsidiaries and affiliates .....  | 0  | 0                                      | 0  |
| 24. Health care and other amounts receivable .....  | 0  | 0                                      | 0  |
| 25. Aggregate write-ins for other than invested assets .....  | 1,602,000                                | 1,607,000                              | 5,000  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 1,821,084                                | 2,651,726                              | 830,642  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       | 0  | 0                                      | 0  |
| 28. Total (Lines 26 and 27)   | 1,821,084                                | 2,651,726                              | 830,642  |
| <b>DETAILS OF WRITE-INS</b>   |  |  |  |
| 1101. ....  |  |  |  |
| 1102. ....  |  |  |  |
| 1103. ....  |  |  |  |
| 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. Cash advance to AIF receivable .....  | 1,602,000                                | 1,607,000                              | 5,000  |
| 2502. ....  |  |  |  |
| 2503. ....  |  |  |  |
| 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)  | 1,602,000                                | 1,607,000                              | 5,000  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 Summary of Significant Accounting Policies and Going Concern**

**A. Accounting Practices**

The accompanying financial statements of the Michigan Professional Insurance Exchange (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP), and the State of Michigan. The Michigan prescribed and permitted accounting practices used in the preparation of the accompanying financial statements did not differ from NAIC SAP.

|   | SSAP # | F/S Page | F/S Line # | 2018          | 2017          |
|---|--------|----------|------------|---------------|---------------|
| NET INCOME  |        |          |            |               |               |
| (1) State basis (Page 4, Line 20, Columns 1 & 2)                              | XXX    | XXX      | XXX        | \$ 8,411,987  | \$ 3,615,116  |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: |        |          |            |               |               |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:  |        |          |            |               |               |
| (4) NAIC SAP (1-2-3=4)  | XXX    | XXX      | XXX        | \$ 8,411,987  | \$ 3,615,116  |
| SURPLUS   |        |          |            |               |               |
| (5) State basis (Page 3, Line 37, Columns 1 & 2)                              | XXX    | XXX      | XXX        | \$ 52,974,915 | \$ 48,944,140 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: |        |          |            |               |               |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:  |        |          |            |               |               |
| (8) NAIC SAP (5-6-7=8)  | XXX    | XXX      | XXX        | \$ 52,974,915 | \$ 48,944,140 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

**C. Accounting Policy**

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

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds are stated at the lower of amortized value or fair value.
- (3) Common stocks are stated at market.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) Mortgage loans on real estate: not applicable.
- (6) Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. Noninvestment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) The Company carries its investment in PRCD Holdings LLC and its subsidiaries as an admitted asset using U.S. GAAP equity method.
- (8) The Company does not have any investments in joint ventures or partnerships.
- (9) The Company does not hold any derivatives.
- (10) The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount 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 not modified its capitalization policy from the prior period.
- (13) The company does not anticipate any pharmaceutical rebate receivables.

**D. Going Concern**

Management does not have any substantial doubt about the company's ability to continue as a going concern.

**NOTE 2 Accounting Changes and Corrections of Errors**

Beginning January 1, 2018, the company is recording administrative services related to the management of the Spectrum Health deposit agreement at its subsidiary, MPIE Consulting LLC. In 2017, there was \$2,796,624 of income and \$2,329,709 of expense that was recorded on Page 3, Line 14. Claim payments and interest expense will continue to be reported in Note 18 A annually.

**NOTE 3 Business Combinations and Goodwill**

- A. Statutory Purchase Method - not applicable.
- B. Statutory Merger - not applicable.
- C. Assumption Reinsurance - not applicable.
- D. Impairment Loss - 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) For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.
  - (2) The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the Company had neither the intent to sell the securities or the inability or lack of intent to retain.
  - (3) Recognized OTTI securities: The Company did not recognize other-than-temporary impairments for loan-backed securities recorded during the current year because the present value of cash flows expected to be collected is less than the amortized cost basis of the securities.

**NOTES TO FINANCIAL STATEMENTS**

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

|   |    |            |
|---|----|------------|
| a) The aggregate amount of unrealized losses:                             |    |            |
| 1. Less than 12 Months  | \$ | 185,439    |
| 2. 12 Months or Longer  | \$ | 339,744    |
| b) The aggregate related fair value of securities with unrealized losses: |    |            |
| 1. Less than 12 Months  | \$ | 11,422,950 |
| 2. 12 Months or Longer  | \$ | 11,789,829 |

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale - not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - not applicable.
- J. Real Estate - not applicable.
- K. Low Income Housing tax Credits (LIHTC) - not applicable.
- L. Restricted Assets - not applicable.

1. Restricted Assets (Including Pledged)

| Restricted Asset Category  | Gross (Admitted & Nonadmitted) Restricted |  |  |   |                     |                       |                                  |
|--|---|--|--|---|---------------------|-----------------------|----------------------------------|
|  | Current Year                              |  |  |   |                     | 6                     | 7                                |
|  | 1   | 2  | 3  | 4   | 5                   |                       |                                  |
|  | 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) |
| a. Subject to contractual obligation for which liability is not shown              | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| b. Collateral held under security lending agreements                               | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| c. Subject to repurchase agreements  | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| d. Subject to reverse repurchase agreements  | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| e. Subject to dollar repurchase agreements   | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| f. Subject to dollar reverse repurchase agreements                                 | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| g. Placed under option contracts   | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| i. FHLB capital stock  | \$ 142,900                                | \$ -   | \$ -   | \$ -  | \$ 142,900          | \$ -                  | \$ 142,900                       |
| j. On deposit with states  | \$ 308,389                                | \$ -   | \$ -   | \$ -  | \$ 308,389          | \$ -                  | \$ 308,389                       |
| k. On deposit with other regulatory bodies   | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| l. Pledged collateral to FHLB (including assets backing funding agreements)        | \$ 4,449,980                              | \$ -   | \$ -   | \$ -  | \$ 4,449,980        | \$ -                  | \$ 4,449,980                     |
| m. Pledged as collateral not captured in other categories                          | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| n. Other restricted assets   | \$ -                                      | \$ -   | \$ -   | \$ -  | \$ -                | \$ -                  | \$ -                             |
| <b>o. Total Restricted Assets</b>  | <b>\$ 4,901,269</b>                       | <b>\$ -</b>  | <b>\$ -</b>                                    | <b>\$ -</b>   | <b>\$ 4,901,269</b> | <b>\$ -</b>           | <b>\$ 4,901,269</b>              |

(a) Subset of Column 1  
(b) Subset of Column 3

| Restricted Asset Category  | Current Year                 |                                       |   |  |
|--|------------------------------|---------------------------------------|---|--|
|  | 8                            | 9                                     | Percentage  |  |
|  |                              |                                       | 10  | 11   |
|  | Total Nonadmitted Restricted | Total Admitted Restricted (5 minus 8) | Gross (Admitted & Nonadmitted) Restricted to Total Assets (c) | Admitted Restricted to Total Admitted Assets (d) |
| a. Subject to contractual obligation for which liability is not shown              | \$ -                         | \$ -                                  | 0.000%  | 0.000%   |
| b. Collateral held under security lending agreements                               | \$ -                         | \$ -                                  | 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  | \$ -                         | \$ 142,900                            | 0.129%  | 0.132%   |
| j. On deposit with states  | \$ -                         | \$ 308,389                            | 0.279%  | 0.284%   |
| k. On deposit with other regulatory bodies   | \$ -                         | \$ -                                  | 0.000%  | 0.000%   |
| l. Pledged collateral to FHLB (including assets backing funding agreements)        | \$ -                         | \$ 4,618,979                          | 4.033%  | 4.253%   |
| m. Pledged as collateral not captured in other categories                          | \$ -                         | \$ -                                  | 0.000%  | 0.000%   |
| n. Other restricted assets   | \$ -                         | \$ -                                  | 0.000%  | 0.000%   |
| <b>o. Total Restricted Assets</b>  | <b>\$ -</b>                  | <b>\$ 5,070,268</b>                   | <b>4.442%</b>   | <b>4.669%</b>                                    |

(c) Column 5 divided by Asset Page, Column 1, Line 28  
(d) Column 9 divided by Asset Page, Column 3, Line 28

- 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) - not applicable.
- 3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) - not applicable.
- 4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements - not applicable.

- M. Working Capital Finance Investments - not applicable.
- N. Offsetting and Netting of Assets and Liabilities - not applicable.
- O. Structured Notes - not applicable.
- P. 5GI Securities - not applicable.
- Q. Short Sales - not applicable.

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
NOTES TO FINANCIAL STATEMENTS**

R. Prepayment Penalty and Acceleration Fees - not applicable.

**NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies**

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.  
 B. The Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

**NOTE 7 Investment Income**

- A. The Company does not admit investment income due and accrued if amounts are over 90 days past due.  
 B. Amount excluded - not applicable.

**NOTE 8 Derivative Instruments - not applicable.**

**NOTE 9 Income Taxes**

A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

|  | As of End of Current Period |                |                              | 12/31/2017      |                |                              | Change                          |                                |                              |
|--|-----------------------------|----------------|------------------------------|-----------------|----------------|------------------------------|---------------------------------|--------------------------------|------------------------------|
|  | (1)<br>Ordinary             | (2)<br>Capital | (3)<br>(Col. 1 + 2)<br>Total | (4)<br>Ordinary | (5)<br>Capital | (6)<br>(Col. 4 + 5)<br>Total | (7)<br>(Col. 1 - 4)<br>Ordinary | (8)<br>(Col. 2 - 5)<br>Capital | (9)<br>(Col. 7 + 8)<br>Total |
| (a) Gross Deferred Tax Assets  | \$ 1,267,072                | \$ 46,814      | \$ 1,313,886                 | \$ 624,421      | \$ 46,814      | \$ 671,235                   | \$ 642,651                      | \$ -                           | \$ 642,651                   |
| (b) Statutory Valuation Allowance Adjustment                               | \$ -                        | \$ -           | \$ -                         | \$ -            | \$ -           | \$ -                         | \$ -                            | \$ -                           | \$ -                         |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)                           | \$ 1,267,072                | \$ 46,814      | \$ 1,313,886                 | \$ 624,421      | \$ 46,814      | \$ 671,235                   | \$ 642,651                      | \$ -                           | \$ 642,651                   |
| (d) Deferred Tax Assets Nonadmitted  | \$ -                        | \$ -           | \$ -                         | \$ -            | \$ -           | \$ -                         | \$ -                            | \$ -                           | \$ -                         |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)                     | \$ 1,267,072                | \$ 46,814      | \$ 1,313,886                 | \$ 624,421      | \$ 46,814      | \$ 671,235                   | \$ 642,651                      | \$ -                           | \$ 642,651                   |
| (f) Deferred Tax Liabilities   | \$ 479,503                  | \$ 532,692     | \$ 1,012,195                 | \$ 949,447      | \$ 949,447     | \$ 949,447                   | \$ 479,503                      | \$ (416,755)                   | \$ 62,748                    |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 787,569                  | \$ (485,878)   | \$ 301,691                   | \$ 624,421      | \$ (902,633)   | \$ (278,212)                 | \$ 163,148                      | \$ 416,755                     | \$ 579,903                   |

|   | As of End of Current Period |                |                              | 12/31/2017      |                |                              | Change                          |                                |                              |
|---|-----------------------------|----------------|------------------------------|-----------------|----------------|------------------------------|---------------------------------|--------------------------------|------------------------------|
|   | (1)<br>Ordinary             | (2)<br>Capital | (3)<br>(Col. 1 + 2)<br>Total | (4)<br>Ordinary | (5)<br>Capital | (6)<br>(Col. 4 + 5)<br>Total | (7)<br>(Col. 1 - 4)<br>Ordinary | (8)<br>(Col. 2 - 5)<br>Capital | (9)<br>(Col. 7 + 8)<br>Total |
| Admission Calculation Components<br>SSAP No. 101  |                             |                |                              |                 |                |                              |                                 |                                |                              |
| (a) Federal Income Taxes Paid In Prior Years  | \$ 864,433                  | \$ -           | \$ 864,433                   | \$ 669,807      | \$ -           | \$ 669,807                   | \$ 194,626                      | \$ -                           | \$ 194,626                   |
| (b) Adjusted Gross Deferred Tax Assets  | \$ 36,225                   | \$ -           | \$ 36,225                    | \$ -            | \$ -           | \$ -                         | \$ 36,225                       | \$ -                           | \$ 36,225                    |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.   | \$ 36,225                   | \$ -           | \$ 36,225                    | \$ -            | \$ -           | \$ -                         | \$ 36,225                       | \$ -                           | \$ 36,225                    |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.   | XXX                         | XXX            | \$ 7,761,000                 | XXX             | XXX            | \$ 8,005,200                 | XXX                             | XXX                            | \$ (244,200)                 |
| (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. | \$ 366,414                  | \$ 46,814      | \$ 413,228                   | \$ (45,386)     | \$ 46,814      | \$ 1,428                     | \$ 411,800                      | \$ -                           | \$ 411,800                   |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))   | \$ 1,267,072                | \$ 46,814      | \$ 1,313,886                 | \$ 624,421      | \$ 46,814      | \$ 671,235                   | \$ 642,651                      | \$ -                           | \$ 642,651                   |

|  | 2018          | 2017          |
|--|---------------|---------------|
| a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.                               | 1089.000%     | 1089.000%     |
| b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | \$ 51,740,000 | \$ 53,386,000 |

|   | As of End of Current Period |                | 12/31/2017      |                | Change                          |                                |
|---|-----------------------------|----------------|-----------------|----------------|---------------------------------|--------------------------------|
|   | (1)<br>Ordinary             | (2)<br>Capital | (3)<br>Ordinary | (4)<br>Capital | (5)<br>(Col. 1 - 3)<br>Ordinary | (6)<br>(Col. 2 - 4)<br>Capital |
| 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. | 1,267,072                   | 46,814         | 624,421         | 46,814         | 642,651                         | 0                              |
| 1. Adjusted Gross DTAs amount from Note 9A1(c)  | \$ 1,267,072                | \$ 46,814      | \$ 624,421      | \$ 46,814      | \$ 642,651                      | \$ -                           |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                     | 0.000%                      | 0.000%         | 0.000%          | 0.000%         | 0.000%                          | 0.000%                         |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)   | \$ 1,267,072                | \$ 46,814      | \$ 624,421      | \$ 46,814      | \$ 642,651                      | \$ -                           |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies    | 0.000%                      | 0.000%         | 0.000%          | 0.000%         | 0.000%                          | 0.000%                         |

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

B. Deferred Tax Liabilities Not Recognized - not applicable.

C. Current income taxes incurred consist of the following major components:

|  | (1)<br>As of End of<br>Current Period | (2)<br>12/31/2017 | (3)<br>(Col. 1 - 2)<br>Change |
|--|---------------------------------------|-------------------|-------------------------------|
|  | 1. Current Income Tax                 |                   |                               |
| (a) Federal                                    | \$ 646,476                            | \$ (232,755)      | \$ 879,231                    |
| (b) Foreign                                    | \$ -                                  | \$ -              | \$ -                          |
| (c) Subtotal                                   | \$ 646,476                            | \$ (232,755)      | \$ 879,231                    |
| (d) Federal income tax on net capital gains    | \$ 385,409                            | \$ 761,652        | \$ (376,243)                  |
| (e) Utilization of capital loss carry-forwards | \$ -                                  | \$ -              | \$ -                          |
| (f) Other                                      | \$ -                                  | \$ -              | \$ -                          |
| (g) Federal and foreign income taxes incurred  | \$ 1,031,885                          | \$ 528,897        | \$ 502,988                    |
| 2. Deferred Tax Assets:                        |                                       |                   |                               |
| (a) Ordinary:                                  |                                       |                   |                               |
| (1) Discounting of unpaid losses               | \$ 924,501                            | \$ 339,616        | \$ 584,885                    |
| (2) Unearned premium reserve                   | \$ 285,865                            | \$ 284,804        | \$ 1,061                      |
| (3) Policyholder reserves                      | \$ -                                  | \$ -              | \$ -                          |

**NOTES TO FINANCIAL STATEMENTS**

|   |    |           |    |           |    |           |
|---|----|-----------|----|-----------|----|-----------|
| (4) Investments   | \$ | -         | \$ | -         | \$ | -         |
| (5) Deferred acquisition costs                                    | \$ | -         | \$ | -         | \$ | -         |
| (6) Policyholder dividends accrual                                | \$ | -         | \$ | -         | \$ | -         |
| (7) Fixed Assets  | \$ | -         | \$ | -         | \$ | -         |
| (8) Compensation and benefits accrual                             | \$ | 56,706    | \$ | -         | \$ | 56,706    |
| (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)     | \$ | -         | \$ | -         | \$ | -         |
| (99) Subtotal   | \$ | 1,267,072 | \$ | 624,420   | \$ | 642,652   |
| (b) Statutory valuation allowance adjustment                      | \$ | -         | \$ | -         | \$ | -         |
| (c) Nonadmitted   | \$ | -         | \$ | -         | \$ | -         |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)        | \$ | 1,267,072 | \$ | 624,420   | \$ | 642,652   |
| (e) Capital:  |    |           |    |           |    |           |
| (1) Investments   | \$ | 46,814    | \$ | 46,814    | \$ | -         |
| (2) Net capital loss carry-forward                                | \$ | -         | \$ | -         | \$ | -         |
| (3) Real estate   | \$ | -         | \$ | -         | \$ | -         |
| (4) Other (including items <5% of total ordinary tax assets)      | \$ | -         | \$ | -         | \$ | -         |
| (99) Subtotal   | \$ | 46,814    | \$ | 46,814    | \$ | -         |
| (f) Statutory valuation allowance adjustment                      | \$ | -         | \$ | -         | \$ | -         |
| (g) Nonadmitted   | \$ | -         | \$ | -         | \$ | -         |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g)         | \$ | 46,814    | \$ | 46,814    | \$ | -         |
| (i) Admitted deferred tax assets (2d + 2h)                        | \$ | 1,313,886 | \$ | 671,234   | \$ | 642,652   |
| <b>3. Deferred Tax Liabilities:</b>                               |    |           |    |           |    |           |
| (a) Ordinary:   |    |           |    |           |    |           |
| (1) Investments   | \$ | -         | \$ | -         | \$ | -         |
| (2) Fixed Assets  | \$ | -         | \$ | -         | \$ | -         |
| (3) Deferred and uncollected premium                              | \$ | -         | \$ | -         | \$ | -         |
| (4) Policyholder reserves   | \$ | -         | \$ | -         | \$ | -         |
| (5) Other (including items <5% of total ordinary tax liabilities) | \$ | 479,503   | \$ | -         | \$ | 479,503   |
| (99) Subtotal   | \$ | 479,503   | \$ | -         | \$ | 479,503   |
| (b) Capital:  |    |           |    |           |    |           |
| (1) Investments   | \$ | 532,692   | \$ | 949,447   | \$ | (416,755) |
| (2) Real estate   | \$ | -         | \$ | -         | \$ | -         |
| (3) Other (including items <5% of total capital tax liabilities)  | \$ | -         | \$ | -         | \$ | -         |
| (99) Subtotal   | \$ | 532,692   | \$ | 949,447   | \$ | (416,755) |
| (c) Deferred tax liabilities (3a99 + 3b99)                        | \$ | 1,012,195 | \$ | 949,447   | \$ | 62,748    |
| <b>4. Net deferred tax assets/liabilities (2i - 3c)</b>           | \$ | 301,691   | \$ | (278,213) | \$ | 579,904   |

**D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

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

|   | 12/31/2018        | Effective Tax Rate |
|---|-------------------|--------------------|
| Provision computed at statutory rate      | \$ 2,031,299      | 21.00%             |
| Proration of tax-exempt investment income | \$ -              | 0.00%              |
| Tax-exempt interest                       | \$ -              | 0.00%              |
| Dividend received deduction               | \$ (32,630)       | -0.34%             |
| Disallowed travel and entertainment       | \$ -              | 0.00%              |
| Other permanent differences               | \$ (1,129,635)    | -11.68%            |
| Prior period true up                      | \$ (297)          | 0.00%              |
| <b>Total tax provision</b>                | <b>\$ 868,737</b> | <b>8.98%</b>       |
| Federal tax incurred                      | \$ 646,476        | 6.68%              |
| Realized capital gains tax                | \$ 385,409        | 3.98%              |
| Change in net deferred income taxes       | \$ (163,148)      | -1.69%             |
| <b>Total tax provision</b>                | <b>\$ 868,737</b> | <b>8.97%</b>       |

**E. Operating Losses and Tax Credit Carryforwards**

- At December 31, 2018, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2018 and 2017 that is available for recoupment in the event of future net losses:

| Year | Amount       |
|------|--------------|
| 2018 | \$ 1,031,885 |
| 2017 | \$ 550,843   |

- The Company did not have any protective tax deposits under Section 6033 of the Internal Revenue Code.

**F. Consolidated Federal Income Tax Return**

- The Company's federal tax return is consolidated with:  
PRCD Holdings LLC  
MPIE Consulting LLC  
Alliance Innovations LLC
- The subsidiaries that are consolidated in the company's federal tax return are disregarded entities.

**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.

**H. Repatriation Transition Tax (RTT) - not applicable.**

**I. Alternative Minimum Tax (AMT) Credit - not applicable.**

**NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

A. The Company has an agreement with a non-owned affiliate, Michigan Professional Exchange Services, to provide Attorney in Fact services. The Company formed a downstream noninsurance holding company, PRCD Holdings LLC to invest in diversified services and partnerships. PRCD Holdings LLC owns 100% of MPIE Consulting LLC, which provides claims and risk management services, and Alliance Innovations LLC, which invests in subsidiaries with partner companies. PRCD Holdings LLC provides protection to the Company from liability from the investments in subsidiaries.

B. The Company formed downstream noninsurance holding company, PRCD Holdings LLC, on May 1, 2017. Its financial statement was not audited in 2017; therefore, the holding company was non-admitted in accordance with SSAP No. 97 as of 12/31/17. The Company is including PRCD Holdings LLC and its subsidiaries in its annual audit in 2018; therefore, the holding company will be an admitted asset on Schedule BA at 12/31/18. PRCD Holdings LLC leases employees to Michigan Professional Exchange Services, the attorney-in-fact for the Company, and to other subsidiaries of PRCD Holdings LLC. PRCD Holdings LLC consolidated value is approximately 1% of total admitted assets.

PRCD Holdings LLC invested \$350,000 in MPIE Consulting LLC on July 1, 2017. MPIE Consulting LLC returned \$250,000 of contributed capital to PRCD in 2018. MPIE Consulting LLC was formed to provide outsourced claims and risk management services, third party administrative services and consulting services. No assets other than cash were transferred to either subsidiary from the Company or the attorney-in-fact.

PRCD Holdings LLC invested \$250,000 in Alliance Innovations LLC on 8/15/2018. Alliance Innovations LLC was formed to own investments in subsidiaries with partner companies. On 8/31/18, Alliance Innovations LLC invested \$250,000 in CMP Joint Venture LLC. CMP Joint Venture LLC was formed with two partner companies with the purpose of reducing costs and creating efficiencies. PRCD is a one-third owner of CMP JV. No assets other than cash were transferred to either subsidiary from the Company or the attorney-in-fact.

C. PRCD Holdings LLC and its downstream subsidiaries are being audited on a U.S. GAAP basis. The consolidated statement value of PRCD will be reported on Schedule BA.

**NOTES TO FINANCIAL STATEMENTS**

- D. The Company has advanced funds to the attorney-in-fact in the amount of \$1,602,000 for the purchase of capital assets. The AIF makes monthly payments to reduce the balance due to the Company as the assets are depreciated. These amounts are non-admitted. There are immaterial amounts payable or receivable between the AIF and PRCD Holdings.
- E. Not applicable.
- F. PRCD Holdings LLC has agreed to provide to Michigan Professional Exchange Services leased employees who have the expertise, experience and capabilities necessary to its effective operation as attorney-in-fact for the Company.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. In May 2017 the Company formed a downstream noninsurance holding company, PRCD Holdings LLC. Its financial statement was not audited in 2017 and was reported as a non-admitted asset in accordance with SSAP No. 97. The downstream noninsurance holding company and its subsidiaries are included in the 2018 annual audit and will therefore be included as an admitted asset in 2018.

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

| SCA Entity   | Percentage of SCA Ownership | Gross Amount | Admitted Amount | Nonadmitted Amount |
|--|-----------------------------|--------------|-----------------|--------------------|
| a. SSAP No. 97 8a Entities                                     |                             |              |                 |                    |
| Total SSAP No. 97 8a Entities                                  | XXX                         | \$ -         | \$ -            | \$ -               |
| b. SSAP No. 97 8b(ii) Entities                                 |                             |              |                 |                    |
| Total SSAP No. 97 8b(ii) Entities                              | XXX                         | \$ -         | \$ -            | \$ -               |
| c. SSAP No. 97 8b(iii) Entities                                |                             |              |                 |                    |
| PRCD Holdings LLC  | 100.0%                      | \$ 1,198,865 | \$ 1,198,865    | \$ -               |
| Total SSAP No. 97 8b(iii) Entities                             | XXX                         | \$ 1,198,865 | \$ 1,198,865    | \$ -               |
| d. SSAP No. 97 8b(iv) Entities                                 |                             |              |                 |                    |
| Total SSAP No. 97 8b(iv) Entities                              | XXX                         | \$ -         | \$ -            | \$ -               |
| e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d) | XXX                         | \$ 1,198,865 | \$ 1,198,865    | \$ -               |
| f. Aggregate Total (a+ e)                                      | XXX                         | \$ 1,198,865 | \$ 1,198,865    | \$ -               |

(2) NAIC Filing Response Information

| SCA Entity<br>(Should be same entities as shown in M(1) above.) | Type of NAIC Filing * | Date of Filing to the NAIC | NAIC Valuation Amount | NAIC Response Received Y/N | NAIC Disallowed Entities Valuation Method, Resub-mission Required Y/N | Code ** |
|---|-----------------------|----------------------------|-----------------------|----------------------------|---|---------|
| a. SSAP No. 97 8a Entities                                      |                       |                            |                       |                            |   |         |
| Total SSAP No. 97 8a Entities                                   | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |
| b. SSAP No. 97 8b(ii) Entities                                  |                       |                            |                       |                            |   |         |
| Total SSAP No. 97 8b(ii) Entities                               | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |
| c. SSAP No. 97 8b(iii) Entities                                 |                       |                            |                       |                            |   |         |
| Total SSAP No. 97 8b(iii) Entities                              | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |
| d. SSAP No. 97 8b(iv) Entities                                  |                       |                            |                       |                            |   |         |
| Total SSAP No. 97 8b(iv) Entities                               | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |
| e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)  | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |
| f. Aggregate Total (a+e)  | XXX                   | XXX                        | \$ -                  | XXX                        | XXX   | XXX     |

\* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

\*\* I - Immaterial or M - Material

- N. Investment in Insurance SCAs - not applicable.
- O. SCA Loss Tracking - not applicable.

**NOTE 11 Debt**

A. Not applicable.

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank of Indianapolis (FHLBI). The Company has no outstanding line of credit balance of as of 12/31/2018. The company has pledged securities as collateral to maintain a \$4,200,000 line of credit. It is part of the Company's strategy to have a line of credit available for liquidity purposes. Any funds obtained from the FHLBI would be accounted for consistent with SSAP No. 15 - Debt and Holding Company Obligations as borrowed money. The table below indicates the amount of FHLBI stock purchased, collateral pledged, assets and liabilities related to the agreement with FHLBI.

(2) FHLB Capital Stock

a. Aggregate Totals

|   | 1<br>Total 2+3 | 2<br>General Account | 3<br>Separate Accounts |
|---|----------------|----------------------|------------------------|
| 1. Current Year   |                |                      |                        |
| (a) Membership Stock - Class A  | \$ 142,900     | \$ 142,900           | \$ -                   |
| (b) Membership Stock - Class B  | \$ -           | \$ -                 | \$ -                   |
| (c) Activity Stock  | \$ -           | \$ -                 | \$ -                   |
| (d) Excess Stock  | \$ -           | \$ -                 | \$ -                   |
| (e) Aggregate Total (a+b+c+d)   | \$ 142,900     | \$ 142,900           | \$ -                   |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | \$ 4,200,000   | XXX                  | XXX                    |
| 2. Prior Year-end   |                |                      |                        |
| (a) Membership Stock - Class A  | \$ 142,900     | \$ 142,900           | \$ -                   |
| (b) Membership Stock - Class B  | \$ -           | \$ -                 | \$ -                   |
| (c) Activity Stock  | \$ -           | \$ -                 | \$ -                   |
| (d) Excess Stock  | \$ -           | \$ -                 | \$ -                   |
| (e) Aggregate Total (a+b+c+d)   | \$ 142,900     | \$ 142,900           | \$ -                   |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | \$ 4,100,000   | XXX                  | XXX                    |

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**NOTES TO FINANCIAL STATEMENTS**

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

|                  | 1                                 |                                | 2                          |                                      |                                |                   |
|------------------|-----------------------------------|--------------------------------|----------------------------|--------------------------------------|--------------------------------|-------------------|
|                  |                                   |                                | Eligible for Redemption    |                                      |                                |                   |
|                  | Current Year Total<br>(2+3+4+5+6) | Not Eligible for<br>Redemption | 3<br>Less Than 6<br>Months | 4<br>6 Months to Less<br>Than 1 Year | 5<br>1 to Less Than 3<br>Years | 6<br>3 to 5 Years |
| Membership Stock |                                   |                                |                            |                                      |                                |                   |
| 1. Class A       | \$ 142,900                        | \$ 142,900                     | \$ -                       | \$ -                                 | \$ -                           | \$ -              |
| 2. Class B       | \$ -                              | \$ -                           | \$ -                       | \$ -                                 | \$ -                           | \$ -              |

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)  
 11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

|   | 1            | 2              | 3                            |
|---|--------------|----------------|------------------------------|
|   | Fair Value   | Carrying Value | Aggregate Total<br>Borrowing |
| 1. Current Year Total General and Separate Accounts Total Collateral Pledged<br>(Lines 2+3) | \$ 4,440,125 | \$ 4,618,979   | \$ -                         |
| 2. Current Year General Account Total Collateral Pledged                                    | \$ -         | \$ -           | \$ -                         |
| 3. Current Year Separate Accounts Total Collateral Pledged                                  | \$ -         | \$ -           | \$ -                         |
| 4. Prior Year-end Total General and Separate Accounts Total Collateral<br>Pledged           | \$ 4,366,474 | \$ 4,449,980   | \$ 500,000                   |

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)  
 11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)  
 11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)  
 11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

|   | 1            | 2              | 3  |
|---|--------------|----------------|--|
|   | Fair Value   | Carrying Value | Amount Borrowed<br>at Time of<br>Maximum<br>Collateral |
| 1. Current Year Total General and Separate Accounts Maximum Collateral<br>Pledged (Lines 2+3) | \$ 4,526,492 | \$ 4,788,497   | \$ 1,001,275   |
| 2. Current Year General Account Maximum Collateral Pledged                                    | \$ -         | \$ -           | \$ -   |
| 3. Current Year Separate Accounts Maximum Collateral Pledged                                  | \$ -         | \$ -           | \$ -   |
| 4. Prior Year-end Total General and Separate Accounts Maximum Collateral<br>Pledged           | \$ 4,454,114 | \$ 4,452,375   | \$ 2,000,000   |

(4) Borrowing from FHLB

a. Amount as of Reporting Date

|                             | 1          | 2               | 3                 | 4  |
|-----------------------------|------------|-----------------|-------------------|--|
|                             | Total 2+3  | General Account | Separate Accounts | Funding<br>Agreements<br>Reserves<br>Established |
| 1. Current Year             |            |                 |                   |  |
| (a) Debt                    | \$ -       | \$ -            | \$ -              | XXX  |
| (b) Funding Agreements      | \$ -       | \$ -            | \$ -              | \$ -   |
| (c) Other                   | \$ -       | \$ -            | \$ -              | XXX  |
| (d) Aggregate Total (a+b+c) | \$ -       | \$ -            | \$ -              | \$ -   |
| 2. Prior Year end           |            |                 |                   |  |
| (a) Debt                    | \$ 500,000 | \$ 500,000      | \$ -              | XXX  |
| (b) Funding Agreements      | \$ -       | \$ -            | \$ -              | \$ -   |
| (c) Other                   | \$ -       | \$ -            | \$ -              | XXX  |
| (d) Aggregate Total (a+b+c) | \$ 500,000 | \$ 500,000      | \$ -              | \$ -   |

b. Maximum Amount During Reporting Period (Current Year)

|                            | 1            | 2               | 3                 |
|----------------------------|--------------|-----------------|-------------------|
|                            | Total 2+3    | General Account | Separate Accounts |
| 1. Debt                    | \$ 3,000,000 | \$ 3,000,000    | \$ -              |
| 2. Funding Agreements      | \$ -         | \$ -            | \$ -              |
| 3. Other                   | \$ -         | \$ -            | \$ -              |
| 4. Aggregate Total (1+2+3) | \$ 3,000,000 | \$ 3,000,000    | \$ -              |

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

|                       | Does the company have<br>prepayment obligations under the<br>following arrangements<br>(YES/NO)? |    |
|-----------------------|--|----|
|                       | 1  | 2  |
| 1. Debt               | No   | No |
| 2. Funding Agreements | No   | No |
| 3. Other              | No   | No |

**NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans** - not applicable.

**NOTE 13 Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- (1) The Company has no common or preferred stock authorized, issued or outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (9) Not applicable.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses \$ 2,543,455
- (11) The Company has not Surplus Notes outstanding at December 31, 2018.
- (12) The impact of any restatement due to prior quasi-reorganizations is as follows - not applicable.
- (13) Not applicable.

**NOTE 14 Liabilities, Contingencies and Assessments**

A. Contingent Commitments - not applicable.

B. Assessments

- (1) Where Amount is Unknown - not applicable.  
Where Amount is Known - not applicable.
- (2) a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end - not applicable.

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**NOTES TO FINANCIAL STATEMENTS**

(3) The Company has not accrued a liability for guaranty fund assessments. No assessment is anticipated for 2018.

- C. Gain Contingencies - not applicable.
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits - not applicable.
- E. Product Warranties - not applicable.
- F. Joint and Several Liabilities - not applicable.
- G. All Other Contingencies

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 assets that it considers to be impaired.

**NOTE 15 Leases**

- A. Lesse Operating Lease - not applicable.
- B. Lessor Leases - not applicable.

**NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk** - not applicable.

**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

The Company does not utilize wash sales to enhance the yield on its investment portfolio.

**NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A. ASO Plans:  
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2018:

|   | 1               | 2                    | 3             |
|---|-----------------|----------------------|---------------|
|   | ASO             | Uninsured Portion    | Total ASO     |
|   | Uninsured Plans | of Partially Insured | Plans         |
| a. Net reimbursement for administrative Expenses (including administrative fees) in excess of actual expenses | \$ -            | \$ -                 | \$ -          |
| b. Total net other income or expenses (including interest paid to or received from plans)                     | \$ (17,463)     | \$ -                 | \$ (17,463)   |
| c. Net gain or (loss) from operations   | \$ (17,463)     | \$ -                 | \$ (17,463)   |
| d. Total claim payment volume   | \$ 20,324,133   | \$ -                 | \$ 20,324,133 |

- B. ASC Plans - not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract - not applicable.

**NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators** - not applicable.

**NOTE 20 Fair Value Measurements**

- A. 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 preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent

Level 3 - Significant Unobservable Inputs: This category for items measured at fair value on a recurring basis includes bonds and preferred stocks which are not exchange-traded.

(1) Fair Value Measurements at Reporting Date

| Description for each class of asset or liability | (Level 1)            | (Level 2)           | (Level 3)   | Net Asset Value (NAV) | Total                |
|--|----------------------|---------------------|-------------|-----------------------|----------------------|
| <b>a. Assets at fair value</b>                   |                      |                     |             |                       |                      |
| Cash Equivalent - MMF                            | \$ 10,710,861        | \$ -                | \$ -        | \$ -                  | \$ 10,710,861        |
| Long Term - Indust & Misc                        | \$ -                 | \$ 3,222,467        | \$ -        | \$ -                  | \$ 3,222,467         |
| Common Stock - Indust & Misc                     | \$ -                 | \$ 142,900          | \$ -        | \$ -                  | \$ 142,900           |
| Common Stock - Mutual Funds                      | \$ 1,278,371         | \$ -                | \$ -        | \$ -                  | \$ 1,278,371         |
| <b>Total assets at fair value/NAV</b>            | <b>\$ 11,989,232</b> | <b>\$ 3,365,367</b> | <b>\$ -</b> | <b>\$ -</b>           | <b>\$ 15,354,599</b> |

| Description for each class of asset or liability | (Level 1)   | (Level 2)   | (Level 3)   | Net Asset Value (NAV) | Total       |
|--|-------------|-------------|-------------|-----------------------|-------------|
| <b>b. Liabilities at fair value</b>              |             |             |             |                       |             |
| <b>Total liabilities at fair value</b>           | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>           | <b>\$ -</b> |

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

| Description         | Beginning Balance at 01/01/2018 | 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 12/31/2018 |
|---------------------|---------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
| <b>a. Assets</b>    |                                 |                        |                          |   |  |           |           |       |             |                              |
| <b>Total Assets</b> | \$ -                            | \$ -                   | \$ -                     | \$ -  | \$ -   | \$ -      | \$ -      | \$ -  | \$ -        | \$ -                         |

| Description              | Beginning Balance at 01/01/2018 | 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 12/31/2018 |
|--------------------------|---------------------------------|------------------------|--------------------------|---|--|-----------|-----------|-------|-------------|------------------------------|
| <b>a. Liabilities</b>    |                                 |                        |                          |   |  |           |           |       |             |                              |
| <b>Total Liabilities</b> | \$ -                            | \$ -                   | \$ -                     | \$ -  | \$ -   | \$ -      | \$ -      | \$ -  | \$ -        | \$ -                         |

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

At the end of each reporting period, the Company evaluates if any event has occurred or circumstances have changed that would cause an instrument to be transferred into



**NOTES TO FINANCIAL STATEMENTS**

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted market prices for similar instruments in an inactive market were utilized or quoted market prices for similar instruments in an active market were utilized via matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Bonds carried at fair value categorized as Level 3 were valued using an income approach. These valuations were determined to be Level 3 valuations as the price was based on unobservable market data because the bonds are trading in an inactive market. The bonds were valued using present value techniques. In 2017, no bonds were categorized as Level 3. Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for similar instruments in an active market were utilized via matrix pricing as described above. Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted market prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted market prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

(5) Derivative Assets and Liabilities - not applicable.

B. Not applicable.

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)     | (Level 2)     | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|---------------|---------------|-----------|-----------------------|----------------------------------|
| Exempt MM Mutual Fund        | \$ 1,278,371         | \$ 1,278,371    | \$ 1,278,371  | \$ -          | \$ -      | \$ -                  | \$ -                             |
| Hybrid Securities            | \$ 282,238           | \$ 272,251      | \$ -          | \$ 282,238    | \$ -      | \$ -                  | \$ -                             |
| Indust. & Misc.              | \$ 64,803,801        | \$ 65,531,810   | \$ -          | \$ 64,803,801 | \$ -      | \$ -                  | \$ -                             |
| Mutual Funds                 | \$ 10,710,861        | \$ 10,710,861   | \$ 10,710,861 | \$ -          | \$ -      | \$ -                  | \$ -                             |
| Political Subdivision        | \$ 2,172,307         | \$ 1,969,285    | \$ -          | \$ 2,172,307  | \$ -      | \$ -                  | \$ -                             |
| Special Rev./Assess. Oblig.  | \$ 11,300,622        | \$ 11,149,813   | \$ -          | \$ 11,300,622 | \$ -      | \$ -                  | \$ -                             |
| Open Depositories            | \$ 216,074           | \$ 216,074      | \$ 216,074    | \$ -          | \$ -      | \$ -                  | \$ -                             |
| States, Terr. & Poss.        | \$ 556,945           | \$ 500,000      | \$ -          | \$ 556,945    | \$ -      | \$ -                  | \$ -                             |
| Unknown                      | \$ 2,413             | \$ 2,413        | \$ 2,413      | \$ -          | \$ -      | \$ -                  | \$ -                             |
| US Government                | \$ 7,789,485         | \$ 7,980,552    | \$ -          | \$ 7,789,485  | \$ -      | \$ -                  | \$ -                             |

D. Not Practicable to Estimate Fair Value - not applicable.

**NOTE 21 Other Items**

A. Unusual or Infrequent 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) Not applicable.

(2) Direct exposure through investments in subprime mortgage loans - not applicable.

(3) Direct exposure through other investments.

|   | (1)<br>Actual Cost | (2)<br>Book/Adjusted Carrying Value (excluding interest) | (3)<br>Fair Value | (4)<br>Other-Than-Temporary Impairment Losses Recognized |
|---|--------------------|--|-------------------|--|
| a. Residential mortgage backed securities | \$ 250,708         | \$ 250,589   | \$ 253,826        | \$ -   |
| b. Commercial mortgage backed securities  | \$ -               | \$ -   | \$ -              | \$ -   |
| c. Collateralized debt obligations        | \$ -               | \$ -   | \$ -              | \$ -   |
| d. Structured securities                  | \$ -               | \$ -   | \$ -              | \$ -   |
| e. Equity investment in SCAs *            | \$ -               | \$ -   | \$ -              | \$ -   |
| f. Other assets                           | \$ -               | \$ -   | \$ -              | \$ -   |
| g. Total                                  | \$ 250,708         | \$ 250,589   | \$ 253,826        | \$ -   |

\* These investments comprise 0.002 % of the companies invested assets.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - not applicable.

G. Insurance-Linked Securities (ILS) Contracts - not applicable.

**NOTE 22 Events Subsequent**

Type II - Nonrecognized Subsequent Events:

|  | Current Year | Prior Year |
|--|--------------|------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? | No           |            |
| B. ACA fee assessment payable for the upcoming year  | \$ -         | \$ -       |
| C. ACA fee assessment paid   | \$ -         | \$ -       |
| D. Premium written subject to ACA 9010 assessment  | \$ -         | \$ -       |
| E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)   | \$ -         | \$ -       |
| F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)  | \$ -         | \$ -       |
| G. Authorized Control Level (Five-Year Historical Line 29)   | \$ -         | \$ -       |
| H. Would reporting the ACA assessment as of Dec. 31, 2018 have triggered an RBC action level (YES/NO)?   | No           |            |

**NOTE 23 Reinsurance**

A. Unsecured Reinsurance Recoverables - not applicable.

B. Reinsurance Recoverable in Dispute - not applicable.

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
NOTES TO FINANCIAL STATEMENTS**

C. Reinsurance Assumed and Ceded

| (1)                                | Assumed Reinsurance    |                          | Ceded Reinsurance      |                          | Net                    |                          |
|------------------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
|                                    | (1)<br>Premium Reserve | (2)<br>Commission Equity | (3)<br>Premium Reserve | (4)<br>Commission Equity | (5)<br>Premium Reserve | (6)<br>Commission Equity |
| a. Affiliates                      | \$ -                   | \$ -                     | \$ -                   | \$ -                     | \$ -                   | \$ -                     |
| b. All Other                       | \$ -                   | \$ -                     | \$ 623,488             | \$ 13,805                | \$ (623,488)           | \$ (13,805)              |
| c. Total                           | \$ -                   | \$ -                     | \$ 623,488             | \$ 13,805                | \$ (623,488)           | \$ (13,805)              |
| d. Direct Unearned Premium Reserve |                        |                          |                        |                          |                        | \$ 6,111,594             |

(2) Not applicable.

(3) Not applicable.

D. Uncollectible Reinsurance - not applicable.

E. Commutation of Reinsurance Reflected in Income and Expenses - not applicable.

F. Retroactive Reinsurance - not applicable.

G. Reinsurance Accounted for as a Deposit - not applicable.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements - not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - not applicable.

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination** - not applicable.

**NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses**

A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$7,308,000 in 2018 as a result of re-estimation of unpaid losses and loss adjustment expenses on medical professional and other liability lines of business. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company does not write retrospectively rated policies.

B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

**NOTE 26 Intercompany Pooling Arrangements** - not applicable.

**NOTE 27 Structured Settlements** - not applicable.

**NOTE 28 Health Care Receivables** - not applicable.

**NOTE 29 Participating Policies** - not applicable.

**NOTE 30 Premium Deficiency Reserves**

|   |                  |
|---|------------------|
| 1. Liability carried for premium deficiency reserves              | \$ -             |
| 2. Date of the most recent evaluation of this liability           | 12/31/2018       |
| 3. Was anticipated investment income utilized in the calculation? | Yes [ ] No [ X ] |

**NOTE 31 High Deductibles**

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

(1) Counter Party Exposure Recorded on Unpaid Claims and Billed Recoverables on Paid Claims

| 1<br>Annual Statement<br>Line of Business | 2<br>Gross (of High<br>Deductible) Loss<br>Reserves | 3<br>Reserve Credit for<br>High Deductibles | 4<br>Billed<br>Recoverables on<br>Paid Claims | 5<br>Total High<br>Deductibles and<br>Billed<br>Recoverables<br>(Col 3 + Col 4) |
|---|---|---|---|---|
| Medical Professional Liability            | \$ 16,823,459                                       | \$ 12,628,459                               | \$ 518,805                                    | \$ 13,147,264   |
| <b>Total</b>                              | <b>\$ 16,823,459</b>                                | <b>\$ 12,628,459</b>                        | <b>\$ 518,805</b>                             | <b>\$ 13,147,264</b>  |

NOTE: For Column 1 – Annual Statement Line of Business (ASL), provide both the line number and description in the column. (e.g., 11.1 Medical Professional Liability – Occurrence). The ASL number should be provided before the ASL description.

(2) Unsecured Amounts of High Deductibles

|   |               |
|---|---------------|
| a. Total high deductibles and billed recoverables on paid claims (Should equal total line for Column 5 for A(1) above)  | \$ 13,147,264 |
| b. Collateral on balance sheet (Must be equal to or greater than zero)  | \$ -          |
| c. Collateral off balance sheet (Must be equal to or greater than zero)   | \$ -          |
| d. Total unsecured deductibles and billed recoverables on paid claims d=a-(b+c) (Must be equal to or greater than zero) | \$ 13,147,264 |
| e. Percentage unsecured   | 100.0%        |

(3) High Deductible Recoverables Amounts on Paid Claims

|  |      |
|--|------|
| a. Amount of overdue nonadmitted (either due to aging or collateral) | \$ - |
| b. Total over 90 days overdue admitted                               | \$ - |
| c. Total overdue (a+b)   | \$ - |

(4) The Deductible Amounts for the Highest Ten Unsecured High Deductible Policies - not applicable.

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which Are Greater Than 1% of Capital and Surplus. For this purpose, a group of entities under common control shall be regarded as a single customer - not applicable.

**NOTE 32 Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses** - not applicable.

**NOTE 33 Asbestos/Environmental Reserves**

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? No

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss & LAE) - not applicable.

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR) - not applicable.

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? No

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss & LAE) - not applicable.

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR) - not applicable.

## NOTES TO FINANCIAL STATEMENTS

---

**NOTE 34**    **Subscriber Savings Accounts**

At December 31, 2018, the Company has \$29,105,000 identified to subscriber savings accounts, all from company operations. Of this amount, \$950,000 is reported in Aggregate write-ins for liabilities (page 3, line 25) for amounts due to terminated policyholders. The balance identified to subscriber savings accounts, \$28,155,000 is reported in Unassigned funds (surplus) (page 3, line 35). The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Company.

**NOTE 35**    **Multiple Peril Crop Insurance** - not applicable.

**NOTE 36**    **Financial Guaranty Insurance** - not applicable.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
 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 [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Michigan
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 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 [ X ] No [ ]
- 2.2 If yes, date of change: ..... 03/31/2018
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2016
- 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. .... 12/31/2016
- 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). .... 01/22/2018
- 3.4 By what department or departments?  
 State of Michigan, Department of Insurance and Financial Services .....
- 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 [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
     4.11 sales of new business? ..... Yes [ ] No [ X ]  
     4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
     4.21 sales of new business? ..... Yes [ ] No [ X ]  
     4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.
- 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 Company 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 [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
 7.21 State the percentage of foreign control; ..... 0.0 %  
 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal 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?  
Andrews Hooper Pavlik PLC  
2311 E. Beltline Ave. STE 200  
Grand Rapids, MI 49546
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company ....
- 12.12 Number of parcels involved ..... 0
- 12.13 Total book/adjusted carrying value ..... \$ ..... 0
- 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 [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, 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<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>Amount |
|--|--------------------------------------|--|-------------|
|  |                                      |  |             |

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.11 To directors or other officers.....               | \$ ..... | 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 [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |          |   |
|---------------------------------|----------|---|
| 21.21 Rented from others.....   | \$ ..... | 0 |
| 21.22 Borrowed from others..... | \$ ..... | 0 |
| 21.23 Leased from others .....  | \$ ..... | 0 |
| 21.24 Other .....               | \$ ..... | 0 |
- 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 \$ ..... | 0 |
| 22.22 Amount paid as expenses .....                     | 0 |
| 22.23 Other amounts paid .....                          | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

**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)  
.....
- 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 ]

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

|  |          |   |
|--|----------|---|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....                   | \$ ..... | 0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... | \$ ..... | 0 |
| 24.103 Total payable for securities lending reported on the liability page .....                                       | \$ ..... | 0 |

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 [  ] 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 -<br>excluding FHLB Capital Stock ..... | \$ ..... | 0         |
| 25.27 FHLB Capital Stock .....   | \$ ..... | 142,900   |
| 25.28 On deposit with states .....   | \$ ..... | 308,389   |
| 25.29 On deposit with other regulatory bodies .....  | \$ ..... | 0         |
| 25.30 Pledged as collateral - excluding collateral pledged to<br>an FHLB .....                 | \$ ..... | 0         |
| 25.31 Pledged as collateral to FHLB - including assets<br>backing funding agreements .....     | \$ ..... | 4,618,979 |
| 25.32 Other .....  | \$ ..... | 0         |

25.3 For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  |             |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?..... Yes [  ] No [  ]

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 [  ]

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 [  ] No [  ]

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

| 1<br>Name of Custodian(s)                    | 2<br>Custodian's Address                                    |
|--|---|
| Fifth Third Bank .....                       | 5050 Kingsley Dr., Cincinnati, OH 45263 .....               |
| Federal Home Loan Bank of Indianapolis ..... | 8250 Woodfield Crossing Blvd., Indianapolis, IN 46240 ..... |

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<br>Name(s) | 2<br>Location(s) | 3<br>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 [  ]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual             | 2<br>Affiliation |
|---|------------------|
| Asset Allocation & Managment Co., LLC ..... | U.....           |
| Zazove/AAM Advisors .....                   | U.....           |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual             | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|---|------------------------------------|----------------------|---|
| 108975 .....                                   | Asset Allocation & Managment Co., LLC ..... | .....                              | .....                | NO.....   |
| 104751 .....                                   | Zazove/AAM Advisors .....                   | .....                              | .....                | NO.....   |

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #      | 2<br>Name of Mutual Fund   | 3<br>Book/Adjusted<br>Carrying Value |
|-------------------|----------------------------|--------------------------------------|
| 256210-10-5 ..... | DODGE & COX INCOME .....   | 2,009,381                            |
| 921943-80-9 ..... | VANGUARD DEV MKT ADM ..... | 1,972,406                            |
| 922908-30-6 ..... | VANGUARD TSM IDX INV ..... | 6,729,074                            |
| 29.2999 - Total   |                            | 10,710,861                           |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---|--|---|---------------------------|
| DODGE & COX INC MF .....                    | CHARTER COMMUNICATIONS, INC. ....                      | 54,253  | 12/31/2018 .....          |
| DODGE & COX INC MF .....                    | WELLS FARGO & Co. ....                                 | 40,188  | 12/31/2018 .....          |
| DODGE & COX INC MF .....                    | HSBC HOLDINGS PLC .....                                | 36,169  | 12/31/2018 .....          |
| DODGE & COX INC MF .....                    | PETROLEOS MEXICANOS .....                              | 36,169  | 12/31/2018 .....          |
| DODGE & COX INC MF .....                    | STATE OF CALIFORNIA GO .....                           | 34,159  | 12/31/2018 .....          |
| VANGUARD DVLDP MKT INDX CL ADMI MF .....    | ROYAL DUTCH SHELL PLC .....                            | 29,586  | 12/31/2018 .....          |
| VANGUARD DVLDP MKT INDX CL ADMI MF .....    | NESTLE SA .....  | 29,586  | 12/31/2018 .....          |
| VANGUARD DVLDP MKT INDX CL ADMI MF .....    | SAMSUNG ELECTRONICS CO LTD .....                       | 21,696  | 12/31/2018 .....          |
| VANGUARD DVLDP MKT INDX CL ADMI MF .....    | NOVARTIS AG .....                                      | 21,696  | 12/31/2018 .....          |
| VANGUARD DVLDP MKT INDX CL ADMI MF .....    | ROCHE HOLDING AG .....                                 | 21,696  | 12/31/2018 .....          |
| VANGRD INX TRS INX CL INV MF .....          | MICROSOFT CORP .....                                   | 208,601   | 12/31/2018 .....          |
| VANGRD INX TRS INX CL INV MF .....          | APPLE INC .....  | 181,685   | 12/31/2018 .....          |
| VANGRD INX TRS INX CL INV MF .....          | AMAZON.COM INC .....                                   | 168,227   | 12/31/2018 .....          |
| VANGRD INX TRS INX CL INV MF .....          | ALPHABET INC. ....                                     | 168,227   | 12/31/2018 .....          |
| VANGRD INX TRS INX CL INV MF .....          | BERKSHIRE HATHAWAY INC. ....                           | 107,665   | 12/31/2018 .....          |

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<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds .....            | 85,293,987                         | 84,796,149      | (497,838)   |
| 30.2 Preferred stocks ..... | 0                                  | 0               | 0   |
| 30.3 Totals                 | 85,293,987                         | 84,796,149      | (497,838)   |

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

Most securities are priced using IDC or NAIC-SVO .....

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 [ ] No [ X ]

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 [ ] 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 Investment Analysis Office been followed?..... Yes [ X ] No [ ]

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



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**GENERAL INTERROGATORIES**

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

**OTHER**

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

35.2 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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     | .....            |

36.1 Amount of payments for legal expenses, if any? .....\$ .....121,462

36.2 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<br>Name                  | 2<br>Amount Paid |
|----------------------------|------------------|
| Warner Norcross Judd ..... | 119,561          |
| .....                      | .....            |

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

37.2 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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     | .....            |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**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? ..... \$ 0  
 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. .... \$ 0

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    | ..... \$                                    | 0 |
| 1.62 Total incurred claims   | ..... \$                                    | 0 |
| 1.63 Number of covered lives | .....                                       | 0 |
|                              |   |   |
|                              | All years prior to most current three years |   |
| 1.64 Total premium earned    | ..... \$                                    | 0 |
| 1.65 Total incurred claims   | ..... \$                                    | 0 |
| 1.66 Number of covered lives | .....                                       | 0 |

1.7 Group policies:

|                              |   |   |
|------------------------------|---|---|
|                              | Most current three years:                   |   |
| 1.71 Total premium earned    | ..... \$                                    | 0 |
| 1.72 Total incurred claims   | ..... \$                                    | 0 |
| 1.73 Number of covered lives | .....                                       | 0 |
|                              |   |   |
|                              | All years prior to most current three years |   |
| 1.74 Total premium earned    | ..... \$                                    | 0 |
| 1.75 Total incurred claims   | ..... \$                                    | 0 |
| 1.76 Number of covered lives | .....                                       | 0 |

2. Health Test:

|                             | 1<br>Current Year | 2<br>Prior Year |
|-----------------------------|-------------------|-----------------|
| 2.1 Premium Numerator       | 0                 | 0               |
| 2.2 Premium Denominator     | 17,236,631        | 16,007,757      |
| 2.3 Premium Ratio (2.1/2.2) | 0.000             | 0.000           |
| 2.4 Reserve Numerator       | 0                 | 0               |
| 2.5 Reserve Denominator     | 51,624,721        | 49,746,982      |
| 2.6 Reserve Ratio (2.4/2.5) | 0.000             | 0.000           |

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     | ..... \$ | 0 |
| 3.22 Non-participating policies | ..... \$ | 0 |

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? ..... % 0.0

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 [ X ] No [ ]

5.2 If yes, is the commission paid:

|   |                                |
|---|--------------------------------|
| 5.21 Out of Attorney's-in-fact compensation | ..... Yes [ ] No [ X ] N/A [ ] |
| 5.22 As a direct expense of the exchange    | ..... Yes [ X ] No [ ] N/A [ ] |

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 Federal, State and Local taxes .....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ X ]

5.5 If yes, give full information  
 .....

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
The company does not insure for worker's compensation. ....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
The company's actuary occasionally uses a stochastic simulation to estimate the amount of variability in the book of business. This information is used in setting the company's net retention. ....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The company does not insure for property loss. ....
- 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 uninsured catastrophic loss.  
The reinsurance treaty for physicians excess of loss coverage covers over a limit per occurrence, regardless of the number of insured defendants. ....
- 7.1 Has this 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 ratio cap, an aggregate limit or any similar provisions)? ..... Yes [ ] No [ X ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ..... 0
- 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 [ ]
- 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 common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 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 reinsurances 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 [ ] No [ ] N/A [ X ]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]
- 11.2 If yes, give full information  
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses .....\$ .....0  
12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$ .....0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which 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 [ X ] N/A [ ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From .....0.0 %  
12.42 To .....0.0 %
- 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 [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit .....\$ .....0  
12.62 Collateral and other funds .....\$ .....0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): .....\$ .....0
- 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. ....0
- 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<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home .....       | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.12 Products .....   | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.13 Automobile ..... | 0                              | 0                            | 0                              | 0                               | 0                             |
| 16.14 Other* .....     | 0                              | 0                            | 0                              | 0                               | 0                             |

\* Disclose type of coverage:  
.....

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? ..... Yes [ ] No [ X ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

|  |          |   |
|--|----------|---|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance ..... | \$ ..... | 0 |
| 17.12 Unfunded portion of Interrogatory 17.11 .....  | \$ ..... | 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....   | \$ ..... | 0 |
| 17.14 Case reserves portion of Interrogatory 17.11 .....   | \$ ..... | 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11 .....   | \$ ..... | 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11 .....  | \$ ..... | 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11 .....   | \$ ..... | 0 |

18.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....0

18.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

18.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....0

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ ] No [ X ]

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ X ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

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

|   | 1<br>2018   | 2<br>2017   | 3<br>2016  | 4<br>2015  | 5<br>2014   |
|---|-------------|-------------|------------|------------|-------------|
| <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)  | 20,308,894  | 18,976,540  | 16,667,028 | 13,922,943 | 12,981,918  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0           | 0          | 0          | 0           |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0           | 0          | 0          | 0           |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0           | 0          | 0          | 0           |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0           | 0          | 0          | 0           |
| 6. Total (Line 35)  | 20,308,894  | 18,976,540  | 16,667,028 | 13,922,943 | 12,981,918  |
| <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)  | 17,196,458  | 16,588,422  | 14,652,406 | 11,968,647 | 11,247,823  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0           | 0          | 0          | 0           |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0           | 0          | 0          | 0           |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)  | 0           | 0           | 0          | 0          | 0           |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)   | 0           | 0           | 0          | 0          | 0           |
| 12. Total (Line 35)   | 17,196,458  | 16,588,422  | 14,652,406 | 11,968,647 | 11,247,823  |
| <b>Statement of Income (Page 4)</b>   |             |             |            |            |             |
| 13. Net underwriting gain (loss) (Line 8)   | 5,424,538   | (850,520)   | 1,685,063  | 1,534,395  | 3,138,604   |
| 14. Net investment gain or (loss) (Line 11)   | 3,805,113   | 3,745,312   | 2,486,917  | 3,019,769  | 3,147,465   |
| 15. Total other income (Line 15)  | (171,188)   | 487,569     | 112,136    | 81,835     | 2,350,869   |
| 16. Dividends to policyholders (Line 17)  | 0           | 0           | 0          | 0          | 0           |
| 17. Federal and foreign income taxes incurred (Line 19)   | 646,476     | (232,755)   | 407,566    | 157,513    | (22,776)    |
| 18. Net income (Line 20)  | 8,411,987   | 3,615,116   | 3,876,550  | 4,478,487  | 8,659,714   |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |             |             |            |            |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)   | 108,527,679 | 104,527,194 | 99,073,104 | 98,946,625 | 106,621,145 |
| 20. Premiums and considerations (Page 2, Col. 3)  |             |             |            |            |             |
| 20.1 In course of collection (Line 15.1)  | 407,350     | 521,837     | 1,023,995  | 864,963    | 536,781     |
| 20.2 Deferred and not yet due (Line 15.2)   | 1,817,064   | 1,873,291   | 1,814,977  | 1,384,898  | 1,441,789   |
| 20.3 Accrued retrospective premiums (Line 15.3)   | 0           | 0           | 0          | 0          | 0           |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)   | 55,589,711  | 55,583,054  | 48,411,990 | 48,451,364 | 51,848,056  |
| 22. Losses (Page 3, Line 1)   | 28,616,222  | 26,576,026  | 22,324,086 | 21,035,410 | 21,386,668  |
| 23. Loss adjustment expenses (Page 3, Line 3)   | 17,523,409  | 17,645,693  | 17,415,882 | 16,617,921 | 16,371,837  |
| 24. Unearned premiums (Page 3, Line 9)  | 5,485,090   | 5,525,263   | 4,944,598  | 3,823,233  | 3,589,731   |
| 25. Capital paid up (Page 3, Lines 30 & 31)   | 0           | 0           | 0          | 0          | 0           |
| 26. Surplus as regards policyholders (Page 3, Line 37)  | 52,937,968  | 48,944,140  | 50,661,115 | 50,495,261 | 54,773,089  |
| <b>Cash Flow (Page 5)</b>   |             |             |            |            |             |
| 27. Net cash from operations (Line 11)  | 7,849,747   | 7,160,746   | 6,615,947  | 3,895,775  | 4,165,181   |
| <b>Risk-Based Capital Analysis</b>  |             |             |            |            |             |
| 28. Total adjusted capital  | 52,937,968  | 48,944,140  | 50,819,210 | 50,495,261 | 54,773,089  |
| 29. Authorized control level risk-based capital   | 4,338,090   | 4,689,562   | 4,568,154  | 4,196,025  | 4,385,830   |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |             |             |            |            |             |
| 30. Bonds (Line 1)  | 81.3        | 81.4        | 83.1       | 83.1       | 76.4        |
| 31. Stocks (Lines 2.1 & 2.2)  | 10.3        | 15.0        | 14.5       | 14.4       | 12.9        |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2)   | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)  | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 34. Cash, cash equivalents and short-term investments (Line 5)  | 7.2         | 3.6         | 2.4        | 2.5        | 10.7        |
| 35. Contract loans (Line 6)   | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 36. Derivatives (Line 7)  | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 37. Other invested assets (Line 8)  | 1.1         | 0.0         | 0.0        | 0.0        | 0.0         |
| 38. Receivables for securities (Line 9)   | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 39. Securities lending reinvested collateral assets (Line 10)   | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 40. Aggregate write-ins for invested assets (Line 11)   | 0.0         | 0.0         | 0.0        | 0.0        | 0.0         |
| 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 (Schedule D, Summary, Line 12, Col. 1)   | 0           | 0           | 0          | 0          | 0           |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)  | 0           | 0           | 0          | 0          | 0           |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)   | 0           | 0           | 0          | 0          | 0           |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)   | 0           | 0           | 0          | 0          | 0           |
| 46. Affiliated mortgage loans on real estate  | 0           | 0           | 0          | 0          | 0           |
| 47. All other affiliated  | 0           | 0           | 0          | 0          | 0           |
| 48. Total of above Lines 42 to 47   | 0           | 0           | 0          | 0          | 0           |
| 49. Total Investment in Parent included in Lines 42 to 47 above   | 0           | 0           | 0          | 0          | 0           |
| 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         |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

(Continued)

|  | 1<br>2018   | 2<br>2017   | 3<br>2016 | 4<br>2015   | 5<br>2014 |
|--|-------------|-------------|-----------|-------------|-----------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |             |             |           |             |           |
| 51. Net unrealized capital gains (losses) (Line 24)  | (1,604,737) | 1,508,007   | 791,212   | (675,514)   | 224,842   |
| 52. Dividends to stockholders (Line 35)  | 0           | 0           | 0         | 0           | 0         |
| 53. Change in surplus as regards policyholders for the year (Line 38)  | 3,993,828   | (1,716,974) | 165,853   | (4,277,827) | 2,159,683 |
| <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)  | 4,078,392   | 8,580,495   | 3,911,295 | 4,430,782   | 3,840,347 |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0           | 0         | 0           | 0         |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0           | 0         | 0           | 0         |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0           | 0         | 0           | 0         |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0           | 0         | 0           | 0         |
| 59. Total (Line 35)  | 4,078,392   | 8,580,495   | 3,911,295 | 4,430,782   | 3,840,347 |
| <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)  | 4,078,392   | 6,080,495   | 3,911,295 | 4,430,782   | 3,840,347 |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26)  | 0           | 0           | 0         | 0           | 0         |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)  | 0           | 0           | 0         | 0           | 0         |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)   | 0           | 0           | 0         | 0           | 0         |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33)  | 0           | 0           | 0         | 0           | 0         |
| 65. Total (Line 35)  | 4,078,392   | 6,080,495   | 3,911,295 | 4,430,782   | 3,840,347 |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>   |             |             |           |             |           |
| 66. Premiums earned (Line 1)   | 100.0       | 100.0       | 100.0     | 100.0       | 100.0     |
| 67. Losses incurred (Line 2)   | 35.5        | 64.5        | 38.4      | 34.8        | 21.9      |
| 68. Loss expenses incurred (Line 3)  | 19.9        | 27.9        | 36.5      | 38.4        | 29.0      |
| 69. Other underwriting expenses incurred (Line 4)  | 13.1        | 12.8        | 12.6      | 13.7        | 22.6      |
| 70. Net underwriting gain (loss) (Line 8)  | 31.5        | (5.3)       | 12.5      | 13.1        | 26.6      |
| <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)   | 14.1        | 9.4         | 10.9      | 12.8        | 2.8       |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)   | 55.4        | 92.5        | 74.9      | 73.2        | 50.9      |
| 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)   | 32.5        | 33.9        | 28.9      | 23.7        | 20.5      |
| <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)   | (7,308)     | (108)       | (2,957)   | (3,275)     | (5,061)   |
| 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 100.0)                 | (14.9)      | (0.2)       | (5.9)     | (6.0)       | (9.6)     |
| <b>Two Year Loss Development (\$000 omitted)</b>   |             |             |           |             |           |
| 76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)                       | (6,277)     | (6,700)     | (5,745)   | (8,083)     | (8,534)   |
| 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) | (12.4)      | (13.3)      | (10.5)    | (15.4)      | (16.8)    |

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



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Michigan

DURING THE YEAR 2018

NAIC Company Code 31429

Table with 12 columns: Line of Business, Direct Premiums Written, Direct Premiums Earned, Dividends Paid or Credited to Policyholders on Direct Business, Direct Unearned Premium Reserves, Direct Losses Paid (deducting salvage), Direct Losses Incurred, Direct Losses Unpaid, Direct Defense and Cost Containment Expense Paid, Direct Defense and Cost Containment Expense Incurred, Direct Defense and Cost Containment Expense Unpaid, Commissions and Brokerage Expenses, Taxes, Licenses and Fees. Rows include various insurance categories like Fire, Multiple peril crop, Federal flood, etc., ending with a TOTALS row.

(a) Finance and service charges not included in Lines 1 to 35 \$ 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0

19.MI





ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

NAIC Group Code 0000

BUSINESS IN THE STATE OF Grand Total

DURING THE YEAR 2018

NAIC Company Code 31429

| Line of Business  | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken |                             | 3<br>Dividends Paid or Credited to Policyholders on Direct Business | 4<br>Direct Unearned Premium Reserves | 5<br>Direct Losses Paid (deducting salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Direct Defense and Cost Containment Expense Paid | 9<br>Direct Defense and Cost Containment Expense Incurred | 10<br>Direct Defense and Cost Containment Expense Unpaid | 11<br>Commissions and Brokerage Expenses | 12<br>Taxes, Licenses and Fees |
|---|---|-----------------------------|---|---------------------------------------|---|-----------------------------|---------------------------|---|---|--|--|--------------------------------|
|   | 1<br>Direct Premiums Written  | 2<br>Direct Premiums Earned |   |                                       |   |                             |                           |   |   |  |  |                                |
| 1. Fire .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.1 Allied lines .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.2 Multiple peril crop .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.3 Federal flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.4 Private crop .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 2.5 Private flood .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 3. Farmowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 4. Homeowners multiple peril .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.1 Commercial multiple peril (non-liability portion) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 5.2 Commercial multiple peril (liability portion) .....                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 6. Mortgage guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 8. Ocean marine .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 9. Inland marine .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 10. Financial guaranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 11. Medical professional liability .....                                  | 20,077,568  | 19,750,894                  | .0  | 4,223,405                             | 4,107,806                                   | 7,828,743                   | 34,402,654                | 2,379,751   | 2,516,880   | 7,297,357  | 330,102                                  | 315,366                        |
| 12. Earthquake .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 13. Group accident and health (b) .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 14. Credit accident and health (group and individual) .....               | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.1 Collectively renewable accident and health (b) .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.2 Non-cancelable accident and health(b) .....                          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.3 Guaranteed renewable accident and health(b) .....                    | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.4 Non-renewable for stated reasons only (b) .....                      | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.5 Other accident only .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.6 Medicare Title XVIII exempt from state taxes or fees .....           | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.7 All other accident and health (b) .....                              | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 15.8 Federal employees health benefits plan premium (b) .....             | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 16. Workers' compensation .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 17.1 Other Liability - occurrence .....                                   | 72,367  | 69,790                      | .0  | 14,918                                | 7,020                                       | 31,024                      | 124,642                   | (11,231)  | 2,571   | 87,249   | .0                                       | 1,137                          |
| 17.2 Other Liability - claims made .....                                  | 158,959   | 157,898                     | .0  | 39,271                                | (36,434)                                    | 1,643                       | 140,663                   | (8,512)   | 18,142  | 98,464   | .0                                       | 2,497                          |
| 17.3 Excess workers' compensation .....                                   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 18. Products liability .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.1 Private passenger auto no-fault (personal injury protection) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.2 Other private passenger auto liability .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.3 Commercial auto no-fault (personal injury protection) .....          | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 19.4 Other commercial auto liability .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.1 Private passenger auto physical damage .....                         | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 21.2 Commercial auto physical damage .....                                | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 22. Aircraft (all perils) .....   | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 23. Fidelity .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 24. Surety .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 26. Burglary and theft .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 27. Boiler and machinery .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 28. Credit .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 30. Warranty .....  | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 34. Aggregate write-ins for other lines of business .....                 | .0  | .0                          | .0  | .0                                    | .0  | .0                          | .0                        | .0  | .0  | .0   | .0                                       | .0                             |
| 35. TOTALS (a) .....  | 20,308,894  | 19,978,582                  | 0   | 4,277,594                             | 4,078,392                                   | 7,861,410                   | 34,667,959                | 2,360,008   | 2,537,593   | 7,483,070  | 330,102                                  | 319,000                        |
| <b>DETAILS OF WRITE-INS</b>   |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3401. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3402. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3403. ....  |   |                             |   |                                       |   |                             |                           |   |   |  |  |                                |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... | .0  | .0                          | .0  | .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   | 0  | 0  | 0                              |

(a) Finance and service charges not included in Lines 1 to 35 \$ .....

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

19 GT

Schedule F - Part 1 - Assumed Reinsurance

**NONE**

Schedule F - Part 2 - Premium Portfolio Reinsurance Effected or (Canceled)

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

| 1<br>ID<br>Number   | 2<br>NAIC<br>Com-<br>pany<br>Code | 3<br>Name of Reinsurer           | 4<br>Domiciliary<br>Jurisdiction | 5<br>Special<br>Code | 6<br>Reinsurance<br>Premiums<br>Ceded | Reinsurance Recoverable On |                  |                                     |                                     |                                |                               |                            |                                      |   |                                    | 16<br>Amount in<br>Dispute<br>included in<br>Column 15 | Reinsurance Payable                            |   | 19<br>Net Amount<br>Recoverable<br>From<br>Reinsurers<br>Cols. 15 -<br>[17 + 18] | 20<br>Funds Held<br>by<br>Company<br>Under<br>Reinsurance<br>Treaties |       |   |   |   |
|---|-----------------------------------|----------------------------------|----------------------------------|----------------------|---------------------------------------|----------------------------|------------------|-------------------------------------|-------------------------------------|--------------------------------|-------------------------------|----------------------------|--------------------------------------|---|------------------------------------|--|--|---|--|---|-------|---|---|---|
|   |                                   |                                  |                                  |                      |                                       | 7<br>Paid<br>Losses        | 8<br>Paid<br>LAE | 9<br>Known<br>Case Loss<br>Reserves | 10<br>Known<br>Case LAE<br>Reserves | 11<br>IBNR<br>Loss<br>Reserves | 12<br>IBNR<br>LAE<br>Reserves | 13<br>Unearned<br>Premiums | 14<br>Contingent<br>Commis-<br>sions | 15<br>Columns<br>7 through<br>14 Totals | 17<br>Ceded<br>Balances<br>Payable |  | 18<br>Other<br>Amounts<br>Due to<br>Reinsurers |   |  |   |       |   |   |   |
| 0499999. Total Authorized - Affiliates - U.S. Non-Pool  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 0799999. Total Authorized - Affiliates - Other (Non-U.S.)   |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 0899999. Total Authorized - Affiliates  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 13-2673100  | 22039                             | GENERAL REINS CORP               | DE                               |                      | 267                                   | 0                          | 0                | 0                                   | 0                                   | 106                            | 74                            | 54                         | 0                                    | 234                                     | 0                                  | 27   | 0  | 0 | 207  | 0   |       |   |   |   |
| 13-3138390  | 42307                             | Navigators Insurance Company     | NY                               |                      | 0                                     | 0                          | 0                | 0                                   | 0                                   | 102                            | 72                            | 0                          | 0                                    | 174                                     | 0                                  | 0  | 0  | 0 | 174  | 0   |       |   |   |   |
| 13-4924125  | 10227                             | Munich Reinsurance America Inc   | DE                               |                      | 668                                   | 0                          | 0                | 0                                   | 0                                   | 519                            | 364                           | 135                        | 0                                    | 1,018                                   | 0                                  | 66   | 0  | 0 | 952  | 0   |       |   |   |   |
| 13-5616275  | 19453                             | TRANSATLANTIC REINS CO           | NY                               |                      | 267                                   | 0                          | 0                | 0                                   | 0                                   | 106                            | 74                            | 54                         | 0                                    | 234                                     | 0                                  | 27   | 0  | 0 | 207  | 0   |       |   |   |   |
| 42-0635534  | 15865                             | NCMIC Insurance Company          | IA                               |                      | 668                                   | 0                          | 0                | 0                                   | 365                                 | 1,544                          | 1,080                         | 135                        | 0                                    | 3,124                                   | 0                                  | 67   | 0  | 0 | 3,057  | 0   |       |   |   |   |
| 47-0574325  | 32603                             | Berkley Insurance Company        | DE                               |                      | 0                                     | 0                          | 0                | 0                                   | 0                                   | 254                            | 178                           | 0                          | 0                                    | 432                                     | 0                                  | 0  | 0  | 0 | 432  | 0   |       |   |   |   |
| 84-0948519  | 11860                             | COPIC INS CO                     | CO                               |                      | 401                                   | 0                          | 0                | 0                                   | 0                                   | 159                            | 112                           | 81                         | 0                                    | 352                                     | 0                                  | 40   | 0  | 0 | 312  | 0   |       |   |   |   |
| 91-1160717  | 40738                             | Physicians Insurance a Mutual Co | WA                               |                      | 401                                   | 0                          | 0                | 0                                   | 0                                   | 312                            | 219                           | 81                         | 0                                    | 612                                     | 0                                  | 40   | 0  | 0 | 572  | 0   |       |   |   |   |
| 31-1024978  | 41297                             | Scottsdale Insurance Company     | OH                               |                      | 0                                     | 0                          | 0                | 0                                   | 0                                   | 52                             | 36                            | 0                          | 0                                    | 88                                      | 0                                  | 0  | 0  | 0 | 88   | 0   |       |   |   |   |
| 35-0506406  | 11843                             | Medical Protective Co            | IN                               | 2                    | 329                                   | 0                          | 0                | 0                                   | 0                                   | 414                            | 290                           | 83                         | 0                                    | 787                                     | 0                                  | 0  | 0  | 0 | 787  | 0   |       |   |   |   |
| 95-2371728  | 22667                             | Ace American Insurance Company   | PA                               | 2                    | 0                                     | 0                          | 0                | 2,000                               | 0                                   | 482                            | 338                           | 0                          | 0                                    | 2,820                                   | 0                                  | 0  | 0  | 0 | 2,820  | 0   |       |   |   |   |
| 0999999. Total Authorized - Other U.S. Unaffiliated Insurers  |                                   |                                  |                                  |                      |                                       | 3,001                      | 0                | 0                                   | 2,000                               | 365                            | 4,050                         | 2,837                      | 623                                  | 0                                       | 9,875                              | 0  | 267  | 0 | 0  | 9,608   | 0     |   |   |   |
| AA-1126510  | 00510                             | Tokio Marine Kiln                | GBR                              |                      | 40                                    | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 3  | 0  | 0 | (3)  | 0   |       |   |   |   |
| AA-1120096  | 01880                             | Tokio Marine Kiln                | GBR                              |                      | 48                                    | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 4  | 0  | 0 | (4)  | 0   |       |   |   |   |
| AA-1120086  | 04141                             | Tokio Marine HCC                 | GBR                              |                      | 22                                    | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 1  | 0  | 0 | (1)  | 0   |       |   |   |   |
| 1299999. Total Authorized - Other Non-U.S. Insurers   |                                   |                                  |                                  |                      |                                       | 110                        | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 8  | 0  | 0 | (8)  | 0   |       |   |   |   |
| 1499999. Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)           |                                   |                                  |                                  |                      |                                       | 3,111                      | 0                | 0                                   | 2,000                               | 365                            | 4,050                         | 2,837                      | 623                                  | 0                                       | 9,875                              | 0  | 275  | 0 | 0  | 9,600   | 0     |   |   |   |
| 1899999. Total Unauthorized - Affiliates - U.S. Non-Pool  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 2199999. Total Unauthorized - Affiliates - Other (Non-U.S.)   |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 2299999. Total Unauthorized - Affiliates  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 |   |   |
| 2899999. Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)         |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 |   |
| 3299999. Total Certified - Affiliates - U.S. Non-Pool   |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 |   |
| 3599999. Total Certified - Affiliates - Other (Non-U.S.)  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 |   |
| 3699999. Total Certified - Affiliates   |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 |   |
| 4299999. Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)            |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 | 0 |
| 4399999. Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) |                                   |                                  |                                  |                      |                                       | 3,111                      | 0                | 0                                   | 2,000                               | 365                            | 4,050                         | 2,837                      | 623                                  | 0                                       | 9,875                              | 0  | 275  | 0 | 0  | 0   | 9,600 | 0 | 0 |   |
| 4499999. Total Protected Cells (Sum of 1399999, 2799999 and 4199999)  |                                   |                                  |                                  |                      |                                       | 0                          | 0                | 0                                   | 0                                   | 0                              | 0                             | 0                          | 0                                    | 0                                       | 0                                  | 0  | 0  | 0 | 0  | 0   | 0     | 0 | 0 | 0 |
| 9999999 Totals  |                                   |                                  |                                  |                      |                                       | 3,111                      | 0                | 0                                   | 2,000                               | 365                            | 4,050                         | 2,837                      | 623                                  | 0                                       | 9,875                              | 0  | 275  | 0 | 0  | 9,600   | 0     | 0 |   |   |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3 (Continued)**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)  
(Credit Risk)

| ID Number From Col. 1   | Name of Reinsurer From Col. 3 | Collateral                        |                         |   |  | 25<br>Total Funds Held, Payables & Collateral | 26<br>Net Recoverable Net of Funds Held & Collateral | 27<br>Applicable Sch. F Penalty (Col. 78) | Ceded Reinsurance Credit Risk   |   |   |  |   |  |  |   |  |
|---|-------------------------------|-----------------------------------|-------------------------|---|--|---|--|---|---|---|---|--|---|--|--|---|--|
|   |                               | 21<br>Multiple Beneficiary Trusts | 22<br>Letters of Credit | 23<br>Issuing or Confirming Bank Reference Number | 24<br>Single Beneficiary Trusts & Other Allowable Collateral |   |  |   | 28<br>Total Amount Recoverable from Reinsurers Less Penalty (Cols. 15-27) | 29<br>Stressed Recoverable (Col. 28 * 120%) | 30<br>Reinsurance Payable & Funds Held (Cols. 17+18+20; but not in excess of Col. 29) | 31<br>Stressed Net Recoverable (Cols. 29-30) | 32<br>Total Collateral (Cols. 21+22 + 24, not in Excess of Col. 31) | 33<br>Stressed Net Recoverable Net of Collateral Offsets (Cols. 31-32) | 34<br>Reinsurer Designation Equivalent | 35<br>Credit Risk on Collateralized Recoverables (Col. 32 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34) | 36<br>Credit Risk on Un-collateralized Recoverables (Col. 33 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34) |
| 0499999. Total Authorized - Affiliates - U.S. Non-Pool  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | XXX                                       | XXX   | XXX   | XXX   | XXX  | XXX   | XXX  | XXX                                    | XXX   |  |
| 0799999. Total Authorized - Affiliates - Other (Non-U.S.)   |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 0899999. Total Authorized - Affiliates  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 13-2673100 GENERAL REINS CORP   |                               | 0                                 | 0                       |   | 0  | 27  | 207  | 0   | 234   | 281   | 27  | 254  | 0   | 254  | 1                                      | 9   |  |
| 13-3138390 Navigators Insurance Company   |                               | 0                                 | 0                       |   | 0  | 0   | 174  | 0   | 174   | 209   | 0   | 209  | 0   | 209  | 3                                      | 10  |  |
| 13-4924125 Munich Reinsurance America Inc   |                               | 0                                 | 0                       |   | 0  | 66  | 952  | 0   | 1,018   | 1,222                                       | 66  | 1,156  | 0   | 1,156  | 2                                      | 47  |  |
| 13-5616275 TRANSATLANTIC REINS CO   |                               | 0                                 | 0                       |   | 0  | 27  | 207  | 0   | 234   | 281   | 27  | 254  | 0   | 254  | 2                                      | 10  |  |
| 42-0635534 NCMIC Insurance Company  |                               | 0                                 | 0                       |   | 0  | 67  | 3,057  | 0   | 3,124   | 3,749                                       | 67  | 3,682  | 0   | 3,682  | 3                                      | 177   |  |
| 47-0574325 Berkley Insurance Company  |                               | 0                                 | 0                       |   | 0  | 0   | 432  | 0   | 432   | 518   | 0   | 518  | 0   | 518  | 2                                      | 21  |  |
| 84-0948519 COPIC INS CO   |                               | 0                                 | 0                       |   | 0  | 40  | 312  | 0   | 352   | 422   | 40  | 382  | 0   | 382  | 3                                      | 18  |  |
| 91-1160717 Physicians Insurance a Mutual Co   |                               | 0                                 | 0                       |   | 0  | 40  | 572  | 0   | 612   | 734   | 40  | 694  | 0   | 694  | 4                                      | 37  |  |
| 31-1024978 Scottsdale Insurance Company   |                               | 0                                 | 0                       |   | 0  | 0   | 88   | 0   | 88  | 106   | 0   | 106  | 0   | 106  | 2                                      | 4   |  |
| 35-0506406 Medical Protective Co  |                               | 0                                 | 0                       |   | 0  | 0   | 787  | 0   | 787   | 944   | 0   | 944  | 0   | 944  | 1                                      | 34  |  |
| 95-2371728 Ace American Insurance Company   |                               | 0                                 | 0                       |   | 0  | 0   | 2,820  | 0   | 2,820   | 3,384                                       | 0   | 3,384  | 0   | 3,384  | 1                                      | 122   |  |
| 0999999. Total Authorized - Other U.S. Unaffiliated Insurers  |                               | 0                                 | 0                       | XXX   | 0  | 267   | 9,608  | 0   | 9,875   | 11,850                                      | 267   | 11,583                                       | 0   | 11,583   | XXX                                    | 490   |  |
| AA-1126510 Tokio Marine Kiln  |                               | 0                                 | 0                       |   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | 1                                      | 0   |  |
| AA-1120096 Tokio Marine Kiln  |                               | 0                                 | 0                       |   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | 1                                      | 0   |  |
| AA-1120086 Tokio Marine HCC   |                               | 0                                 | 0                       |   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | 1                                      | 0   |  |
| 1299999. Total Authorized - Other Non-U.S. Insurers   |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 1499999. Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)           |                               | 0                                 | 0                       | XXX   | 0  | 267   | 9,608  | 0   | 9,875   | 11,850                                      | 267   | 11,583                                       | 0   | 11,583   | XXX                                    | 490   |  |
| 1899999. Total Unauthorized - Affiliates - U.S. Non-Pool  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | XXX   | XXX   | XXX   | XXX  | XXX   | XXX  | XXX                                    | XXX   |  |
| 2199999. Total Unauthorized - Affiliates - Other (Non-U.S.)   |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 2299999. Total Unauthorized - Affiliates  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 2899999. Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)         |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 3299999. Total Certified - Affiliates - U.S. Non-Pool   |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | XXX   | XXX   | XXX   | XXX  | XXX   | XXX  | XXX                                    | XXX   |  |
| 3599999. Total Certified - Affiliates - Other (Non-U.S.)  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 3699999. Total Certified - Affiliates   |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 4299999. Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)            |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 4399999. Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) |                               | 0                                 | 0                       | XXX   | 0  | 267   | 9,608  | 0   | 9,875   | 11,850                                      | 267   | 11,583                                       | 0   | 11,583   | XXX                                    | 490   |  |
| 4499999. Total Protected Cells (Sum of 1399999, 2799999 and 4199999)  |                               | 0                                 | 0                       | XXX   | 0  | 0   | 0  | 0   | 0   | 0   | 0   | 0  | 0   | 0  | XXX                                    | 0   |  |
| 9999999 Totals  |                               | 0                                 | 0                       | XXX   | 0  | 267   | 9,608  | 0   | 9,875   | 11,850                                      | 267   | 11,583                                       | 0   | 11,583   | XXX                                    | 490   |  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3 (Continued)**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)  
(Aging of Ceded Reinsurance)

| ID Number From Col. 1   | Name of Reinsurer From Col. 3 | Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses |                   |                    |                     |                     |   | 44<br>Total Recoverable on Paid Losses & LAE Amounts in Dispute Included in Col. 43 | 45<br>Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute Included in Cols. 40 & 41 | 46<br>Total Recoverable on Paid Losses & LAE Amounts Not in Dispute (Cols 43-44) | 47<br>Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Cols. 40 + 41 - 45) | 48<br>Amounts Received Prior 90 Days | 49<br>Percentage Overdue Col. 42/Col. 43 | 50<br>Percentage of Amounts More Than 90 Days Overdue Not in Dispute (Col. 47/[Cols. 46+48]) | 51<br>Percentage More Than 120 Days Overdue (Col. 41/ Col. 43) | 52<br>Is the Amount in Col. 50 Less Than 20%? (Yes or No) | 53<br>Amounts in Col. 47 for Reinsurers with Values Less Than 20% in Col. 50 |
|---|-------------------------------|--|-------------------|--------------------|---------------------|---------------------|---|---|---|--|--|--------------------------------------|--|--|--|---|--|
|   |                               | 37<br>Current  | 38 Overdue        |                    |                     |                     | 43<br>Total Due Cols. 37+42 (In total should equal Cols. 7+8) |   |   |  |  |                                      |  |  |  |   |  |
|   |                               |  | 38<br>1 - 29 Days | 39<br>30 - 90 Days | 40<br>91 - 120 Days | 41<br>Over 120 Days |   |   |   |  |  |                                      |  |  |  |   |  |
| 0499999. Total Authorized - Affiliates - U.S. Non-Pool  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 0799999. Total Authorized - Affiliates - Other (Non-U.S.)   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 0899999. Total Authorized - Affiliates  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 13-2673100 GENERAL REINS CORP   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 13-3138390 Navigators Insurance Company   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 13-4924125 Munich Reinsurance America Inc   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 13-5616275 TRANSATLANTIC REINS CO   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 42-0635534 NCMIC Insurance Company  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 47-0574325 Berkley Insurance Company  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 84-0948519 COPIC INS CO   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 91-1160717 Physicians Insurance a Mutual Co   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 31-1024978 Scottsdale Insurance Company   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 35-0506406 Medical Protective Co  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 95-2371728 Ace American Insurance Company   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 0999999. Total Authorized - Other U.S. Unaffiliated Insurers  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| AA-1126510 Tokio Marine Kiln  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| AA-1120096 Tokio Marine Kiln  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| AA-1120086 Tokio Marine HCC   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | YES  | 0   |  |
| 1299999. Total Authorized - Other Non-U.S. Insurers   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 1499999. Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)           |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 1899999. Total Unauthorized - Affiliates - U.S. Non-Pool  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 2199999. Total Unauthorized - Affiliates - Other (Non-U.S.)   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 2299999. Total Unauthorized - Affiliates  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 2899999. Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)         |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 3299999. Total Certified - Affiliates - U.S. Non-Pool   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 3599999. Total Certified - Affiliates - Other (Non-U.S.)  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 3699999. Total Certified - Affiliates   |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 4299999. Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)            |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 4399999. Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 4499999. Total Protected Cells (Sum of 1399999, 2799999 and 4199999)  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |
| 9999999 Totals  |                               | 0  | 0                 | 0                  | 0                   | 0                   | 0   | 0   | 0   | 0  | 0  | 0.0                                  | 0.0                                      | 0.0  | XXX  | 0   |  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3 (Continued)**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)  
(Provision for Reinsurance for Certified Reinsurers)

| ID Number From Col. 1   | Name of Reinsurer From Col. 3 | Provision for Certified Reinsurance      |  |   |   |   |  |  |   |  |   |  |  |  |   | Complete if Col. 52 = "No"; Otherwise Enter 0 |     |     | 69<br>Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Greater of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63) |
|---|-------------------------------|--|--|---|---|---|--|--|---|--|---|--|--|--|---|---|-----|-----|---|
|   |                               | 54                                       | 55   | 56  | 57  | 58  | 59   | 60   | 61  | 62   | 63  | 64   | 65   | 66   | 67  | 68  |     |     |   |
|   |                               | Certified Reinsurer Rating (1 through 6) | Effective Date of Certified Reinsurer Rating | Percent Collateral Required for Full Credit (0% through 100%) | Catastrophe Recoverables Qualifying for Collateral Deferral | Net Recoverables Subject to Collateral Requirements for Full Credit (Col. 19 - Col. 57) | Dollar Amount of Collateral Required (Col. 56 * Col. 58) | Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ([Col. 20 + Col. 21 + Col. 22 + Col. 24] / Col. 58) | Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col. 60 / Col. 56, not to exceed 100%) | 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%) | Amount of Credit Allowed for Net Recoverables (Col. 57 + [Col. 58 * Col. 61]) | Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 - Col. 63) | 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20%) | Total Collateral Provided (Col. 20 + Col. 21 + Col. 24, not to Exceed Col. 63) | Net Unsecured Recoverable for Which Credit is Allowed (Col. 63 - Col. 66) | 20% of Amount in Col. 67                      |     |     |   |
| 0499999. Total Authorized - Affiliates - U.S. Non-Pool  |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 0799999. Total Authorized - Affiliates - Other (Non-U.S.)   |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 0899999. Total Authorized - Affiliates  |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 13-2673100 GENERAL REINS CORP   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 13-3138390 Navigators Insurance Company   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 13-4924125 Munich Reinsurance America Inc   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 13-5616275 TRANSATLANTIC REINS CO   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 42-0635534 NCMIC Insurance Company  |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 47-0574325 Berkley Insurance Company  |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 84-0948519 COPIC INS CO   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 91-1160717 Physicians Insurance a Mutual Co   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 31-1024978 Scottsdale Insurance Company   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 35-0506406 Medical Protective Co  |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 95-2371728 Ace American Insurance Company   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 0999999. Total Authorized - Other U.S. Unaffiliated Insurers  |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| AA-1126510 Tokio Marine Kiln  |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| AA-1120096 Tokio Marine Kiln  |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| AA-1120086 Tokio Marine HCC   |                               | XXX                                      | XXX  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 1299999. Total Authorized - Other Non-U.S. Insurers   |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 1499999. Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)           |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 1899999. Total Unauthorized - Affiliates - U.S. Non-Pool  |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 2199999. Total Unauthorized - Affiliates - Other (Non-U.S.)   |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 2299999. Total Unauthorized - Affiliates  |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 2899999. Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)         |                               |  |  | XXX   | XXX   | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | XXX  | XXX  | XXX  | XXX   | XXX   | XXX | XXX |   |
| 3299999. Total Certified - Affiliates - U.S. Non-Pool   |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 3599999. Total Certified - Affiliates - Other (Non-U.S.)  |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 3699999. Total Certified - Affiliates   |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 4299999. Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)            |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 4399999. Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 4499999. Total Protected Cells (Sum of 1399999, 2799999 and 4199999)  |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |
| 9999999 Totals  |                               |  |  | XXX   | 0   | 0   | 0  | XXX  | XXX   | 0  | 0   | 0  | 0  | 0  | 0   | 0   | 0   | 0   |   |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 3 (Continued)**

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

(Total Provision for Reinsurance)

| ID Number From Col. 1   | Name of Reinsurer From Col. 3 | 70<br>20% of Recoverable on Paid Losses & LAE Over 90 Days past Due Amounts Not in Dispute (Col. 47 * 20%) | Provision for Unauthorized Reinsurance  |  | Provision for Overdue Authorized Reinsurance   |   | Total Provision for Reinsurance  |   |   |  |
|---|-------------------------------|--|---|--|--|---|--|---|---|--|
|   |                               |  | 71<br>Provision for Reinsurance with Unauthorized Reinsurers Due to Collateral Deficiency (Col. 26) | 72<br>Provision for Overdue Reinsurance from Unauthorized Reinsurers and Amounts in Dispute (Col. 70 + 20% of the Amount in Col. 16) | 73<br>Complete if Col. 52 = "Yes"; Otherwise Enter 0<br><br>20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute + 20% of Amounts in Dispute ([Col. 47 * 20%] + [Col. 45 * 20%]) | 74<br>Complete if Col. 52 = "No"; Otherwise Enter 0<br><br>Greater of 20% of Net Recoverable Net of Funds Held & Collateral, or 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due (Greater of Col. 26 * 20% or Cols. [40 + 41] * 20%) | 75<br>Provision for Amounts Ceded to Authorized Reinsurers (Cols. 73 + 74) | 76<br>Provision for Amounts Ceded to Unauthorized Reinsurers (Cols. 71 + 72 Not in Excess of Col. 15) | 77<br>Provision for Amounts Ceded to Certified Reinsurers (Cols. 64 + 69) | 78<br>Total Provision for Reinsurance (Cols. 75 + 76 + 77) |
| 0499999. Total Authorized - Affiliates - U.S. Non-Pool  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 0799999. Total Authorized - Affiliates - Other (Non-U.S.)   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 0899999. Total Authorized - Affiliates  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 13-2673100 ... GENERAL REINS CORP   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 13-3138390 ... Navigators Insurance Company   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 13-4924125 ... Munich Reinsurance America Inc   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 13-5616275 ... TRANSATLANTIC REINS CO   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 42-0635534 ... NCMIC Insurance Company  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 47-0574325 ... Berkley Insurance Company  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 84-0948519 ... COPIC INS CO   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 91-1160717 ... Physicians Insurance a Mutual Co   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 31-1024978 ... Scottsdale Insurance Company   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 35-0506406 ... Medical Protective Co  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 95-2371728 ... Ace American Insurance Company   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 0999999. Total Authorized - Other U.S. Unaffiliated Insurers  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| AA-1126510 ... Tokio Marine Kiln  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| AA-1120096 ... Tokio Marine Kiln  |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| AA-1120086 ... Tokio Marine HCC   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 1299999. Total Authorized - Other Non-U.S. Insurers   |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 1499999. Total Authorized Excluding Protected Cells (Sum of 0899999, 0999999, 1099999, 1199999 and 1299999)           |                               | 0  | XXX   | XXX  | 0  | 0   | 0  | XXX   | XXX   | 0  |
| 1899999. Total Unauthorized - Affiliates - U.S. Non-Pool  |                               | 0  | 0   | 0  | XXX  | XXX   | XXX  | 0   | XXX   | 0  |
| 2199999. Total Unauthorized - Affiliates - Other (Non-U.S.)   |                               | 0  | 0   | 0  | XXX  | XXX   | XXX  | 0   | XXX   | 0  |
| 2299999. Total Unauthorized - Affiliates  |                               | 0  | 0   | 0  | XXX  | XXX   | XXX  | 0   | XXX   | 0  |
| 2899999. Total Unauthorized Excluding Protected Cells (Sum of 2299999, 2399999, 2499999, 2599999 and 2699999)         |                               | 0  | 0   | 0  | XXX  | XXX   | XXX  | 0   | XXX   | 0  |
| 3299999. Total Certified - Affiliates - U.S. Non-Pool   |                               | XXX  | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | 0   | 0  |
| 3599999. Total Certified - Affiliates - Other (Non-U.S.)  |                               | XXX  | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | 0   | 0  |
| 3699999. Total Certified - Affiliates   |                               | XXX  | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | 0   | 0  |
| 4299999. Total Certified Excluding Protected Cells (Sum of 3699999, 3799999, 3899999, 3999999 and 4099999)            |                               | XXX  | XXX   | XXX  | XXX  | XXX   | XXX  | XXX   | 0   | 0  |
| 4399999. Total Authorized, Unauthorized and Certified Excluding Protected Cells (Sum of 1499999, 2899999 and 4299999) |                               | 0  | 0   | 0  | 0  | 0   | 0  | 0   | 0   | 0  |
| 4499999. Total Protected Cells (Sum of 1399999, 2799999 and 4199999)  |                               | 0  | 0   | 0  | 0  | 0   | 0  | 0   | 0   | 0  |
| 9999999 Totals  |                               | 0  | 0   | 0  | 0  | 0   | 0  | 0   | 0   | 0  |

Schedule F - Part 4 - Issuing or Confirming Banks for Letters of Credit from Schedule F, Part 3

**N O N E**

Schedule F - Part 5 - Interrogatories for Schedule F - Part 3

**N O N E**



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE F - PART 6**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

|   | 1<br>As Reported<br>(Net of Ceded) | 2<br>Restatement<br>Adjustments | 3<br>Restated<br>(Gross of Ceded) |
|---|------------------------------------|---------------------------------|-----------------------------------|
| <b>ASSETS (Page 2, Col. 3)</b>  |                                    |                                 |                                   |
| 1. Cash and invested assets (Line 12) .....   | 104,872,380                        | 0                               | 104,872,380                       |
| 2. Premiums and considerations (Line 15) .....  | 2,224,414                          | 274,843                         | 2,499,257                         |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) ..... | 0                                  | 0                               | 0                                 |
| 4. Funds held by or deposited with reinsured companies (Line 16.2) .....                  | 0                                  | 0                               | 0                                 |
| 5. Other assets .....   | 1,430,885                          | 0                               | 1,430,885                         |
| 6. Net amount recoverable from reinsurers .....   | 0                                  | 9,329,770                       | 9,329,770                         |
| 7. Protected cell assets (Line 27) .....  | 0                                  | 0                               | 0                                 |
| 8. Totals (Line 28) .....   | 108,527,679                        | 9,604,613                       | 118,132,292                       |
| <b>LIABILITIES (Page 3)</b>   |                                    |                                 |                                   |
| 9. Losses and loss adjustment expenses (Lines 1 through 3) .....                          | 46,139,631                         | 9,252,952                       | 55,392,583                        |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8) .....                      | 593,237                            | 0                               | 593,237                           |
| 11. Unearned premiums (Line 9) .....  | 5,485,090                          | 626,504                         | 6,111,594                         |
| 12. Advance premiums (Line 10) .....  | 1,321,216                          | 0                               | 1,321,216                         |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2) .....                              | 0                                  | 0                               | 0                                 |
| 14. Ceded reinsurance premiums payable (net of ceding commissions (Line 12) .....         | 274,843                            | (274,843)                       | 0                                 |
| 15. Funds held by company under reinsurance treaties (Line 13) .....                      | 0                                  | 0                               | 0                                 |
| 16. Amounts withheld or retained by company for account of others (Line 14) .....         | 0                                  | 0                               | 0                                 |
| 17. Provision for reinsurance (Line 16) .....   | 0                                  | 0                               | 0                                 |
| 18. Other liabilities .....   | 1,775,694                          | 0                               | 1,775,694                         |
| 19. Total liabilities excluding protected cell business (Line 26) .....                   | 55,589,711                         | 9,604,613                       | 65,194,324                        |
| 20. Protected cell liabilities (Line 27) .....  | 0                                  | 0                               | 0                                 |
| 21. Surplus as regards policyholders (Line 37)  | 52,937,968                         | XXX                             | 52,937,968                        |
| 22. Totals (Line 38)  | 108,527,679                        | 9,604,613                       | 118,132,292                       |

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? ..... Yes [ ] No [ X ]

If yes, give full explanation: .....

Schedule H - Part 1 - Analysis of Underwriting Operations

**NONE**

Schedule H - Part 2 - Reserves and Liabilities

**NONE**

Schedule H - Part 3 - Test of Prior Year's Claim Reserves and Liabilities

**NONE**

Schedule H - Part 4 - Reinsurance

**NONE**

Schedule H - Part 5 - Health Claims

**NONE**

**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<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |  |   |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2009  | 19,865                  | 2,708      | 17,157           | 7,089                          | 425        | 3,112                                 | 57         | 631                          | 0          | 14                                     | 10,350  | XXX  |
| 3. 2010  | 15,207                  | 2,350      | 12,857           | 4,189                          | 0          | 4,250                                 | 0          | 461                          | 0          | 0                                      | 8,900   | XXX  |
| 4. 2011  | 14,535                  | 2,046      | 12,489           | 2,112                          | 0          | 2,665                                 | 0          | 358                          | 0          | 0                                      | 5,135   | XXX  |
| 5. 2012  | 14,833                  | 2,067      | 12,766           | 3,761                          | 0          | 2,817                                 | 0          | 472                          | 0          | 0                                      | 7,050   | XXX  |
| 6. 2013  | 15,166                  | 2,282      | 12,884           | 3,805                          | 0          | 3,686                                 | 0          | 657                          | 0          | 0                                      | 8,148   | XXX  |
| 7. 2014  | 13,592                  | 1,789      | 11,803           | 2,941                          | 0          | 2,283                                 | 0          | 598                          | 0          | 0                                      | 5,822   | XXX  |
| 8. 2015  | 13,673                  | 1,938      | 11,735           | 6,185                          | 2,500      | 1,678                                 | 166        | 580                          | 0          | 0                                      | 5,777   | XXX  |
| 9. 2016  | 15,464                  | 1,932      | 13,532           | 3,274                          | 0          | 1,660                                 | 0          | 609                          | 0          | 0                                      | 5,543   | XXX  |
| 10. 2017   | 18,284                  | 2,276      | 16,008           | 254                            | 0          | 294                                   | 0          | 262                          | 0          | 0                                      | 810   | XXX  |
| 11. 2018   | 20,072                  | 2,835      | 17,237           | 170                            | 0          | 136                                   | 0          | 211                          | 0          | 0                                      | 517   | XXX  |
| 12. Totals   | XXX                     | XXX        | XXX              | 33,780                         | 2,925      | 22,581                                | 223        | 4,839                        | 0          | 14                                     | 58,052  | XXX  |

|            | Losses Unpaid      |       |                    |       | Defense and Cost Containment Unpaid |       |                    |       | Adjusting and Other Unpaid |       | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------|-------|--------------------|-------|-------------------------------------|-------|--------------------|-------|----------------------------|-------|---|--|---|
|            | Case Basis         |       | Bulk + IBNR        |       | Case Basis                          |       | Bulk + IBNR        |       |                            |       |   |  |   |
|            | 13                 | 14    | 15                 | 16    | 17                                  | 18    | 19                 | 20    | 21                         | 22    |   |  |   |
|            | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Direct and Assumed                  | Ceded | Direct and Assumed | Ceded | Direct and Assumed         | Ceded |   |  |   |
| 1. Prior   | 0                  | 0     | 30                 | 21    | 0                                   | 0     | 31                 | 15    | 1                          | 0     | 0   | 26   | XXX   |
| 2. 2009    | 0                  | 0     | 78                 | 58    | 5                                   | 0     | 74                 | 41    | 3                          | 0     | 0   | 61   | XXX   |
| 3. 2010    | 0                  | 0     | 122                | 78    | 0                                   | 0     | 155                | 55    | 7                          | 0     | 0   | 151  | XXX   |
| 4. 2011    | 880                | 0     | 139                | 107   | 117                                 | 0     | 153                | 75    | 30                         | 0     | 0   | 1,137                                      | XXX   |
| 5. 2012    | 255                | 0     | 220                | 142   | 61                                  | 0     | 211                | 100   | 17                         | 0     | 0   | 522  | XXX   |
| 6. 2013    | 159                | 0     | 361                | 218   | 64                                  | 0     | 522                | 152   | 31                         | 0     | 0   | 767  | XXX   |
| 7. 2014    | 905                | 0     | 733                | 221   | 312                                 | 0     | 487                | 154   | 72                         | 0     | 0   | 2,134                                      | XXX   |
| 8. 2015    | 2,331              | 0     | 663                | 357   | 523                                 | 0     | 1,015              | 249   | 125                        | 0     | 0   | 4,051                                      | XXX   |
| 9. 2016    | 5,949              | 2,000 | 2,557              | 573   | 662                                 | 365   | 2,848              | 401   | 308                        | 0     | 0   | 8,985                                      | XXX   |
| 10. 2017   | 3,713              | 0     | 5,277              | 910   | 445                                 | 0     | 4,214              | 636   | 446                        | 0     | 0   | 12,549                                     | XXX   |
| 11. 2018   | 585                | 0     | 9,713              | 1,368 | 236                                 | 0     | 6,908              | 958   | 642                        | 0     | 0   | 15,758                                     | XXX   |
| 12. Totals | 14,777             | 2,000 | 19,893             | 4,053 | 2,425                               | 365   | 16,618             | 2,836 | 1,682                      | 0     | 0   | 46,141                                     | XXX   |

|            | Total Losses and Loss Expenses Incurred |       |        | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |       |       | Nontabular Discount |              | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                      |
|------------|---|-------|--------|---|-------|-------|---------------------|--------------|--|---|----------------------|
|            | 26                                      | 27    | 28     | 29  | 30    | 31    | 32                  | 33           |  | 35  | 36                   |
|            | Direct and Assumed                      | Ceded | Net    | Direct and Assumed  | Ceded | Net   | Loss                | Loss Expense |  | Losses Unpaid                             | Loss Expenses Unpaid |
| 1. Prior   | XXX                                     | XXX   | XXX    | XXX   | XXX   | XXX   | 0                   | 0            | XXX  | 9   | 17                   |
| 2. 2009    | 10,992                                  | 581   | 10,411 | 55.3  | 21.5  | 60.7  | 0                   | 0            | 0.0  | 20  | 41                   |
| 3. 2010    | 9,184                                   | 133   | 9,051  | 60.4  | 5.7   | 70.4  | 0                   | 0            | 0.0  | 44  | 107                  |
| 4. 2011    | 6,454                                   | 182   | 6,272  | 44.4  | 8.9   | 50.2  | 0                   | 0            | 0.0  | 912                                       | 225                  |
| 5. 2012    | 7,814                                   | 242   | 7,572  | 52.7  | 11.7  | 59.3  | 0                   | 0            | 0.0  | 333                                       | 189                  |
| 6. 2013    | 9,285                                   | 370   | 8,915  | 61.2  | 16.2  | 69.2  | 0                   | 0            | 0.0  | 302                                       | 465                  |
| 7. 2014    | 8,331                                   | 375   | 7,956  | 61.3  | 21.0  | 67.4  | 0                   | 0            | 0.0  | 1,417                                     | 717                  |
| 8. 2015    | 13,100                                  | 3,272 | 9,828  | 95.8  | 168.8 | 83.7  | 0                   | 0            | 0.0  | 2,637                                     | 1,414                |
| 9. 2016    | 17,867                                  | 3,339 | 14,528 | 115.5   | 172.8 | 107.4 | 0                   | 0            | 0.0  | 5,933                                     | 3,052                |
| 10. 2017   | 14,905                                  | 1,546 | 13,359 | 81.5  | 67.9  | 83.5  | 0                   | 0            | 0.0  | 8,080                                     | 4,469                |
| 11. 2018   | 18,601                                  | 2,326 | 16,275 | 92.7  | 82.0  | 94.4  | 0                   | 0            | 0.0  | 8,930                                     | 6,828                |
| 12. Totals | XXX                                     | XXX   | XXX    | XXX   | XXX   | XXX   | 0                   | 0            | XXX  | 28,617                                    | 17,524               |

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.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**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<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 33,374   | 30,866    | 26,829    | 24,301    | 23,360    | 23,704    | 23,563    | 23,743    | 23,394    | 23,219     | (175)          | (524)          |
| 2. 2009                             | 14,623   | 13,978    | 14,227    | 11,502    | 10,245    | 9,985     | 10,581    | 10,516    | 10,340    | 9,777      | (563)          | (739)          |
| 3. 2010                             | XXX  | 12,805    | 11,985    | 10,463    | 9,491     | 9,307     | 9,045     | 8,894     | 8,461     | 8,583      | 122            | (311)          |
| 4. 2011                             | XXX  | XXX       | 11,677    | 10,789    | 9,004     | 6,972     | 5,787     | 6,016     | 5,977     | 5,884      | (93)           | (132)          |
| 5. 2012                             | XXX  | XXX       | XXX       | 11,958    | 12,391    | 10,511    | 9,278     | 7,665     | 7,338     | 7,083      | (255)          | (582)          |
| 6. 2013                             | XXX  | XXX       | XXX       | XXX       | 12,148    | 11,099    | 10,302    | 10,385    | 9,137     | 8,227      | (910)          | (2,158)        |
| 7. 2014                             | XXX  | XXX       | XXX       | XXX       | XXX       | 10,562    | 10,309    | 9,176     | 8,036     | 7,286      | (750)          | (1,890)        |
| 8. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 11,100    | 10,613    | 10,582    | 9,123      | (1,459)        | (1,490)        |
| 9. 2016                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12,062    | 15,697    | 13,611     | (2,086)        | 1,549          |
| 10. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 13,790    | 12,651     | (1,139)        | XXX            |
| 11. 2018                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 15,422     | XXX            | XXX            |
| 12. Totals                          |  |           |           |           |           |           |           |           |           |            | (7,308)        | (6,277)        |

**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<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|--|
|                                     | 1<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |   |  |
| 1. Prior                            | .000  | 6,763     | 14,035    | 18,708    | 20,552    | 21,664    | 22,661    | 23,178    | 23,194    | 23,194     | XXX   | XXX  |
| 2. 2009                             | 376   | 1,268     | 4,890     | 6,179     | 8,320     | 9,006     | 10,114    | 10,148    | 10,149    | 9,719      | XXX   | XXX  |
| 3. 2010                             | XXX   | 902       | 1,834     | 2,851     | 4,624     | 6,784     | 8,070     | 8,119     | 8,124     | 8,439      | XXX   | XXX  |
| 4. 2011                             | XXX   | XXX       | 449       | 1,154     | 2,334     | 3,697     | 4,132     | 4,352     | 4,681     | 4,777      | XXX   | XXX  |
| 5. 2012                             | XXX   | XXX       | XXX       | 281       | 1,971     | 3,356     | 4,872     | 5,635     | 6,456     | 6,578      | XXX   | XXX  |
| 6. 2013                             | XXX   | XXX       | XXX       | XXX       | 441       | 1,433     | 2,602     | 5,367     | 6,853     | 7,491      | XXX   | XXX  |
| 7. 2014                             | XXX   | XXX       | XXX       | XXX       | XXX       | 264       | 1,179     | 2,474     | 3,344     | 5,224      | XXX   | XXX  |
| 8. 2015                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 503       | 1,338     | 4,322     | 5,197      | XXX   | XXX  |
| 9. 2016                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 406       | 2,803     | 4,934      | XXX   | XXX  |
| 10. 2017                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 278       | 548        | XXX   | XXX  |
| 11. 2018                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 306        | 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<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |
| 1. Prior                            | 21,337  | 11,640    | 5,500     | 2,286     | 1,552     | 1,058     | 699       | 467       | 161       | 25         |
| 2. 2009                             | 13,082  | 9,870     | 6,662     | 3,381     | 952       | 589       | 376       | 368       | 188       | 53         |
| 3. 2010                             | XXX   | 10,987    | 8,480     | 5,507     | 2,089     | 1,008     | 806       | 771       | 337       | 144        |
| 4. 2011                             | XXX   | XXX       | 10,666    | 8,068     | 5,105     | 2,031     | 924       | 462       | 239       | 110        |
| 5. 2012                             | XXX   | XXX       | XXX       | 10,354    | 7,831     | 5,237     | 2,979     | 1,022     | 418       | 189        |
| 6. 2013                             | XXX   | XXX       | XXX       | XXX       | 10,617    | 7,944     | 5,025     | 2,737     | 1,271     | 513        |
| 7. 2014                             | XXX   | XXX       | XXX       | XXX       | XXX       | 9,676     | 7,158     | 4,001     | 1,469     | 845        |
| 8. 2015                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 9,435     | 6,579     | 4,341     | 1,072      |
| 9. 2016                             | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 9,599     | 7,762     | 4,431      |
| 10. 2017                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 12,726    | 7,945      |
| 11. 2018                            | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 14,295     |

Schedule P - Part 1A - Homeowners/Farmowners

**NONE**

Schedule P - Part 1B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 1E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |  |   |  |
| 1. Prior.....  | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2009.....   | 11,948                  | 1,471      | 10,477           | 3,971                          | 0          | 2,232                                 | 15         | 467                          | 0          | 14                                     | 6,655   | 196  |
| 3. 2010.....   | 9,359                   | 1,164      | 8,195            | 3,413                          | 0          | 3,009                                 | 0          | 359                          | 0          | 0                                      | 6,781   | 182  |
| 4. 2011.....   | 9,265                   | 1,140      | 8,125            | 1,388                          | 0          | 1,535                                 | 0          | 239                          | 0          | 0                                      | 3,162   | 156  |
| 5. 2012.....   | 9,171                   | 1,165      | 8,006            | 2,325                          | 0          | 1,411                                 | 0          | 313                          | 0          | 0                                      | 4,049   | 153  |
| 6. 2013.....   | 9,627                   | 1,407      | 8,220            | 2,404                          | 0          | 2,656                                 | 0          | 484                          | 0          | 0                                      | 5,544   | 158  |
| 7. 2014.....   | 8,309                   | 1,057      | 7,252            | 2,018                          | 0          | 1,589                                 | 0          | 411                          | 0          | 0                                      | 4,018   | 130  |
| 8. 2015.....   | 8,684                   | 1,182      | 7,502            | 650                            | 0          | 760                                   | 0          | 255                          | 0          | 0                                      | 1,665   | 139  |
| 9. 2016.....   | 8,334                   | 1,043      | 7,291            | 808                            | 0          | 441                                   | 0          | 214                          | 0          | 0                                      | 1,463   | 191  |
| 10. 2017.....  | 8,595                   | 1,082      | 7,513            | 189                            | 0          | 100                                   | 0          | 96                           | 0          | 0                                      | 385   | 128  |
| 11. 2018.....  | 9,041                   | 1,235      | 7,806            | 74                             | 0          | 22                                    | 0          | 44                           | 0          | 0                                      | 140   | 81   |
| 12. Totals   | XXX                     | XXX        | XXX              | 17,240                         | 0          | 13,755                                | 15         | 2,882                        | 0          | 14                                     | 33,862  | XXX  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
|               |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 30                       | 21          | 0                                   | 0           | 31                       | 15          | 1                          | 0           | 0   | 26   | 0   |
| 2. 2009.....  | 0                        | 0           | 78                       | 58          | 5                                   | 0           | 74                       | 41          | 3                          | 0           | 0   | 61   | 3   |
| 3. 2010.....  | 0                        | 0           | 122                      | 78          | 0                                   | 0           | 155                      | 55          | 7                          | 0           | 0   | 151  | 0   |
| 4. 2011.....  | 380                      | 0           | 133                      | 102         | 92                                  | 0           | 149                      | 71          | 17                         | 0           | 0   | 598  | 4   |
| 5. 2012.....  | 255                      | 0           | 200                      | 127         | 61                                  | 0           | 200                      | 89          | 17                         | 0           | 0   | 517  | 4   |
| 6. 2013.....  | 159                      | 0           | 316                      | 189         | 64                                  | 0           | 496                      | 132         | 30                         | 0           | 0   | 744  | 8   |
| 7. 2014.....  | 394                      | 0           | 659                      | 176         | 151                                 | 0           | 449                      | 123         | 54                         | 0           | 0   | 1,408                                      | 11  |
| 8. 2015.....  | 2,326                    | 0           | 480                      | 272         | 375                                 | 0           | 857                      | 190         | 111                        | 0           | 0   | 3,687                                      | 24  |
| 9. 2016.....  | 1,241                    | 0           | 1,727                    | 377         | 430                                 | 0           | 1,680                    | 264         | 180                        | 0           | 0   | 4,617                                      | 40  |
| 10. 2017..... | 123                      | 0           | 3,188                    | 502         | 261                                 | 0           | 2,681                    | 351         | 261                        | 0           | 0   | 5,661                                      | 28  |
| 11. 2018..... | 46                       | 0           | 4,531                    | 651         | 20                                  | 0           | 3,343                    | 455         | 340                        | 0           | 0   | 7,174                                      | 28  |
| 12. Totals    | 4,924                    | 0           | 11,464                   | 2,553       | 1,459                               | 0           | 10,115                   | 1,786       | 1,021                      | 0           | 0   | 24,644                                     | 150   |

|               | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|---------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|               | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 9   | 17                         |
| 2. 2009.....  | 6,830                                   | 114         | 6,716     | 57.2  | 7.7         | 64.1      | 0                   | 0                  | 0.0  | 20  | 41                         |
| 3. 2010.....  | 7,065                                   | 133         | 6,932     | 75.5  | 11.4        | 84.6      | 0                   | 0                  | 0.0  | 44  | 107                        |
| 4. 2011.....  | 3,933                                   | 173         | 3,760     | 42.5  | 15.2        | 46.3      | 0                   | 0                  | 0.0  | 411                                       | 187                        |
| 5. 2012.....  | 4,782                                   | 216         | 4,566     | 52.1  | 18.5        | 57.0      | 0                   | 0                  | 0.0  | 328                                       | 189                        |
| 6. 2013.....  | 6,609                                   | 321         | 6,288     | 68.7  | 22.8        | 76.5      | 0                   | 0                  | 0.0  | 286                                       | 458                        |
| 7. 2014.....  | 5,725                                   | 299         | 5,426     | 68.9  | 28.3        | 74.8      | 0                   | 0                  | 0.0  | 877                                       | 531                        |
| 8. 2015.....  | 5,814                                   | 462         | 5,352     | 67.0  | 39.1        | 71.3      | 0                   | 0                  | 0.0  | 2,534                                     | 1,153                      |
| 9. 2016.....  | 6,721                                   | 641         | 6,080     | 80.6  | 61.5        | 83.4      | 0                   | 0                  | 0.0  | 2,591                                     | 2,026                      |
| 10. 2017..... | 6,899                                   | 853         | 6,046     | 80.3  | 78.8        | 80.5      | 0                   | 0                  | 0.0  | 2,809                                     | 2,852                      |
| 11. 2018..... | 8,420                                   | 1,106       | 7,314     | 93.1  | 89.6        | 93.7      | 0                   | 0                  | 0.0  | 3,926                                     | 3,248                      |
| 12. Totals    | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 13,835                                    | 10,809                     |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
|  |                         |            |                  |                                |            |                                       |            |                              |            |  |   |  |
| 1. Prior.....  | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2009.....   | 7,862                   | 1,237      | 6,625            | 3,116                          | 425        | 880                                   | 42         | 164                          | 0          | 0                                      | 0   | 83   |
| 3. 2010.....   | 5,792                   | 1,186      | 4,606            | 766                            | 0          | 1,212                                 | 0          | 100                          | 0          | 0                                      | 0   | 83   |
| 4. 2011.....   | 5,218                   | 906        | 4,312            | 710                            | 0          | 1,128                                 | 0          | 118                          | 0          | 0                                      | 0   | 86   |
| 5. 2012.....   | 5,611                   | 902        | 4,709            | 1,434                          | 0          | 1,398                                 | 0          | 159                          | 0          | 0                                      | 0   | 98   |
| 6. 2013.....   | 5,490                   | 875        | 4,615            | 1,379                          | 0          | 1,020                                 | 0          | 171                          | 0          | 0                                      | 0   | 102  |
| 7. 2014.....   | 5,239                   | 732        | 4,507            | 816                            | 0          | 628                                   | 0          | 179                          | 0          | 0                                      | 0   | 83   |
| 8. 2015.....   | 4,944                   | 756        | 4,188            | 5,388                          | 2,500      | 915                                   | 166        | 311                          | 0          | 0                                      | 0   | 119  |
| 9. 2016.....   | 7,000                   | 889        | 6,111            | 2,462                          | 0          | 1,218                                 | 0          | 395                          | 0          | 0                                      | 0   | 190  |
| 10. 2017.....  | 9,476                   | 1,194      | 8,282            | 63                             | 0          | 193                                   | 0          | 166                          | 0          | 0                                      | 0   | 290  |
| 11. 2018.....  | 10,803                  | 1,600      | 9,203            | 87                             | 0          | 113                                   | 0          | 167                          | 0          | 0                                      | 0   | 353  |
| 12. Totals   | XXX                     | XXX        | XXX              | 16,221                         | 2,925      | 8,705                                 | 208        | 1,930                        | 0          | 0                                      | 0   | XXX  |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
|               |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 1. Prior..... | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2009.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2010.....  | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2011.....  | 500                      | 0           | 6                        | 5           | 25                                  | 0           | 4                        | 4           | 13                         | 0           | 0   | 539  | 1   |
| 5. 2012.....  | 0                        | 0           | 20                       | 15          | 0                                   | 0           | 11                       | 11          | 0                          | 0           | 0   | 5  | 0   |
| 6. 2013.....  | 0                        | 0           | 43                       | 29          | 0                                   | 0           | 24                       | 20          | 1                          | 0           | 0   | 19   | 0   |
| 7. 2014.....  | 511                      | 0           | 71                       | 45          | 161                                 | 0           | 35                       | 31          | 18                         | 0           | 0   | 720  | 7   |
| 8. 2015.....  | 5                        | 0           | 150                      | 85          | 148                                 | 0           | 135                      | 59          | 11                         | 0           | 0   | 305  | 8   |
| 9. 2016.....  | 4,708                    | 2,000       | 796                      | 196         | 232                                 | 365         | 1,145                    | 137         | 125                        | 0           | 0   | 4,308                                      | 23  |
| 10. 2017..... | 3,590                    | 0           | 2,010                    | 408         | 184                                 | 0           | 1,478                    | 285         | 178                        | 0           | 0   | 6,747                                      | 66  |
| 11. 2018..... | 539                      | 0           | 5,068                    | 717         | 216                                 | 0           | 3,485                    | 503         | 292                        | 0           | 0   | 8,380                                      | 172   |
| 12. Totals    | 9,853                    | 2,000       | 8,164                    | 1,500       | 966                                 | 365         | 6,317                    | 1,050       | 638                        | 0           | 0   | 21,023                                     | 277   |

|               | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|---------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|               | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|               |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2009.....  | 4,160                                   | 467         | 3,693     | 52.9  | 37.8        | 55.7      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 3. 2010.....  | 2,078                                   | 0           | 2,078     | 35.9  | 0.0         | 45.1      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 4. 2011.....  | 2,504                                   | 9           | 2,495     | 48.0  | 1.0         | 57.9      | 0                   | 0                  | 0.0  | 501                                       | 38                         |
| 5. 2012.....  | 3,022                                   | 26          | 2,996     | 53.9  | 2.9         | 63.6      | 0                   | 0                  | 0.0  | 5   | 0                          |
| 6. 2013.....  | 2,638                                   | 49          | 2,589     | 48.1  | 5.6         | 56.1      | 0                   | 0                  | 0.0  | 14  | 5                          |
| 7. 2014.....  | 2,419                                   | 76          | 2,343     | 46.2  | 10.4        | 52.0      | 0                   | 0                  | 0.0  | 537                                       | 183                        |
| 8. 2015.....  | 7,063                                   | 2,810       | 4,253     | 142.9   | 371.7       | 101.6     | 0                   | 0                  | 0.0  | 70  | 235                        |
| 9. 2016.....  | 11,081                                  | 2,698       | 8,383     | 158.3   | 303.5       | 137.2     | 0                   | 0                  | 0.0  | 3,308                                     | 1,000                      |
| 10. 2017..... | 7,862                                   | 693         | 7,169     | 83.0  | 58.0        | 86.6      | 0                   | 0                  | 0.0  | 5,192                                     | 1,555                      |
| 11. 2018..... | 9,967                                   | 1,220       | 8,747     | 92.3  | 76.3        | 95.0      | 0                   | 0                  | 0.0  | 4,890                                     | 3,490                      |
| 12. Totals    | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 14,517                                    | 6,506                      |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),**  
**BOILER AND MACHINERY)**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned    |       |             | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|--------------------|-------|-------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1                  | 2     | 3           | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  | Direct and Assumed | Ceded | Net (1 - 2) | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior   | XXX                | XXX   | XXX         |                                |            |                                       |            |                              |            |  |   | XXX  |
| 2. 2009  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 3. 2010  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 4. 2011  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 5. 2012  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 6. 2013  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 7. 2014  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 8. 2015  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 9. 2016  |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 10. 2017   |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 11. 2018   |                    |       |             |                                |            |                                       |            |                              |            |  |   | XXX  |
| 12. Totals   | XXX                | XXX   | XXX         |                                |            |                                       |            |                              |            |  |   | XXX  |

**NONE**

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             |                            |             |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
| 1. Prior   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 2. 2009    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 3. 2010    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 4. 2011    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 5. 2012    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 6. 2013    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 7. 2014    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 8. 2015    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 9. 2016    |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 10. 2017   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 11. 2018   |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |
| 12. Totals |                          |             |                          |             |                                     |             |                          |             |                            |             |   |  |   |

**NONE**

|            | Total Losses and Loss Expenses Incurred |       |     | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |       |     | Nontabular Discount |              | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                      |
|------------|---|-------|-----|---|-------|-----|---------------------|--------------|--|---|----------------------|
|            | 26                                      | 27    | 28  | 29  | 30    | 31  | 32                  | 33           |  | 35  | 36                   |
|            | Direct and Assumed                      | Ceded | Net | Direct and Assumed  | Ceded | Net | Loss                | Loss Expense |  | Losses Unpaid                             | Loss Expenses Unpaid |
| 1. Prior   | XXX                                     | XXX   | XXX | XXX   | XXX   | XXX |                     |              | XXX  |   |                      |
| 2. 2009    |   |       |     |   |       |     |                     |              |  |   |                      |
| 3. 2010    |   |       |     |   |       |     |                     |              |  |   |                      |
| 4. 2011    |   |       |     |   |       |     |                     |              |  |   |                      |
| 5. 2012    |   |       |     |   |       |     |                     |              |  |   |                      |
| 6. 2013    |   |       |     |   |       |     |                     |              |  |   |                      |
| 7. 2014    |   |       |     |   |       |     |                     |              |  |   |                      |
| 8. 2015    |   |       |     |   |       |     |                     |              |  |   |                      |
| 9. 2016    |   |       |     |   |       |     |                     |              |  |   |                      |
| 10. 2017   |   |       |     |   |       |     |                     |              |  |   |                      |
| 11. 2018   |   |       |     |   |       |     |                     |              |  |   |                      |
| 12. Totals | XXX                                     | XXX   | XXX | XXX   | XXX   | XXX |                     |              | XXX  |   |                      |

**NONE**



**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2009  | 26                      | 0          | 26               | 2                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 5  |
| 3. 2010  | 27                      | 0          | 27               | 9                              | 0          | 6                                     | 0          | 1                            | 0          | 0                                      | 0   | 6  |
| 4. 2011  | 27                      | 0          | 27               | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 5. 2012  | 27                      | 0          | 27               | 1                              | 0          | 5                                     | 0          | 0                            | 0          | 0                                      | 0   | 17   |
| 6. 2013  | 27                      | 0          | 27               | 21                             | 0          | 10                                    | 0          | 2                            | 0          | 0                                      | 0   | 2  |
| 7. 2014  | 27                      | 0          | 27               | 0                              | 0          | 0                                     | 0          | 1                            | 0          | 0                                      | 0   | 3  |
| 8. 2015  | 27                      | 0          | 27               | 142                            | 0          | 3                                     | 0          | 11                           | 0          | 0                                      | 0   | 6  |
| 9. 2016  | 67                      | 0          | 67               | 0                              | 0          | 1                                     | 0          | 0                            | 0          | 0                                      | 0   | 4  |
| 10. 2017   | 70                      | 0          | 70               | 0                              | 0          | 1                                     | 0          | 0                            | 0          | 0                                      | 0   | 5  |
| 11. 2018   | 70                      | 0          | 70               | 0                              | 0          | 1                                     | 0          | 0                            | 0          | 0                                      | 0   | 3  |
| 12. Totals   | XXX                     | XXX        | XXX              | 175                            | 0          | 27                                    | 0          | 15                           | 0          | 0                                      | 0   | XXX  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2009    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2010    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2011    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2012    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2013    | 0                        | 0           | 2                        | 0           | 0                                   | 0           | 2                        | 0           | 0                          | 0           | 0   | 4  | 0   |
| 7. 2014    | 0                        | 0           | 1                        | 0           | 0                                   | 0           | 1                        | 0           | 0                          | 0           | 0   | 2  | 0   |
| 8. 2015    | 0                        | 0           | 32                       | 0           | 0                                   | 0           | 22                       | 0           | 3                          | 0           | 0   | 57   | 0   |
| 9. 2016    | 0                        | 0           | 22                       | 0           | 0                                   | 0           | 15                       | 0           | 2                          | 0           | 0   | 39   | 0   |
| 10. 2017   | 0                        | 0           | 30                       | 0           | 0                                   | 0           | 21                       | 0           | 3                          | 0           | 0   | 54   | 0   |
| 11. 2018   | 0                        | 0           | 37                       | 0           | 0                                   | 0           | 26                       | 0           | 3                          | 0           | 0   | 66   | 0   |
| 12. Totals | 0                        | 0           | 124                      | 0           | 0                                   | 0           | 87                       | 0           | 11                         | 0           | 0   | 222  | 0   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2009    | 2                                       | 0           | 2         | 7.7   | 0.0         | 7.7       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 3. 2010    | 16                                      | 0           | 16        | 59.3  | 0.0         | 59.3      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 4. 2011    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 5. 2012    | 6                                       | 0           | 6         | 22.2  | 0.0         | 22.2      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 6. 2013    | 37                                      | 0           | 37        | 137.0   | 0.0         | 137.0     | 0                   | 0                  | 0.0  | 2   | 2                          |
| 7. 2014    | 3                                       | 0           | 3         | 11.1  | 0.0         | 11.1      | 0                   | 0                  | 0.0  | 1   | 1                          |
| 8. 2015    | 213                                     | 0           | 213       | 788.9   | 0.0         | 788.9     | 0                   | 0                  | 0.0  | 32  | 25                         |
| 9. 2016    | 40                                      | 0           | 40        | 59.7  | 0.0         | 59.7      | 0                   | 0                  | 0.0  | 22  | 17                         |
| 10. 2017   | 55                                      | 0           | 55        | 78.6  | 0.0         | 78.6      | 0                   | 0                  | 0.0  | 30  | 24                         |
| 11. 2018   | 67                                      | 0           | 67        | 95.7  | 0.0         | 95.7      | 0                   | 0                  | 0.0  | 37  | 29                         |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 124                                       | 98                         |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P - PART 1H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**  
(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |            |                                       |            |                              |            | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | 12<br>Number of Claims Reported Direct and Assumed |
|--|-------------------------|------------|------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|---|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  |   |  |
|  |                         |            |                  | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |   |  |
| 1. Prior   | XXX                     | XXX        | XXX              | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | XXX  |
| 2. 2009  | 29                      | 0          | 29               | 0                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 1  |
| 3. 2010  | 29                      | 0          | 29               | 1                              | 0          | 23                                    | 0          | 1                            | 0          | 0                                      | 0   | 3  |
| 4. 2011  | 25                      | 0          | 25               | 14                             | 0          | 2                                     | 0          | 1                            | 0          | 0                                      | 0   | 21   |
| 5. 2012  | 24                      | 0          | 24               | 1                              | 0          | 3                                     | 0          | 0                            | 0          | 0                                      | 0   | 6  |
| 6. 2013  | 22                      | 0          | 22               | 1                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 2  |
| 7. 2014  | 17                      | 0          | 17               | 107                            | 0          | 66                                    | 0          | 7                            | 0          | 0                                      | 0   | 6  |
| 8. 2015  | 18                      | 0          | 18               | 5                              | 0          | 0                                     | 0          | 3                            | 0          | 0                                      | 0   | 7  |
| 9. 2016  | 63                      | 0          | 63               | 4                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 8  |
| 10. 2017   | 143                     | 0          | 143              | 2                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 18   |
| 11. 2018   | 158                     | 0          | 158              | 9                              | 0          | 0                                     | 0          | 0                            | 0          | 0                                      | 0   | 9  |
| 12. Totals   | XXX                     | XXX        | XXX              | 144                            | 0          | 94                                    | 0          | 12                           | 0          | 0                                      | 0   | XXX  |

|            | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|            | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|            | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior   | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 2. 2009    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 3. 2010    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 4. 2011    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 5. 2012    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 6. 2013    | 0                        | 0           | 0                        | 0           | 0                                   | 0           | 0                        | 0           | 0                          | 0           | 0   | 0  | 0   |
| 7. 2014    | 0                        | 0           | 2                        | 0           | 0                                   | 0           | 2                        | 0           | 0                          | 0           | 0   | 4  | 0   |
| 8. 2015    | 0                        | 0           | 1                        | 0           | 0                                   | 0           | 1                        | 0           | 0                          | 0           | 0   | 2  | 0   |
| 9. 2016    | 0                        | 0           | 12                       | 0           | 0                                   | 0           | 8                        | 0           | 1                          | 0           | 0   | 21   | 0   |
| 10. 2017   | 0                        | 0           | 49                       | 0           | 0                                   | 0           | 34                       | 0           | 4                          | 0           | 0   | 87   | 2   |
| 11. 2018   | 0                        | 0           | 77                       | 0           | 0                                   | 0           | 54                       | 0           | 7                          | 0           | 0   | 138  | 4   |
| 12. Totals | 0                        | 0           | 141                      | 0           | 0                                   | 0           | 99                       | 0           | 12                         | 0           | 0   | 252  | 6   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred / Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                            |
|------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                      | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            |   |             |           |   |             |           |                     |                    |  |   |                            |
| 1. Prior   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |
| 2. 2009    | 0                                       | 0           | 0         | 0.0   | 0.0         | 0.0       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 3. 2010    | 25                                      | 0           | 25        | 86.2  | 0.0         | 86.2      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 4. 2011    | 17                                      | 0           | 17        | 68.0  | 0.0         | 68.0      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 5. 2012    | 4                                       | 0           | 4         | 16.7  | 0.0         | 16.7      | 0                   | 0                  | 0.0  | 0   | 0                          |
| 6. 2013    | 1                                       | 0           | 1         | 4.5   | 0.0         | 4.5       | 0                   | 0                  | 0.0  | 0   | 0                          |
| 7. 2014    | 184                                     | 0           | 184       | 1,082.4   | 0.0         | 1,082.4   | 0                   | 0                  | 0.0  | 2   | 2                          |
| 8. 2015    | 10                                      | 0           | 10        | 55.6  | 0.0         | 55.6      | 0                   | 0                  | 0.0  | 1   | 1                          |
| 9. 2016    | 25                                      | 0           | 25        | 39.7  | 0.0         | 39.7      | 0                   | 0                  | 0.0  | 12  | 9                          |
| 10. 2017   | 89                                      | 0           | 89        | 62.2  | 0.0         | 62.2      | 0                   | 0                  | 0.0  | 49  | 38                         |
| 11. 2018   | 147                                     | 0           | 147       | 93.0  | 0.0         | 93.0      | 0                   | 0                  | 0.0  | 77  | 61                         |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 141                                       | 111                        |

Schedule P - Part 1I - Special Property (Fire, Allied Lines...)

**NONE**

Schedule P - Part 1J - Auto Physical Damage

**NONE**

Schedule P - Part 1K - Fidelity/Surety

**NONE**

Schedule P - Part 1L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 1M - International

**NONE**

Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 1R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 1T - Warranty

**NONE**

Schedule P - Part 2A - Homeowners/Farmowners

**NONE**

Schedule P - Part 2B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 2E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 2F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 | 11<br>One Year | 12<br>Two Year |
| 1. Prior                            | 27,289   | 25,063    | 21,335    | 19,511    | 18,553    | 18,969    | 18,830    | 19,016    | 18,674    | 18,504     | (170)          | (512)          |
| 2. 2009                             | 10,519   | 10,185    | 9,820     | 8,046     | 6,657     | 6,419     | 7,018     | 6,968     | 6,804     | 6,246      | (558)          | (722)          |
| 3. 2010                             | XXX  | 9,118     | 8,833     | 8,167     | 7,578     | 7,671     | 7,385     | 7,258     | 6,844     | 6,566      | (278)          | (692)          |
| 4. 2011                             | XXX  | XXX       | 7,985     | 7,606     | 6,669     | 5,082     | 3,950     | 3,932     | 3,631     | 3,504      | (127)          | (428)          |
| 5. 2012                             | XXX  | XXX       | XXX       | 7,729     | 8,102     | 6,793     | 5,960     | 4,641     | 4,551     | 4,236      | (315)          | (405)          |
| 6. 2013                             | XXX  | XXX       | XXX       | XXX       | 8,031     | 7,678     | 7,330     | 7,585     | 6,400     | 5,774      | (626)          | (1,811)        |
| 7. 2014                             | XXX  | XXX       | XXX       | XXX       | XXX       | 6,800     | 6,894     | 6,471     | 5,797     | 4,961      | (836)          | (1,510)        |
| 8. 2015                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | 7,102     | 6,662     | 5,822     | 4,986      | (836)          | (1,676)        |
| 9. 2016                             | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6,651     | 6,090     | 5,686      | (404)          | (965)          |
| 10. 2017                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6,608     | 5,689      | (919)          | XXX            |
| 11. 2018                            | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 6,930      | XXX            | XXX            |
| 12. Totals                          |  |           |           |           |           |           |           |           |           |            | (5,069)        | (8,721)        |

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|            |       |       |       |       |       |       |       |       |       |       |         |       |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------|
| 1. Prior   | 6,032 | 5,766 | 5,486 | 4,787 | 4,806 | 4,734 | 4,733 | 4,727 | 4,720 | 4,715 | (5)     | (12)  |
| 2. 2009    | 4,064 | 3,767 | 4,384 | 3,446 | 3,584 | 3,563 | 3,561 | 3,546 | 3,534 | 3,529 | (5)     | (17)  |
| 3. 2010    | XXX   | 3,628 | 3,080 | 2,236 | 1,867 | 1,595 | 1,620 | 1,597 | 1,576 | 1,978 | 402     | 381   |
| 4. 2011    | XXX   | XXX   | 3,632 | 3,128 | 2,296 | 1,870 | 1,818 | 2,067 | 2,330 | 2,364 | 34      | 297   |
| 5. 2012    | XXX   | XXX   | XXX   | 4,180 | 4,249 | 3,690 | 3,303 | 3,015 | 2,781 | 2,837 | 56      | (178) |
| 6. 2013    | XXX   | XXX   | XXX   | XXX   | 4,000 | 3,349 | 2,913 | 2,750 | 2,695 | 2,417 | (278)   | (333) |
| 7. 2014    | XXX   | XXX   | XXX   | XXX   | XXX   | 3,679 | 3,262 | 2,549 | 2,102 | 2,146 | 44      | (403) |
| 8. 2015    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,821 | 3,749 | 4,549 | 3,931 | (618)   | 182   |
| 9. 2016    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 5,299 | 9,515 | 7,863 | (1,652) | 2,564 |
| 10. 2017   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,998 | 6,825 | (173)   | XXX   |
| 11. 2018   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 8,288 | XXX     | XXX   |
| 12. Totals |       |       |       |       |       |       |       |       |       |       | (2,195) | 2,481 |

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

|            |     |     |     |     |     |     |     |     |     |  |     |     |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|
| 1. Prior   |     |     |     |     |     |     |     |     |     |  |     |     |
| 2. 2009    |     |     |     |     |     |     |     |     |     |  |     |     |
| 3. 2010    | XXX |     |     |     |     |     |     |     |     |  |     |     |
| 4. 2011    | XXX | XXX |     |     |     |     |     |     |     |  |     |     |
| 5. 2012    | XXX | XXX | XXX |     |     |     |     |     |     |  |     |     |
| 6. 2013    | XXX | XXX | XXX | XXX |     |     |     |     |     |  |     |     |
| 7. 2014    | XXX | XXX | XXX | XXX | XXX |     |     |     |     |  |     |     |
| 8. 2015    | XXX | XXX | XXX | XXX | XXX | XXX |     |     |     |  |     |     |
| 9. 2016    | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  |     |     |
| 10. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  |     | XXX |
| 11. 2018   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  | XXX | XXX |
| 12. Totals |     |     |     |     |     |     |     |     |     |  |     |     |

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|            |     |     |     |     |     |     |     |     |     |     |      |      |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior   | 53  | 37  | 8   | 3   | 1   | 1   | 0   | 0   | 0   | 0   | 0    | 0    |
| 2. 2009    | 23  | 18  | 16  | 10  | 4   | 3   | 2   | 2   | 2   | 2   | 0    | 0    |
| 3. 2010    | XXX | 28  | 33  | 28  | 20  | 17  | 16  | 15  | 17  | 15  | (2)  | 0    |
| 4. 2011    | XXX | XXX | 26  | 26  | 16  | 4   | 3   | 1   | 0   | 0   | 0    | (1)  |
| 5. 2012    | XXX | XXX | XXX | 25  | 22  | 16  | 10  | 6   | 2   | 6   | 4    | 0    |
| 6. 2013    | XXX | XXX | XXX | XXX | 100 | 61  | 55  | 48  | 41  | 35  | (6)  | (13) |
| 7. 2014    | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15  | 7   | 2   | (5)  | (13) |
| 8. 2015    | XXX | XXX | XXX | XXX | XXX | XXX | 157 | 187 | 199 | 199 | 0    | 12   |
| 9. 2016    | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 60  | 52  | 38  | (14) | (22) |
| 10. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 47  | 52  | 5    | XXX  |
| 11. 2018   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 64  | XXX  | XXX  |
| 12. Totals |     |     |     |     |     |     |     |     |     |     | (18) | (37) |

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|            |     |     |     |     |     |     |     |     |     |     |      |      |
|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| 1. Prior   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 2. 2009    | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    |
| 3. 2010    | XXX | 31  | 39  | 32  | 26  | 24  | 24  | 24  | 24  | 24  | 0    | 0    |
| 4. 2011    | XXX | XXX | 34  | 29  | 23  | 16  | 16  | 16  | 16  | 16  | 0    | 0    |
| 5. 2012    | XXX | XXX | XXX | 24  | 18  | 12  | 5   | 3   | 4   | 4   | 0    | 1    |
| 6. 2013    | XXX | XXX | XXX | XXX | 17  | 11  | 4   | 2   | 1   | 1   | 0    | (1)  |
| 7. 2014    | XXX | XXX | XXX | XXX | XXX | 60  | 133 | 141 | 130 | 177 | 47   | 36   |
| 8. 2015    | XXX | XXX | XXX | XXX | XXX | XXX | 20  | 15  | 12  | 7   | (5)  | (8)  |
| 9. 2016    | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 52  | 40  | 24  | (16) | (28) |
| 10. 2017   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 137 | 85  | (52) | XXX  |
| 11. 2018   | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 140 | XXX  | XXX  |
| 12. Totals |     |     |     |     |     |     |     |     |     |     | (26) | 0    |

Schedule P - Part 2I - Special Property

**NONE**

Schedule P - Part 2J - Auto Physical Damage

**NONE**

Schedule P - Part 2K - Fidelity/Surety

**NONE**

Schedule P - Part 2L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 2M - International

**NONE**

Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 2R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 2T - Warranty

**NONE**

Schedule P - Part 3A - Homeowners/Farmowners

**NONE**

Schedule P - Part 3B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 3E - Commercial Multiple Peril

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END<br>(\$000 OMITTED) |       |        |        |        |        |        |        |        |        | 11<br>Number of<br>Claims<br>Closed<br>With<br>Loss<br>Payment | 12<br>Number of<br>Claims<br>Closed<br>Without<br>Loss<br>Payment |
|-------------------------------------|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|--|---|
|                                     | 1  | 2     | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |  |   |
|                                     | 2009   | 2010  | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   |  |   |
| 1. Prior                            | .000   | 4,921 | 10,471 | 14,157 | 15,962 | 16,948 | 17,945 | 18,462 | 18,479 | 18,479 | 231  | 0   |
| 2. 2009                             | 144  | 582   | 1,832  | 3,053  | 4,994  | 5,478  | 6,584  | 6,618  | 6,618  | 6,188  | 59   | 134   |
| 3. 2010                             | XXX  | 691   | 1,367  | 1,979  | 3,327  | 5,294  | 6,464  | 6,513  | 6,517  | 6,422  | 63   | 119   |
| 4. 2011                             | XXX  | XXX   | 152    | 530    | 1,238  | 2,011  | 2,440  | 2,627  | 2,891  | 2,923  | 53   | 99  |
| 5. 2012                             | XXX  | XXX   | XXX    | 128    | 1,314  | 1,556  | 2,263  | 2,887  | 3,707  | 3,736  | 45   | 104   |
| 6. 2013                             | XXX  | XXX   | XXX    | XXX    | 202    | 507    | 1,357  | 3,307  | 4,429  | 5,060  | 55   | 95  |
| 7. 2014                             | XXX  | XXX   | XXX    | XXX    | XXX    | 118    | 682    | 1,621  | 2,405  | 3,607  | 44   | 75  |
| 8. 2015                             | XXX  | XXX   | XXX    | XXX    | XXX    | XXX    | 133    | 481    | 1,015  | 1,410  | 35   | 80  |
| 9. 2016                             | XXX  | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | 113    | 909    | 1,249  | 44   | 107   |
| 10. 2017                            | XXX  | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 140    | 289    | 27   | 73  |
| 11. 2018                            | XXX  | XXX   | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 96     | 20   | 33  |

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|          |      |       |       |       |       |       |       |       |       |       |    |     |
|----------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----|-----|
| 1. Prior | .000 | 1,842 | 3,564 | 4,551 | 4,590 | 4,716 | 4,716 | 4,716 | 4,715 | 4,715 | 81 | 0   |
| 2. 2009  | 230  | 684   | 3,056 | 3,124 | 3,324 | 3,526 | 3,528 | 3,528 | 3,529 | 3,529 | 31 | 52  |
| 3. 2010  | XXX  | 200   | 431   | 835   | 1,260 | 1,453 | 1,569 | 1,569 | 1,568 | 1,978 | 21 | 62  |
| 4. 2011  | XXX  | XXX   | 281   | 604   | 1,079 | 1,669 | 1,675 | 1,708 | 1,774 | 1,838 | 17 | 68  |
| 5. 2012  | XXX  | XXX   | XXX   | 149   | 652   | 1,795 | 2,604 | 2,743 | 2,743 | 2,832 | 28 | 70  |
| 6. 2013  | XXX  | XXX   | XXX   | XXX   | 230   | 894   | 1,213 | 2,028 | 2,392 | 2,399 | 22 | 80  |
| 7. 2014  | XXX  | XXX   | XXX   | XXX   | XXX   | 108   | 378   | 734   | 821   | 1,444 | 5  | 71  |
| 8. 2015  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | 229   | 706   | 3,157 | 3,637 | 30 | 81  |
| 9. 2016  | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 287   | 1,889 | 3,680 | 40 | 127 |
| 10. 2017 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 137   | 256   | 29 | 195 |
| 11. 2018 | XXX  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 200   | 22 | 159 |

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

|          |      |     |     |     |     |     |     |     |     |  |     |     |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|
| 1. Prior | .000 |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 2. 2009  |      |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 3. 2010  | XXX  |     |     |     |     |     |     |     |     |  | XXX | XXX |
| 4. 2011  | XXX  | XXX |     |     |     |     |     |     |     |  | XXX | XXX |
| 5. 2012  | XXX  | XXX | XXX |     |     |     |     |     |     |  | XXX | XXX |
| 6. 2013  | XXX  | XXX | XXX | XXX |     |     |     |     |     |  | XXX | XXX |
| 7. 2014  | XXX  | XXX | XXX | XXX | XXX |     |     |     |     |  | XXX | XXX |
| 8. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX |     |     |     |  | XXX | XXX |
| 9. 2016  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  | XXX | XXX |
| 10. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  | XXX | XXX |
| 11. 2018 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  | XXX | XXX |

**NONE**

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|          |      |     |     |     |     |     |     |     |     |     |   |    |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|
| 1. Prior | .000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 2 | 0  |
| 2. 2009  | 2    | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2   | 2 | 3  |
| 3. 2010  | XXX  | 3   | 13  | 13  | 13  | 13  | 13  | 13  | 15  | 15  | 5 | 1  |
| 4. 2011  | XXX  | XXX | 0   | 4   | 1   | 1   | 1   | 1   | 0   | 0   | 1 | 3  |
| 5. 2012  | XXX  | XXX | XXX | 2   | 2   | 2   | 2   | 2   | 2   | 6   | 2 | 15 |
| 6. 2013  | XXX  | XXX | XXX | XXX | 8   | 31  | 31  | 31  | 31  | 31  | 1 | 1  |
| 7. 2014  | XXX  | XXX | XXX | XXX | XXX | 0   | 0   | 0   | 0   | 0   | 0 | 3  |
| 8. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX | 136 | 146 | 145 | 145 | 3 | 3  |
| 9. 2016  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | 2   | 1   | 1   | 0 | 4  |
| 10. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0   | 1   | 0 | 5  |
| 11. 2018 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1   | 0 | 3  |

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|          |      |     |     |     |     |     |     |     |     |     |    |    |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|----|
| 1. Prior | .000 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 0  |
| 2. 2009  | 0    | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0  | 1  |
| 3. 2010  | XXX  | 8   | 23  | 24  | 24  | 24  | 24  | 24  | 24  | 24  | 1  | 2  |
| 4. 2011  | XXX  | XXX | 16  | 16  | 16  | 16  | 16  | 16  | 16  | 16  | 19 | 2  |
| 5. 2012  | XXX  | XXX | XXX | 2   | 3   | 3   | 3   | 3   | 4   | 4   | 2  | 4  |
| 6. 2013  | XXX  | XXX | XXX | XXX | 1   | 1   | 1   | 1   | 1   | 1   | 2  | 0  |
| 7. 2014  | XXX  | XXX | XXX | XXX | XXX | 38  | 119 | 119 | 118 | 173 | 6  | 0  |
| 8. 2015  | XXX  | XXX | XXX | XXX | XXX | XXX | 5   | 5   | 5   | 5   | 7  | 0  |
| 9. 2016  | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | 4   | 4   | 4   | 5  | 3  |
| 10. 2017 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1   | 2   | 5  | 11 |
| 11. 2018 | XXX  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9   | 5  | 0  |



Schedule P - Part 3I - Special Property

**NONE**

Schedule P - Part 3J - Auto Physical Damage

**NONE**

Schedule P - Part 3K - Fidelity/Surety

**NONE**

Schedule P - Part 3L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 3M - International

**NONE**

Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 3R - Section 1 - Product Liability - Occurrence

**NONE**

Schedule P - Part 3R - Section 2 - Product Liability - Claims-Made

**NONE**

Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 3T - Warranty

**NONE**

Schedule P - Part 4A - Homeowners/Farmowners

**NONE**

Schedule P - Part 4B - Private Passenger Auto Liability/Medical

**NONE**

Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical

**NONE**

Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation)

**NONE**

Schedule P - Part 4E - Commercial Multiple Peril

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

| 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   | 2      | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|                                     | 2009  | 2010   | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
| 1. Prior                            | 18,445  | 10,349 | 5,119 | 2,173 | 1,478 | 1,041 | 682   | 456   | 156   | 25    |
| 2. 2009                             | 9,929   | 8,417  | 5,395 | 3,105 | 867   | 563   | 343   | 350   | 183   | 53    |
| 3. 2010                             | XXX   | 8,014  | 6,736 | 4,446 | 1,910 | 947   | 762   | 741   | 327   | 144   |
| 4. 2011                             | XXX   | XXX    | 7,610 | 6,336 | 4,268 | 1,863 | 807   | 411   | 225   | 109   |
| 5. 2012                             | XXX   | XXX    | XXX   | 7,393 | 6,293 | 4,575 | 2,515 | 751   | 380   | 184   |
| 6. 2013                             | XXX   | XXX    | XXX   | XXX   | 7,603 | 6,089 | 3,698 | 2,336 | 1,095 | 491   |
| 7. 2014                             | XXX   | XXX    | XXX   | XXX   | XXX   | 6,451 | 5,083 | 3,013 | 1,245 | 809   |
| 8. 2015                             | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | 6,285 | 5,545 | 3,481 | 875   |
| 9. 2016                             | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | 6,272 | 4,727 | 2,766 |
| 10. 2017                            | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,422 | 5,016 |
| 11. 2018                            | XXX   | XXX    | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,768 |

**SCHEDULE P - PART 4F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

|          |       |       |       |       |       |       |       |       |       |       |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. Prior | 2,840 | 1,259 | 373   | 110   | 73    | 16    | 17    | 11    | 5     | 0     |
| 2. 2009  | 3,115 | 1,429 | 1,246 | 268   | 83    | 25    | 33    | 18    | 5     | 0     |
| 3. 2010  | XXX   | 2,934 | 1,713 | 1,038 | 170   | 57    | 41    | 28    | 8     | 0     |
| 4. 2011  | XXX   | XXX   | 3,017 | 1,699 | 815   | 165   | 115   | 51    | 14    | 1     |
| 5. 2012  | XXX   | XXX   | XXX   | 2,925 | 1,510 | 646   | 454   | 267   | 38    | 5     |
| 6. 2013  | XXX   | XXX   | XXX   | XXX   | 2,974 | 1,815 | 1,300 | 383   | 166   | 18    |
| 7. 2014  | XXX   | XXX   | XXX   | XXX   | XXX   | 3,199 | 2,041 | 951   | 205   | 30    |
| 8. 2015  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,114 | 983   | 799   | 141   |
| 9. 2016  | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 3,221 | 2,948 | 1,608 |
| 10. 2017 | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 6,121 | 2,795 |
| 11. 2018 | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | XXX   | 7,333 |

**SCHEDULE P - PART 4G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

|          |     |     |     |     |     |     |     |     |     |  |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| 1. Prior |     |     |     |     |     |     |     |     |     |  |
| 2. 2009  |     |     |     |     |     |     |     |     |     |  |
| 3. 2010  | XXX |     |     |     |     |     |     |     |     |  |
| 4. 2011  | XXX | XXX |     |     |     |     |     |     |     |  |
| 5. 2012  | XXX | XXX | XXX |     |     |     |     |     |     |  |
| 6. 2013  | XXX | XXX | XXX | XXX |     |     |     |     |     |  |
| 7. 2014  | XXX | XXX | XXX | XXX | XXX |     |     |     |     |  |
| 8. 2015  | XXX | XXX | XXX | XXX | XXX | XXX |     |     |     |  |
| 9. 2016  | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |     |  |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |     |  |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |  |

**NONE**

**SCHEDULE P - PART 4H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

|          |     |     |     |     |     |     |     |     |     |    |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| 1. Prior | 52  | 32  | 8   | 3   | 1   | 1   | 0   | 0   | 0   | 0  |
| 2. 2009  | 21  | 16  | 14  | 8   | 2   | 1   | 0   | 0   | 0   | 0  |
| 3. 2010  | XXX | 21  | 20  | 15  | 7   | 4   | 3   | 2   | 2   | 0  |
| 4. 2011  | XXX | XXX | 21  | 20  | 15  | 3   | 2   | 0   | 0   | 0  |
| 5. 2012  | XXX | XXX | XXX | 23  | 20  | 14  | 8   | 4   | 0   | 0  |
| 6. 2013  | XXX | XXX | XXX | XXX | 25  | 30  | 24  | 17  | 10  | 4  |
| 7. 2014  | XXX | XXX | XXX | XXX | XXX | 23  | 20  | 15  | 7   | 2  |
| 8. 2015  | XXX | XXX | XXX | XXX | XXX | XXX | 21  | 41  | 54  | 54 |
| 9. 2016  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 58  | 51  | 37 |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 47  | 51 |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 63 |

**SCHEDULE P - PART 4H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

|          |     |     |     |     |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. Prior | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 2. 2009  | 17  | 8   | 7   | 0   | 0   | 0   | 0   | 0   | 0   | 0   |
| 3. 2010  | XXX | 18  | 11  | 8   | 2   | 0   | 0   | 0   | 0   | 0   |
| 4. 2011  | XXX | XXX | 18  | 13  | 7   | 0   | 0   | 0   | 0   | 0   |
| 5. 2012  | XXX | XXX | XXX | 13  | 8   | 2   | 2   | 0   | 0   | 0   |
| 6. 2013  | XXX | XXX | XXX | XXX | 15  | 10  | 3   | 1   | 0   | 0   |
| 7. 2014  | XXX | XXX | XXX | XXX | XXX | 3   | 14  | 22  | 12  | 4   |
| 8. 2015  | XXX | XXX | XXX | XXX | XXX | XXX | 15  | 10  | 7   | 2   |
| 9. 2016  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 48  | 36  | 20  |
| 10. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 136 | 83  |
| 11. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 131 |

Schedule P - Part 4I - Special Property

**NONE**

Schedule P - Part 4J - Auto Physical Damage

**NONE**

Schedule P - Part 4K - Fidelity/Surety

**NONE**

Schedule P - Part 4L - Other (Including Credit, Accident and Health)

**NONE**

Schedule P - Part 4M - International

**NONE**

Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property

**NONE**

Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability

**NONE**

Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines

**NONE**

Schedule P - Part 4R - Section 1 - Products Liability - Occurrence

**NONE**

Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made

**NONE**

Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty

**NONE**

Schedule P - Part 4T - Warranty

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 1

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 2

**NONE**

Schedule P - Part 5A - Homeowners/Farmowners - Section 3

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 1

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 2

**NONE**

Schedule P - Part 5B - Private Passenger Auto Liability/Medical - Section 3

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 1

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 2

**NONE**

Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical - Section 3

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 1

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 2

**NONE**

Schedule P-Part 5D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 3

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 1

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 2

**NONE**

Schedule P - Part 5E - Commercial Multiple Peril - Section 3

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 220   | 37   | 22   | 13   | 9    | 3    | 3    | 2    | 142  | 0    |
| 2. 2009  | 8   | 23   | 37   | 42   | 52   | 56   | 57   | 61   | 59   | 59   |
| 3. 2010  | XXX   | 14   | 33   | 41   | 49   | 56   | 61   | 64   | 63   | 63   |
| 4. 2011  | XXX   | XXX  | 18   | 35   | 42   | 48   | 50   | 60   | 53   | 53   |
| 5. 2012  | XXX   | XXX  | XXX  | 15   | 32   | 38   | 38   | 49   | 45   | 45   |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 13   | 37   | 41   | 63   | 51   | 55   |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 12   | 27   | 61   | 38   | 44   |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 15   | 42   | 32   | 35   |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 69   | 39   | 44   |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 27   |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 20   |

**SECTION 2A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 190   | 132  | 90   | 38   | 24   | 15   | 7    | 2    | 1    | 0    |
| 2. 2009  | 43  | 60   | 62   | 42   | 22   | 14   | 10   | 2    | 1    | 3    |
| 3. 2010  | XXX   | 44   | 53   | 67   | 37   | 20   | 12   | 9    | 0    | 0    |
| 4. 2011  | XXX   | XXX  | 33   | 35   | 32   | 32   | 20   | 10   | 5    | 4    |
| 5. 2012  | XXX   | XXX  | XXX  | 49   | 30   | 24   | 25   | 21   | 13   | 4    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 46   | 31   | 41   | 27   | 14   | 8    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 31   | 23   | 16   | 20   | 11   |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 43   | 60   | 13   | 24   |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 58   | 22   | 40   |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 40   | 28   |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 28   |

**SECTION 3A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 369   | 60   | 24   | 6    | 12   | 6    | 53   | 0    | 409  | (1)  |
| 2. 2009  | 53  | 113  | 157  | 169  | 180  | 184  | 196  | 200  | 195  | 196  |
| 3. 2010  | XXX   | 65   | 117  | 163  | 171  | 176  | 183  | 193  | 182  | 182  |
| 4. 2011  | XXX   | XXX  | 59   | 100  | 125  | 140  | 152  | 166  | 156  | 156  |
| 5. 2012  | XXX   | XXX  | XXX  | 70   | 103  | 116  | 144  | 168  | 157  | 153  |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 66   | 105  | 152  | 180  | 157  | 158  |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 53   | 101  | 134  | 121  | 130  |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 80   | 167  | 113  | 139  |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 180  | 152  | 191  |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 85   | 128  |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 81   |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE  
SECTION 1B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 31  | 19   | 7    | 3    | 0    | 1    | 0    | 0    | 51   | 0    |
| 2. 2009  | 6   | 16   | 28   | 29   | 29   | 30   | 31   | 32   | 31   | 31   |
| 3. 2010  | XXX   | 4    | 10   | 13   | 15   | 16   | 17   | 19   | 21   | 21   |
| 4. 2011  | XXX   | XXX  | 5    | 10   | 13   | 14   | 16   | 22   | 17   | 17   |
| 5. 2012  | XXX   | XXX  | XXX  | 4    | 12   | 19   | 22   | 27   | 27   | 28   |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 5    | 13   | 16   | 25   | 17   | 22   |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 1    | 1    | 27   | 4    | 5    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 9    | 83   | 26   | 30   |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 76   | 31   | 40   |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 14   | 29   |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 22   |

**SECTION 2B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 88  | 30   | 11   | 3    | 2    | 1    | 0    | 0    | 0    | 0    |
| 2. 2009  | 54  | 23   | 4    | 1    | 2    | 1    | 0    | 0    | 0    | 0    |
| 3. 2010  | XXX   | 60   | 22   | 12   | 6    | 3    | 1    | 0    | 0    | 0    |
| 4. 2011  | XXX   | XXX  | 48   | 28   | 16   | 4    | 1    | 1    | 1    | 1    |
| 5. 2012  | XXX   | XXX  | XXX  | 71   | 37   | 22   | 12   | 1    | 0    | 0    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 56   | 24   | 11   | 4    | 5    | 0    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 35   | 18   | 11   | 11   | 7    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 47   | 13   | 13   | 8    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 61   | 60   | 23   |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 164  | 66   |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 172  |

**SECTION 3B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 42  | 3    | 0    | 0    | 2    | 0    | 27   | (2)  | 173  | 0    |
| 2. 2009  | 70  | 76   | 76   | 76   | 77   | 77   | 85   | 86   | 83   | 83   |
| 3. 2010  | XXX   | 72   | 77   | 80   | 79   | 78   | 80   | 78   | 83   | 83   |
| 4. 2011  | XXX   | XXX  | 73   | 84   | 85   | 83   | 86   | 98   | 86   | 86   |
| 5. 2012  | XXX   | XXX  | XXX  | 85   | 93   | 97   | 98   | 99   | 94   | 98   |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 71   | 74   | 98   | 110  | 100  | 102  |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 47   | 77   | 126  | 83   | 83   |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 94   | 177  | 113  | 119  |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 176  | 188  | 190  |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 293  | 290  |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 353  |

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 2   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 2    | 0    |
| 2. 2009  | 2   | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| 3. 2010  | XXX   | 3    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| 4. 2011  | XXX   | XXX  | 0    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| 5. 2012  | XXX   | XXX  | XXX  | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 0    | 1    | 1    | 1    | 1    | 1    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    | 0    | 0    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 1    | 3    | 3    | 3    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    |

**SECTION 2A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 1   | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2009  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2010  | XXX   | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 4. 2011  | XXX   | XXX  | 1    | 1    | 0    | 0    | 0    | 0    | 0    | 0    |
| 5. 2012  | XXX   | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    | 0    | 0    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    | 0    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    | 0    | 0    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    | 0    | 0    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 0    | 0    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    |

**SECTION 3A**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | (1)   | 1    | (1)  | 0    | 0    | 0    | 2    | 0    | 4    | 0    |
| 2. 2009  | 2   | 2    | 2    | 2    | 2    | 2    | 4    | 4    | 4    | 5    |
| 3. 2010  | XXX   | 4    | 5    | 5    | 5    | 5    | 6    | 6    | 6    | 6    |
| 4. 2011  | XXX   | XXX  | 1    | 2    | 1    | 1    | 2    | 2    | 4    | 4    |
| 5. 2012  | XXX   | XXX  | XXX  | 3    | 3    | 3    | 16   | 16   | 17   | 17   |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 1    | 1    | 2    | 2    | 2    | 2    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 0    | 3    | 3    | 3    | 3    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 5    | 6    | 7    | 6    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 4    | 4    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 5    |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 3    |



**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE  
SECTION 1B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2009  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2010  | XXX   | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| 4. 2011  | XXX   | XXX  | 17   | 19   | 19   | 19   | 19   | 19   | 19   | 19   |
| 5. 2012  | XXX   | XXX  | XXX  | 1    | 2    | 2    | 2    | 2    | 2    | 2    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 3    | 4    | 4    | 4    | 4    | 4    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 4    | 6    | 6    | 6    | 6    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 7    | 7    | 7    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 6    | 5    | 5    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 4    | 5    |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 5    |

**SECTION 2B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2009  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 3. 2010  | XXX   | 2    | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 4. 2011  | XXX   | XXX  | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 5. 2012  | XXX   | XXX  | XXX  | 2    | 1    | 1    | 0    | 0    | 0    | 0    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    | 0    | 0    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 2    | 0    | 0    | 0    | 0    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 1    | 0    | 0    | 0    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 2    | 0    | 0    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 0    | 2    |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 4    |

**SECTION 3B**

| Years in<br>Years in Which<br>Premiums<br>Were Earned<br>and Losses<br>Were Incurred | CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END |      |      |      |      |      |      |      |      |      |
|--|---|------|------|------|------|------|------|------|------|------|
|  | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|  | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior   | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| 2. 2009  | 0   | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    | 1    |
| 3. 2010  | XXX   | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| 4. 2011  | XXX   | XXX  | 19   | 19   | 19   | 19   | 21   | 23   | 21   | 21   |
| 5. 2012  | XXX   | XXX  | XXX  | 3    | 3    | 3    | 6    | 6    | 6    | 6    |
| 6. 2013  | XXX   | XXX  | XXX  | XXX  | 4    | 4    | 4    | 4    | 4    | 2    |
| 7. 2014  | XXX   | XXX  | XXX  | XXX  | XXX  | 6    | 8    | 6    | 6    | 6    |
| 8. 2015  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | 7    | 7    | 7    | 7    |
| 9. 2016  | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    | 7    | 8    |
| 10. 2017   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    | 18   |
| 11. 2018   | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | 9    |

Schedule P - Part 5R - Products Liability - Occurrence - Section 1A

**NONE**

Schedule P - Part 5R - Products Liability - Occurrence - Section 2A

**NONE**

Schedule P - Part 5R - Products Liability - Occurrence - Section 3A

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 1B

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 2B

**NONE**

Schedule P - Part 5R - Products Liability - Claims-Made - Section 3B

**NONE**

Schedule P - Part 5T - Warranty - Section 1

**NONE**

Schedule P - Part 5T - Warranty - Section 2

**NONE**

Schedule P - Part 5T - Warranty - Section 3

**NONE**

Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical - Section 1

**NONE**

Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical - Section 2

**NONE**

Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 1

**NONE**

Schedule P-Part 6D-Workers' Compensation (Excluding Excess Workers' Compensation)-Section 2

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL  
SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |   |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |   |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | .XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | .XXX  | .XXX      |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | .XXX  | .XXX      | .XXX      |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      |           |           |           |           |           |            |                                 |
| 7. 2014.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |           |            |                                 |
| 8. 2015.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |            |                                 |
| 9. 2016.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |            |                                 |
| 10. 2017.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |            |                                 |
| 11. 2018.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |            |                                 |
| 12. Totals.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |   |           |           |           |           |           |           |           |           |            | .XXX                            |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | .XXX   |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | .XXX   | .XXX      |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | .XXX   | .XXX      | .XXX      |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | .XXX   | .XXX      | .XXX      | .XXX      |           |           |           |           |           |            |                                 |
| 7. 2014.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |           |            |                                 |
| 8. 2015.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |            |                                 |
| 9. 2016.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |            |                                 |
| 10. 2017.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |            |                                 |
| 11. 2018.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |            |                                 |
| 12. Totals.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | .XXX                            |

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE  
SECTION 1A**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                               |
| 2. 2009.....   | 26  | 26        | 26        | 26        | 26        | 26        | 26        | 26        | 26        | 26         | 0                               |
| 3. 2010.....   | .XXX  | .27       | .27       | .27       | .27       | .27       | .27       | .27       | .27       | .27        | 0                               |
| 4. 2011.....   | .XXX  | .XXX      | .27       | .27       | .27       | .27       | .27       | .27       | .27       | .27        | 0                               |
| 5. 2012.....   | .XXX  | .XXX      | .XXX      | .27       | .27       | .27       | .27       | .27       | .27       | .27        | 0                               |
| 6. 2013.....   | .XXX  | .XXX      | .XXX      | .XXX      | .27       | .27       | .27       | .27       | .27       | .27        | 0                               |
| 7. 2014.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .27       | .27       | .27       | .27       | .27        | 0                               |
| 8. 2015.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .27       | .27       | .27       | .27        | 0                               |
| 9. 2016.....   | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .67       | .67       | .67        | 0                               |
| 10. 2017.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .70       | .70        | 0                               |
| 11. 2018.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .70        | .70                             |
| 12. Totals.....  | .XXX  | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       | .70                             |
| 13. Earned Premiums (Sch P-Pt. 1)                            | 26  | 27        | 27        | 27        | 27        | 27        | 27        | 67        | 70        | 70         | .XXX                            |

**SECTION 2A**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | .XXX   |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | .XXX   | .XXX      |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | .XXX   | .XXX      | .XXX      |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | .XXX   | .XXX      | .XXX      | .XXX      |           |           |           |           |           |            |                                 |
| 7. 2014.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |           |            |                                 |
| 8. 2015.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |           |            |                                 |
| 9. 2016.....   | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |           |            |                                 |
| 10. 2017.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |           |            |                                 |
| 11. 2018.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      |            |                                 |
| 12. Totals.....  | .XXX   | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX      | .XXX       |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | .XXX                            |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**  
**SECTION 1B**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  | 0   | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          | 0                               |
| 2. 2009.....   | 29  | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                               |
| 3. 2010.....   | XXX   | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29        | 29         | 0                               |
| 4. 2011.....   | XXX   | XXX       | 25        | 25        | 25        | 25        | 25        | 25        | 25        | 25         | 0                               |
| 5. 2012.....   | XXX   | XXX       | XXX       | 25        | 25        | 25        | 25        | 25        | 25        | 25         | 0                               |
| 6. 2013.....   | XXX   | XXX       | XXX       | XXX       | 17        | 17        | 17        | 17        | 17        | 17         | 0                               |
| 7. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       | 17        | 17        | 17        | 17        | 17         | 0                               |
| 8. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | 18        | 18        | 18        | 18         | 0                               |
| 9. 2016.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 63        | 63        | 63         | 0                               |
| 10. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 143       | 143        | 0                               |
| 11. 2018.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 158        | 158                             |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        | 158                             |
| 13. Earned Premiums (Sch P-Pt. 1)                            | 29  | 29        | 25        | 24        | 22        | 17        | 18        | 63        | 143       | 158        | XXX                             |

**SECTION 2B**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2016.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2018.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

**SCHEDULE P - PART 6M - INTERNATIONAL**  
**SECTION 1**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009   | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |   |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |   |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | XXX   |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | XXX   | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | XXX   | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | XXX   | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2014.....   | XXX   | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2015.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2016.....   | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2017.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2018.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX   | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |   |           |           |           |           |           |           |           |           |            | XXX                             |

**SECTION 2**

| Years in Which Premiums Were Earned and Losses Were Incurred | CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | 11 Current Year Premiums Earned |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---------------------------------|
|  | 1<br>2009  | 2<br>2010 | 3<br>2011 | 4<br>2012 | 5<br>2013 | 6<br>2014 | 7<br>2015 | 8<br>2016 | 9<br>2017 | 10<br>2018 |                                 |
| 1. Prior.....  |  |           |           |           |           |           |           |           |           |            |                                 |
| 2. 2009.....   |  |           |           |           |           |           |           |           |           |            |                                 |
| 3. 2010.....   | XXX  |           |           |           |           |           |           |           |           |            |                                 |
| 4. 2011.....   | XXX  | XXX       |           |           |           |           |           |           |           |            |                                 |
| 5. 2012.....   | XXX  | XXX       | XXX       |           |           |           |           |           |           |            |                                 |
| 6. 2013.....   | XXX  | XXX       | XXX       | XXX       |           |           |           |           |           |            |                                 |
| 7. 2014.....   | XXX  | XXX       | XXX       | XXX       | XXX       |           |           |           |           |            |                                 |
| 8. 2015.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |           |            |                                 |
| 9. 2016.....   | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |           |            |                                 |
| 10. 2017.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |           |            |                                 |
| 11. 2018.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       |            |                                 |
| 12. Totals.....  | XXX  | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX        |                                 |
| 13. Earned Premiums (Sch P-Pt. 1)                            |  |           |           |           |           |           |           |           |           |            | XXX                             |

Schedule P - Part 6N- Reinsurance A - Nonproportional Assumed Property - Section 1

**NONE**

Schedule P - Part 6N- Reinsurance A - Nonproportional Assumed Property - Section 2

**NONE**

Schedule P - Part 6O - Reinsurance B - Nonproportional Liability - Section 1

**NONE**

Schedule P - Part 6O - Reinsurance B - Nonproportional Assumed Liability - Section 2

**NONE**

Schedule P - Part 6R - Products Liability - Occurrence - Section 1A

**NONE**

Schedule P - Part 6R - Products Liability - Occurrence - Section 2A

**NONE**

Schedule P - Part 6R - Products Liability - Claims-Made - Section 1B

**NONE**

Schedule P - Part 6R - Products Liability - Claims-Made - Section 2B

**NONE**

Schedule P - Part 7A - Section 1 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7A - Section 2 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7A - Section 3 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7A - Section 4 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7A - Section 5 - Primary Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 1 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 2 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 3 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 4 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 5 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 6 - Reinsurance Loss Sensitive Contracts

**NONE**

Schedule P - Part 7B - Section 7 - Reinsurance Loss Sensitive Contracts

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE P INTERROGATORIES**

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? ..... Yes [ X ] No [ ]  
 If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? .....\$ .....1,834,000
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? ..... Yes [ X ] No [ ]
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? ..... Yes [ ] No [ X ]
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? ..... Yes [ X ] No [ ] N/A [ ]
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

| Years in Which Premiums Were Earned and Losses Were Incurred | DDR Reserve Included in<br>Schedule P, Part 1F, Medical Professional Liability<br>Column 24: Total Net Losses and Expenses Unpaid |                             |
|--|---|-----------------------------|
|  | 1<br>Section 1: Occurrence  | 2<br>Section 2: Claims-Made |
| 1.601 Prior .....  | 0   | 0                           |
| 1.602 2009 .....   | 0   | 0                           |
| 1.603 2010 .....   | 0   | 0                           |
| 1.604 2011 .....   | 0   | 0                           |
| 1.605 2012 .....   | 0   | 0                           |
| 1.606 2013 .....   | 0   | 0                           |
| 1.607 2014 .....   | 0   | 0                           |
| 1.608 2015 .....   | 0   | 0                           |
| 1.609 2016 .....   | 0   | 0                           |
| 1.610 2017 .....   | 0   | 0                           |
| 1.611 2018 .....   | 0   | 0                           |
| 1.612 Totals   | 0   | 0                           |

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? ..... Yes [ X ] No [ ]
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? ..... Yes [ ] No [ X ]
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? ..... Yes [ ] No [ X ]
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33. Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:  
 (in thousands of dollars)
- |                    |   |
|--------------------|---|
| 5.1 Fidelity ..... | 0 |
| 5.2 Surety .....   | 0 |
6. Claim count information is reported per claim or per claimant (Indicate which) .....per claim.....  
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? ..... Yes [ ] No [ X ]
- 7.2 (An extended statement may be attached.)  
 #3: The calendar year A&O expense payments are allocated to year based on the current year loss and DCC expense payments. #6: Claims counts are recorded separately for each hospital and physician named in a claim if both or all are insured. ....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

| States, Etc.   | 1<br>Active Status (a) | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges Not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
|--|------------------------|---|-----------------------------|---|---|-----------------------------|---------------------------|---|---|
|  |                        | 2<br>Direct Premiums Written  | 3<br>Direct Premiums Earned |   |   |                             |                           |   |   |
| 1. Alabama   | AL                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 2. Alaska  | AK                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 3. Arizona   | AZ                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 4. Arkansas  | AR                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 5. California  | CA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 6. Colorado  | CO                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 7. Connecticut   | CT                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 8. Delaware  | DE                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 9. District of Columbia  | DC                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 10. Florida  | FL                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 11. Georgia  | GA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 12. Hawaii   | HI                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 13. Idaho  | ID                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 14. Illinois   | IL                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 15. Indiana  | IN                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 16. Iowa   | IA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 17. Kansas   | KS                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 18. Kentucky   | KY                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 19. Louisiana  | LA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 20. Maine  | ME                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 21. Maryland   | MD                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 22. Massachusetts  | MA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 23. Michigan   | MI                     | L   | 20,308,894                  | 19,978,582  | 0   | 4,078,392                   | 7,861,410                 | 34,667,959  | 0   |
| 24. Minnesota  | MN                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 25. Mississippi  | MS                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 26. Missouri   | MO                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 27. Montana  | MT                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 28. Nebraska   | NE                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 29. Nevada   | NV                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 30. New Hampshire  | NH                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 31. New Jersey   | NJ                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 32. New Mexico   | NM                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 33. New York   | NY                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 34. North Carolina   | NC                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 35. North Dakota   | ND                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 36. Ohio   | OH                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 37. Oklahoma   | OK                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 38. Oregon   | OR                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 39. Pennsylvania   | PA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 40. Rhode Island   | RI                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 41. South Carolina   | SC                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 42. South Dakota   | SD                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 43. Tennessee  | TN                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 44. Texas  | TX                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 45. Utah   | UT                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 46. Vermont  | VT                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 47. Virginia   | VA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 48. Washington   | WA                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 49. West Virginia  | WV                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 50. Wisconsin  | WI                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 51. Wyoming  | WY                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 52. American Samoa   | AS                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 53. Guam   | GU                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 54. Puerto Rico  | PR                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 55. U.S. Virgin Islands  | VI                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 56. Northern Mariana Islands   | MP                     | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 57. Canada   | CAN                    | N   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 58. Aggregate other alien  | OT                     | XXX   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |
| 59. Totals   | XXX                    |   | 20,308,894                  | 19,978,582  | 0   | 4,078,392                   | 7,861,410                 | 34,667,959  | 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 through 58003 plus 58998)(Line 58 above)  | XXX                    | 0   | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0   |

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....1
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....0
- D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....0
- R - Registered - Non-domiciled RRGs.....0
- Q - Qualified - Qualified or accredited reinsurer.....0
- N - None of the above - Not allowed to write business in the state.....56

(b) Explanation of basis of allocation of premiums by states, etc.



**SCHEDULE T - PART 2  
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**

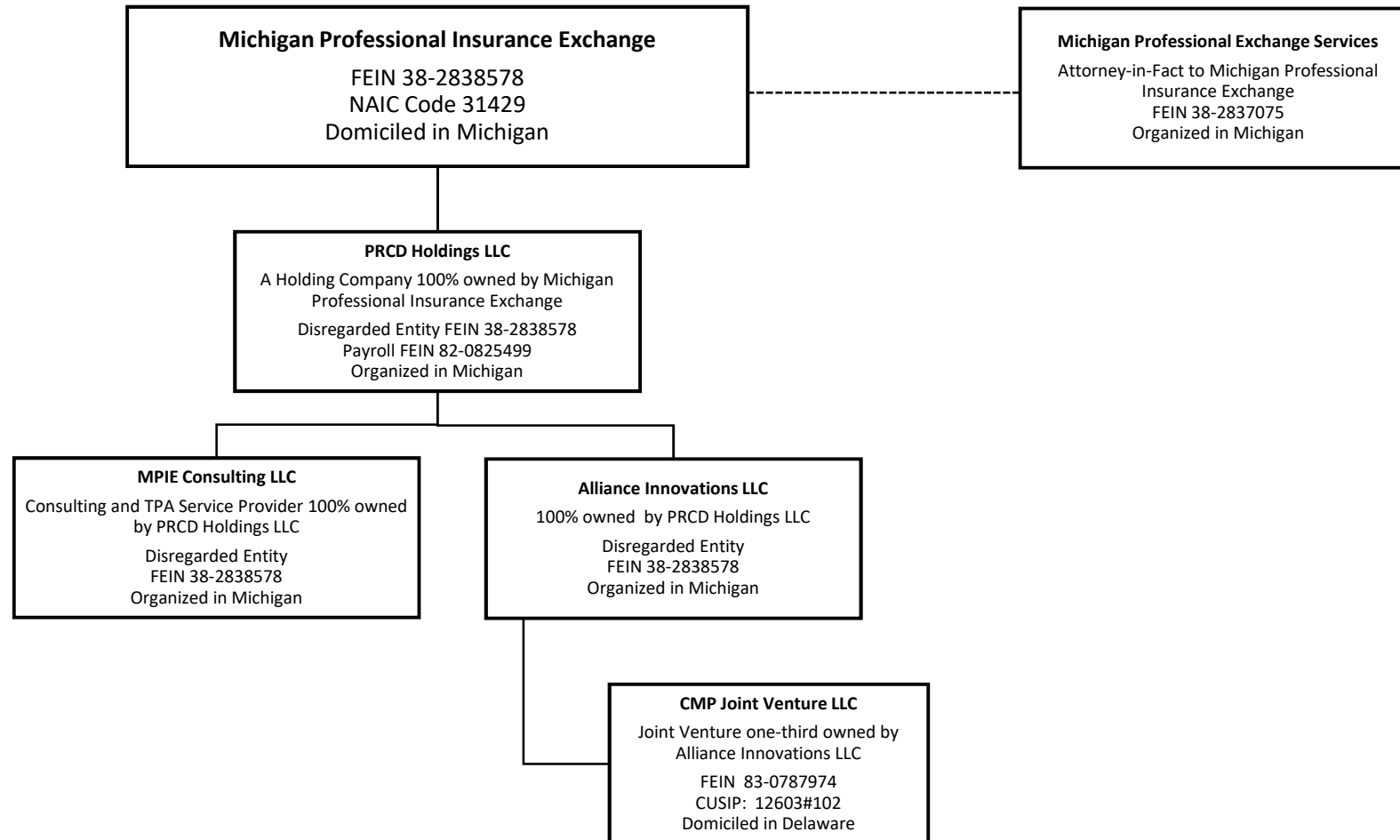
Allocated by States and Territories

| States, Etc.                 |     | Direct Business Only                |  |   |  |                                | 6<br>Totals |
|------------------------------|-----|-------------------------------------|--|---|--|--------------------------------|-------------|
|                              |     | 1<br>Life<br>(Group and Individual) | 2<br>Annuities<br>(Group and Individual) | 3<br>Disability<br>Income<br>(Group and Individual) | 4<br>Long-Term<br>Care<br>(Group and Individual) | 5<br>Deposit-Type<br>Contracts |             |
| 1. Alabama                   | AL  |                                     |  |   |  |                                |             |
| 2. Alaska                    | AK  |                                     |  |   |  |                                |             |
| 3. Arizona                   | AZ  |                                     |  |   |  |                                |             |
| 4. Arkansas                  | AR  |                                     |  |   |  |                                |             |
| 5. California                | CA  |                                     |  |   |  |                                |             |
| 6. Colorado                  | CO  |                                     |  |   |  |                                |             |
| 7. Connecticut               | CT  |                                     |  |   |  |                                |             |
| 8. Delaware                  | DE  |                                     |  |   |  |                                |             |
| 9. District of Columbia      | DC  |                                     |  |   |  |                                |             |
| 10. Florida                  | FL  |                                     |  |   |  |                                |             |
| 11. Georgia                  | GA  |                                     |  |   |  |                                |             |
| 12. Hawaii                   | HI  |                                     |  |   |  |                                |             |
| 13. Idaho                    | ID  |                                     |  |   |  |                                |             |
| 14. Illinois                 | IL  |                                     |  |   |  |                                |             |
| 15. Indiana                  | IN  |                                     |  |   |  |                                |             |
| 16. Iowa                     | IA  |                                     |  |   |  |                                |             |
| 17. Kansas                   | KS  |                                     |  |   |  |                                |             |
| 18. Kentucky                 | KY  |                                     |  |   |  |                                |             |
| 19. Louisiana                | LA  |                                     |  |   |  |                                |             |
| 20. Maine                    | ME  |                                     |  |   |  |                                |             |
| 21. Maryland                 | MD  |                                     |  |   |  |                                |             |
| 22. Massachusetts            | MA  |                                     |  |   |  |                                |             |
| 23. Michigan                 | MI  |                                     |  |   |  |                                |             |
| 24. Minnesota                | MN  |                                     |  |   |  |                                |             |
| 25. Mississippi              | MS  |                                     |  |   |  |                                |             |
| 26. Missouri                 | MO  |                                     |  |   |  |                                |             |
| 27. Montana                  | MT  |                                     |  |   |  |                                |             |
| 28. Nebraska                 | NE  |                                     |  |   |  |                                |             |
| 29. Nevada                   | NV  |                                     |  |   |  |                                |             |
| 30. New Hampshire            | NH  |                                     |  |   |  |                                |             |
| 31. New Jersey               | NJ  |                                     |  |   |  |                                |             |
| 32. New Mexico               | NM  |                                     |  |   |  |                                |             |
| 33. New York                 | NY  |                                     |  |   |  |                                |             |
| 34. North Carolina           | NC  |                                     |  |   |  |                                |             |
| 35. North Dakota             | ND  |                                     |  |   |  |                                |             |
| 36. Ohio                     | OH  |                                     |  |   |  |                                |             |
| 37. Oklahoma                 | OK  |                                     |  |   |  |                                |             |
| 38. Oregon                   | OR  |                                     |  |   |  |                                |             |
| 39. Pennsylvania             | PA  |                                     |  |   |  |                                |             |
| 40. Rhode Island             | RI  |                                     |  |   |  |                                |             |
| 41. South Carolina           | SC  |                                     |  |   |  |                                |             |
| 42. South Dakota             | SD  |                                     |  |   |  |                                |             |
| 43. Tennessee                | TN  |                                     |  |   |  |                                |             |
| 44. Texas                    | TX  |                                     |  |   |  |                                |             |
| 45. Utah                     | UT  |                                     |  |   |  |                                |             |
| 46. Vermont                  | VT  |                                     |  |   |  |                                |             |
| 47. Virginia                 | VA  |                                     |  |   |  |                                |             |
| 48. Washington               | WA  |                                     |  |   |  |                                |             |
| 49. West Virginia            | WV  |                                     |  |   |  |                                |             |
| 50. Wisconsin                | WI  |                                     |  |   |  |                                |             |
| 51. Wyoming                  | WY  |                                     |  |   |  |                                |             |
| 52. American Samoa           | AS  |                                     |  |   |  |                                |             |
| 53. Guam                     | GU  |                                     |  |   |  |                                |             |
| 54. Puerto Rico              | PR  |                                     |  |   |  |                                |             |
| 55. U.S. Virgin Islands      | VI  |                                     |  |   |  |                                |             |
| 56. Northern Mariana Islands | MP  |                                     |  |   |  |                                |             |
| 57. Canada                   | CAN |                                     |  |   |  |                                |             |
| 58. Aggregate Other Alien    | OT  |                                     |  |   |  |                                |             |
| 59. Total                    |     |                                     |  |   |  |                                |             |

**NONE**

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

**PART 1 – ORGANIZATIONAL CHART**



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

| 1          | 2          | 3                 | 4          | 5            | 6   | 7  | 8   | 9                    | 10                               | 11   | 12   | 13   | 14   | 15                               | 16 |
|------------|------------|-------------------|------------|--------------|-----|--|---|----------------------|----------------------------------|--|--|--|--|----------------------------------|----|
| Group Code | Group Name | NAIC Company Code | ID Number  | Federal RSSD | CIK | Name of Securities Exchange if Publicly Traded (U.S. or International) | Names of Parent, Subsidiaries Or Affiliates   | Domiciliary Location | Relationship to Reporting Entity | Directly Controlled by (Name of Entity/Person) | Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | If Control is Ownership Provide Percentage | Ultimate Controlling Entity(ies)/Person(s) | Is an SCA Filing Required? (Y/N) | *  |
|            |            | 31429             | 38-2838578 |              |     |  | Michigan Professional Insurance Exchange      | MI                   | RE                               | Board of Directors                             | Board of Directors   | 0.000                                      | Board of Directors                         | N                                |    |
|            |            |                   | 38-2837075 |              |     |  | Michigan Professional Exchange Services, Inc. | MI                   | NIA                              | Michigan Professional Insurance Exchange       | Attorney-In-Fact   | 0.000                                      | Michigan Professional Insurance Exchange   | N                                |    |
|            |            |                   | 38-2838578 |              |     |  | PRCD Holdings LLC                             | MI                   | DS                               | Michigan Professional Insurance Exchange       | Ownership  | 100.000                                    | Michigan Professional Insurance Exchange   | N                                |    |
|            |            |                   | 38-2838578 |              |     |  | MPIE Consulting LLC                           | MI                   | DS                               | PRCD Holdings LLC                              | Ownership  | 100.000                                    | Michigan Professional Insurance Exchange   | N                                |    |
|            |            |                   | 38-2838578 |              |     |  | Alliance Innovations LLC                      | MI                   | DS                               | PRCD Holdings LLC                              | Ownership  | 100.000                                    | Michigan Professional Insurance Ex         | N                                |    |
|            |            |                   | 83-0787974 |              |     |  | CMP Joint Venture LLC                         | DE                   | DS                               | Alliance Innovations LLC                       | Ownership  | 33.333                                     | Michigan Professional Insurance Ex         | N                                |    |

|          |             |
|----------|-------------|
| Asterisk | Explanation |
|----------|-------------|

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE Y**

**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

| 1                 | 2         | 3   | 4                     | 5                     | 6  | 7  | 8   | 9   | 10  | 11   | 12          | 13   |
|-------------------|-----------|---|-----------------------|-----------------------|--|--|---|---|-----|--|-------------|--|
| NAIC Company Code | ID Number | Names of Insurers and Parent, Subsidiaries or Affiliates          | Shareholder Dividends | Capital Contributions | Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments | Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s) | Management Agreements and Service Contracts | Income/ (Disbursements) Incurred Under Reinsurance Agreements | *   | Any Other Material Activity Not in the Ordinary Course of the Insurer's Business | Totals      | Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability) |
| 38-2838578        |           | PRCD Holdings LLC to MPIE Consulting LLC                          | 0                     | (100,000)             | 0  | 0  | 0   | 0   |     | 0  | (100,000)   | 0  |
| 38-2838578        |           | MPIE Consulting LLC from PRCD Holdings LLC                        | 0                     | 100,000               | 0  | 0  | 0   | 0   |     | 0  | 100,000     | 0  |
| 38-2838578        |           | PRCD Holdings LLC to Alliance Innovations LLC                     | 0                     | (250,000)             | 0  | 0  | 0   | 0   |     | 0  | (250,000)   | 0  |
| 38-2838578        |           | Alliance Innovations LLC from PRCD Holdings LLC                   | 0                     | 250,000               | 0  | 0  | 0   | 0   |     | 0  | 250,000     | 0  |
| 38-2838578        |           | Alliance Innovations LLC to CMP Joint Venture LLC                 | 0                     | (250,000)             | 0  | 0  | 0   | 0   |     | 0  | (250,000)   | 0  |
| 83-0787974        |           | CMP Joint Venture LLC from Alliance Innovations LLC               | 0                     | 250,000               | 0  | 0  | 0   | 0   |     | 0  | 250,000     | 0  |
| 38-2838578        |           | Michigan Professional Insurance Exchange to MPIE Consulting LLC   | 0                     | 0                     | 0  | 0  | (2,716,464)                                 | 0   |     | 0  | (2,716,464) | 0  |
| 38-2837075        |           | MPIE Consulting LLC from Michigan Professional Insurance Exchange | 0                     | 0                     | 0  | 0  | 2,716,464                                   | 0   |     | 0  | 2,716,464   | 0  |
| 9999999           |           | Control Totals  | 0                     | 0                     | 0  | 0  | 0   | 0   | XXX | 0  | 0           | 0  |

# ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE








## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

|   | Responses       |
|---|-----------------|
| <b>MARCH FILING</b>   |                 |
| 1. Will an actuarial opinion be filed by March 1? .....   | YES             |
| 2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....   | YES             |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? .....   | YES             |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? .....   | YES             |
| <b>APRIL FILING</b>   |                 |
| 5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1? .....  | YES             |
| 6. Will Management's Discussion and Analysis be filed by April 1? .....   | YES             |
| 7. Will the Supplemental Investment Risk Interrogatories be filed by April 1? .....   | YES             |
| <b>MAY FILING</b>   |                 |
| 8. Will this company be included in a combined annual statement which is filed with the NAIC by May 1? .....  | SEE EXPLANATION |
| <b>JUNE FILING</b>  |                 |
| 9. Will an audited financial report be filed by June 1? .....   | YES             |
| 10. Will Accountant's Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? .....  | YES             |
| <b>AUGUST FILING</b>  |                 |
| 11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? ..... | SEE EXPLANATION |

The following supplemental reports are required to be filed as part of your annual statement filing **if your company is engaged in the type of business covered by the supplement. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below.** If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

|   |                 |
|---|-----------------|
| <b>MARCH FILING</b>   |                 |
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? .....  | SEE EXPLANATION |
| 13. Will the Financial Guaranty Insurance Exhibit be filed by March 1? .....  | SEE EXPLANATION |
| 14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? .....  | NO              |
| 15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1? .....  | YES             |
| 16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? .....  | NO              |
| 17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1? .....  | NO              |
| 18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1? .....   | NO              |
| 19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....   | NO              |
| 20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)? .....  | YES             |
| 21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1? .....  | YES             |
| 22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1? .....   | NO              |
| 23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1? .....  | NO              |
| 24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1? .....  | NO              |
| 25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? .....    | NO              |
| 26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? .....          | NO              |
| 27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? .....                        | NO              |
| 28. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception - Asbestos and Pollution Contracts be filed with the state of domicile and the NAIC by March 1? .....                     | NO              |
| <b>APRIL FILING</b>   |                 |
| 29. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1? .....   | NO              |
| 30. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....   | NO              |
| 31. Will the Accident and Health Policy Experience Exhibit be filed by April 1? .....   | NO              |
| 32. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....   | NO              |
| 33. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? .....                                      | NO              |
| 34. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1? .....  | YES             |
| 35. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1? .....                                  | NO              |
| 36. Will the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (if required) be filed with the state of domicile and the NAIC by April 1? ..... | NO              |
| <b>AUGUST FILING</b>  |                 |
| 37. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? .....  | NO              |
| Explanations:   |                 |
| 8. The data for this supplement is not required to be filed.  |                 |
| 11. The data for this supplement is not required to be filed.   |                 |
| 12. The data for this supplement is not required to be filed.   |                 |
| 13. The data for this supplement is not required to be filed.   |                 |
| 14. The data for this supplement is not required to be filed.   |                 |
| 16. The data for this supplement is not required to be filed.   |                 |
| 17. The data for this supplement is not required to be filed.   |                 |
| 18. The data for this supplement is not required to be filed.   |                 |
| 19. The data for this supplement is not required to be filed.   |                 |
| 22. The data for this supplement is not required to be filed.   |                 |
| 23. The data for this supplement is not required to be filed.   |                 |
| 24. The data for this supplement is not required to be filed.   |                 |
| 25. The data for this supplement is not required to be filed.   |                 |
| 26. The data for this supplement is not required to be filed.   |                 |
| 27. The data for this supplement is not required to be filed.   |                 |
| 28. The data for this supplement is not required to be filed.   |                 |
| 29. The data for this supplement is not required to be filed.   |                 |
| 30. The data for this supplement is not required to be filed.   |                 |
| 31. The data for this supplement is not required to be filed.   |                 |
| 32. The data for this supplement is not required to be filed.   |                 |
| 33. The data for this supplement is not required to be filed.   |                 |
| 35. The data for this supplement is not required to be filed.   |                 |
| 36. The data for this supplement is not required to be filed.   |                 |
| 37. The data for this supplement is not required to be filed.   |                 |

|  |  |
|--|--|
| 14. Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]     |  |
| 16. Trusteed Surplus Statement [Document Identifier 490]                           |  |
| 17. Premiums Attributed to Protected Cells Exhibit [Document Identifier 385]       |  |
| 18. Reinsurance Summary Supplemental Filing [Document Identifier 401]              |  |
| 19. Medicare Part D Coverage Supplement [Document Identifier 365]                  |  |
| 22. Exceptions to the Reinsurance Attestation Supplement [Document Identifier 400] |  |
| 23. Bail Bond Supplement [Document Identifier 500]                                 |  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

24. Director and Officer Insurance Coverage Supplement [Document Identifier 505]



25. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]



26. Relief from the one-year cooling off period for independent CPA [Document Identifier 225]



27. Relief from the Requirements for Audit Committees [Document Identifier 226]



28. Reinsurance Counterparty Reporting Exception – Asbestos and Pollution Contracts [Document Identifier 555]



29. Credit Insurance Experience Exhibit [Document Identifier 230]



30. Long-Term Care Experience Reporting Forms [Document Identifier 306]



31. Accident and Health Policy Experience Exhibit [Document Identifier 210]



32. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216]



33. Supplemental Health Care Exhibit's Expense Allocation Report [Document Identifier 217]



35. Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit [Document Identifier 290]



36. Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit [Document Identifier 300]



37. Management's Report of Internal Control Over Financial Reporting [Document Identifier 223]



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**OVERFLOW PAGE FOR WRITE-INS**

**SUMMARY INVESTMENT SCHEDULE**

| Investment Categories   | Gross Investment Holdings |                 | Admitted Assets as Reported in the Annual Statement |  |                                   |                 |
|---|---------------------------|-----------------|---|--|-----------------------------------|-----------------|
|   | 1<br>Amount               | 2<br>Percentage | 3<br>Amount   | 4<br>Securities Lending Reinvested Collateral Amount | 5<br>Total (Col. 3 + 4)<br>Amount | 6<br>Percentage |
| 1. Bonds:   |                           |                 |   |  |                                   |                 |
| 1.1 U.S. treasury securities  | 4,276,215                 | 4.293           | 4,276,215   | 0  | 4,276,215                         | 4.078           |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities):  |                           |                 |   |  |                                   |                 |
| 1.21 Issued by U.S. government agencies   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.22 Issued by U.S. government sponsored agencies   | 1,268,389                 | 1.273           | 1,268,389   | 0  | 1,268,389                         | 1.209           |
| 1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:   |                           |                 |   |  |                                   |                 |
| 1.41 States, territories and possessions general obligations  | 1,307,849                 | 1.313           | 1,307,849   | 0  | 1,307,849                         | 1.247           |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations                                 | 1,969,285                 | 1.977           | 1,969,285   | 0  | 1,969,285                         | 1.878           |
| 1.43 Revenue and assessment obligations   | 4,733,251                 | 4.752           | 4,733,251   | 0  | 4,733,251                         | 4.513           |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.251           | 250,000   | 0  | 250,000                           | 0.238           |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS):   |                           |                 |   |  |                                   |                 |
| 1.51 Pass-through securities:   |                           |                 |   |  |                                   |                 |
| 1.511 Issued or guaranteed by GNMA  | 19,430                    | 0.020           | 19,430  | 0  | 19,430                            | 0.019           |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 2,282,391                 | 2.291           | 2,282,391   | 0  | 2,282,391                         | 2.176           |
| 1.513 All other   | 246,155                   | 0.247           | 246,155   | 0  | 246,155                           | 0.235           |
| 1.52 CMOs and REMICs:   |                           |                 |   |  |                                   |                 |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA   | 4,318,576                 | 4.336           | 4,318,576   | 0  | 4,318,576                         | 4.118           |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 1.523 All other   | 17,852,766                | 17.923          | 17,852,766  | 0  | 17,852,766                        | 17.023          |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |                 |   |  |                                   |                 |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)   | 33,870,356                | 34.003          | 33,870,356  | 0  | 33,870,356                        | 32.297          |
| 2.2 Unaffiliated non-U.S. securities (including Canada)   | 12,899,324                | 12.950          | 12,899,324  | 0  | 12,899,324                        | 12.300          |
| 2.3 Affiliated securities   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3. Equity interests:  |                           |                 |   |  |                                   |                 |
| 3.1 Investments in mutual funds   | 10,710,861                | 10.753          | 10,710,861  | 0  | 10,710,861                        | 10.213          |
| 3.2 Preferred stocks:   |                           |                 |   |  |                                   |                 |
| 3.21 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.22 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |                 |   |  |                                   |                 |
| 3.31 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.32 Unaffiliated   | 142,900                   | 0.143           | 142,900   | 0  | 142,900                           | 0.136           |
| 3.4 Other equity securities:  |                           |                 |   |  |                                   |                 |
| 3.41 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.42 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |                 |   |  |                                   |                 |
| 3.51 Affiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 3.52 Unaffiliated   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4. Mortgage loans:  |                           |                 |   |  |                                   |                 |
| 4.1 Construction and land development   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.2 Agricultural  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.3 Single family residential properties  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.4 Multifamily residential properties  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.5 Commercial loans  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 4.6 Mezzanine real estate loans   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5. Real estate investments:   |                           |                 |   |  |                                   |                 |
| 5.1 Property occupied by company  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 6. Contract loans   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 7. Derivatives  | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 8. Receivables for securities   | 0                         | 0.000           | 0   | 0  | 0                                 | 0.000           |
| 9. Securities Lending (Line 10, Asset Page reinvested collateral)   | 0                         | 0.000           | 0   | XXX  | XXX                               | XXX             |
| 10. Cash, cash equivalents and short-term investments   | 3,461,268                 | 3.475           | 7,525,767   | 0  | 7,525,767                         | 7.176           |
| 11. Other invested assets   | 0                         | 0.000           | 1,198,864   | 0  | 1,198,864                         | 1.143           |
| 12. Total invested assets   | 99,609,016                | 100.000         | 104,872,379   | 0  | 104,872,379                       | 100.000         |



Schedule A - Verification - Real Estate

**NONE**

Schedule B - Verification - Mortgage Loans

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Other Long-Term Invested Assets

|      |  |           |
|------|--|-----------|
| 1.   | Book/adjusted carrying value, December 31 of prior year .....                            | 1,006,827 |
| 2.   | Cost of acquired:  |           |
| 2.1  | Actual cost at time of acquisition (Part 2, Column 8) .....                              | 7,572     |
| 2.2  | Additional investment made after acquisition (Part 2, Column 9) .....                    | 0         |
|      |  | 7,572     |
| 3.   | Capitalized deferred interest and other:   |           |
| 3.1  | Totals, Part 1, Column 16 .....  | 0         |
| 3.2  | Totals, Part 3, Column 12 .....  | 0         |
|      |  | 0         |
| 4.   | Accrual of discount .....  | 0         |
| 5.   | Unrealized valuation increase (decrease):  |           |
| 5.1  | Totals, Part 1, Column 13 .....  | 192,038   |
| 5.2  | Totals, Part 3, Column 9 .....   | 0         |
|      |  | 192,038   |
| 6.   | Total gain (loss) on disposals, Part 3, Column 19 .....                                  | 2,318     |
| 7.   | Deduct amounts received on disposals, Part 3, Column 16 .....                            | 9,320     |
| 8.   | Deduct amortization of premium and depreciation .....                                    | 570       |
| 9.   | Total foreign exchange change in book/adjusted carrying value:                           |           |
| 9.1  | Totals, Part 1, Column 17 .....  | 0         |
| 9.2  | Totals, Part 3, Column 14 .....  | 0         |
|      |  | 0         |
| 10.  | Deduct current year's other than temporary impairment recognized:                        |           |
| 10.1 | Totals, Part 1, Column 15 .....  | 0         |
| 10.2 | Totals, Part 3, Column 11 .....  | 0         |
|      |  | 0         |
| 11.  | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) ..... | 1,198,865 |
| 12.  | Deduct total nonadmitted amounts .....   | 0         |
| 13.  | Statement value at end of current period (Line 11 minus Line 12) .....                   | 1,198,865 |

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

|     |   |             |
|-----|---|-------------|
| 1.  | Book/adjusted carrying value, December 31 of prior year .....   | 97,580,173  |
| 2.  | Cost of bonds and stocks acquired, Part 3, Column 7 .....   | 29,631,776  |
| 3.  | Accrual of discount .....   | 51,451      |
| 4.  | Unrealized valuation increase (decrease):   |             |
| 4.1 | Part 1, Column 12 .....   | (277,892)   |
| 4.2 | Part 2, Section 1, Column 15 .....  | 0           |
| 4.3 | Part 2, Section 2, Column 13 .....  | (972,340)   |
| 4.4 | Part 4, Column 11 .....   | (963,296)   |
|     |   | (2,213,528) |
| 5.  | Total gain (loss) on disposals, Part 4, Column 19 .....   | 1,832,961   |
| 6.  | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....  | 30,226,727  |
| 7.  | Deduct amortization of premium .....  | 508,360     |
| 8.  | Total foreign exchange change in book/adjusted carrying value:  |             |
| 8.1 | Part 1, Column 15 .....   | 0           |
| 8.2 | Part 2, Section 1, Column 19 .....  | 0           |
| 8.3 | Part 2, Section 2, Column 16 .....  | 0           |
| 8.4 | Part 4, Column 15 .....   | 0           |
|     |   | 0           |
| 9.  | Deduct current year's other than temporary impairment recognized:   |             |
| 9.1 | Part 1, Column 14 .....   | 0           |
| 9.2 | Part 2, Section 1, Column 17 .....  | 0           |
| 9.3 | Part 2, Section 2, Column 14 .....  | 0           |
| 9.4 | Part 4, Column 13 .....   | 0           |
|     |   | 0           |
| 10. | Total investment income recognized as a result of prepayment penalties and/or acceleration fees, Notes 5R, Line 5R(2) ..... | 0           |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....                                    | 96,147,747  |
| 12. | Deduct total nonadmitted amounts .....  | 0           |
| 13. | Statement value at end of current period (Line 11 minus Line 12) .....  | 96,147,747  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description   |                            | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Fair Value | 3<br>Actual Cost | 4<br>Par Value of Bonds |
|---|----------------------------|--------------------------------------|-----------------|------------------|-------------------------|
| <b>BONDS</b>  |                            |                                      |                 |                  |                         |
| Governments<br>(Including all obligations guaranteed<br>by governments)   | 1. United States .....     | 6,986,172                            | 6,795,185       | 6,994,534        | 6,949,194               |
|   | 2. Canada .....            | 0                                    | 0               | 0                | 0                       |
|   | 3. Other Countries .....   | 0                                    | 0               | 0                | 0                       |
|   | 4. Totals                  | 6,986,172                            | 6,795,185       | 6,994,534        | 6,949,194               |
| U.S. States, Territories and<br>Possessions<br>(Direct and guaranteed)  | 5. Totals                  | 500,000                              | 556,945         | 500,000          | 500,000                 |
| U.S. Political Subdivisions of States,<br>Territories and Possessions (Direct<br>and guaranteed)  | 6. Totals                  | 1,969,285                            | 2,172,307       | 1,981,487        | 1,950,000               |
| U.S. Special Revenue and Special<br>Assessment Obligations and all Non-<br>Guaranteed Obligations of Agencies<br>and Authorities of Governments and<br>their Political Subdivisions | 7. Totals                  | 11,149,813                           | 11,300,622      | 11,302,985       | 10,718,132              |
| Industrial and Miscellaneous, SVO<br>Identified Funds, Bank Loans and<br>Hybrid Securities (unaffiliated)   | 8. United States .....     | 51,789,393                           | 51,346,873      | 52,519,155       | 51,449,107              |
|   | 9. Canada .....            | 1,966,459                            | 2,005,838       | 1,973,099        | 1,950,000               |
|   | 10. Other Countries .....  | 10,932,865                           | 10,618,379      | 11,197,461       | 10,950,250              |
|   | 11. Totals                 | 64,688,717                           | 63,971,090      | 65,689,715       | 64,349,357              |
| Parent, Subsidiaries and Affiliates   | 12. Totals                 | 0                                    | 0               | 0                | 0                       |
|   | 13. Total Bonds            | 85,293,987                           | 84,796,148      | 86,468,721       | 84,466,683              |
| <b>PREFERRED STOCKS</b>   |                            |                                      |                 |                  |                         |
| Industrial and Miscellaneous<br>(unaffiliated)  | 14. United States .....    | 0                                    | 0               | 0                |                         |
|   | 15. Canada .....           | 0                                    | 0               | 0                |                         |
|   | 16. Other Countries .....  | 0                                    | 0               | 86,202           |                         |
|   | 17. Totals                 | 0                                    | 0               | 86,202           |                         |
| Parent, Subsidiaries and Affiliates   | 18. Totals                 | 0                                    | 0               | 0                |                         |
|   | 19. Total Preferred Stocks | 0                                    | 0               | 86,202           |                         |
| <b>COMMON STOCKS</b>  |                            |                                      |                 |                  |                         |
| Industrial and Miscellaneous<br>(unaffiliated)  | 20. United States .....    | 10,853,761                           | 10,853,761      | 7,949,628        |                         |
|   | 21. Canada .....           | 0                                    | 0               | 0                |                         |
|   | 22. Other Countries .....  | 0                                    | 0               | 0                |                         |
|   | 23. Totals                 | 10,853,761                           | 10,853,761      | 7,949,628        |                         |
| Parent, Subsidiaries and Affiliates   | 24. Totals                 | 0                                    | 0               | 0                |                         |
|   | 25. Total Common Stocks    | 10,853,761                           | 10,853,761      | 7,949,628        |                         |
|   | 26. Total Stocks           | 10,853,761                           | 10,853,761      | 8,035,830        |                         |
|   | 27. Total Bonds and Stocks | 96,147,747                           | 95,649,909      | 94,504,552       |                         |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 11.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|---|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>1. U.S. Governments</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 1.1 NAIC 1  | 1,586,094           | 747,016                             | 2,991,179                             | 208,826                                | 2,447,438          | XXX                      | 7,980,552               | 9.1                                | 9,284,853                            | 11.3                              | 7,980,552                      | 0                                   |
| 1.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 1.7 Totals  | 1,586,094           | 747,016                             | 2,991,179                             | 208,826                                | 2,447,438          | XXX                      | 7,980,552               | 9.1                                | 9,284,853                            | 11.3                              | 7,980,552                      | 0                                   |
| <b>2. All Other Governments</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 2.1 NAIC 1  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 2.7 Totals  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| <b>3. U.S. States, Territories and Possessions etc.,<br/>Guaranteed</b>                       |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 3.1 NAIC 1  | 0                   | 0                                   | 500,000                               | 0                                      | 0                  | XXX                      | 500,000                 | 0.6                                | 1,810,925                            | 2.2                               | 500,000                        | 0                                   |
| 3.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 3.7 Totals  | 0                   | 0                                   | 500,000                               | 0                                      | 0                  | XXX                      | 500,000                 | 0.6                                | 1,810,925                            | 2.2                               | 500,000                        | 0                                   |
| <b>4. U.S. Political Subdivisions of States, Territories and<br/>Possessions, Guaranteed</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 4.1 NAIC 1  | 0                   | 0                                   | 1,319,285                             | 650,000                                | 0                  | XXX                      | 1,969,285               | 2.3                                | 1,273,428                            | 1.5                               | 1,969,285                      | 0                                   |
| 4.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 4.7 Totals  | 0                   | 0                                   | 1,319,285                             | 650,000                                | 0                  | XXX                      | 1,969,285               | 2.3                                | 1,273,428                            | 1.5                               | 1,969,285                      | 0                                   |
| <b>5. U.S. Special Revenue &amp; Special Assessment<br/>Obligations, etc., Non-Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 5.1 NAIC 1  | 458,930             | 4,245,995                           | 3,035,258                             | 1,759,302                              | 1,650,328          | XXX                      | 11,149,813              | 12.8                               | 10,010,911                           | 12.1                              | 11,149,813                     | 0                                   |
| 5.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 5.7 Totals  | 458,930             | 4,245,995                           | 3,035,258                             | 1,759,302                              | 1,650,328          | XXX                      | 11,149,813              | 12.8                               | 10,010,911                           | 12.1                              | 11,149,813                     | 0                                   |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation  | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 11.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|---|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>6. Industrial &amp; Miscellaneous (Unaffiliated)</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 6.1 NAIC 1  | 6,378,297           | 20,073,029                          | 11,181,048                            | 2,718,451                              | 1,473,586          | XXX                      | 41,824,413              | 47.9                               | 37,246,279                           | 45.2                              | 21,465,792                     | 20,358,621                          |
| 6.2 NAIC 2  | 542,544             | 6,651,987                           | 9,343,117                             | 635,390                                | 1,658,167          | XXX                      | 18,831,205              | 21.6                               | 17,528,144                           | 21.3                              | 15,311,897                     | 3,519,308                           |
| 6.3 NAIC 3  | 219,640             | 1,871,322                           | 650,936                               | 31,987                                 | 559                | XXX                      | 2,774,444               | 3.2                                | 3,479,357                            | 4.2                               | 1,744,912                      | 1,029,532                           |
| 6.4 NAIC 4  | 6,392               | 1,689,906                           | 6,442                                 | 3,716                                  | 0                  | XXX                      | 1,706,456               | 2.0                                | 1,423,487                            | 1.7                               | 887,256                        | 819,200                             |
| 6.5 NAIC 5  | 0                   | 0                                   | 252,393                               | 0                                      | 0                  | XXX                      | 252,393                 | 0.3                                | 70,620                               | 0.1                               | 252,393                        | 0                                   |
| 6.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 6.7 Totals  | 7,146,873           | 30,286,245                          | 21,433,935                            | 3,389,544                              | 3,132,312          | XXX                      | 65,388,910              | 74.9                               | 59,747,886                           | 72.5                              | 39,662,249                     | 25,726,661                          |
| <b>7. Hybrid Securities</b>                             |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 7.1 NAIC 1  | 0                   | 272,251                             | 0                                     | 0                                      | 0                  | XXX                      | 272,251                 | 0.3                                | 280,673                              | 0.3                               | 272,251                        | 0                                   |
| 7.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 7.7 Totals  | 0                   | 272,251                             | 0                                     | 0                                      | 0                  | XXX                      | 272,251                 | 0.3                                | 280,673                              | 0.3                               | 272,251                        | 0                                   |
| <b>8. Parent, Subsidiaries and Affiliates</b>           |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 8.1 NAIC 1  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.2 NAIC 2  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.3 NAIC 3  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.4 NAIC 4  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 8.7 Totals  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| <b>9. SVO Identified Funds</b>                          |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 9.1 NAIC 1  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.2 NAIC 2  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.3 NAIC 3  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.4 NAIC 4  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.5 NAIC 5  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.6 NAIC 6  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| 9.7 Totals  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                                   |
| <b>10. Bank Loans</b>                                   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 10.1 NAIC 1   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.2 NAIC 2   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.3 NAIC 3   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.4 NAIC 4   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.5 NAIC 5   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.6 NAIC 6   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 10.7 Totals   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |

9015

**ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE**  
**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

| NAIC Designation                                       | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 11.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed (a) |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|-------------------------------------|
| <b>11. Total Bonds Current Year</b>                    |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 11.1 NAIC 1  | (d) 8,423,321       | 25,338,290                          | 19,026,770                            | 5,336,579                              | 5,571,352          | 0                        | 63,696,313              | 73.0                               | XXX                                  | XXX                               | 43,337,692                     | 20,358,621                          |
| 11.2 NAIC 2  | (d) 542,544         | 6,651,987                           | 9,343,117                             | 635,390                                | 1,658,167          | 0                        | 18,831,205              | 21.6                               | XXX                                  | XXX                               | 15,311,897                     | 3,519,308                           |
| 11.3 NAIC 3  | (d) 219,640         | 1,871,322                           | 650,936                               | 31,987                                 | 559                | 0                        | 2,774,444               | 3.2                                | XXX                                  | XXX                               | 1,744,912                      | 1,029,532                           |
| 11.4 NAIC 4  | (d) 6,392           | 1,689,906                           | 6,442                                 | 3,716                                  | 0                  | 0                        | 1,706,456               | 2.0                                | XXX                                  | XXX                               | 887,256                        | 819,200                             |
| 11.5 NAIC 5  | (d) 0               | 0                                   | 252,393                               | 0                                      | 0                  | 0                        | 252,393                 | 0.3                                | XXX                                  | XXX                               | 252,393                        | 0                                   |
| 11.6 NAIC 6  | (d) 0               | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                                   |
| 11.7 Totals  | 9,191,897           | 35,551,506                          | 29,279,657                            | 6,007,672                              | 7,230,078          | 0                        | (b) 87,260,810          | 100.0                              | XXX                                  | XXX                               | 61,534,149                     | 25,726,661                          |
| 11.8 Line 11.7 as a % of Col. 7                        | 10.5                | 40.7                                | 33.6                                  | 6.9                                    | 8.3                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 70.5                           | 29.5                                |
| <b>12. Total Bonds Prior Year</b>                      |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 12.1 NAIC 1  | 6,795,309           | 22,699,301                          | 19,806,075                            | 4,898,121                              | 5,708,263          | 0                        | XXX                     | XXX                                | 59,907,069                           | 72.7                              | 44,254,589                     | 15,652,480                          |
| 12.2 NAIC 2  | 372,523             | 8,145,569                           | 7,809,143                             | 0                                      | 1,200,909          | 0                        | XXX                     | XXX                                | 17,528,144                           | 21.3                              | 16,464,004                     | 1,064,139                           |
| 12.3 NAIC 3  | 332,993             | 2,259,438                           | 875,146                               | 11,556                                 | 224                | 0                        | XXX                     | XXX                                | 3,479,357                            | 4.2                               | 2,568,345                      | 911,012                             |
| 12.4 NAIC 4  | 6,542               | 618,665                             | 794,040                               | 4,240                                  | 0                  | 0                        | XXX                     | XXX                                | 1,423,487                            | 1.7                               | 1,156,187                      | 267,300                             |
| 12.5 NAIC 5  | 0                   | 0                                   | 70,620                                | 0                                      | 0                  | 0                        | XXX                     | XXX                                | (c) 70,620                           | 0.1                               | 19,213                         | 51,408                              |
| 12.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | XXX                     | XXX                                | (c) 0                                | 0.0                               | 0                              | 0                                   |
| 12.7 Totals  | 7,507,367           | 33,722,974                          | 29,355,024                            | 4,913,917                              | 6,909,396          | 0                        | XXX                     | XXX                                | (b) 82,408,676                       | 100.0                             | 64,462,338                     | 17,946,338                          |
| 12.8 Line 12.7 as a % of Col. 9                        | 9.1                 | 40.9                                | 35.6                                  | 6.0                                    | 8.4                | 0.0                      | XXX                     | XXX                                | 100.0                                | XXX                               | 78.2                           | 21.8                                |
| <b>13. Total Publicly Traded Bonds</b>                 |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 13.1 NAIC 1  | 4,400,038           | 15,388,555                          | 14,193,015                            | 3,927,801                              | 5,428,284          | 0                        | 43,337,692              | 49.7                               | 44,254,589                           | 53.7                              | 43,337,692                     | XXX                                 |
| 13.2 NAIC 2  | 520,172             | 5,455,726                           | 7,641,364                             | 36,468                                 | 1,658,167          | 0                        | 15,311,897              | 17.5                               | 16,464,004                           | 20.0                              | 15,311,897                     | XXX                                 |
| 13.3 NAIC 3  | 219,640             | 841,790                             | 650,936                               | 31,987                                 | 559                | 0                        | 1,744,912               | 2.0                                | 2,568,345                            | 3.1                               | 1,744,912                      | XXX                                 |
| 13.4 NAIC 4  | 6,392               | 870,706                             | 6,442                                 | 3,716                                  | 0                  | 0                        | 887,256                 | 1.0                                | 1,156,187                            | 1.4                               | 887,256                        | XXX                                 |
| 13.5 NAIC 5  | 0                   | 0                                   | 252,393                               | 0                                      | 0                  | 0                        | 252,393                 | 0.3                                | 19,213                               | 0.0                               | 252,393                        | XXX                                 |
| 13.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | XXX                                 |
| 13.7 Totals  | 5,146,242           | 22,556,777                          | 22,744,149                            | 3,999,972                              | 7,087,009          | 0                        | 61,534,149              | 70.5                               | 64,462,338                           | 78.2                              | 61,534,149                     | XXX                                 |
| 13.8 Line 13.7 as a % of Col. 7                        | 8.4                 | 36.7                                | 37.0                                  | 6.5                                    | 11.5               | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 100.0                          | XXX                                 |
| 13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11 | 5.9                 | 25.8                                | 26.1                                  | 4.6                                    | 8.1                | 0.0                      | 70.5                    | XXX                                | XXX                                  | XXX                               | 70.5                           | XXX                                 |
| <b>14. Total Privately Placed Bonds</b>                |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                     |
| 14.1 NAIC 1  | 4,023,284           | 9,949,736                           | 4,833,755                             | 1,408,778                              | 143,068            | 0                        | 20,358,621              | 23.3                               | 15,652,480                           | 19.0                              | XXX                            | 20,358,621                          |
| 14.2 NAIC 2  | 22,371              | 1,196,262                           | 1,701,753                             | 598,922                                | 0                  | 0                        | 3,519,308               | 4.0                                | 1,064,139                            | 1.3                               | XXX                            | 3,519,308                           |
| 14.3 NAIC 3  | 0                   | 1,029,532                           | 0                                     | 0                                      | 0                  | 0                        | 1,029,532               | 1.2                                | 911,012                              | 1.1                               | XXX                            | 1,029,532                           |
| 14.4 NAIC 4  | 0                   | 819,200                             | 0                                     | 0                                      | 0                  | 0                        | 819,200                 | 0.9                                | 267,300                              | 0.3                               | XXX                            | 819,200                             |
| 14.5 NAIC 5  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | 51,408                               | 0.1                               | XXX                            | 0                                   |
| 14.6 NAIC 6  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | XXX                            | 0                                   |
| 14.7 Totals  | 4,045,655           | 12,994,730                          | 6,535,508                             | 2,007,700                              | 143,068            | 0                        | 25,726,661              | 29.5                               | 17,946,338                           | 21.8                              | XXX                            | 25,726,661                          |
| 14.8 Line 14.7 as a % of Col. 7                        | 15.7                | 50.5                                | 25.4                                  | 7.8                                    | 0.6                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | XXX                            | 100.0                               |
| 14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11 | 4.6                 | 14.9                                | 7.5                                   | 2.3                                    | 0.2                | 0.0                      | 29.5                    | XXX                                | XXX                                  | XXX                               | XXX                            | 29.5                                |

(a) Includes \$ 25,507,376 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ 1,299,130 current year of bonds with Z designations, \$ 423,123 prior year of bonds with Z designations and \$ 466,679 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.  
 (c) Includes \$ 0 current year of bonds with 5GI designations, \$ 0 prior year of bonds with 5\* or 5GI designations and \$ 0 current year, \$ 0 prior year of bonds with 6\* designations. "5GI" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 1,966,823 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

S107

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type   | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 11.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>1. U.S. Governments</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 1.1 Issuer Obligations   | 1,302,769           | 0                                   | 1,520,388                             | 0                                      | 2,447,438          | XXX                      | 5,270,595               | 6.0                                | 6,199,468                            | 7.5                               | 5,270,595                      | 0                               |
| 1.2 Residential Mortgage-Backed Securities   | 27,335              | 63,525                              | 5,242                                 | 3,211                                  | 0                  | XXX                      | 99,314                  | 0.1                                | 143,708                              | 0.2                               | 99,314                         | 0                               |
| 1.3 Commercial Mortgage-Backed Securities  | 255,991             | 683,490                             | 1,465,548                             | 205,615                                | 0                  | XXX                      | 2,610,644               | 3.0                                | 2,941,677                            | 3.6                               | 2,610,644                      | 0                               |
| 1.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 1.5 Totals   | 1,586,094           | 747,016                             | 2,991,179                             | 208,826                                | 2,447,438          | XXX                      | 7,980,552               | 9.1                                | 9,284,853                            | 11.3                              | 7,980,552                      | 0                               |
| <b>2. All Other Governments</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 2.1 Issuer Obligations   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 2.5 Totals   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| <b>3. U.S. States, Territories and Possessions, Guaranteed</b>                           |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 3.1 Issuer Obligations   | 0                   | 0                                   | 500,000                               | 0                                      | 0                  | XXX                      | 500,000                 | 0.6                                | 1,810,925                            | 2.2                               | 500,000                        | 0                               |
| 3.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 3.5 Totals   | 0                   | 0                                   | 500,000                               | 0                                      | 0                  | XXX                      | 500,000                 | 0.6                                | 1,810,925                            | 2.2                               | 500,000                        | 0                               |
| <b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 4.1 Issuer Obligations   | 0                   | 0                                   | 1,319,285                             | 650,000                                | 0                  | XXX                      | 1,969,285               | 2.3                                | 1,273,428                            | 1.5                               | 1,969,285                      | 0                               |
| 4.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 4.5 Totals   | 0                   | 0                                   | 1,319,285                             | 650,000                                | 0                  | XXX                      | 1,969,285               | 2.3                                | 1,273,428                            | 1.5                               | 1,969,285                      | 0                               |
| <b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b> |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 5.1 Issuer Obligations   | 0                   | 2,508,389                           | 2,273,419                             | 570,000                                | 1,557,681          | XXX                      | 6,909,489               | 7.9                                | 6,285,427                            | 7.6                               | 6,909,489                      | 0                               |
| 5.2 Residential Mortgage-Backed Securities   | 458,930             | 1,487,606                           | 744,419                               | 744,208                                | 92,647             | XXX                      | 3,527,810               | 4.0                                | 3,475,485                            | 4.2                               | 3,527,810                      | 0                               |
| 5.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 17,420                                | 445,094                                | 0                  | XXX                      | 462,514                 | 0.5                                | 0                                    | 0.0                               | 462,514                        | 0                               |
| 5.4 Other Loan-Backed and Structured Securities  | 0                   | 250,000                             | 0                                     | 0                                      | 0                  | XXX                      | 250,000                 | 0.3                                | 250,000                              | 0.3                               | 250,000                        | 0                               |
| 5.5 Totals   | 458,930             | 4,245,995                           | 3,035,258                             | 1,759,302                              | 1,650,328          | XXX                      | 11,149,813              | 12.8                               | 10,010,911                           | 12.1                              | 11,149,813                     | 0                               |
| <b>6. Industrial and Miscellaneous</b>   |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 6.1 Issuer Obligations   | 2,256,497           | 18,026,975                          | 16,417,537                            | 1,892,043                              | 3,028,097          | XXX                      | 41,621,148              | 47.7                               | 38,971,723                           | 47.3                              | 32,208,845                     | 9,412,303                       |
| 6.2 Residential Mortgage-Backed Securities   | 2,126,015           | 4,176,642                           | 2,170,179                             | 859,177                                | 104,215            | XXX                      | 9,436,227               | 10.8                               | 8,606,608                            | 10.4                              | 639,125                        | 8,797,102                       |
| 6.3 Commercial Mortgage-Backed Securities  | 33,954              | 5,456,697                           | 2,619,433                             | 472,726                                | 0                  | XXX                      | 8,582,810               | 9.8                                | 7,583,779                            | 9.2                               | 4,128,436                      | 4,454,374                       |
| 6.4 Other Loan-Backed and Structured Securities  | 2,730,408           | 2,625,932                           | 226,787                               | 165,598                                | 0                  | XXX                      | 5,748,725               | 6.6                                | 4,585,777                            | 5.6                               | 2,685,843                      | 3,062,882                       |
| 6.5 Totals   | 7,146,873           | 30,286,245                          | 21,433,935                            | 3,389,544                              | 3,132,312          | XXX                      | 65,388,910              | 74.9                               | 59,747,886                           | 72.5                              | 39,662,249                     | 25,726,661                      |
| <b>7. Hybrid Securities</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 7.1 Issuer Obligations   | 0                   | 272,251                             | 0                                     | 0                                      | 0                  | XXX                      | 272,251                 | 0.3                                | 280,673                              | 0.3                               | 272,251                        | 0                               |
| 7.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 7.5 Totals   | 0                   | 272,251                             | 0                                     | 0                                      | 0                  | XXX                      | 272,251                 | 0.3                                | 280,673                              | 0.3                               | 272,251                        | 0                               |
| <b>8. Parent, Subsidiaries and Affiliates</b>  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 8.1 Issuer Obligations   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.2 Residential Mortgage-Backed Securities   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.3 Commercial Mortgage-Backed Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.4 Other Loan-Backed and Structured Securities  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 8.5 Totals   | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

| Distribution by Type                                   | 1<br>1 Year or Less | 2<br>Over 1 Year<br>Through 5 Years | 3<br>Over 5 Years<br>Through 10 Years | 4<br>Over 10 Years<br>Through 20 Years | 5<br>Over 20 Years | 6<br>No Maturity<br>Date | 7<br>Total Current Year | 8<br>Col. 7 as a % of<br>Line 11.7 | 9<br>Total from Col. 7<br>Prior Year | 10<br>% From Col. 8<br>Prior Year | 11<br>Total Publicly<br>Traded | 12<br>Total Privately<br>Placed |
|--|---------------------|-------------------------------------|---------------------------------------|--|--------------------|--------------------------|-------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|
| <b>9. SVO Identified Funds</b>                         |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 9.1 Exchange Traded Funds Identified by the SVO        | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 9.2 Bond Mutual Funds Identified by the SVO            | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| 9.3 Totals   | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | 0                               |
| <b>10. Bank Loans</b>                                  |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 10.1 Bank Loans - Issued                               | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| 10.2 Bank Loans - Acquired                             | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| 10.3 Totals  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| <b>11. Total Bonds Current Year</b>                    |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 11.1 Issuer Obligations                                | 3,559,266           | 20,807,614                          | 22,030,629                            | 3,112,043                              | 7,033,215          | XXX                      | 56,542,767              | 64.8                               | XXX                                  | XXX                               | 47,130,464                     | 9,412,303                       |
| 11.2 Residential Mortgage-Backed Securities            | 2,612,279           | 5,727,773                           | 2,919,840                             | 1,606,596                              | 196,863            | XXX                      | 13,063,351              | 15.0                               | XXX                                  | XXX                               | 4,266,249                      | 8,797,102                       |
| 11.3 Commercial Mortgage-Backed Securities             | 289,945             | 6,140,187                           | 4,102,401                             | 1,123,435                              | 0                  | XXX                      | 11,655,967              | 13.4                               | XXX                                  | XXX                               | 7,201,593                      | 4,454,374                       |
| 11.4 Other Loan-Backed and Structured Securities       | 2,730,408           | 2,875,932                           | 226,787                               | 165,598                                | 0                  | XXX                      | 5,998,725               | 6.9                                | XXX                                  | XXX                               | 2,935,843                      | 3,062,882                       |
| 11.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| 11.6 Bank Loans  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | 0                               |
| 11.7 Totals  | 9,191,897           | 35,551,506                          | 29,279,657                            | 6,007,672                              | 7,230,078          | 0                        | 87,260,810              | 100.0                              | XXX                                  | XXX                               | 61,534,149                     | 25,726,661                      |
| 11.8 Line 11.7 as a % of Col. 7                        | 10.5                | 40.7                                | 33.6                                  | 6.9                                    | 8.3                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 70.5                           | 29.5                            |
| <b>12. Total Bonds Prior Year</b>                      |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 12.1 Issuer Obligations                                | 3,285,931           | 21,687,401                          | 21,007,222                            | 2,270,557                              | 6,570,532          | XXX                      | XXX                     | XXX                                | 54,821,643                           | 66.5                              | 50,098,310                     | 4,723,334                       |
| 12.2 Residential Mortgage-Backed Securities            | 2,132,265           | 4,895,227                           | 3,005,199                             | 1,854,245                              | 338,864            | XXX                      | XXX                     | XXX                                | 12,225,801                           | 14.8                              | 4,993,108                      | 7,232,692                       |
| 12.3 Commercial Mortgage-Backed Securities             | 152,207             | 4,551,637                           | 5,032,497                             | 789,114                                | 0                  | XXX                      | XXX                     | XXX                                | 10,525,456                           | 12.8                              | 6,374,921                      | 4,150,535                       |
| 12.4 Other Loan-Backed and Structured Securities       | 1,936,963           | 2,588,708                           | 310,105                               | 0                                      | 0                  | XXX                      | XXX                     | XXX                                | 4,835,777                            | 5.9                               | 2,995,999                      | 1,839,777                       |
| 12.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | XXX                     | XXX                                | 0                                    | 0.0                               | 0                              | 0                               |
| 12.6 Bank Loans  | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | XXX                      | XXX                     | XXX                                | XXX                                  | XXX                               | XXX                            | XXX                             |
| 12.7 Totals  | 7,507,367           | 33,722,974                          | 29,355,024                            | 4,913,917                              | 6,909,396          | 0                        | XXX                     | XXX                                | 82,408,676                           | 100.0                             | 64,462,338                     | 17,946,338                      |
| 12.8 Line 12.7 as a % of Col. 9                        | 9.1                 | 40.9                                | 35.6                                  | 6.0                                    | 8.4                | 0.0                      | XXX                     | XXX                                | 100.0                                | XXX                               | 78.2                           | 21.8                            |
| <b>13. Total Publicly Traded Bonds</b>                 |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 13.1 Issuer Obligations                                | 2,942,030           | 16,697,882                          | 18,232,549                            | 2,264,201                              | 6,993,803          | XXX                      | 47,130,464              | 54.0                               | 50,098,310                           | 60.8                              | 47,130,464                     | XXX                             |
| 13.2 Residential Mortgage-Backed Securities            | 607,073             | 1,689,477                           | 957,028                               | 919,464                                | 93,206             | XXX                      | 4,266,249               | 4.9                                | 4,993,108                            | 6.1                               | 4,266,249                      | XXX                             |
| 13.3 Commercial Mortgage-Backed Securities             | 255,991             | 2,967,109                           | 3,327,785                             | 650,709                                | 0                  | XXX                      | 7,201,593               | 8.3                                | 6,374,921                            | 7.7                               | 7,201,593                      | XXX                             |
| 13.4 Other Loan-Backed and Structured Securities       | 1,341,148           | 1,202,309                           | 226,787                               | 165,598                                | 0                  | XXX                      | 2,935,843               | 3.4                                | 2,995,999                            | 3.6                               | 2,935,843                      | XXX                             |
| 13.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | 0                              | XXX                             |
| 13.6 Bank Loans  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | 0                              | XXX                             |
| 13.7 Totals  | 5,146,242           | 22,556,777                          | 22,744,149                            | 3,999,972                              | 7,087,009          | 0                        | 61,534,149              | 70.5                               | 64,462,338                           | 78.2                              | 61,534,149                     | XXX                             |
| 13.8 Line 13.7 as a % of Col. 7                        | 8.4                 | 36.7                                | 37.0                                  | 6.5                                    | 11.5               | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | 100.0                          | XXX                             |
| 13.9 Line 13.7 as a % of Line 11.7, Col. 7, Section 11 | 5.9                 | 25.8                                | 26.1                                  | 4.6                                    | 8.1                | 0.0                      | 70.5                    | XXX                                | XXX                                  | XXX                               | 70.5                           | XXX                             |
| <b>14. Total Privately Placed Bonds</b>                |                     |                                     |                                       |  |                    |                          |                         |                                    |                                      |                                   |                                |                                 |
| 14.1 Issuer Obligations                                | 617,236             | 4,109,733                           | 3,798,080                             | 847,841                                | 39,412             | XXX                      | 9,412,303               | 10.8                               | 4,723,334                            | 5.7                               | XXX                            | 9,412,303                       |
| 14.2 Residential Mortgage-Backed Securities            | 2,005,206           | 4,038,296                           | 1,962,812                             | 687,132                                | 103,656            | XXX                      | 8,797,102               | 10.1                               | 7,232,692                            | 8.8                               | XXX                            | 8,797,102                       |
| 14.3 Commercial Mortgage-Backed Securities             | 33,954              | 3,173,078                           | 774,615                               | 472,726                                | 0                  | XXX                      | 4,454,374               | 5.1                                | 4,150,535                            | 5.0                               | XXX                            | 4,454,374                       |
| 14.4 Other Loan-Backed and Structured Securities       | 1,389,260           | 1,673,622                           | 0                                     | 0                                      | 0                  | XXX                      | 3,062,882               | 3.5                                | 1,839,777                            | 2.2                               | XXX                            | 3,062,882                       |
| 14.5 SVO Identified Funds                              | XXX                 | XXX                                 | XXX                                   | XXX                                    | XXX                | 0                        | 0                       | 0.0                                | 0                                    | 0.0                               | XXX                            | 0                               |
| 14.6 Bank Loans  | 0                   | 0                                   | 0                                     | 0                                      | 0                  | XXX                      | 0                       | 0.0                                | XXX                                  | XXX                               | XXX                            | 0                               |
| 14.7 Totals  | 4,045,655           | 12,994,730                          | 6,535,508                             | 2,007,700                              | 143,068            | 0                        | 25,726,661              | 29.5                               | 17,946,338                           | 21.8                              | XXX                            | 25,726,661                      |
| 14.8 Line 14.7 as a % of Col. 7                        | 15.7                | 50.5                                | 25.4                                  | 7.8                                    | 0.6                | 0.0                      | 100.0                   | XXX                                | XXX                                  | XXX                               | XXX                            | 100.0                           |
| 14.9 Line 14.7 as a % of Line 11.7, Col. 7, Section 11 | 4.6                 | 14.9                                | 7.5                                   | 2.3                                    | 0.2                | 0.0                      | 29.5                    | XXX                                | XXX                                  | XXX                               | XXX                            | 29.5                            |

6010



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

|   | 1         | 2         | 3              | 4                                      | 5  |
|---|-----------|-----------|----------------|--|--|
|   | Total     | Bonds     | Mortgage Loans | Other Short-term Investment Assets (a) | Investments in Parent, Subsidiaries and Affiliates |
| 1. Book/adjusted carrying value, December 31 of prior year .....                          | .0        | .0        | .0             | .0                                     | .0   |
| 2. Cost of short-term investments acquired .....  | 1,963,404 | 1,963,404 | .0             | .0                                     | .0   |
| 3. Accrual of discount .....  | 3,420     | 3,420     | .0             | .0                                     | .0   |
| 4. Unrealized valuation increase (decrease) .....   | .0        | .0        | .0             | .0                                     | .0   |
| 5. Total gain (loss) on disposals .....   | .0        | .0        | .0             | .0                                     | .0   |
| 6. Deduct consideration received on disposals .....                                       | .0        | .0        | .0             | .0                                     | .0   |
| 7. Deduct amortization of premium .....   | .0        | .0        | .0             | .0                                     | .0   |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | .0        | .0        | .0             | .0                                     | .0   |
| 9. Deduct current year's other than temporary impairment recognized .....                 | .0        | .0        | .0             | .0                                     | .0   |
| 10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 1,966,823 | 1,966,823 | .0             | .0                                     | .0   |
| 11. Deduct total nonadmitted amounts .....  | .0        | .0        | .0             | .0                                     | .0   |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 1,966,823 | 1,966,823 | 0              | 0                                      | 0  |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

**NONE**

Schedule DB - Part B - Verification - Futures Contracts

**NONE**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**NONE**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**NONE**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives

**NONE**

**SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

|   | 1<br>Total | 2<br>Bonds | 3<br>Money Market<br>Mutual funds | 4<br>Other (a) |
|---|------------|------------|-----------------------------------|----------------|
| 1. Book/adjusted carrying value, December 31 of prior year .....                          | 1,795,482  | 0          | 1,795,482                         | 0              |
| 2. Cost of cash equivalents acquired .....  | 26,504,040 | 0          | 26,504,040                        | 0              |
| 3. Accrual of discount .....  | 0          | 0          | 0                                 | 0              |
| 4. Unrealized valuation increase (decrease) .....   | 0          | 0          | 0                                 | 0              |
| 5. Total gain (loss) on disposals .....   | 0          | 0          | 0                                 | 0              |
| 6. Deduct consideration received on disposals .....                                       | 27,021,151 | 0          | 27,021,151                        | 0              |
| 7. Deduct amortization of premium .....   | 0          | 0          | 0                                 | 0              |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | 0          | 0          | 0                                 | 0              |
| 9. Deduct current year's other than temporary impairment recognized .....                 | 0          | 0          | 0                                 | 0              |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 1,278,371  | 0          | 1,278,371                         | 0              |
| 11. Deduct total nonadmitted amounts .....  | 0          | 0          | 0                                 | 0              |
| 12. Statement value at end of current period (Line 10 minus Line 11)                      | 1,278,371  | 0          | 1,278,371                         | 0              |

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

Schedule A - Part 1 - Real Estate Owned

**NONE**

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**NONE**

Schedule A - Part 3 - Real Estate Disposed

**NONE**

Schedule B - Part 1 - Mortgage Loans Owned

**NONE**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

**NONE**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

| 1<br>CUSIP<br>Identifi-<br>cation                     | 2<br>Name or Description | 3<br>Code | 4 Location   |            | 6<br>Name of Vendor<br>or General Partner | 7<br>NAIC<br>Designation<br>and<br>Admini-<br>strative<br>Symbol/<br>Market<br>Indicator | 8<br>Date<br>Originally<br>Acquired | 9<br>Type<br>and<br>Strategy | 10<br>Actual<br>Cost | 11<br>Fair<br>Value | 12<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances | Change in Book/Adjusted Carrying Value                  |   |  |  |   | 18<br>Invest-<br>ment<br>Income | 19<br>Commit-<br>ment<br>for<br>Additional<br>Invest-<br>ment | 20<br>Percen-<br>tage of<br>Own-<br>ership |
|---|--------------------------|-----------|--------------|------------|---|--|-------------------------------------|------------------------------|----------------------|---------------------|---|---|---|--|--|---|---------------------------------|---|--|
|   |                          |           | 4<br>City    | 5<br>State |   |  |                                     |                              |                      |                     |   | 13<br>Unrealized<br>Valuation<br>Increase<br>(Decrease) | 14<br>Current<br>Year's<br>(Depre-<br>ciation)<br>or<br>(Amorti-<br>zation)/<br>Accretion | 15<br>Current<br>Year's<br>Other-<br>Than-<br>Tempo-<br>rary<br>Impair-<br>ment<br>Recogn-<br>ized | 16<br>Capital-<br>ized<br>Deferred<br>Interest<br>and<br>Other | 17<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |                                 |   |  |
|   | PRCD Holdings LLC        |           | Grand Rapids | MI         | PRCD Holdings LLC                         |  | 05/01/2017                          |                              | 1,000,000            | 1,000,000           | 1,198,864   | 192,038   | 0   | 0  | 0  | 0   | 0                               | 0   | 100.000                                    |
| 2299999. Joint Venture Interests - Other - Affiliated |                          |           |              |            |   |  |                                     |                              | 1,000,000            | 1,000,000           | 1,198,864   | 192,038   | 0   | 0  | 0  | 0   | 0                               | 0   | XXX  |
| 4499999. Total - Unaffiliated                         |                          |           |              |            |   |  |                                     |                              | 0                    | 0                   | 0   | 0   | 0   | 0  | 0  | 0   | 0                               | 0   | XXX  |
| 4599999. Total - Affiliated                           |                          |           |              |            |   |  |                                     |                              | 1,000,000            | 1,000,000           | 1,198,864   | 192,038   | 0   | 0  | 0  | 0   | 0                               | 0   | XXX  |
| 4699999 - Totals                                      |                          |           |              |            |   |  |                                     |                              | 1,000,000            | 1,000,000           | 1,198,864   | 192,038   | 0   | 0  | 0  | 0   | 0                               | 0   | XXX  |

E07

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

| 1<br>CUSIP<br>Identification                    | 2<br>Name or Description | Location  |            | 5<br>Name of Vendor<br>or General Partner | 6<br>Date<br>Originally<br>Acquired | 7<br>Type<br>and<br>Strategy | 8<br>Actual Cost<br>at Time of<br>Acquisition | 9<br>Additional<br>Investment Made<br>After Acquisition | 10<br>Amount of<br>Encumbrances | 11<br>Percentage of<br>Ownership |
|---|--------------------------|-----------|------------|---|-------------------------------------|------------------------------|---|---|---------------------------------|----------------------------------|
|   |                          | 3<br>City | 4<br>State |   |                                     |                              |   |   |                                 |                                  |
| 023138-AA-8                                     | AMBAC ASSURANCE CORP     |           | .NY.       | AMBAC ASSURANCE CORP                      | .02/14/2018                         |                              | 7.572   | 0   | 0                               | 0.000                            |
| 2399999. Surplus Debentures, etc - Unaffiliated |                          |           |            |   |                                     |                              | 7.572   | 0   | 0                               | XXX                              |
| 4499999. Total - Unaffiliated                   |                          |           |            |   |                                     |                              | 7.572   | 0   | 0                               | XXX                              |
| 4599999. Total - Affiliated                     |                          |           |            |   |                                     |                              | 0   | 0   | 0                               | XXX                              |
| 4699999 - Totals                                |                          |           |            |   |                                     |                              | 7.572   | 0   | 0                               | XXX                              |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |
|   |                          |           |            |   |                                     |                              |   |   |                                 |                                  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE BA - PART 3**

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

| 1<br>CUSIP<br>Identification                    | 2<br>Name or Description | Location  |            | 5<br>Name of Purchaser or<br>Nature of Disposal | 6<br>Date<br>Originally<br>Acquired | 7<br>Disposal<br>Date | 8<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances,<br>Prior<br>Year | Change in Book/Adjusted Carrying Value                      |  |  |  |  |   | 15<br>Book/<br>Adjusted<br>Carrying<br>Value<br>Less<br>Encum-<br>brances<br>on<br>Disposal | 16<br>Consid-<br>eration | 17<br>Foreign<br>Exchange<br>Gain<br>(Loss)<br>on<br>Disposal | 18<br>Realized<br>Gain<br>(Loss) on<br>Disposal | 19<br>Total<br>Gain<br>(Loss) on<br>Disposal | 20<br>Invest-<br>ment<br>Income |     |   |
|---|--------------------------|-----------|------------|---|-------------------------------------|-----------------------|--|---|--|--|--|--|---|---|--------------------------|---|---|--|---------------------------------|-----|---|
|   |                          | 3<br>City | 4<br>State |   |                                     |                       |  | 9<br>Unrealized<br>Valuation<br>Increase<br>(De-<br>crease) | 10<br>Current<br>Year's<br>(Depre-<br>ciation) or<br>(Amorti-<br>zation)/<br>Accretion | 11<br>Current<br>Year's<br>Other-<br>Than-<br>Tempo-<br>rary<br>Impair-<br>ment<br>Recog-<br>nized | 12<br>Capital-<br>ized<br>Deferred<br>Interest<br>and<br>Other | 13<br>Total<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value<br>(9+10-<br>11+12) | 14<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |   |                          |   |   |  |                                 |     |   |
| 023138-AA-8                                     | AMBAC ASSURANCE CORP     |           | NV         | Ambac Assurance Corp                            | 02/14/2018                          | 07/19/2018            | 0  | 0   | (570)  | 0  | 0  | (570)  | 0   | 7,002   | 9,320                    | 0   | 2,318   | 2,318  | 307                             |     |   |
| 2399999. Surplus Debentures, etc - Unaffiliated |                          |           |            |   |                                     |                       |  | 0   | 0  | (570)  | 0  | 0  | (570)   | 0   | 7,002                    | 9,320   | 0   | 2,318  | 2,318                           | 307 |   |
| 4499999. Total - Unaffiliated                   |                          |           |            |   |                                     |                       |  | 0   | 0  | (570)  | 0  | 0  | (570)   | 0   | 7,002                    | 9,320   | 0   | 2,318  | 2,318                           | 307 |   |
| 4599999. Total - Affiliated                     |                          |           |            |   |                                     |                       |  | 0   | 0  | 0  | 0  | 0  | 0   | 0   | 0                        | 0   | 0   | 0  | 0                               | 0   | 0 |
| 4699999 - Totals                                |                          |           |            |   |                                     |                       |  | 0   | 0  | (570)  | 0  | 0  | (570)   | 0   | 7,002                    | 9,320   | 0   | 2,318  | 2,318                           | 307 |   |















ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1                    | 2   | Codes            |                                 |           | 6  | 7           | Fair Value                     |            | 10         | 11                            | Change in Book/Adjusted Carrying Value    |   |   |  | Interest |                   |           |                                 |                             | Dates    |                                  |
|----------------------|---|------------------|---------------------------------|-----------|--|-------------|--------------------------------|------------|------------|-------------------------------|---|---|---|--|----------|-------------------|-----------|---------------------------------|-----------------------------|----------|----------------------------------|
|                      |   | 3                | 4                               | 5         |  |             | 8                              | 9          |            |                               | 12  | 13                                      | 14  | 15   | 16       | 17                | 18        | 19                              | 20                          | 21       | 22                               |
| CUSIP Identification | Description   | C<br>o<br>d<br>e | F<br>o<br>r<br>e<br>i<br>g<br>n | Bond Char | NAIC Designation and Administrative Symbol | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value  | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization) Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Foreign Exchange Change in Book/ Adjusted Carrying Value | Rate of  | Effective Rate of | When Paid | Admitted Amount Due and Accrued | Amount Received During Year | Acquired | Stated Contractual Maturity Date |
| 4299999              | Subtotal - Bonds - Hybrid Securities - Issuer Obligations |                  |                                 |           |  | 355,863     | XXX                            | 282,238    | 250,000    | 272,251                       | 0   | (8,423)                                 | 0   | 0  | XXX      | XXX               | XXX       | 1,938                           | 23,250                      | XXX      | XXX                              |
| 4899999              | Total - Hybrid Securities                                 |                  |                                 |           |  | 355,863     | XXX                            | 282,238    | 250,000    | 272,251                       | 0   | (8,423)                                 | 0   | 0  | XXX      | XXX               | XXX       | 1,938                           | 23,250                      | XXX      | XXX                              |
| 5599999              | Total - Parent, Subsidiaries and Affiliates Bonds         |                  |                                 |           |  | 0           | XXX                            | 0          | 0          | 0                             | 0   | 0                                       | 0   | 0  | XXX      | XXX               | XXX       | 0                               | 0                           | XXX      | XXX                              |
| 6099999              | Subtotal - SVO Identified Funds                           |                  |                                 |           |  | 0           | XXX                            | 0          | 0          | 0                             | 0   | 0                                       | 0   | 0  | XXX      | XXX               | XXX       | 0                               | 0                           | XXX      | XXX                              |
| 6599999              | Subtotal -Bank Loans                                      |                  |                                 |           |  | 0           | XXX                            | 0          | 0          | 0                             | 0   | 0                                       | 0   | 0  | XXX      | XXX               | XXX       | 0                               | 0                           | XXX      | XXX                              |
| 7799999              | Total - Issuer Obligations                                |                  |                                 |           |  | 56,294,379  | XXX                            | 55,234,787 | 54,794,762 | 55,324,838                    | (277,033)                                 | (261,162)                               | 0   | 0  | XXX      | XXX               | XXX       | 516,061                         | 1,579,928                   | XXX      | XXX                              |
| 7899999              | Total - Residential Mortgage-Backed Securities            |                  |                                 |           |  | 13,107,052  | XXX                            | 12,894,758 | 12,971,884 | 13,063,351                    | (859)                                     | (14,510)                                | 0   | 0  | XXX      | XXX               | XXX       | 39,706                          | 435,359                     | XXX      | XXX                              |
| 7999999              | Total - Commercial Mortgage-Backed Securities             |                  |                                 |           |  | 11,820,604  | XXX                            | 11,426,922 | 11,440,571 | 11,655,967                    | 0   | (39,953)                                | 0   | 0  | XXX      | XXX               | XXX       | 33,858                          | 364,941                     | XXX      | XXX                              |
| 8099999              | Total - Other Loan-Backed and Structured Securities       |                  |                                 |           |  | 5,246,686   | XXX                            | 5,239,682  | 5,259,466  | 5,249,830                     | 0   | 2,387                                   | 0   | 0  | XXX      | XXX               | XXX       | 20,075                          | 101,441                     | XXX      | XXX                              |
| 8199999              | Total - SVO Identified Funds                              |                  |                                 |           |  | 0           | XXX                            | 0          | 0          | 0                             | 0   | 0                                       | 0   | 0  | XXX      | XXX               | XXX       | 0                               | 0                           | XXX      | XXX                              |
| 8299999              | Total - Bank Loans  |                  |                                 |           |  | 0           | XXX                            | 0          | 0          | 0                             | 0   | 0                                       | 0   | 0  | XXX      | XXX               | XXX       | 0                               | 0                           | XXX      | XXX                              |
| 8399999              | Total Bonds   |                  |                                 |           |  | 86,468,721  | XXX                            | 84,796,148 | 84,466,683 | 85,293,987                    | (277,892)                                 | (313,238)                               | 0   | 0  | XXX      | XXX               | XXX       | 609,699                         | 2,481,669                   | XXX      | XXX                              |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 2 - SECTION 1**

Showing All PREFERRED STOCKS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identi-<br>fication | 2<br>Description   | Codes     |                   | 5<br>Number<br>of<br>Shares | 6<br>Par<br>Value<br>Per<br>Share | 7<br>Rate<br>Per<br>Share | 8<br>Book/<br>Adjusted<br>Carrying<br>Value | Fair Value  |                  | 11<br>Actual Cost | Dividends                    |   |   | Change in Book/Adjusted Carrying Value                   |   |   |   | 20<br>NAIC<br>Desig-<br>nation<br>and<br>Admini-<br>strative<br>Symbol/<br>Market<br>Indi-<br>cator | 21<br>Date<br>Acquired |   |            |
|-----------------------------------|--|-----------|-------------------|-----------------------------|-----------------------------------|---------------------------|---|---|------------------|-------------------|------------------------------|---|---|--|---|---|---|---|------------------------|---|------------|
|                                   |  | 3<br>Code | 4<br>For-<br>eign |                             |                                   |                           |   | 9<br>Rate<br>Per<br>Share<br>Used to<br>Obtain<br>Fair<br>Value | 10<br>Fair Value |                   | 12<br>Declared<br>but Unpaid | 13<br>Amount<br>Received<br>During Year | 14<br>Nonadmitted<br>Declared But<br>Unpaid | 15<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 16<br>Current<br>Year's<br>(Amor-<br>tization)<br>Accretion | 17<br>Current<br>Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | 18<br>Total Change<br>in<br>Book/Adjusted<br>Carrying Value<br>(15 + 16 - 17) |   |                        | 19<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |            |
| 12493V-AC-4                       | DASH3 1A C2 - CDO  |           | C                 | 200,470,490                 | 100.00                            | 0.000                     | 0   | 0.000   | 0                | 86,202            | 0                            | 0                                       | 0   | 0  | 0   | 0   | 0   | 0   | 0                      | RP6SV   | 06/14/2001 |
| 8499999                           | Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) |           |                   |                             |                                   |                           | 0   | XXX   | 0                | 86,202            | 0                            | 0                                       | 0   | 0  | 0   | 0   | 0   | 0   | 0                      | XXX   | XXX        |
| 8999999                           | Total Preferred Stocks   |           |                   |                             |                                   |                           | 0   | XXX   | 0                | 86,202            | 0                            | 0                                       | 0   | 0  | 0   | 0   | 0   | 0   | 0                      | XXX   | XXX        |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 2 - SECTION 2**

Showing All COMMON STOCKS Owned December 31 of Current Year

| 1<br>CUSIP<br>Identifi-<br>cation  | 2<br>Description     | Codes     |                   | 5<br>Number<br>of<br>Shares | 6<br>Book/<br>Adjusted<br>Carrying<br>Value | Fair Value  |                 | 9<br>Actual Cost | Dividends                    |   |   | Change in Book/Adjusted Carrying Value                   |  |   |  | 17<br>NAIC<br>Market<br>Indicator<br>(a) | 18<br>Date<br>Acquired |            |     |
|--|----------------------|-----------|-------------------|-----------------------------|---|---|-----------------|------------------|------------------------------|---|---|--|--|---|--|--|------------------------|------------|-----|
|  |                      | 3<br>Code | 4<br>For-<br>eign |                             |   | 7<br>Rate<br>Per<br>Share<br>Used to<br>Obtain<br>Fair<br>Value | 8<br>Fair Value |                  | 10<br>Declared<br>but Unpaid | 11<br>Amount<br>Received<br>During Year | 12<br>Nonadmitted<br>Declared But<br>Unpaid | 13<br>Unrealized<br>Valuation<br>Increase/<br>(Decrease) | 14<br>Current Year's<br>Other-Than-<br>Temporary<br>Impairment<br>Recognized | 15<br>Total Change in<br>Book/Adjusted<br>Carrying Value<br>(13 - 14) | 16<br>Total Foreign<br>Exchange<br>Change in<br>Book/Adjusted<br>Carrying<br>Value |  |                        |            |     |
| 427098-11-6  | HERCULES LLC         |           |                   | 190,000                     | 0   | 0.001   | 0               | 0                | 0                            | 0                                       | 0   | 0  | 0  | 0   | 0  | 0  | V                      | 12/05/2016 |     |
| BFHLB0-00-9  | FHLB I COMMON STOCK  | RF        |                   | 1,429,000                   | 142,900                                     | 100.000   | 142,900         | 142,900          | 0                            | 5,532                                   | 0   | 0  | 0  | 0   | 0  | 0  | V                      | 12/15/2014 |     |
| 9099999. Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) |                      |           |                   |                             | 142,900                                     | XXX   | 142,900         | 142,900          | 0                            | 5,532                                   | 0   | 0  | 0  | 0   | 0  | 0  | 0                      | XXX        | XXX |
| 256210-10-5  | DODGE & COX INCOME   |           |                   | 151,537,004                 | 2,009,381                                   | 13.260  | 2,009,381       | 2,096,243        | 0                            | 67,493                                  | 0   | (73,653)   | 0  | (73,653)  | 0  | 0  | U                      | 12/19/2018 |     |
| 921943-80-9  | VANGUARD DEV MKT ADM |           |                   | 164,916,912                 | 1,972,406                                   | 11.960  | 1,972,406       | 2,136,949        | 0                            | 64,310                                  | 0   | (397,607)  | 0  | (397,607)   | 0  | 0  | U                      | 12/21/2018 |     |
| 922908-30-6  | VANGUARD TSM IDX INV |           |                   | 108,393,583                 | 6,729,074                                   | 62.080  | 6,729,074       | 3,573,537        | 0                            | 127,767                                 | 0   | (501,080)  | 0  | (501,080)   | 0  | 0  | U                      | 12/21/2018 |     |
| 9299999. Subtotal - Mutual Funds   |                      |           |                   |                             | 10,710,861                                  | XXX   | 10,710,861      | 7,806,728        | 0                            | 259,570                                 | 0   | (972,340)  | 0  | (972,340)   | 0  | 0  | 0                      | XXX        | XXX |
| 9799999 - Total Common Stocks  |                      |           |                   |                             | 10,853,761                                  | XXX   | 10,853,761      | 7,949,628        | 0                            | 265,102                                 | 0   | (972,340)  | 0  | (972,340)   | 0  | 0  | 0                      | XXX        | XXX |
| 9899999 - Total Preferred and Common Stocks                                    |                      |           |                   |                             | 10,853,761                                  | XXX   | 10,853,761      | 8,035,830        | 0                            | 265,102                                 | 0   | (972,340)  | 0  | (972,340)   | 0  | 0  | 0                      | XXX        | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....3 , the total \$ value (included in Column 8) of all such issues \$ .....10,710,861



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1<br>CUSIP<br>Identification  | 2<br>Description                          | 3<br>Foreign | 4<br>Date<br>Acquired | 5<br>Name of Vendor                | 6<br>Number of Shares<br>of Stock | 7<br>Actual Cost | 8<br>Par Value   | 9<br>Paid for Accrued<br>Interest and<br>Dividends |
|---|---|--------------|-----------------------|------------------------------------|-----------------------------------|------------------|------------------|--|
| 346843-PK-5   | FORT BEND TEX INDPT SCH DIST              |              | 08/01/2018            | JEFFERIES & CO INC, NEW YORK       |                                   | 497,443          | 500,000          | 2,557  |
| 438687-EQ-4   | HONOLULU HAWAII CITY & CNTY               |              | 08/16/2018            | Merrill Lynch                      |                                   | 200,000          | 200,000          | .0   |
| <b>2499999. Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions</b> |   |              |                       |                                    |                                   | <b>697,443</b>   | <b>700,000</b>   | <b>2,557</b>                                       |
| 072868-AC-6   | BAYLOR UNIVERSITY                         |              | 05/01/2018            | Merrill Lynch                      |                                   | 100,000          | 100,000          | .0   |
| 3140HJ-G4-7   | FN BK4718 - RMBS                          |              | 10/03/2018            | INTL FCStone Financial Inc.        |                                   | 602,916          | 599,078          | 266  |
| 4520ME-D9-6   | ILLINOIS FIN AUTH REV                     |              | 02/23/2018            | BARCLAYS CAPITAL INC               |                                   | 470,000          | 470,000          | .0   |
| <b>3199999. Subtotal - Bonds - U.S. Special Revenues</b>  |   |              |                       |                                    |                                   | <b>1,172,916</b> | <b>1,169,078</b> | <b>266</b>   |
| 000000-00-0   | GLENCORE FUNDING LLC                      | D.           | 07/17/2018            | CREDIT AGRICOLE SECURITIES (USA) I |                                   | 174,200          | 200,000          | .0   |
| 00206R-FM-9   | AT&T INC                                  |              | 01/17/2018            | RBC CAPITAL MARKETS                |                                   | 360,535          | 350,000          | 2,403  |
| 00922R-AB-1   | AIR TRANSPORT SERVICES GROUP INC          |              | 10/01/2018            | GOLDMAN SACHS & CO, NY             |                                   | 198,319          | 210,000          | 1,070  |
| 00971T-AH-4   | AKAMA I TECHNOLOGIES INC                  |              | 12/13/2018            | VARIOUS                            |                                   | 502,450          | 510,000          | 115  |
| 023761-AA-7   | AMERICAN AIRLINES INC - ABS               |              | 08/30/2018            | BARCLAYS CAPITAL INC               |                                   | 340,770          | 346,406          | 667  |
| 036752-AB-9   | ANTHEM INC                                |              | 01/31/2018            | DEUTSCHE BANK SECURITIES, INC.     |                                   | 169,629          | 170,000          | 1,224  |
| 05491Y-AA-8   | BAMLL 18PARK A - CMBS                     |              | 08/23/2018            | BANC / AMERICA SECUR. LLC, MONT.   |                                   | 325,637          | 315,000          | 394  |
| 05526D-BA-2   | BAT CAPITAL CORP                          | C.           | 02/13/2018            | JEFFERIES & CO INC, NEW YORK       |                                   | 240,018          | 250,000          | .0   |
| 05565E-AW-5   | BMW US CAPITAL LLC                        | C.           | 04/10/2018            | VARIOUS                            |                                   | 290,224          | 290,000          | .0   |
| 07274N-AL-7   | BAYER US FINANCE I I LLC                  | C.           | 06/19/2018            | JP MORGAN SECURITIES LLC           |                                   | 348,348          | 350,000          | .0   |
| 09061G-AH-4   | BIOMARIN PHARMACEUTICAL INC               |              | 02/07/2018            | VARIOUS                            |                                   | 235,067          | 235,000          | 539  |
| 09659T-2A-8   | BNP PARIBAS SA                            | C.           | 02/22/2018            | BNP PARIBAS SECURITIES BOND        |                                   | 348,877          | 350,000          | .0   |
| 111013-AL-2   | SKY PLC                                   | C.           | 01/26/2018            | JP MORGAN SECURITIES LLC           |                                   | 257,228          | 250,000          | 3,490  |
| 12509K-AB-2   | COG 182 A2 - ABS                          |              | 08/21/2018            | BMO CAPITAL MARKETS CORP           |                                   | 499,942          | 500,000          | .0   |
| 12649R-BD-3   | CSMC 152 A13 - CMO/RMBS                   |              | 06/26/2018            | SANDLER O'NEILL & PARTNERS, LP     |                                   | 327,373          | 334,802          | 195  |
| 126650-CX-6   | CVS HEALTH CORP                           |              | 03/06/2018            | BANC / AMERICA SECUR. LLC, MONT.   |                                   | 98,594           | 100,000          | .0   |
| 151020-AY-0   | CELGENE CORP                              |              | 02/08/2018            | SEAPORT GROUP SECURITIES, LLC      |                                   | 339,213          | 350,000          | 3,119  |
| 20605P-AH-4   | CONCHO RESOURCES INC                      |              | 06/14/2018            | RBC CAPITAL MARKETS                |                                   | 287,928          | 300,000          | 2,406  |
| 223622-AD-3   | COWEN GROUP INC                           |              | 12/06/2018            | VARIOUS                            |                                   | 98,390           | 95,000           | 831  |
| 225401-AF-5   | CREDIT SUISSE GROUP AG                    | C.           | 01/05/2018            | CREDIT SUISSE SECURITIES (USA)     |                                   | 250,000          | 250,000          | .0   |
| 23307D-BA-0   | DBGS 18C1 A4 - CMBS                       |              | 10/17/2018            | DEUTSCHE BANK SECURITIES, INC.     |                                   | 514,962          | 500,000          | 1,799  |
| 25155M-KU-4   | DEUTSCHE BANK AG (LONDON BRANCH)          | C.           | 06/14/2018            | VARIOUS                            |                                   | 532,920          | 520,000          | 162  |
| 267475-AB-7   | DYCOM INDUSTRIES INC                      |              | 07/25/2018            | VARIOUS                            |                                   | 148,063          | 130,000          | 356  |
| 28250R-AW-6   | ENBRIDGE ENERGY PARTNERS LP               |              | 01/30/2018            | UBS SECURITIES                     |                                   | 339,417          | 300,000          | 5,190  |
| 335720-AB-4   | FIRST NATL NEB INC                        |              | 03/13/2018            | SANDLER O'NEILL & PARTNERS, LP     |                                   | 250,000          | 250,000          | .0   |
| 34531J-AD-7   | FORD 18A A3 - ABS                         |              | 04/17/2018            | BARCLAYS CAPITAL INC               |                                   | 244,991          | 245,000          | .0   |
| 345397-XZ-1   | FORD MOTOR CREDIT COMPANY LLC             |              | 04/24/2018            | WELLS FARGO SECURITIES LLC         |                                   | 285,939          | 300,000          | 4,438  |
| 349553-AM-9   | FORTIS INC                                | C.           | 09/26/2018            | GOLDMAN SACHS & CO, NY             |                                   | 275,049          | 300,000          | 4,430  |
| 35105M-AB-7   | FOURSIIGHT CAPITAL AUTOMOBILE RECEIVABLES |              | 10/29/2018            | JP MORGAN SECURITIES LLC           |                                   | 424,991          | 425,000          | .0   |
| 37045X-BT-2   | GENERAL MOTORS FINANCIAL COMPANY INC      |              | 03/27/2018            | BNP PARIBAS SECURITIES BOND        |                                   | 347,732          | 350,000          | 3,045  |
| 393657-AK-7   | GREENBRIER CO INC                         |              | 12/14/2018            | JP MORGAN SECURITIES INC.          |                                   | 34,413           | 35,000           | 383  |
| 40573L-AS-5   | HALFMOON PARENT INC                       |              | 09/07/2018            | MORGAN STANLEY & CO INC, NY        |                                   | 249,344          | 250,000          | .0   |
| 43940T-AA-7   | HOPE BANCORP INC                          |              | 09/13/2018            | VARIOUS                            |                                   | 293,838          | 305,000          | 1,694  |
| 44920U-AM-0   | HYUNDAI CAPITAL SERVICES INC              | C.           | 02/27/2018            | BANC / AMERICA SECUR. LLC, MONT.   |                                   | 199,288          | 200,000          | .0   |
| 452327-AH-2   | ILLUMINA INC                              |              | 12/20/2018            | VARIOUS                            |                                   | 210,055          | 160,000          | 219  |
| 452327-AJ-8   | ILLUMINA INC                              |              | 10/09/2018            | VARIOUS                            |                                   | 376,097          | 370,000          | .0   |
| 45687A-AP-7   | INGERSOLL-RAND GLOBAL HOLDING COMPANY LT  | C.           | 02/13/2018            | JP MORGAN SECURITIES LLC           |                                   | 149,627          | 150,000          | .0   |
| 458660-AD-9   | INTERDIGITAL INC                          |              | 02/22/2018            | VARIOUS                            |                                   | 22,928           | 20,000           | 146  |
| 459506-AK-7   | INTERNATIONAL FLAVORS & FRAGRANCES INC    |              | 09/24/2018            | MORGAN STANLEY & CO INC, NY        |                                   | 59,947           | 60,000           | .0   |
| 460690-BP-4   | INTERPUBLIC GROUP OF COMPANIES INC        |              | 09/18/2018            | CITIGROUP GLOBAL MARKETS INC.      |                                   | 49,833           | 50,000           | .0   |
| 46640B-AC-8   | JPMIT 132 A2 - CMO/RMBS                   |              | 04/20/2018            | BANC / AMERICA SECUR. LLC, MONT.   |                                   | 520,708          | 527,633          | 1,180  |
| 472145-AC-5   | JAZZ INVESTMENTS I LTD                    | C.           | 04/02/2018            | BARCLAYS CAPITAL INC               |                                   | 193,222          | 200,000          | 408  |
| 48129K-AE-0   | JPMORGAN CHASE FINANCIAL COMPANY LLC      |              | 04/25/2018            | JP MORGAN SECURITIES INC.          |                                   | 590,000          | 590,000          | .0   |
| 483548-AF-0   | KAMAN CORP                                |              | 11/13/2018            | VARIOUS                            |                                   | 249,400          | 220,000          | 1,665  |
| 49456B-AP-6   | KINDER MORGAN INC                         |              | 02/22/2018            | MIZUHO SECURITIES USA INC.         |                                   | 298,866          | 300,000          | .0   |
| 501044-DG-3   | KROGER CO                                 |              | 01/10/2018            | MORGAN STANLEY & CO INC, NY        |                                   | 346,899          | 350,000          | 6,965  |
| 530610-AD-6   | LIBERTY INTERACTIVE LLC                   |              | 04/12/2018            | VARIOUS                            |                                   | 118,215          | 105,000          | 318  |
| 531229-AH-5   | LIBERTY MEDIA CORP                        |              | 12/20/2018            | VARIOUS                            |                                   | 278,173          | 280,000          | 210  |
| 53220K-AE-8   | LIGAND PHARMACEUTICALS INC                |              | 11/05/2018            | VARIOUS                            |                                   | 127,153          | 130,000          | 426  |
| 55336V-AN-0   | MPLX LP                                   |              | 02/06/2018            | VARIOUS                            |                                   | 349,442          | 350,000          | .0   |
| 565122-AB-4   | MAPLE ESCROW SUBSIDIARY INC               | C.           | 05/17/2018            | VARIOUS                            |                                   | 299,018          | 300,000          | .0   |
| 579780-AJ-6   | MCCORMICK & CO INC                        |              | 05/08/2018            | WELLS FARGO SECURITIES LLC         |                                   | 147,149          | 150,000          | 1,006  |
| 585112-AY-9   | MICRON TECHNOLOGY INC                     |              | 12/24/2018            | VARIOUS                            |                                   | 187,235          | 175,000          | 581  |
| 585240-AA-3   | MID-ATLANTIC INTERSTATE TRANSMISSION LLC  |              | 05/17/2018            | VARIOUS                            |                                   | 298,520          | 300,000          | 262  |
| 61744Y-AP-3   | MORGAN STANLEY                            |              | 01/24/2018            | MORGAN STANLEY & CO INC, NY        |                                   | 301,497          | 300,000          | 60   |
| 641062-AF-1   | NESTLE HOLDINGS INC                       | C.           | 09/18/2018            | BANC / AMERICA SECUR. LLC, MONT.   |                                   | 496,839          | 500,000          | .0   |
| 664675-AS-4   | NORTHEASTERN UNIV                         |              | 06/20/2018            | MORGAN STANLEY & CO INC, NY        |                                   | 140,000          | 140,000          | .0   |

E13

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1                    | 2  | 3       | 4             | 5                                | 6                         | 7           | 8          | 9                                       |
|----------------------|--|---------|---------------|----------------------------------|---------------------------|-------------|------------|---|
| CUSIP Identification | Description  | Foreign | Date Acquired | Name of Vendor                   | Number of Shares of Stock | Actual Cost | Par Value  | Paid for Accrued Interest and Dividends |
| 666807-BN-1          | NORTHROP GRUMMAN CORP  |         | 05/04/2018    | JEFFERIES & CO INC, NEW YORK     |                           | 279,912     | 300,000    | 5,552                                   |
| 67080L-AA-3          | NUVEEN LLC   |         | 10/30/2018    | VARIOUS                          |                           | 499,974     | 500,000    | 195                                     |
| 674215-AJ-7          | OASIS PETROLEUM INC  |         | 11/16/2018    | VARIOUS                          |                           | 118,751     | 115,000    | 514                                     |
| 682189-AP-0          | ON SEMICONDUCTOR CORP  |         | 10/04/2018    | JEFFERIES & CO INC, NEW YORK     |                           | 94,831      | 85,000     | 642                                     |
| 69354N-AB-2          | PRA GROUP INC  |         | 12/11/2018    | JEFFERIES & CO INC, NEW YORK     |                           | 56,956      | 65,000     | 76                                      |
| 693680-AC-4          | PSMC 182 A3 - CMO/RMBS   |         | 05/18/2018    | CREDIT SUISSE SECURITIES (USA)   |                           | 491,797     | 500,000    | 1,021                                   |
| 697435-AC-9          | PALO ALTO NETWORKS INC   |         | 10/16/2018    | VARIOUS                          |                           | 432,546     | 430,000    | 159                                     |
| 756109-AV-6          | REALTY INCOME CORP   |         | 08/28/2018    | VARIOUS                          |                           | 200,338     | 200,000    | 3,132                                   |
| 756250-AE-9          | RECKITT BENCKISER TREASURY SERVICES PLC                        | C.      | 04/17/2018    | MORGAN STANLEY & CO INC, NY      |                           | 470,657     | 500,000    | 4,658                                   |
| 761283-AC-4          | RESTORATION HARDWARE INC                                       |         | 10/10/2018    | VARIOUS                          |                           | 197,078     | 170,000    | 0                                       |
| 78013X-W2-0          | ROYAL BANK OF CANADA   | C.      | 10/02/2018    | RBC CAPITAL MARKETS              |                           | 399,711     | 400,000    | 0                                       |
| 81745N-AR-0          | SEMT 141 2A5 - CMO/RMBS  |         | 02/28/2018    | JP MORGAN SECURITIES LLC         |                           | 442,637     | 434,334    | 1,303                                   |
| 81762P-AC-6          | SERVICENOW INC   |         | 11/19/2018    | VARIOUS                          |                           | 180,040     | 140,000    | 0                                       |
| 826919-AB-8          | SILICON LABORATORIES INC                                       |         | 09/26/2018    | VARIOUS                          |                           | 120,255     | 105,000    | 106                                     |
| 838518-E*-5          | SOUTH JERSEY INDUSTRIES, INC.                                  |         | 04/25/2018    | Not Available                    |                           | 153,740     | 155,000    | 1,260                                   |
| 848637-AA-2          | SPLUNK INC   |         | 09/19/2018    | MORGAN STANLEY & CO INC, NY      |                           | 59,996      | 60,000     | 4                                       |
| 852234-AC-7          | SQUARE INC   |         | 12/07/2018    | VARIOUS                          |                           | 302,758     | 275,000    | 50                                      |
| 868459-AC-2          | SUPERNUS PHARMACEUTICALS INC                                   |         | 11/05/2018    | VARIOUS                          |                           | 115,298     | 110,000    | 69                                      |
| 880770-AG-7          | TERADYNE INC   |         | 12/27/2018    | VARIOUS                          |                           | 402,519     | 335,000    | 1,194                                   |
| 88161D-AA-9          | TESLA 18A A - ABS  |         | 02/01/2018    | CITIGROUP GLOBAL MARKETS INC.    |                           | 199,996     | 200,000    | 0                                       |
| 886312-AD-9          | TBLMT 182 A4 - CMO/RMBS  |         | 06/21/2018    | BANC / AMERICA SECUR. LLC, MONT. |                           | 222,820     | 225,000    | 547                                     |
| 89657A-AA-4          | TRL 181 A1 - ABS   |         | 06/19/2018    | VARIOUS                          |                           | 250,270     | 250,000    | 8                                       |
| 90276C-AE-1          | UBSCM 17C2 A4 - CMBS   |         | 06/12/2018    | SG AMERICAS SECURITIES, LLC      |                           | 195,312     | 200,000    | 252                                     |
| 913017-DD-8          | UNITED TECHNOLOGIES CORP                                       |         | 08/14/2018    | MORGAN STANLEY & CO INC, NY      |                           | 300,777     | 300,000    | 0                                       |
| 92348R-AA-6          | VZOT 173 A1A - ABS   |         | 07/23/2018    | INTL FCStone Financial Inc.      |                           | 491,797     | 500,000    | 143                                     |
| 927804-FU-3          | VIRGINIA ELECTRIC AND POWER CO                                 |         | 03/20/2018    | GOLDMAN SACHS & CO, NY           |                           | 290,487     | 300,000    | 1,759                                   |
| 92930M-AF-4          | WPP FINANCE 2010   | C.      | 04/30/2018    | BAIRD (ROBERT W.) & CO. INC.     |                           | 169,748     | 175,000    | 784                                     |
| 98138H-AE-1          | WORKDAY INC  |         | 06/11/2018    | VARIOUS                          |                           | 342,418     | 325,000    | 206                                     |
| 98954M-AC-5          | ZILLOW GROUP INC   |         | 07/17/2018    | CITIGROUP GLOBAL MARKETS INC.    |                           | 84,566      | 80,000     | 53                                      |
| F82124-BF-6          | TOTAL SA   | D.      | 08/13/2018    | NOMURA SECURITIES INTL INC       |                           | 55,325      | 50,000     | 51                                      |
| F97736-UP-7          | VINCI SA   | D.      | 02/27/2018    | VARIOUS                          |                           | 446,500     | 400,000    | 321                                     |
| N72482-AE-7          | QIAGEN NV  | D.      | 11/06/2018    | BARCLAYS CAPITAL INC./LE         |                           | 212,857     | 200,000    | 153                                     |
| N83574-AE-8          | STMICROELECTRONICS NV  | D.      | 10/05/2018    | JP MORGAN SECURITIES INC.        |                           | 215,063     | 200,000    | 135                                     |
| 3899999              | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) |         |               |                                  |                           | 24,142,226  | 23,878,174 | 75,743                                  |
| 8399997              | Total - Bonds - Part 3   |         |               |                                  |                           | 26,012,585  | 25,747,253 | 78,566                                  |
| 8399998              | Total - Bonds - Part 5   |         |               |                                  |                           | 3,099,569   | 2,948,665  | 9,839                                   |
| 8399999              | Total - Bonds  |         |               |                                  |                           | 29,112,154  | 28,695,918 | 88,405                                  |
| 8999997              | Total - Preferred Stocks - Part 3                              |         |               |                                  |                           | 0           | XXX        | 0                                       |
| 8999998              | Total - Preferred Stocks - Part 5                              |         |               |                                  |                           | 0           | XXX        | 0                                       |
| 8999999              | Total - Preferred Stocks                                       |         |               |                                  |                           | 0           | XXX        | 0                                       |
| 256210-10-5          | DODGE & COX INCOME   |         | 12/19/2018    | Not Available                    |                           | 5,058,736   | 67,493     | 0                                       |
| 921943-80-9          | VANGUARD DEV MKT ADM   |         | 12/21/2018    | Not Available                    |                           | 4,909,795   | 64,310     | 0                                       |
| 922908-30-6          | VANGUARD TSM IDX INV   |         | 12/21/2018    | Not Available                    |                           | 1,911,025   | 127,767    | 0                                       |
| 9299999              | Subtotal - Common Stocks - Mutual Funds                        |         |               |                                  |                           | 259,570     | XXX        | 0                                       |
| 9799997              | Total - Common Stocks - Part 3                                 |         |               |                                  |                           | 259,570     | XXX        | 0                                       |
| 9799998              | Total - Common Stocks - Part 5                                 |         |               |                                  |                           | 260,052     | XXX        | 0                                       |
| 9799999              | Total - Common Stocks  |         |               |                                  |                           | 519,622     | XXX        | 0                                       |
| 9899999              | Total - Preferred and Common Stocks                            |         |               |                                  |                           | 519,622     | XXX        | 0                                       |
| 9999999              | Totals   |         |               |                                  |                           | 29,631,776  | XXX        | 88,405                                  |

E13.1









ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 4**

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1<br>CUSIP<br>Identi-<br>fication                | 2<br>Description      | 3<br>For-<br>eign | 4<br>Disposal<br>Date | 5<br>Name<br>of Purchaser | 6<br>Number of<br>Shares of<br>Stock | 7<br>Con-<br>sideration | 8<br>Par Value | 9<br>Actual Cost | 10<br>Prior Year<br>Book/<br>Adjusted<br>Carrying<br>Value | Change In Book/Adjusted Carrying Value                 |  |   |  |   | 16<br>Book/<br>Adjusted<br>Carrying<br>Value at<br>Disposal<br>Date | 17<br>Foreign<br>Exchange<br>Gain<br>(Loss) on<br>Disposal | 18<br>Realized<br>Gain (Loss)<br>on Disposal | 19<br>Total Gain<br>(Loss) on<br>Disposal | 20<br>Bond<br>Interest/<br>Stock<br>Dividends<br>Received<br>During<br>Year | 21<br>Stated<br>Con-<br>tractual<br>Maturity<br>Date |
|--|-----------------------|-------------------|-----------------------|---------------------------|--------------------------------------|-------------------------|----------------|------------------|--|--|--|---|--|---|---|--|--|---|---|--|
|  |                       |                   |                       |                           |                                      |                         |                |                  |  | 11<br>Unrealized<br>Valuation<br>Increase/<br>Decrease | 12<br>Current<br>Year's<br>(Amor-<br>tization)/<br>Accretion | 13<br>Current<br>Year's<br>Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | 14<br>Total<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value<br>(11+12-13) | 15<br>Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value |   |  |  |   |   |  |
| 922908-30-6                                      | VANGUARD TSM IDX: INV |                   | 01/24/2018            | MUTUAL FUND COMPANY       | 24,052,066                           | 1,700,000               |                | 557,573          | 1,604,273  | (1,046,700)  | 0  | 0   | (1,046,700)  | 0   | 557,573   | 0  | 1,142,427                                    | 1,142,427                                 | 0   |  |
| 9299999. Subtotal - Common Stocks - Mutual Funds |                       |                   |                       |                           |                                      | 3,621,219               | XXX            | 2,593,305        | 3,604,966  | (1,011,662)  | 0  | 0   | (1,011,662)  | 0   | 2,593,305   | 0  | 1,027,914                                    | 1,027,914                                 | 45,185  | XXX  |
| 9799997. Total - Common Stocks - Part 4          |                       |                   |                       |                           |                                      | 3,621,219               | XXX            | 2,593,305        | 3,604,966  | (1,011,662)  | 0  | 0   | (1,011,662)  | 0   | 2,593,305   | 0  | 1,027,914                                    | 1,027,914                                 | 45,185  | XXX  |
| 9799998. Total - Common Stocks - Part 5          |                       |                   |                       |                           |                                      | 306,610                 | XXX            | 260,052          | 0  | 0  | 0  | 0   | 0  | 260,052   | 0   | 46,558   | 46,558                                       | 473                                       | XXX   |  |
| 9799999. Total - Common Stocks                   |                       |                   |                       |                           |                                      | 3,927,829               | XXX            | 2,853,357        | 3,604,966  | (1,011,662)  | 0  | 0   | (1,011,662)  | 0   | 2,853,357   | 0  | 1,074,472                                    | 1,074,472                                 | 45,658  | XXX  |
| 9899999. Total - Preferred and Common Stocks     |                       |                   |                       |                           |                                      | 3,927,829               | XXX            | 2,853,357        | 3,604,966  | (1,011,662)  | 0  | 0   | (1,011,662)  | 0   | 2,853,357   | 0  | 1,074,472                                    | 1,074,472                                 | 45,658  | XXX  |
| 9999999 - Totals                                 |                       |                   |                       |                           |                                      | 30,226,727              | XXX            | 29,334,509       | 26,221,559   | (963,296)  | (143,671)  | 0   | (1,106,966)  | 0   | 28,393,766  | 0  | 1,832,961                                    | 1,832,961                                 | 531,445   | XXX  |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE D - PART 5**

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

| 1                    | 2  | 3       | 4             | 5                              | 6             | 7                             | 8   | 9           | 10            | 11                                       | Change in Book/Adjusted Carrying Value   |   |   |   |   | 17                                       | 18                               | 19                            | 20  | 21                                      |
|----------------------|--|---------|---------------|--------------------------------|---------------|-------------------------------|---|-------------|---------------|--|--|---|---|---|---|--|----------------------------------|-------------------------------|---|---|
|                      |  |         |               |                                |               |                               |   |             |               |  | 12                                       | 13                                      | 14  | 15  | 16  |  |                                  |                               |   |   |
| CUSIP Identification | Description  | Foreign | Date Acquired | Name of Vendor                 | Disposal Date | Name of Purchaser             | Par Value (Bonds) or Number of Shares (Stock) | Actual Cost | Consideration | Book/Adjusted Carrying Value at Disposal | Unrealized Valuation Increase/(Decrease) | Current Year's (Amortization)/Accretion | Current Year's Other-Than-Temporary Impairment Recognized | Total Change in Book/Adjusted Carrying Value (12 + 13 - 14) | Total Foreign Exchange Change in Book/Adjusted Carrying Value | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Interest and Dividends Received During Year | Paid for Accrued Interest and Dividends |
| 3137FD-ES-7          | FHMS K1504 A2 - OMS  |         | 01/11/2018    | JP MORGAN SECURITIES LLC       | 09/30/2018    | Adjustment                    | 450,000                                       | 463,498     | 0             | 0  | 0  | (549)                                   | 0   | (549)   | 0   | 0  | 0                                | 0                             | 9,074                                       | 899                                     |
| 3199999              | Subtotal - Bonds - U.S. Special Revenues                               |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 023150-AA-6          | AMBAC LSNI LLC   |         | 02/14/2018    | Unknown                        | 07/19/2018    | VARIOUS                       | 33,665  | 33,984      | 33,984        | 33,665                                   | 0  | 0                                       | 0   | 0   | 0   | 0  | 319                              | 319                           | 1,028                                       | 13                                      |
| 136385-AV-3          | CANADIAN NATURAL RESOURCES LTD   | C       | 02/01/2018    | JP MORGAN SECURITIES LLC       | 10/24/2018    | Cantor Fitzgerald             | 105,000                                       | 106,930     | 102,575       | 106,745                                  | 0  | (185)                                   | 0   | (185)   | 0   | 0  | (4,170)                          | (4,170)                       | 3,014                                       | 46                                      |
| 151290-BQ-5          | CEMEX SAB DE CV  | C       | 02/20/2018    | CITIGROUP GLOBAL MARKETS INC.  | 04/04/2018    | CITIGROUP GLOBAL MARKETS      | 25,000  | 26,108      | 25,850        | 26,042                                   | 0  | (66)                                    | 0   | (66)  | 0   | 0  | (191)                            | (191)                         | 519   | 404                                     |
| 171779-AK-7          | CIENA CORP   |         | 01/18/2018    | OPPENHEIMER & CO. INC.         | 11/01/2018    | Adjustment                    | 30,000  | 39,863      | 47,704        | 37,234                                   | 0  | (2,629)                                 | 0   | (2,629)   | 0   | 0  | 10,470                           | 10,470                        | 1,053                                       | 123                                     |
| 298736-AH-2          | EURONET WORLDWIDE INC  |         | 03/28/2018    | CREDIT SUISSE SECURITIES (USA) | 10/01/2018    | HUMPHREY INC                  | 15,000  | 17,386      | 23,772        | 16,889                                   | 0  | (497)                                   | 0   | (497)   | 0   | 0  | 6,883                            | 6,883                         | 114   | 1                                       |
| 370334-CG-7          | GENERAL MILLS INC  |         | 04/03/2018    | GOLDMAN SACHS & CO. NY         | 12/12/2018    | (USA)                         | 60,000  | 59,879      | 58,213        | 59,885                                   | 0  | 7                                       | 0   | 7   | 0   | 0  | (1,672)                          | (1,672)                       | 1,659                                       | 0                                       |
| 46647M-QL-0          | JPMORGAN CHASE FINANCIAL COMPANY LLC                                   |         | 02/07/2018    | VARIOUS                        | 05/01/2018    | JP MORGAN CLEARING CORP       | 570,000                                       | 570,387     | 568,231       | 570,368                                  | 0  | (19)                                    | 0   | (19)  | 0   | 0  | (2,137)                          | (2,137)                       | 357   | 12                                      |
| 52603B-AA-5          | LENDINGTREE INC  |         | 10/12/2018    | VARIOUS                        | 12/03/2018    | VARIOUS                       | 105,000                                       | 125,169     | 147,598       | 124,631                                  | 0  | (538)                                   | 0   | (538)   | 0   | 0  | 22,967                           | 22,967                        | 308   | 245                                     |
| 531229-AF-9          | LIBERTY MEDIA CORP   |         | 03/01/2018    | VARIOUS                        | 09/18/2018    | BARCLAYS CAPITAL INC          | 95,000  | 104,690     | 113,443       | 103,405                                  | 0  | (1,285)                                 | 0   | (1,285)   | 0   | 0  | 10,038                           | 10,038                        | 1,032                                       | 332                                     |
| 55024U-AB-5          | LUMENTUM HOLDINGS INC  |         | 01/22/2018    | BARCLAYS CAPITAL INC           | 08/22/2018    | VARIOUS                       | 50,000  | 53,281      | 62,390        | 52,970                                   | 0  | (310)                                   | 0   | (310)   | 0   | 0  | 9,420                            | 9,420                         | 118   | 45                                      |
| 65339K-AT-7          | NEXTERA ENERGY CAPITAL HOLDINGS INC                                    |         | 04/20/2018    | JP MORGAN SECURITIES LLC       | 06/19/2018    | WELLS FARGO SECURITIES        | 250,000                                       | 241,310     | 239,968       | 241,439                                  | 0  | 129                                     | 0   | 129   | 0   | 0  | (1,472)                          | (1,472)                       | 5,670                                       | 4,265                                   |
| 749685-AT-0          | RPM INTERNATIONAL INC  |         | 02/02/2018    | VARIOUS                        | 11/16/2018    | LLC                           | 70,000  | 80,807      | 82,416        | 77,774                                   | 0  | (3,033)                                 | 0   | (3,033)   | 0   | 0  | 4,641                            | 4,641                         | 1,466                                       | 193                                     |
| 896522-AF-6          | TRINITY INDUSTRIES INC   |         | 03/26/2018    | CREDIT SUISSE SECURITIES (USA) | 05/10/2018    | Merrill Lynch                 | 10,000  | 13,295      | 14,300        | 10,760                                   | 0  | (2,535)                                 | 0   | (2,535)   | 0   | 0  | 3,540                            | 3,540                         | 175   | 126                                     |
| 948596-AA-9          | WEIBO CORP   | C       | 06/25/2018    | VARIOUS                        | 11/01/2018    | VARIOUS                       | 280,000                                       | 309,551     | 255,149       | 306,527                                  | 0  | (3,024)                                 | 0   | (3,024)   | 0   | 0  | (51,378)                         | (51,378)                      | 2,774                                       | 1,244                                   |
| 958102-AN-5          | WESTERN DIGITAL CORP   |         | 04/27/2018    | VARIOUS                        | 10/15/2018    | VARIOUS                       | 460,000                                       | 472,320     | 421,384       | 471,223                                  | 0  | (1,097)                                 | 0   | (1,097)   | 0   | 0  | (49,838)                         | (49,838)                      | 4,500                                       | 393                                     |
| 98954M-AB-7          | ZILLOW GROUP INC   |         | 05/18/2018    | VARIOUS                        | 11/21/2018    | Merrill Lynch                 | 140,000                                       | 162,134     | 134,330       | 158,541                                  | 0  | (3,593)                                 | 0   | (3,593)   | 0   | 0  | (24,212)                         | (24,212)                      | 2,761                                       | 1,127                                   |
| L0187K-AC-1          | APERAM SA  | D       | 10/23/2018    | JP MORGAN SECURITIES INC.      | 12/27/2018    | CITIGROUP GLOBAL MARKETS INC. | 200,000                                       | 219,297     | 198,000       | 217,987                                  | 0  | (1,310)                                 | 0   | (1,310)   | 0   | 0  | (19,987)                         | (19,987)                      | 601   | 372                                     |
| 3899999              | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)         |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 8399998              | Total - Bonds  |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 8999998              | Total - Preferred Stocks   |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 00912X-30-2          | ATR LEASE CL A ORD   |         | 11/29/2018    | BARCLAYS CAPITAL INC           | 12/03/2018    | VARIOUS                       | 1,368,896                                     | 40,791      | 53,298        | 40,791                                   | 0  | 0                                       | 0   | 0   | 0   | 0  | 12,507                           | 12,507                        | 0   | 0                                       |
| 171779-30-9          | CIENA ORD  |         | 11/01/2018    | Unknown                        | 11/28/2018    | VARIOUS                       | 4,660,291                                     | 145,681     | 147,733       | 145,681                                  | 0  | 0                                       | 0   | 0   | 0   | 0  | 2,053                            | 2,053                         | 0   | 0                                       |
| 478160-10-4          | JOHNSON & JOHNSON ORD  |         | 01/19/2018    | Unknown                        | 01/23/2018    | VARIOUS                       | 412,395                                       | 27,923      | 60,506        | 27,923                                   | 0  | 0                                       | 0   | 0   | 0   | 0  | 32,583                           | 32,583                        | 0   | 0                                       |
| 9099999              | Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 481200-38-1          | JPMORGAN CORE BOND I   |         | 10/30/2018    | Not Available                  | 11/21/2018    | MUTUAL FUND COMPANY           | 4,053,296                                     | 45,658      | 45,073        | 45,658                                   | 0  | 0                                       | 0   | 0   | 0   | 0  | (585)                            | (585)                         | 473   | 0                                       |
| 9299999              | Subtotal - Common Stocks - Mutual Funds                                |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 9799998              | Total - Common Stocks  |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 9899999              | Total - Preferred and Common Stocks                                    |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |
| 9999999              | Totals   |         |               |                                |               |                               |   |             |               |  |  |   |   |   |   |  |                                  |                               |   |   |



Schedule D-Part 6-Section 1-Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

**N O N E**

Schedule D - Part 6 - Section 2

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE DA - PART 1**

Showing All SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| 1   | Codes |              | 4                | 5                          | 6                | 7                                      | Change in Book/Adjusted Carrying Value             |  |   |   | 12        | 13          | Interest  |  |            |                      |              | 20                                   |                                 |
|---|-------|--------------|------------------|----------------------------|------------------|--|--|--|---|---|-----------|-------------|---|--|------------|----------------------|--------------|--------------------------------------|---------------------------------|
|   | 2     | 3            |                  |                            |                  |  | 8  | 9  | 10  | 11  |           |             | 14  | 15                                     | 16         | 17                   | 18           |                                      | 19                              |
| Description   | Code  | For-<br>eign | Date<br>Acquired | Name of Vendor             | Maturity<br>Date | Book/<br>Adjusted<br>Carrying<br>Value | Unrealized<br>Valuation<br>Increase/<br>(Decrease) | Current<br>Year's<br>(Amor-<br>tization)/<br>Accretion | Current<br>Year's<br>Other-<br>Than-<br>Temporary<br>Impairment<br>Recognized | Total<br>Foreign<br>Exchange<br>Change in<br>Book/<br>Adjusted<br>Carrying<br>Value | Par Value | Actual Cost | Amount Due<br>and Accrued<br>Dec. 31 of<br>Current Year<br>on Bond<br>Not<br>in Default | Non-<br>Admitted<br>Due and<br>Accrued | Rate<br>of | Effective<br>Rate of | When<br>Paid | Amount<br>Received<br>During<br>Year | Paid for<br>Accrued<br>Interest |
| UNITED STATES TREASURY  |       |              | .11/26/2018      | NOMURA SECURITIES INTL INC | .03/28/2019      | 994,380                                | 0  | 2,353  | 0   | 0   | 1,000,000 | 992,027     | 0   | 0                                      | 0.000      | 2.404                | N/A          | 0                                    | 0                               |
| 0199999. Subtotal - Bonds - U.S. Governments - Issuer Obligations   |       |              |                  |                            |                  | 994,380                                | 0  | 2,353  | 0   | 0   | 1,000,000 | 992,027     | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 0599999. Total - U.S. Government Bonds  |       |              |                  |                            |                  | 994,380                                | 0  | 2,353  | 0   | 0   | 1,000,000 | 992,027     | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 1099999. Total - All Other Government Bonds   |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 1799999. Total - U.S. States, Territories and Possessions Bonds   |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 2499999. Total - U.S. Political Subdivisions Bonds  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 3199999. Total - U.S. Special Revenues Bonds  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| Toyota Motor Credit Corporation   |       | C            | .11/27/2018      | INTL FStone Financial Inc. | .03/28/2019      | 223,549                                | 0  | 591  | 0   | 0   | 225,000   | 222,958     | 0   | 0                                      | 0.000      | 2.731                | N/A          | 0                                    | 0                               |
| 3299999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations                          |       |              |                  |                            |                  | 223,549                                | 0  | 591  | 0   | 0   | 225,000   | 222,958     | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| SYNCT 161 A   |       |              | .11/26/2018      | INTL FStone Financial Inc. | .03/15/2022      | 748,895                                | 0  | 477  | 0   | 0   | 750,000   | 748,418     | 680   | 0                                      | 2.040      | 2.804                | MON          | 1,275                                | 553                             |
| 3599999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities |       |              |                  |                            |                  | 748,895                                | 0  | 477  | 0   | 0   | 750,000   | 748,418     | 680   | 0                                      | XXX        | XXX                  | XXX          | 1,275                                | 553                             |
| 3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds  |       |              |                  |                            |                  | 972,443                                | 0  | 1,067  | 0   | 0   | 975,000   | 971,376     | 680   | 0                                      | XXX        | XXX                  | XXX          | 1,275                                | 553                             |
| 4899999. Total - Hybrid Securities  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 5599999. Total - Parent, Subsidiaries and Affiliates Bonds  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 6099999. Subtotal - SVO Identified Funds  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 6599999. Subtotal - Bank Loans  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 7799999. Total - Issuer Obligations   |       |              |                  |                            |                  | 1,217,929                              | 0  | 2,943  | 0   | 0   | 1,225,000 | 1,214,986   | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 7899999. Total - Residential Mortgage-Backed Securities   |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 7999999. Total - Commercial Mortgage-Backed Securities  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 8099999. Total - Other Loan-Backed and Structured Securities  |       |              |                  |                            |                  | 748,895                                | 0  | 477  | 0   | 0   | 750,000   | 748,418     | 680   | 0                                      | XXX        | XXX                  | XXX          | 1,275                                | 553                             |
| 8199999. Total - SVO Identified Funds   |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 8299999. Total - Bank Loans   |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | 0         | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 8399999. Total Bonds  |       |              |                  |                            |                  | 1,966,823                              | 0  | 3,420  | 0   | 0   | 1,975,000 | 1,963,404   | 680   | 0                                      | XXX        | XXX                  | XXX          | 1,275                                | 553                             |
| 8699999. Total - Parent, Subsidiaries and Affiliates  |       |              |                  |                            |                  | 0                                      | 0  | 0  | 0   | 0   | XXX       | 0           | 0   | 0                                      | XXX        | XXX                  | XXX          | 0                                    | 0                               |
| 9199999 - Totals  |       |              |                  |                            |                  | 1,966,823                              | 0  | 3,420  | 0   | 0   | XXX       | 1,963,404   | 680   | 0                                      | XXX        | XXX                  | XXX          | 1,275                                | 553                             |

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

**NONE**

Schedule DB - Part A - Section 2 - Options, Caps, Floors, Collars, Swaps and Forwards Terminated

**NONE**

Schedule DB - Part B - Section 1 - Futures Contracts Open

**NONE**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

**NONE**

Schedule DB - Part B - Section 2 - Futures Contracts Terminated

**NONE**

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

**NONE**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

**NONE**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

**NONE**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

**NONE**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE E - PART 1 - CASH**

| 1<br>Depository  | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Year | 5<br>Amount of Interest Accrued December 31 of Current Year | 6<br>Balance | 7<br>* |
|--|-----------|-----------------------|--|---|--------------|--------|
| Macatawa Bank ..... Holland, MI .....  |           | 0.000                 | 0  | 0   | 4,102,759    | XXX    |
| FHLBi .....  |           | 0.000                 | 0  | 0   | 10,000       | XXX    |
| Fifth Third Bank .....   |           | 0.000                 | 0  | 0   | 167,814      | XXX    |
| 0199998 Deposits in ... 0 depositories which do not exceed the allowable limit in any one depository (See instructions) - open depositories      | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0199999. Totals - Open Depositories  | XXX       | XXX                   | 0  | 0   | 4,280,573    | XXX    |
| 0299998 Deposits in ... 0 depositories which do not exceed the allowable limit in any one depository (See instructions) - suspended depositories | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0299999. Totals - Suspended Depositories   | XXX       | XXX                   | 0  | 0   | 0            | XXX    |
| 0399999. Total Cash on Deposit   | XXX       | XXX                   | 0  | 0   | 4,280,573    | XXX    |
| 0499999. Cash in Company's Office  | XXX       | XXX                   | XXX  | XXX   | 0            | XXX    |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| .....  |           |                       |  |   |              |        |
| 0599999 Total - Cash   | XXX       | XXX                   | 0  | 0   | 4,280,573    | XXX    |

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

|                  |           |               |           |                   |           |                   |           |
|------------------|-----------|---------------|-----------|-------------------|-----------|-------------------|-----------|
| 1. January.....  | 1,613,140 | 4. April..... | 2,070,782 | 7. July.....      | 544,591   | 10. October.....  | 3,450,674 |
| 2. February..... | 2,846,841 | 5. May.....   | 1,873,822 | 8. August.....    | 1,669,626 | 11. November..... | 3,215,675 |
| 3. March.....    | 2,115,436 | 6. June.....  | 2,195,451 | 9. September..... | 3,905,114 | 12. December..... | 4,311,325 |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE  
**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

| 1           | 2   | 3    | 4             | 5                | 6             | 7                               | 8                                     | 9                              |
|-------------|---|------|---------------|------------------|---------------|---------------------------------|---------------------------------------|--------------------------------|
| CUSIP       | Description   | Code | Date Acquired | Rate of Interest | Maturity Date | Book/Adjusted<br>Carrying Value | Amount of Interest<br>Due and Accrued | Amount Received<br>During Year |
| 0599999.    | Total - U.S. Government Bonds                             |      |               |                  |               | 0                               | 0                                     | 0                              |
| 1099999.    | Total - All Other Government Bonds                        |      |               |                  |               | 0                               | 0                                     | 0                              |
| 1799999.    | Total - U.S. States, Territories and Possessions Bonds    |      |               |                  |               | 0                               | 0                                     | 0                              |
| 2499999.    | Total - U.S. Political Subdivisions Bonds                 |      |               |                  |               | 0                               | 0                                     | 0                              |
| 3199999.    | Total - U.S. Special Revenues Bonds                       |      |               |                  |               | 0                               | 0                                     | 0                              |
| 3899999.    | Total - Industrial and Miscellaneous (Unaffiliated) Bonds |      |               |                  |               | 0                               | 0                                     | 0                              |
| 4899999.    | Total - Hybrid Securities                                 |      |               |                  |               | 0                               | 0                                     | 0                              |
| 5599999.    | Total - Parent, Subsidiaries and Affiliates Bonds         |      |               |                  |               | 0                               | 0                                     | 0                              |
| 6099999.    | Subtotal - SVO Identified Funds                           |      |               |                  |               | 0                               | 0                                     | 0                              |
| 6599999.    | Subtotal - Bank Loans                                     |      |               |                  |               | 0                               | 0                                     | 0                              |
| 7799999.    | Total - Issuer Obligations                                |      |               |                  |               | 0                               | 0                                     | 0                              |
| 7899999.    | Total - Residential Mortgage-Backed Securities            |      |               |                  |               | 0                               | 0                                     | 0                              |
| 7999999.    | Total - Commercial Mortgage-Backed Securities             |      |               |                  |               | 0                               | 0                                     | 0                              |
| 8099999.    | Total - Other Loan-Backed and Structured Securities       |      |               |                  |               | 0                               | 0                                     | 0                              |
| 8199999.    | Total - SVO Identified Funds                              |      |               |                  |               | 0                               | 0                                     | 0                              |
| 8299999.    | Total - Bank Loans  |      |               |                  |               | 0                               | 0                                     | 0                              |
| 8399999.    | Total Bonds   |      |               |                  |               | 0                               | 0                                     | 0                              |
| 60934N-10-4 | FEDERATED GOVT OBL INST                                   |      | 12/31/2018    | 2.370            |               | 1,278,371                       | 2,413                                 | 607                            |
| 8699999.    | Subtotal - All Other Money Market Mutual Funds            |      |               |                  |               | 1,278,371                       | 2,413                                 | 607                            |
| 8899999.    | Total Cash Equivalents                                    |      |               |                  |               | 1,278,371                       | 2,413                                 | 607                            |

E27

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

| States, Etc.  | 1<br>Type of Deposit | 2<br>Purpose of Deposit       | Deposits For the Benefit of All Policyholders |                 | All Other Special Deposits        |                 |
|---|----------------------|-------------------------------|---|-----------------|-----------------------------------|-----------------|
|   |                      |                               | 3<br>Book/Adjusted Carrying Value             | 4<br>Fair Value | 5<br>Book/Adjusted Carrying Value | 6<br>Fair Value |
| 1. Alabama  | AL                   |                               | 0   | 0               | 0                                 | 0               |
| 2. Alaska   | AK                   |                               | 0   | 0               | 0                                 | 0               |
| 3. Arizona  | AZ                   |                               | 0   | 0               | 0                                 | 0               |
| 4. Arkansas   | AR                   |                               | 0   | 0               | 0                                 | 0               |
| 5. California   | CA                   |                               | 0   | 0               | 0                                 | 0               |
| 6. Colorado   | CO                   |                               | 0   | 0               | 0                                 | 0               |
| 7. Connecticut  | CT                   |                               | 0   | 0               | 0                                 | 0               |
| 8. Delaware   | DE                   |                               | 0   | 0               | 0                                 | 0               |
| 9. District of Columbia   | DC                   |                               | 0   | 0               | 0                                 | 0               |
| 10. Florida   | FL                   |                               | 0   | 0               | 0                                 | 0               |
| 11. Georgia   | GA                   |                               | 0   | 0               | 0                                 | 0               |
| 12. Hawaii  | HI                   |                               | 0   | 0               | 0                                 | 0               |
| 13. Idaho   | ID                   |                               | 0   | 0               | 0                                 | 0               |
| 14. Illinois  | IL                   |                               | 0   | 0               | 0                                 | 0               |
| 15. Indiana   | IN                   |                               | 0   | 0               | 0                                 | 0               |
| 16. Iowa  | IA                   |                               | 0   | 0               | 0                                 | 0               |
| 17. Kansas  | KS                   |                               | 0   | 0               | 0                                 | 0               |
| 18. Kentucky  | KY                   |                               | 0   | 0               | 0                                 | 0               |
| 19. Louisiana   | LA                   |                               | 0   | 0               | 0                                 | 0               |
| 20. Maine   | ME                   |                               | 0   | 0               | 0                                 | 0               |
| 21. Maryland  | MD                   |                               | 0   | 0               | 0                                 | 0               |
| 22. Massachusetts   | MA                   |                               | 0   | 0               | 0                                 | 0               |
| 23. Michigan  | MI                   | B Benefits All Policy Holders | 308,389                                       | 305,167         | 0                                 | 0               |
| 24. Minnesota   | MN                   |                               | 0   | 0               | 0                                 | 0               |
| 25. Mississippi   | MS                   |                               | 0   | 0               | 0                                 | 0               |
| 26. Missouri  | MO                   |                               | 0   | 0               | 0                                 | 0               |
| 27. Montana   | MT                   |                               | 0   | 0               | 0                                 | 0               |
| 28. Nebraska  | NE                   |                               | 0   | 0               | 0                                 | 0               |
| 29. Nevada  | NV                   |                               | 0   | 0               | 0                                 | 0               |
| 30. New Hampshire   | NH                   |                               | 0   | 0               | 0                                 | 0               |
| 31. New Jersey  | NJ                   |                               | 0   | 0               | 0                                 | 0               |
| 32. New Mexico  | NM                   |                               | 0   | 0               | 0                                 | 0               |
| 33. New York  | NY                   |                               | 0   | 0               | 0                                 | 0               |
| 34. North Carolina  | NC                   |                               | 0   | 0               | 0                                 | 0               |
| 35. North Dakota  | ND                   |                               | 0   | 0               | 0                                 | 0               |
| 36. Ohio  | OH                   |                               | 0   | 0               | 0                                 | 0               |
| 37. Oklahoma  | OK                   |                               | 0   | 0               | 0                                 | 0               |
| 38. Oregon  | OR                   |                               | 0   | 0               | 0                                 | 0               |
| 39. Pennsylvania  | PA                   |                               | 0   | 0               | 0                                 | 0               |
| 40. Rhode Island  | RI                   |                               | 0   | 0               | 0                                 | 0               |
| 41. South Carolina  | SC                   |                               | 0   | 0               | 0                                 | 0               |
| 42. South Dakota  | SD                   |                               | 0   | 0               | 0                                 | 0               |
| 43. Tennessee   | TN                   |                               | 0   | 0               | 0                                 | 0               |
| 44. Texas   | TX                   |                               | 0   | 0               | 0                                 | 0               |
| 45. Utah  | UT                   |                               | 0   | 0               | 0                                 | 0               |
| 46. Vermont   | VT                   |                               | 0   | 0               | 0                                 | 0               |
| 47. Virginia  | VA                   |                               | 0   | 0               | 0                                 | 0               |
| 48. Washington  | WA                   |                               | 0   | 0               | 0                                 | 0               |
| 49. West Virginia   | WV                   |                               | 0   | 0               | 0                                 | 0               |
| 50. Wisconsin   | WI                   |                               | 0   | 0               | 0                                 | 0               |
| 51. Wyoming   | WY                   |                               | 0   | 0               | 0                                 | 0               |
| 52. American Samoa  | AS                   |                               | 0   | 0               | 0                                 | 0               |
| 53. Guam  | GU                   |                               | 0   | 0               | 0                                 | 0               |
| 54. Puerto Rico   | PR                   |                               | 0   | 0               | 0                                 | 0               |
| 55. U.S. Virgin Islands   | VI                   |                               | 0   | 0               | 0                                 | 0               |
| 56. Northern Mariana Islands  | MP                   |                               | 0   | 0               | 0                                 | 0               |
| 57. Canada  | CAN                  |                               | 0   | 0               | 0                                 | 0               |
| 58. Aggregate Alien and Other                                       | OT                   | XXX                           | 4,618,979                                     | 4,440,125       | 0                                 | 0               |
| 59. Subtotal  | XXX                  | XXX                           | 4,927,368                                     | 4,745,292       | 0                                 | 0               |
| DETAILS OF WRITE-INS  |                      |                               |   |                 |                                   |                 |
| 5801. FHLBI   | B                    | Collateral pledged for debt   | 4,618,979                                     | 4,440,125       | 0                                 | 0               |
| 5802.   |                      |                               |   |                 |                                   |                 |
| 5803.   |                      |                               |   |                 |                                   |                 |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX                  | XXX                           | 0   | 0               | 0                                 | 0               |
| 5899. Totals (Lines 5801 thru 5803 plus 5898)(Line 58 above)        | XXX                  | XXX                           | 4,618,979                                     | 4,440,125       | 0                                 | 0               |



# SUPPLEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

## REINSURANCE SUMMARY SUPPLEMENTAL FILING FOR GENERAL INTERROGATORY 9 (PART 2)

For The Year Ended December 31, 2018

To Be Filed by March 1

(A) Financial Impact

|  | 1<br>As Reported | 2<br>Interrogatory 9<br>Reinsurance Effect | 3<br>Restated Without<br>Interrogatory 9<br>Reinsurance |
|--|------------------|--|---|
| A01. Assets .....                              | 108,527,679      | 0  | 108,527,679   |
| A02. Liabilities .....                         | 55,589,711       | 0  | 55,589,711  |
| A03. Surplus as regards to policyholders ..... | 52,937,968       | 0  | 52,937,968  |
| A04. Income before taxes                       | 9,058,463        | 0  | 9,058,463   |

| (B) Summary of Reinsurance Contract Terms | (C) Management's Objectives |
|---|-----------------------------|
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |
| .....                                     | .....                       |

D. If the response to General Interrogatory 9.4 (Part 2 Property & Casualty Interrogatories) is yes, explain below why the contracts are treated differently for GAAP and SAP.

.....



SUPPLEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

Designate the type of health care providers reported on this page:  
Physicians, including surgeons and osteopaths

**SUPPLEMENT "A" TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

| States, etc.   | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But Not<br>Reported |
|--|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|--|
|  |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |  |
| 1. Alabama   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 2. Alaska  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 3. Arizona   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 4. Arkansas  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 5. California  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 6. Colorado  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 7. Connecticut   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 8. Delaware  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 9. District of Columbia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 10. Florida  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 11. Georgia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 12. Hawaii   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 13. Idaho  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 14. Illinois   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 15. Indiana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 16. Iowa   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 17. Kansas   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 18. Kentucky   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 19. Louisiana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 20. Maine  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 21. Maryland   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 22. Massachusetts  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 23. Michigan   | 11,933,363                         | 11,844,290                        | 3,967,267          | 71                          | 2,377,949                         | 6,230,574               | 199                         | 13,452,347   |
| 24. Minnesota  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 25. Mississippi  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 26. Missouri   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 27. Montana  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 28. Nebraska   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 29. Nevada   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 30. New Hampshire  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 31. New Jersey   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 32. New Mexico   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 33. New York   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 34. North Carolina   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 35. North Dakota   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 36. Ohio   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 37. Oklahoma   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 38. Oregon   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 39. Pennsylvania   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 40. Rhode Island   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 41. South Carolina   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 42. South Dakota   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 43. Tennessee  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 44. Texas  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 45. Utah   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 46. Vermont  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 47. Virginia   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 48. Washington   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 49. West Virginia  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 50. Wisconsin  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 51. Wyoming  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 52. American Samoa   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 53. Guam   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 54. Puerto Rico  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 55. U.S. Virgin Islands  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 56. Northern Mariana Islands   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 57. Canada   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58. Aggregate other alien  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 59. Total  | 11,933,363                         | 11,844,290                        | 3,967,267          | 71                          | 2,377,949                         | 6,230,574               | 199                         | 13,452,347   |
| DETAILS OF WRITE-INS   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58001.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58002.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58003.   |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58999. Totals (Lines 58001 thru 58003 plus 58998)(Line 58 above)     | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |





SUPPLEMENT FOR THE YEAR 2018 OF THE MICHIGAN PROFESSIONAL INSURANCE EXCHANGE

Designate the type of health care providers reported on this page:  
Hospitals

**SUPPLEMENT "A" TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

| States, etc.  | 1<br>Direct<br>Premiums<br>Written | 2<br>Direct<br>Premiums<br>Earned | Direct Losses Paid |                             | 5<br>Direct<br>Losses<br>Incurred | Direct Losses Unpaid    |                             | 8<br>Direct<br>Losses<br>Incurred<br>But Not<br>Reported |
|---|------------------------------------|-----------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-----------------------------|--|
|   |                                    |                                   | 3<br>Amount        | 4<br>Number<br>of<br>Claims |                                   | 6<br>Amount<br>Reported | 7<br>Number<br>of<br>Claims |  |
| 1. Alabama.....AL   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 2. Alaska.....AK  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 3. Arizona.....AZ   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 4. Arkansas.....AR  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 5. California.....CA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 6. Colorado.....CO  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 7. Connecticut.....CT   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 8. Delaware.....DE  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 9. District of Columbia.....DC  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 10. Florida.....FL  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 11. Georgia.....GA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 12. Hawaii.....HI   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 13. Idaho.....ID  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 14. Illinois.....IL   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 15. Indiana.....IN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 16. Iowa.....IA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 17. Kansas.....KS   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 18. Kentucky.....KY   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 19. Louisiana.....LA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 20. Maine.....ME  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 21. Maryland.....MD   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 22. Massachusetts.....MA  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 23. Michigan.....MI   | 8,144,205                          | 7,906,604                         | 140,539            | 11                          | 5,460,844                         | 8,545,436               | 82                          | 6,174,170  |
| 24. Minnesota.....MN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 25. Mississippi.....MS  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 26. Missouri.....MO   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 27. Montana.....MT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 28. Nebraska.....NE   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 29. Nevada.....NV   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 30. New Hampshire.....NH  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 31. New Jersey.....NJ   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 32. New Mexico.....NM   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 33. New York.....NY   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 34. North Carolina.....NC   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 35. North Dakota.....ND   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 36. Ohio.....OH   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 37. Oklahoma.....OK   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 38. Oregon.....OR   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 39. Pennsylvania.....PA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 40. Rhode Island.....RI   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 41. South Carolina.....SC   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 42. South Dakota.....SD   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 43. Tennessee.....TN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 44. Texas.....TX  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 45. Utah.....UT   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 46. Vermont.....VT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 47. Virginia.....VA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 48. Washington.....WA   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 49. West Virginia.....WV  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 50. Wisconsin.....WI  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 51. Wyoming.....WY  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 52. American Samoa.....AS   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 53. Guam.....GU   | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 54. Puerto Rico.....PR  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 55. U.S. Virgin Islands.....VI  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 56. Northern Mariana Islands.....MP                                       | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 57. Canada.....CAN  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58. Aggregate other alien.....OT  | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 59. Total   | 8,144,205                          | 7,906,604                         | 140,539            | 11                          | 5,460,844                         | 8,545,436               | 82                          | 6,174,170  |
| DETAILS OF WRITE-INS  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58001.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58002.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58003.....  |                                    |                                   |                    |                             |                                   |                         |                             |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page..... | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |
| 58999. Totals (Lines 58001 thru 58003 plus 58998)(Line 58 above)          | 0                                  | 0                                 | 0                  | 0                           | 0                                 | 0                       | 0                           | 0  |

## ALPHABETICAL INDEX

### ANNUAL STATEMENT BLANK

|   |      |
|---|------|
| Assets .....  | 2    |
| Cash Flow .....   | 5    |
| Exhibit of Capital Gains (Losses) .....                 | 12   |
| Exhibit of Net Investment Income .....                  | 12   |
| Exhibit of Nonadmitted Assets .....                     | 13   |
| Exhibit of Premiums and Losses (State Page) .....       | 19   |
| Five-Year Historical Data .....                         | 17   |
| General Interrogatories .....                           | 15   |
| Jurat Page .....  | 1    |
| Liabilities, Surplus and Other Funds .....              | 3    |
| Notes To Financial Statements .....                     | 14   |
| Overflow Page For Write-ins .....                       | 100  |
| Schedule A - Part 1 .....                               | E01  |
| Schedule A - Part 2 .....                               | E02  |
| Schedule A - Part 3 .....                               | E03  |
| Schedule A - Verification Between Years .....           | SI02 |
| Schedule B - Part 1 .....                               | E04  |
| Schedule B - Part 2 .....                               | E05  |
| Schedule B - Part 3 .....                               | E06  |
| Schedule B - Verification Between Years .....           | SI02 |
| Schedule BA - Part 1 .....                              | E07  |
| Schedule BA - Part 2 .....                              | E08  |
| Schedule BA - Part 3 .....                              | E09  |
| Schedule BA - Verification Between Years .....          | SI03 |
| Schedule D - Part 1 .....                               | E10  |
| Schedule D - Part 1A - Section 1 .....                  | SI05 |
| Schedule D - Part 1A - Section 2 .....                  | SI08 |
| Schedule D - Part 2 - Section 1 .....                   | E11  |
| Schedule D - Part 2 - Section 2 .....                   | E12  |
| Schedule D - Part 3 .....                               | E13  |
| Schedule D - Part 4 .....                               | E14  |
| Schedule D - Part 5 .....                               | E15  |
| Schedule D - Part 6 - Section 1 .....                   | E16  |
| Schedule D - Part 6 - Section 2 .....                   | E16  |
| Schedule D - Summary By Country .....                   | SI04 |
| Schedule D - Verification Between Years .....           | SI03 |
| Schedule DA - Part 1 .....                              | E17  |
| Schedule DA - Verification Between Years .....          | SI10 |
| Schedule DB - Part A - Section 1 .....                  | E18  |
| Schedule DB - Part A - Section 2 .....                  | E19  |
| Schedule DB - Part A - Verification Between Years ..... | SI11 |
| Schedule DB - Part B - Section 1 .....                  | E20  |
| Schedule DB - Part B - Section 2 .....                  | E21  |
| Schedule DB - Part B - Verification Between Years ..... | SI11 |
| Schedule DB - Part C - Section 1 .....                  | SI12 |
| Schedule DB - Part C - Section 2 .....                  | SI13 |
| Schedule DB - Part D - Section 1 .....                  | E22  |
| Schedule DB - Part D - Section 2 .....                  | E23  |
| Schedule DB - Verification .....                        | SI14 |
| Schedule DL - Part 1 .....                              | E24  |
| Schedule DL - Part 2 .....                              | E25  |
| Schedule E - Part 1 - Cash .....                        | E26  |
| Schedule E - Part 2 - Cash Equivalents .....            | E27  |
| Schedule E - Part 2 - Verification Between Years .....  | SI15 |
| Schedule E - Part 3 - Special Deposits .....            | E28  |
| Schedule F - Part 1 .....                               | 20   |
| Schedule F - Part 2 .....                               | 21   |
| Schedule F - Part 3 .....                               | 22   |
| Schedule F - Part 4 .....                               | 27   |
| Schedule F - Part 5 .....                               | 28   |
| Schedule F - Part 6 .....                               | 29   |
| Schedule H - Accident and Health Exhibit - Part 1 ..... | 30   |
| Schedule H - Part 2, Part 3 and 4 .....                 | 31   |
| Schedule H - Part 5 - Health Claims .....               | 32   |

**ANNUAL STATEMENT BLANK (Continued)**

|  |    |
|--|----|
| Schedule P - Part 1 - Summary .....  | 33 |
| Schedule P - Part 1A - Homeowners/Farmowners .....   | 35 |
| Schedule P - Part 1B - Private Passenger Auto Liability/Medical .....  | 36 |
| Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical .....   | 37 |
| Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                        | 38 |
| Schedule P - Part 1E - Commercial Multiple Peril .....   | 39 |
| Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence .....                               | 40 |
| Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made .....                              | 41 |
| Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery) .....        | 42 |
| Schedule P - Part 1H - Section 1 - Other Liability-Occurrence .....  | 43 |
| Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made .....   | 44 |
| Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) .....    | 45 |
| Schedule P - Part 1J - Auto Physical Damage .....  | 46 |
| Schedule P - Part 1K - Fidelity/Surety .....   | 47 |
| Schedule P - Part 1L - Other (Including Credit, Accident and Health) .....   | 48 |
| Schedule P - Part 1M - International .....   | 49 |
| Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property .....  | 50 |
| Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability .....                                       | 51 |
| Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines .....                                 | 52 |
| Schedule P - Part 1R - Section 1 - Products Liability - Occurrence .....   | 53 |
| Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made .....  | 54 |
| Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty .....  | 55 |
| Schedule P - Part 1T - Warranty .....  | 56 |
| Schedule P - Part 2, Part 3 and Part 4 - Summary .....   | 34 |
| Schedule P - Part 2A - Homeowners/Farmowners .....   | 57 |
| Schedule P - Part 2B - Private Passenger Auto Liability/Medical .....  | 57 |
| Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical .....   | 57 |
| Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                        | 57 |
| Schedule P - Part 2E - Commercial Multiple Peril .....   | 57 |
| Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence .....                               | 58 |
| Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made .....                              | 58 |
| Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....         | 58 |
| Schedule P - Part 2H - Section 1 - Other Liability - Occurrence .....  | 58 |
| Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made .....   | 58 |
| Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) ..... | 59 |
| Schedule P - Part 2J - Auto Physical Damage .....  | 59 |
| Schedule P - Part 2K - Fidelity, Surety .....  | 59 |
| Schedule P - Part 2L - Other (Including Credit, Accident and Health) .....   | 59 |
| Schedule P - Part 2M - International .....   | 59 |
| Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property .....  | 60 |
| Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability .....                                       | 60 |
| Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines .....                                 | 60 |
| Schedule P - Part 2R - Section 1 - Products Liability - Occurrence .....   | 61 |
| Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made .....  | 61 |
| Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty .....  | 61 |
| Schedule P - Part 2T - Warranty .....  | 61 |
| Schedule P - Part 3A - Homeowners/Farmowners .....   | 62 |
| Schedule P - Part 3B - Private Passenger Auto Liability/Medical .....  | 62 |
| Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical .....   | 62 |
| Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                        | 62 |
| Schedule P - Part 3E - Commercial Multiple Peril .....   | 62 |
| Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence .....                               | 63 |
| Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made .....                              | 63 |
| Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....         | 63 |
| Schedule P - Part 3H - Section 1 - Other Liability - Occurrence .....  | 63 |
| Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made .....   | 63 |
| Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) ..... | 64 |
| Schedule P - Part 3J - Auto Physical Damage .....  | 64 |
| Schedule P - Part 3K - Fidelity/Surety .....   | 64 |
| Schedule P - Part 3L - Other (Including Credit, Accident and Health) .....   | 64 |
| Schedule P - Part 3M - International .....   | 64 |
| Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property .....  | 65 |
| Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability .....                                       | 65 |
| Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines .....                                 | 65 |
| Schedule P - Part 3R - Section 1 - Products Liability - Occurrence .....   | 66 |
| Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made .....  | 66 |
| Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty .....  | 66 |
| Schedule P - Part 3T - Warranty .....  | 66 |

**ANNUAL STATEMENT BLANK (Continued)**

|   |      |
|---|------|
| Schedule P - Part 4A - Homeowners/Farmowners .....  | 67   |
| Schedule P - Part 4B - Private Passenger Auto Liability/Medical .....   | 67   |
| Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical .....  | 67   |
| Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                       | 67   |
| Schedule P - Part 4E - Commercial Multiple Peril .....  | 67   |
| Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence .....                              | 68   |
| Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made .....                             | 68   |
| Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....        | 68   |
| Schedule P - Part 4H - Section 1 - Other Liability - Occurrence .....   | 68   |
| Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made .....  | 68   |
| Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) ..... | 69   |
| Schedule P - Part 4J - Auto Physical Damage .....   | 69   |
| Schedule P - Part 4K - Fidelity/Surety .....  | 69   |
| Schedule P - Part 4L - Other (Including Credit, Accident and Health) .....  | 69   |
| Schedule P - Part 4M - International .....  | 69   |
| Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property .....                                       | 70   |
| Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability .....                                      | 70   |
| Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines .....                                | 70   |
| Schedule P - Part 4R - Section 1 - Products Liability - Occurrence .....  | 71   |
| Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made .....   | 71   |
| Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty .....   | 71   |
| Schedule P - Part 4T - Warranty .....   | 71   |
| Schedule P - Part 5A - Homeowners/Farmowners .....  | 72   |
| Schedule P - Part 5B - Private Passenger Auto Liability/Medical .....   | 73   |
| Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical .....  | 74   |
| Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                       | 75   |
| Schedule P - Part 5E - Commercial Multiple Peril .....  | 76   |
| Schedule P - Part 5F - Medical Professional Liability - Claims-Made .....   | 78   |
| Schedule P - Part 5F - Medical Professional Liability - Occurrence .....  | 77   |
| Schedule P - Part 5H - Other Liability - Claims-Made .....  | 80   |
| Schedule P - Part 5H - Other Liability - Occurrence .....   | 79   |
| Schedule P - Part 5R - Products Liability - Claims-Made .....   | 82   |
| Schedule P - Part 5R - Products Liability - Occurrence .....  | 81   |
| Schedule P - Part 5T - Warranty .....   | 83   |
| Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical .....  | 84   |
| Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation) .....                       | 84   |
| Schedule P - Part 6E - Commercial Multiple Peril .....  | 85   |
| Schedule P - Part 6H - Other Liability - Claims-Made .....  | 86   |
| Schedule P - Part 6H - Other Liability - Occurrence .....   | 85   |
| Schedule P - Part 6M - International .....  | 86   |
| Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property .....                                       | 87   |
| Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability .....                                      | 87   |
| Schedule P - Part 6R - Products Liability - Claims-Made .....   | 88   |
| Schedule P - Part 6R - Products Liability - Occurrence .....  | 88   |
| Schedule P - Part 7A - Primary Loss Sensitive Contracts .....   | 89   |
| Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts .....   | 91   |
| Schedule P Interrogatories .....  | 93   |
| Schedule T - Exhibit of Premiums Written .....  | 94   |
| Schedule T - Part 2 - Interstate Compact .....  | 95   |
| Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....                | 96   |
| Schedule Y - Part 1A - Detail of Insurance Holding Company System .....   | 97   |
| Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....                                 | 98   |
| Statement of Income .....   | 4    |
| Summary Investment Schedule .....   | SI01 |
| Supplemental Exhibits and Schedules Interrogatories .....   | 99   |
| Underwriting and Investment Exhibit Part 1 .....  | 6    |
| Underwriting and Investment Exhibit Part 1A .....   | 7    |
| Underwriting and Investment Exhibit Part 1B .....   | 8    |
| Underwriting and Investment Exhibit Part 2 .....  | 9    |
| Underwriting and Investment Exhibit Part 2A .....   | 10   |
| Underwriting and Investment Exhibit Part 3 .....  | 11   |

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Michigan Professional  
Insurance Exchange

*Years Ended December 31, 2018 and 2017  
with Report of Independent Auditors*



**ANDREWS HOOPER PAVLIK PLC**

Michigan Professional Insurance Exchange

Audited Statutory Basis Financial Statements  
and Other Supplementary Information

Years Ended December 31, 2018 and 2017

**Contents**

Audited Statutory Basis Financial Statements

|   |   |
|---|---|
| Report of Independent Auditors.....   | 1 |
| Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus ..... | 3 |
| Statements of Operations - Statutory Basis .....                                      | 4 |
| Statements of Changes in Policyholders' Surplus - Statutory Basis.....                | 5 |
| Statements of Cash Flows - Statutory Basis .....                                      | 6 |
| Notes to Statutory Basis Financial Statements .....                                   | 7 |

Other Supplementary Information

|   |    |
|---|----|
| Report of Independent Auditors on Other Supplementary Information ..... | 30 |
| Supplemental Summary of Investments .....                               | 31 |
| Supplemental Investment Risks Interrogatories .....                     | 32 |
| General Interrogatories Part 2, No. 7, 8, & 9.....                      | 38 |

## Report of Independent Auditors

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

We have audited the accompanying statutory basis financial statements of Michigan Professional Insurance Exchange (Exchange), which comprise the statutory statements of admitted assets, liabilities, and policyholders' surplus as of December 31, 2018 and 2017, and the related statutory statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the statutory basis financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, which practices differ from accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these statutory basis financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 to the statutory basis financial statements, the statutory basis financial statements are prepared by the Exchange on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services, practices of which differ from accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Exchange as of December 31, 2018 and 2017, or the changes in financial position or cash flows thereof for the years then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Exchange as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 29, 2019



## Michigan Professional Insurance Exchange

### Statutory Statement of Admitted Assets, Liabilities, and Policyholders' Surplus

|   | <b>December 31</b>    |                       |
|---|-----------------------|-----------------------|
|   | <b>2018</b>           | <b>2017</b>           |
| <b>Admitted assets</b>  |                       |                       |
| Cash and investments:   |                       |                       |
| Bonds at amortized cost (market value of \$84,796,148 in 2018 and \$85,272,722 in 2017) | \$ 85,293,987         | \$ 82,408,676         |
| Common stock at fair market value   | 10,853,761            | 15,171,497            |
| Cash and short-term investments   | 7,525,767             | 3,647,715             |
| <b>Total cash and investments</b>   | <b>103,673,515</b>    | <b>101,227,888</b>    |
| Other assets:   |                       |                       |
| Accrued investment income   | 610,379               | 594,583               |
| Premiums receivable   | 407,350               | 521,837               |
| Deferred premiums   | 1,817,064             | 1,873,291             |
| Federal income tax recoverable  | -                     | 163,440               |
| Aggregate write-ins for other-than-invested assets                                      | 518,815               | 146,155               |
| Investment in PRCD Holdings, LLC  | 1,198,865             | -                     |
| Net deferred tax asset  | 301,691               | -                     |
|   | <b>\$ 108,527,679</b> | <b>\$ 104,527,194</b> |
| <b>Reserves, other liabilities, and policyholders' surplus</b>                          |                       |                       |
| Reserves:   |                       |                       |
| Unpaid losses   | \$ 28,616,222         | \$ 26,576,026         |
| Loss adjustment expenses  | 17,523,409            | 17,645,693            |
| <b>Total reserves</b>   | <b>46,139,631</b>     | <b>44,221,719</b>     |
| Other liabilities:  |                       |                       |
| Unearned premiums (net of ceded reinsurance of \$626,504 in 2018 and \$349,019 in 2017) | 5,485,090             | 5,525,263             |
| Advance premiums  | 1,321,216             | 1,255,790             |
| Ceded reinsurance premiums payable  | 274,843               | 109,131               |
| Commissions payable   | 13,805                | 8,838                 |
| Accrued other expenses  | 498,542               | 377,810               |
| Taxes, licenses, and fees   | 12,445                | (43,761)              |
| Net deferred tax liability  | -                     | 278,212               |
| Borrowed money  | -                     | 500,000               |
| Self insurance funds held   | 825,694               | 1,900,052             |
| Subscribers savings accounts payable to terminated policyholders                        | 950,000               | 1,450,000             |
| Federal income tax payable  | 68,445                | -                     |
|   | <b>9,450,080</b>      | <b>11,361,335</b>     |
| <b>Policyholders' surplus:</b>  |                       |                       |
| Unassigned funds  | 52,937,968            | 48,944,140            |
|   | <b>52,937,968</b>     | <b>48,944,140</b>     |
|   | <b>\$ 108,527,679</b> | <b>\$ 104,527,194</b> |

See accompanying notes.

Michigan Professional Insurance Exchange

Statements of Operations - Statutory Basis

|   | <b>Year Ended December 31</b> |                      |
|---|-------------------------------|----------------------|
|   | <b>2018</b>                   | <b>2017</b>          |
| Net premiums earned   | <b>\$ 17,236,631</b>          | <b>\$ 16,007,757</b> |
| Losses incurred   | <b>6,118,588</b>              | 10,332,435           |
| Loss adjustment expenses incurred   | <b>3,432,166</b>              | 4,472,504            |
| Other underwriting expenses incurred  | <b>2,261,339</b>              | 2,053,338            |
|   | <b>11,812,093</b>             | <b>16,858,277</b>    |
| Underwriting income   | <b>5,424,538</b>              | (850,520)            |
| Net investment income   | <b>2,355,243</b>              | 2,181,566            |
| Net realized gains on sale of investments (net of tax of<br>\$385,409 in 2018 and \$761,652 in 2017)  | <b>1,449,870</b>              | 1,563,746            |
| Net gain (loss) from premium balances charged off (net of<br>amount recovered of \$0 in 2018 and \$20,654 in 2017 and<br>amount charged of \$171,188 in 2018 and \$0 in 2017) | <b>(171,188)</b>              | 20,654               |
| Miscellaneous income  | <b>-</b>                      | 466,915              |
| Income before federal income taxes  | <b>9,058,463</b>              | 3,382,361            |
| Federal income tax  | <b>646,476</b>                | (232,755)            |
| Net income  | <b>\$ 8,411,987</b>           | <b>\$ 3,615,116</b>  |

See accompanying notes.

## Michigan Professional Insurance Exchange

### Statements of Changes in Policyholders' Surplus - Statutory Basis

|  |                                    |
|--|------------------------------------|
| Balances as of January 1, 2017                                       | \$ 50,661,115                      |
| Net income   | 3,615,116                          |
| Distribution of subscriber savings                                   | (3,916,850)                        |
| Terminated subscriber savings payable                                | (1,450,000)                        |
| Change in unrealized gain on investments,<br>net of tax of \$117,198 | 1,508,007                          |
| Change in nonadmitted assets   | (1,080,900)                        |
| Change in net deferred income tax                                    | (392,348)                          |
| Balances as of December 31, 2017                                     | <u>48,944,140</u>                  |
| <br>   |                                    |
| Net income   | <b>8,411,987</b>                   |
| Distribution of subscriber savings                                   | <b>(2,858,633)</b>                 |
| Terminated subscriber savings payable                                | <b>(950,000)</b>                   |
| Adjustments to prior year balances                                   | <b>1,421</b>                       |
| Change in unrealized gain on investments,<br>net of tax of \$416,755 | <b>(1,604,737)</b>                 |
| Change in nonadmitted assets   | <b>830,642</b>                     |
| Change in net deferred income tax                                    | <b>163,148</b>                     |
| Balances as of December 31, 2018                                     | <b><u><u>\$ 52,937,968</u></u></b> |

Michigan Professional Insurance Exchange

Statements of Cash Flows - Statutory Basis

|   | <b>Year Ended December 31</b> |                     |
|---|-------------------------------|---------------------|
|   | <b>2018</b>                   | <b>2017</b>         |
| <b>Operating activities</b>                             |                               |                     |
| Premiums collected                                      | \$ 17,427,120                 | \$ 17,331,033       |
| Net investment income                                   | 2,413,265                     | 2,703,355           |
| Miscellaneous income                                    | -                             | 487,569             |
| Benefit and loss related payments                       | (4,451,052)                   | (6,184,736)         |
| Commissions, expenses paid, and other deductions        | (6,708,242)                   | (6,486,411)         |
| Federal income taxes paid                               | (831,346)                     | (690,064)           |
| Net cash from operating activities                      | <u>7,849,745</u>              | <u>7,160,746</u>    |
| <b>Investing activities</b>                             |                               |                     |
| Proceeds from investments sold, matured, or repaid      | 30,226,726                    | 29,667,051          |
| Investments acquired                                    | (30,830,641)                  | (31,743,005)        |
| Net cash from investing activities                      | <u>(603,915)</u>              | <u>(2,075,954)</u>  |
| <b>Financing activities</b>                             |                               |                     |
| Borrowed funds  | (500,000)                     | 500,000             |
| Other cash applied                                      | (2,867,778)                   | (4,215,810)         |
| Net cash from financing activities                      | <u>(3,367,778)</u>            | <u>(3,715,810)</u>  |
| Net change in cash and short-term investments           | 3,878,052                     | 1,368,982           |
| Cash and short-term investments as of beginning of year | 3,647,715                     | 2,278,733           |
| Cash and short-term investments as of end of year       | <u>\$ 7,525,767</u>           | <u>\$ 3,647,715</u> |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### **1. Organization and Significant Accounting Policies**

Michigan Professional Insurance Exchange (Exchange), a reciprocal insurance exchange, was issued a final certificate of authority to conduct operations on October 1, 1988. The purpose of the Exchange is to provide medical professional liability and general liability insurance to certain hospitals and physicians. There were nine healthcare systems or facilities that had policies or agreements with the Exchange during the year ended December 31, 2018 and eight during the year ended December 31, 2017. As more fully described in Note 9, the Exchange has a deposit premium agreement with Spectrum Health Hospitals.

The eligible subscribers of the Exchange are limited to certain hospitals and physicians as specified in the Bylaws of the Exchange. The Exchange prefers to write policies for both the hospital organization and its associated medical staff. The Exchange's Board of Directors can approve or revoke eligibility for any physician licensed to practice in Michigan. See Note 8 for a discussion of reinsurance arrangements.

The Exchange has no employees and contracts with a related entity, Michigan Professional Exchange Services (MPES), for its staff, building space, fidelity bond coverage, equipment, supplies, and other administrative costs. MPES leases employees from PRCD Holdings LLC. The Exchange uses the services of 34 employees.

On May 1, 2017, the Exchange formed a downstream noninsurance holding company, PRCD Holdings, LLC (PRCD) to invest in diversified services and partnerships. PRCD leases employees to MPES, the attorney-in-fact for the holding company, and to other subsidiaries of PRCD. On July 1, 2017, PRCD formed a wholly owned subsidiary, MPIE Consulting LLC (MCON), which provides claims and risk management services. On August 15, 2018, PRCD formed another wholly owned subsidiary, Alliance Innovations LLC (ALIN), which invests in subsidiaries with partner companies.

### **Basis of Presentation**

The financial statements are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services and the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures manual (NAIC SAP). The Michigan prescribed and permitted accounting practices used in preparation of the accompanying financial statements did not differ from NAIC SAP. NAIC SAP practices and presentation vary in some respects from accounting principles generally accepted in the United

Michigan Professional Insurance Exchange  
Notes to Statutory Basis Financial Statements

December 31, 2018

**1. Organization and Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

States of America (U.S. GAAP). The more significant variances between NAIC SAP and U.S. GAAP are as follows:

Bonds are reported at amortized cost rather than reporting certain bonds at fair value.

Redeemable preferred stock is reported at the lower of cost or amortized cost rather than reporting at fair value.

Unpaid losses, loss adjustment expenses, and unearned premiums are presented net of reinsurance in accordance with NAIC SAP.

Investments in the Exchange's unaudited downstream subsidiaries are nonadmitted assets. Under U.S. GAAP, such investments would be consolidated with the accounts and operations of the Exchange.

Certain assets designated as nonadmitted assets are excluded from the statutory statement of admitted assets, liabilities, and policyholders' surplus and the changes in such assets are credited or charged directly to unassigned surplus. These assets primarily consist of uncollected premiums and aggregate write-ins for other-than-invested assets. It also included unaudited downstream subsidiaries in 2017.

Deferred tax assets and liabilities are determined in a manner similar to U.S. GAAP; however, additional criteria are then applied to those assets that may require certain amounts to be nonadmitted. The change in net deferred tax assets is recorded as a change in policyholders' surplus. Under U.S. GAAP, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years and a valuation allowance is established for deferred tax assets not realizable.

The statements of cash flow differ in certain respects from the presentation required by U.S. GAAP.

Realized gains or losses are recorded net of tax in the statements of income. Under U.S. GAAP, the tax associated with realized gains or losses is recorded as an income tax expense or benefit.

The effects of the foregoing variances from U.S. GAAP on the Exchange's statutory-basis financial statement have not been determined, but are presumed to be material.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### **1. Organization and Significant Accounting Policies (continued)**

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Exchange uses various methods including market, income, and cost approaches. Based on these approaches, the Exchange often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and of the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Exchange utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Exchange is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In determining the appropriate levels, the Exchange performs a detailed analysis of the assets and liabilities that are subject to the authoritative guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**1. Organization and Significant Accounting Policies (continued)**

**Investments**

Cash and short-term investments include cash, cash equivalents, money market funds, corporate notes, and certificates of deposit with initial terms of less than one year. Short-term investments are stated at cost.

Fixed maturities (bonds) with an NAIC designation of one or two are reported at amortized cost using the scientific method. Fixed maturities with an NAIC designation of three or greater are carried at the lower of amortized cost or fair value. The Exchange held 28 such securities as of December 31, 2018 and 32 such securities as of December 31, 2017. The Exchange has the ability and intent to hold these investments until maturity.

The Exchange's management continually monitors investments for impairment that is other than temporary. Management takes into account industry analyst reports, sector credit ratings, volatility of the security's market price, and/or any other information that management considers relevant in determining if the impairment is an other-than-temporary impairment (OTTI). If management determines that an investment is OTTI, the investment would be written down at that time. There were no write downs on OTTI securities during 2018 or 2017.

The Exchange has elected to use book value of loan-backed securities as the cost for applying the retroactive adjustment method to securities purchased before that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

Common stock equity securities represent investments in four mutual funds and the Federal Home Loan Bank (FHLB) of Indianapolis, and are reported at fair value. Realized gains and losses were calculated using the specific identification method. Unrealized gains and losses are recorded in unappropriated surplus, net of deferred income tax.

Preferred stock equity securities are investments in bonds with certain characteristics that require reporting as preferred stocks in accordance with the NAIC Valuation of Securities Manual.

**Premium Revenue and Unearned Premiums**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. In addition, unearned premiums include death, disability, and retirement (DDR) reserves for tail coverage for



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### **1. Organization and Significant Accounting Policies (continued)**

#### **Premium Revenue and Unearned Premiums (continued)**

independent practitioners with claims-made coverage. Such reserves are computed by prorata methods for direct business. The Exchange anticipates investment income as a factor in premium deficiency calculations. The results of this calculation did not indicate a premium deficiency reserve at December 31, 2018 or 2017.

#### **Losses and Loss Adjustment Expenses**

The reserves for unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience of the Exchange and other relevant Michigan professional insurance company liability data, for losses incurred but not reported.

The estimated liability is continually reviewed and any adjustments which become necessary are included in operations. In the opinion of the Exchange, the reserves for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate net cost of losses and loss adjustment expenses. However, because the reserve determination involves predictions of the timing and amount of future claim payments, the ultimate settlement of losses and the related loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Loss and loss adjustment expenses are charged to income as incurred.

#### **Federal Income Taxes**

The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases based on enacting laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income, with certain limitations.

On December 22, 2017, the President of the United States signed a tax bill which reduced the corporate income tax rate from 34 percent to 21 percent effective for tax years beginning on or after January 1, 2018. As a result, the Exchange's deferred tax assets and liabilities were remeasured for the effects of the tax rate change on the date the law was enacted.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**1. Organization and Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

**Concentrations, Risks, and Uncertainties**

Financial instruments, which potentially subject the Exchange to concentrations of credit risk, consist principally of cash and investments.

**Subsequent Events**

Management has evaluated subsequent events through May 29, 2019, which is the date the financial statements were available to be issued.

**2. Investments**

**Investment in PRCD Holdings, LLC**

As described in Note 1, the Exchange formed a downstream noninsurance holding company, PRCD Holdings, LLC, on May 1, 2017. PRCD's December 31, 2018 consolidated financial statements were audited and therefore the Exchange has recorded their investment in PRCD as an admitted asset on the statutory statement of admitted assets, liabilities, and policyholders' surplus as of December 31, 2018. The difference between the Exchange's initial investment in PRCD of \$1,000,000 and the December 31, 2018 value of \$1,198,865 is PRCD's preliminary net income before adjustments for the year ended December 31, 2018. Since PRCD was not audited for the year ended December 31, 2017, the investment was nonadmitted for 2017.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**2. Investments (continued)**

**Investments in Bonds and Equity Securities**

The amortized cost or cost for debt and equity securities, unrealized gains (losses), and fair value of debt and equity securities are summarized as follows:

|   | Amortized<br>Cost    | Unrealized<br>Gains (Losses) | Fair Value           |
|---|----------------------|------------------------------|----------------------|
| <b>December 31, 2018</b>                            |                      |                              |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 13,927,239        | \$ 344,574                   | \$ 14,271,813        |
| Mortgage-backed securities                          | 29,969,148           | (407,786)                    | 29,561,362           |
| Corporate securities                                | 41,397,600           | (434,627)                    | 40,962,973           |
| Total debt securities                               | <u>\$ 85,293,987</u> | <u>\$ (497,839)</u>          | <u>\$ 84,796,148</u> |

|                                       | Cost                | Unrealized<br>Gains (Losses) | Fair Value           |
|---------------------------------------|---------------------|------------------------------|----------------------|
| <b>December 31, 2018</b>              |                     |                              |                      |
| Vanguard Developed Markets Index Fund | \$ 2,136,949        | \$ (164,543)                 | \$ 1,972,406         |
| Vanguard Total Market Index Fund      | 3,573,537           | 3,155,537                    | 6,729,074            |
| FHLB common stock                     | 142,900             | -                            | 142,900              |
| Dodge and Cox Income Fund             | 2,096,243           | (86,862)                     | 2,009,381            |
| Total common stock                    | <u>\$ 7,949,629</u> | <u>\$ 2,904,132</u>          | <u>\$ 10,853,761</u> |

|                          | Cost             | Unrealized<br>Gains (Losses) | Fair Value  |
|--------------------------|------------------|------------------------------|-------------|
| <b>December 31, 2018</b> |                  |                              |             |
| CBO Holdings             | \$ 86,202        | \$ (86,202)                  | \$ -        |
| Total preferred stock    | <u>\$ 86,202</u> | <u>\$ (86,202)</u>           | <u>\$ -</u> |

|   | Amortized<br>Cost    | Unrealized<br>Gains (Losses) | Fair Value           |
|---|----------------------|------------------------------|----------------------|
| <b>December 31, 2017</b>                            |                      |                              |                      |
| U.S. Treasury and other U.S.<br>Government Agencies | \$ 15,849,920        | \$ 716,800                   | \$ 16,566,720        |
| Mortgage-backed securities                          | 27,587,033           | 127,335                      | 27,714,368           |
| Corporate securities                                | 38,971,723           | 2,019,911                    | 40,991,634           |
| Total debt securities                               | <u>\$ 82,408,676</u> | <u>\$ 2,864,046</u>          | <u>\$ 85,272,722</u> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**2. Investments (continued)**

**Investments in Bonds and Equity Securities (continued)**

|                                       | <b>Cost</b>          | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
|---------------------------------------|----------------------|--------------------------------------|----------------------|
| <b>December 31, 2017</b>              |                      |                                      |                      |
| Vanguard Developed Markets Index Fund | \$ 2,072,638         | \$ 233,065                           | \$ 2,305,703         |
| Vanguard Total Market Index Fund      | 4,003,342            | 4,703,317                            | 8,706,659            |
| JP Morgan Core                        | 2,035,732            | (35,038)                             | 2,000,694            |
| FHLB common stock                     | 142,900              | -                                    | 142,900              |
| Dodge and Cox Income Fund             | 2,028,750            | (13,209)                             | 2,015,541            |
| Total common stock                    | <u>\$ 10,283,362</u> | <u>\$ 4,888,135</u>                  | <u>\$ 15,171,497</u> |
| <br>                                  |                      |                                      |                      |
|                                       | <b>Cost</b>          | <b>Unrealized<br/>Gains (Losses)</b> | <b>Fair Value</b>    |
| <b>December 31, 2017</b>              |                      |                                      |                      |
| CBO Holdings                          | \$ 86,202            | \$ (86,202)                          | \$ -                 |
| Total preferred stock                 | <u>\$ 86,202</u>     | <u>\$ (86,202)</u>                   | <u>\$ -</u>          |

The fair value of investment securities is determined using quoted market values as shown in the NAIC Valuation of Securities Manual or other sources as of December 31. The fair value of mortgage-backed securities is determined using quotes from Interactive Data Corporation (IDC) or other sources including Fifth Third Bank in 2018 and 2017.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**2. Investments (continued)**

**Investments in Bonds and Equity Securities (continued)**

The gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2018</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 11,422,950       | \$ (185,439)      | \$ 11,789,829     | \$ (339,744)      | \$ 23,212,779 | \$ (525,183)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 1,994,890           | (38,570)          | 3,004,795         | (92,371)          | 4,999,685     | (130,941)         |
| Corporate securities                                | 26,852,530          | (1,105,540)       | 2,356,749         | (161,234)         | 29,209,279    | (1,266,774)       |
| State securities                                    | 962,367             | (2,464)           | 829,845           | (16,153)          | 1,792,212     | (18,617)          |
| Total debt securities                               | \$ 41,232,737       | \$ (1,332,013)    | \$ 17,981,218     | \$ (609,502)      | \$ 59,213,955 | \$ (1,941,515)    |

|                          | Less Than 12 Months |                   | 12 Months or More |                   | Total        |                   |
|--------------------------|---------------------|-------------------|-------------------|-------------------|--------------|-------------------|
|                          | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value   | Unrealized Losses |
| <b>December 31, 2018</b> |                     |                   |                   |                   |              |                   |
| Mutual funds             | \$ 2,051,841        | \$ (209,221)      | \$ 1,769,314      | \$ (82,540)       | \$ 3,821,155 | \$ (291,761)      |
| Total common stock       | \$ 2,051,841        | \$ (209,221)      | \$ 1,769,314      | \$ (82,540)       | \$ 3,821,155 | \$ (291,761)      |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

2. Investments (continued)

Investments in Bonds and Equity Securities (continued)

|   | Less Than 12 Months |                   | 12 Months or More |                   | Total         |                   |
|---|---------------------|-------------------|-------------------|-------------------|---------------|-------------------|
|   | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value    | Unrealized Losses |
| <b>December 31, 2017</b>                            |                     |                   |                   |                   |               |                   |
| Mortgage-backed securities                          | \$ 12,362,003       | \$ (133,996)      | \$ 2,327,456      | \$ (32,490)       | \$ 14,689,459 | \$ (166,486)      |
| U.S. Treasury and other U.S.<br>Government Agencies | 3,951,025           | (52,629)          | 983,218           | (40,646)          | 4,934,243     | (93,275)          |
| Corporate securities                                | 4,133,487           | (68,606)          | 1,636,984         | (77,791)          | 5,770,471     | (146,397)         |
| State securities                                    | 382,303             | (6,503)           | 461,012           | (7,852)           | 843,315       | (14,355)          |
| Total debt securities                               | \$ 20,828,818       | \$ (261,734)      | \$ 5,408,670      | \$ (158,779)      | \$ 26,237,488 | \$ (420,513)      |

|                          | Less Than 12 Months |                   | 12 Months or More |                   | Total        |                   |
|--------------------------|---------------------|-------------------|-------------------|-------------------|--------------|-------------------|
|                          | Fair Value          | Unrealized Losses | Fair Value        | Unrealized Losses | Fair Value   | Unrealized Losses |
| <b>December 31, 2017</b> |                     |                   |                   |                   |              |                   |
| Mutual funds             | \$ 2,453,477        | \$ (22,898)       | \$ 1,317,325      | \$ (28,629)       | \$ 3,770,802 | \$ (51,527)       |
| Total common stock       | \$ 2,453,477        | \$ (22,898)       | \$ 1,317,325      | \$ (28,629)       | \$ 3,770,802 | \$ (51,527)       |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### 2. Investments (continued)

#### Investments in Bonds and Equity Securities (continued)

Management believes that the unrealized losses indicated previously are temporary based on management's review for both 2018 and 2017. The unrealized losses for corporate securities and mortgage-backed securities are considered temporary based on management's intent and ability to hold to maturity and the security rating of the individual securities included.

The amortized cost and fair value of debt securities, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

|                                       | Amortized<br>Cost | Fair Value     |
|---------------------------------------|-------------------|----------------|
| <b>December 31, 2018</b>              |                   |                |
| Due in one year or less               | \$ 2,277,318      | \$ 2,272,502   |
| Due after one year through five years | 20,581,698        | 20,644,371     |
| Due after five years                  | 32,465,823        | 32,317,913     |
|                                       | 55,324,839        | 55,234,786     |
| <br>Mortgage-backed securities        | <br>29,969,148    | <br>29,561,362 |
| Total debt securities                 | \$ 85,293,987     | \$ 84,796,148  |
| <br>                                  |                   |                |
|                                       | Amortized<br>Cost | Fair Value     |
| <b>December 31, 2017</b>              |                   |                |
| Due in one year or less               | \$ 3,186,564      | \$ 3,558,677   |
| Due after one year through five years | 21,399,146        | 22,297,698     |
| Due after five years                  | 30,235,933        | 31,701,979     |
|                                       | 54,821,643        | 57,558,354     |
| <br>Mortgage-backed securities        | <br>27,587,033    | <br>27,714,368 |
| Total debt securities                 | \$ 82,408,676     | \$ 85,272,722  |

Proceeds from sales and maturities of investments in debt and equity securities were \$30,226,726 during 2018 and \$29,667,051 during 2017. Net gains of \$1,835,279 in 2018 and \$2,325,398 in 2017 were realized on those sales.

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### 2. Investments (continued)

#### Investments in Bonds and Equity Securities (continued)

Major categories of net investment income are summarized as follows for the years ended December 31:

|  | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|
| Interest on bonds                      | \$ 2,439,444        | \$ 2,252,761        |
| Amortization on short-term investments | 310,760             | 324,495             |
| Dividends                              | 26,257              | 11,208              |
|  | <u>2,776,461</u>    | <u>2,588,464</u>    |
| Investment expenses                    | (421,218)           | (406,898)           |
|  | <u>\$ 2,355,243</u> | <u>\$ 2,181,566</u> |

Short-term investments with a cost of \$302,104 at December 31, 2018 and 2017 were on deposit in trust for the State of Michigan to comply with regulatory requirements.

The Exchange held an investment as of December 31, 2018 and 2017 that has characteristics of both a bond and a preferred stock. The book/adjusted carrying value of the security is \$0 as of December 31, 2018 and 2017.

#### Fair Value Measurements

The Exchange utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Common stocks and debt securities with NAIC designations higher than two are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss and liquidity assumptions. The Exchange has no assets or liabilities that are recorded at fair value on a non-recurring basis.



Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**2. Investments (continued)**

**Fair Value Measurements (continued)**

Fair values of assets measured on a recurring basis are as follows as of December 31:

|                                    | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>and Liabilities<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>  |
|------------------------------------|---|--|--|---------------|
| <b>2018</b>                        |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 3,222,467   | \$ -   | \$ 3,222,467  |
| Total bonds                        | -   | 3,222,467  | -  | 3,222,467     |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               |   | 142,900  | -  | 142,900       |
| Mutual funds                       | 10,710,861  | -  | -  | 10,710,861    |
| Total common stocks                | 10,710,861  | 142,900  | -  | 10,853,761    |
| Total assets at fair value         | \$ 10,710,861   | \$ 3,365,367   | \$ -   | \$ 14,076,228 |
| <b>2017</b>                        |   |  |  |               |
| Assets at fair value               |   |  |  |               |
| Bonds and asset-backed securities: |   |  |  |               |
| Bonds – issuer obligations         | \$ -  | \$ 1,525,114   | \$ -   | \$ 1,525,114  |
| Total bonds                        | -   | 1,525,114  | -  | 1,525,114     |
| Common stock:                      |   |  |  |               |
| Industrial and misc.               | -   | 142,900  | -  | 142,900       |
| Mutual funds                       | 15,028,597  | -  | -  | 15,028,597    |
| Total common stocks                | 15,028,597  | 142,900  | -  | 15,171,497    |
| Total assets at fair value         | \$ 15,028,597   | \$ 1,668,014   | \$ -   | \$ 16,696,611 |

There were no transfers to or from Levels 1 or 2.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2018

#### 2. Investments (continued)

##### Fair Value Measurements (continued)

Fair value of all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall are as follows at December 31:

|               | Fair Value            | Admitted<br>Value    | Level 1              | Level 2              | Level 3     | Not<br>Practicable<br>(Carrying<br>Value) |
|---------------|-----------------------|----------------------|----------------------|----------------------|-------------|---|
| <b>2018</b>   |                       |                      |                      |                      |             |   |
| Assets        |                       |                      |                      |                      |             |   |
| Bonds         | \$ 84,796,148         | \$ 85,293,987        | \$ -                 | \$ 84,796,148        | \$ -        | \$ -                                      |
| Common stocks | 10,853,761            | 10,853,761           | 10,710,861           | 142,900              | -           | -   |
| Total assets  | <u>\$ 95,649,909</u>  | <u>\$ 96,147,748</u> | <u>\$ 10,710,861</u> | <u>\$ 84,939,048</u> | <u>\$ -</u> | <u>\$ -</u>                               |
| <b>2017</b>   |                       |                      |                      |                      |             |   |
| Assets        |                       |                      |                      |                      |             |   |
| Bonds         | \$ 85,272,722         | \$ 82,408,676        | \$ -                 | \$ 85,272,722        | \$ -        | \$ -                                      |
| Common stocks | 15,171,497            | 15,171,497           | 15,028,597           | 142,900              | -           | -   |
| Total assets  | <u>\$ 100,444,219</u> | <u>\$ 97,580,173</u> | <u>\$ 15,028,597</u> | <u>\$ 85,415,622</u> | <u>\$ -</u> | <u>\$ -</u>                               |

#### 3. Line of Credit

Through its membership in the Federal Home Loan Bank of Indianapolis, the Exchange has pledged collateral with a fair value of \$4,440,125 and carrying value of \$4,618,979 in 2018 (\$4,366,474 and \$4,449,980 in 2017) and has a borrowing capacity available of \$4,200,000 in 2018 (\$4,100,000 in 2017). The December 31, 2018 pledged collateral was the maximum amount pledged during the year. It is part of the Exchange's strategy to have cash advances available for liquidity purposes. In addition, FHLB stock has been purchased and had a balance of \$142,900 as of December 31, 2018 and 2017. The Exchange had outstanding borrowings of \$500,000 as of December 31, 2017 (none as of December 31, 2018).

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### 4. Policyholders' Surplus

The Exchange established subscriber savings accounts as permitted by Section 832(f) of the Internal Revenue Code. The accounts represent allocations of some or all of the net income or losses of the Exchange. Disbursements of amounts allocated in the subscriber savings accounts require approval of the Exchange's Board of Directors. As of December 31, 2018, the Exchange had identified \$28,994,000 (\$27,929,000 as of December 31, 2017) for subscriber savings accounts. Of this amount, \$950,000 in 2018 and \$1,450,000 in 2017 was reported as a liability for amounts due to terminated policyholders. The remaining \$28,044,000 in 2018 and \$26,479,000 in 2017 was reported as part of policyholders' surplus-unassigned funds. The subscriber savings account balances are paid to the subscribers in the calendar year following their termination from the Exchange.

### 5. Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years have decreased by approximately \$6,712,000 in 2018 and \$105,000 in 2017, as a result of re-estimation of unpaid losses and LAE. This decrease is generally the result of ongoing analysis of recent loss development trends.

Original estimates are increased or decreased as additional information becomes known regarding individual claims. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

Activity in the liability for losses and loss adjustment expenses is summarized as follows for the years ended December 31:

|                             | <b>2018</b>          | <b>2017</b>          |
|-----------------------------|----------------------|----------------------|
| Reserves, beginning of year | \$ 44,221,719        | \$ 39,739,968        |
| Incurred losses             |                      |                      |
| Current year                | 16,276,000           | 14,561,000           |
| Prior years                 | (6,711,652)          | (105,462)            |
|                             | <u>9,564,348</u>     | <u>14,455,538</u>    |
| Paid losses                 |                      |                      |
| Current year                | 517,000              | 456,000              |
| Prior years                 | 7,129,436            | 9,517,787            |
|                             | <u>7,646,436</u>     | <u>9,973,787</u>     |
| Reserves, end of year       | <u>\$ 46,139,631</u> | <u>\$ 44,221,719</u> |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**6. Federal Income Taxes**

The components of the Exchange's net deferred tax asset (liability) are as follows as of December 31:

|  | 2018         |              |              | 2017       |              |              | Change     |            |            |
|--|--------------|--------------|--------------|------------|--------------|--------------|------------|------------|------------|
|  | Ordinary     | Capital      | Total        | Ordinary   | Capital      | Total        | Ordinary   | Capital    | Total      |
| Total gross deferred tax assets                | \$ 1,267,072 | \$ 46,814    | \$ 1,313,886 | \$ 624,420 | \$ 46,814    | \$ 671,234   | \$ 642,652 | \$ -       | \$ 642,652 |
| Statutory valuation allowance adjustment       | -            | -            | -            | -          | -            | -            | -          | -          | -          |
| Adjusted gross deferred tax assets             | 1,267,072    | 46,814       | 1,313,886    | 624,420    | 46,814       | 671,234      | 642,652    | -          | 642,652    |
| Deferred tax assets nonadmitted                | -            | -            | -            | -          | -            | -            | -          | -          | -          |
| Subtotal net admitted deferred tax assets      | 1,267,072    | 46,814       | 1,313,886    | 624,420    | 46,814       | 671,234      | 642,652    | -          | 642,652    |
| Deferred tax liabilities                       | 479,503      | 532,692      | 1,012,195    | -          | 949,446      | 949,446      | 479,503    | (416,754)  | 62,749     |
| Net admitted deferred tax assets (liabilities) | \$ 787,569   | \$ (485,878) | \$ 301,691   | \$ 624,420 | \$ (902,632) | \$ (278,212) | \$ 163,149 | \$ 416,754 | \$ 579,903 |

# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### 6. Federal Income Taxes (continued)

The amount of each result or component of the calculation by tax character of paragraphs 11.a., 11.b.i., 11.b.ii., and 11.c. of SSAP 101 is as follows as of December 31:

|   | 2018         |           |              | 2017       |           |            | Change     |         |            |
|---|--------------|-----------|--------------|------------|-----------|------------|------------|---------|------------|
|   | Ordinary     | Capital   | Total        | Ordinary   | Capital   | Total      | Ordinary   | Capital | Total      |
| Admission Calculation Components SSAP 101, paragraphs 11.a., 11.b., and 11.c:   |              |           |              |            |           |            |            |         |            |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 864,433   | \$ -      | \$ 864,433   | \$ 669,807 | \$ -      | \$ 669,807 | \$ 194,626 | \$ -    | \$ 194,626 |
| (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) |              |           |              |            |           |            |            |         |            |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date  | 36,225       | -         | 36,225       | -          | -         | -          | 36,225     | -       | 36,225     |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold  | -            | -         | 7,761,000    | -          | -         | 8,005,200  | -          | -       | (244,200)  |
| (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  | 366,414      | 46,814    | 413,228      | (45,387)   | 46,814    | 1,427      | 411,801    | -       | 411,801    |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 (Total)   | \$ 1,267,072 | \$ 46,814 | \$ 1,313,886 | \$ 624,420 | \$ 46,814 | \$ 671,234 | \$ 642,652 | \$ -    | \$ 642,652 |

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**6. Federal Income Taxes (continued)**

|   |               |               |
|---|---------------|---------------|
| Other Admissibility Criteria as of December 31:   | <u>2018</u>   | <u>2017</u>   |
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                              | 1,089.00%     | 1,089.00%     |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b)2 above | \$ 51,740,000 | \$ 53,368,000 |

|   | 2018     |         |       | 2017     |         |       | Change   |         |       |
|---|----------|---------|-------|----------|---------|-------|----------|---------|-------|
|   | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Impact of Tax Planning Strategies   |          |         |       |          |         |       |          |         |       |
| (a) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |
| (b) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    | 0%       | 0%      | 0%    |

Does the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ X ]

The provision for incurred taxes on earnings are as follows for the years ended December 31:

|   | <u>2018</u>         | <u>2017</u>       | <u>Change</u>     |
|---|---------------------|-------------------|-------------------|
| Federal                                   | \$ 646,476          | \$ (232,755)      | \$ 879,231        |
| Foreign                                   | -                   | -                 | -                 |
| Subtotal                                  | <u>646,476</u>      | <u>(232,755)</u>  | <u>879,231</u>    |
| Federal income tax on net capital gains   | 385,409             | 761,652           | (376,243)         |
| Utilization of capital loss carryforwards | -                   | -                 | -                 |
| Other                                     | -                   | -                 | -                 |
| Federal and foreign income taxes incurred | <u>\$ 1,031,885</u> | <u>\$ 528,897</u> | <u>\$ 502,988</u> |

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2018

#### 6. Federal Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows at December 31. The 2018 and 2017 amounts have been computed using a 21% tax rate.

|  | 2018       | 2017         | Change     |
|--|------------|--------------|------------|
| Deferred tax assets                        |            |              |            |
| Ordinary:                                  |            |              |            |
| Discounting of unpaid loss and LAE         | \$ 924,501 | \$ 339,616   | \$ 584,885 |
| Unearned premiums                          | 285,865    | 284,804      | 1,061      |
| Compensation and benefits accrual          | 56,706     | -            | 56,706     |
| Admitted ordinary deferred tax assets      | 1,267,072  | 624,420      | 642,652    |
| Capital:                                   |            |              |            |
| Investments                                | 46,814     | 46,814       | -          |
| Admitted capital deferred tax assets       | 46,814     | 46,814       | -          |
| Admitted deferred tax assets               | 1,313,886  | 671,234      | 642,652    |
| Deferred tax liabilities                   |            |              |            |
| Ordinary:                                  |            |              |            |
| Reserve transition adjustment              | 479,503    | -            | 479,503    |
| Admitted ordinary deferred tax liabilities | 479,503    | -            | 479,503    |
| Capital:                                   |            |              |            |
| Investments                                | 532,692    | 949,446      | (416,755)  |
| Admitted capital deferred tax liabilities  | 532,692    | 949,446      | (416,755)  |
| Admitted deferred tax liabilities          | 1,012,195  | 949,446      | 62,748     |
| Net deferred tax asset (liability)         | \$ 301,691 | \$ (278,212) | \$ 579,903 |

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

## Michigan Professional Insurance Exchange

### Notes to Statutory Basis Financial Statements

December 31, 2018

#### 6. Federal Income Taxes (continued)

During 2018, the Exchange recorded an increase to deferred tax assets of \$548,004 representing the additional discount on reserves as of January 1, 2018 based on the provisions of the TCJA. The change to reserves, or the “transition adjustment,” of \$548,004 was also recorded as an increase to deferred tax liabilities as of January 1, 2018 representing the tax due over eight years starting in 2018. These adjustments had no impact on the opening net deferred tax asset. During 2018, one-eighth of the deferred tax liability associated with the transition adjustment was reduced due to one-eighth of the transition adjustment being currently taxable in 2018, resulting in a balance as of December 31, 2018 of \$479,503.

The provision for federal income taxes incurred, including the change in net deferred income taxes, is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes.

The significant items causing a difference between the statutory federal income tax rate and the Exchange’s effective tax rate in 2018 and 2017 were as follows:

|  | 2018              | Effective<br>Tax Rate | 2017              | Effective<br>Tax Rate |
|--|-------------------|-----------------------|-------------------|-----------------------|
| Provision computed at statutory rate     | \$2,031,299       | 21.0 %                | \$1,406,689       | 34.0 %                |
| Allocation to subscriber savings         | (1,129,635)       | (11.7)%               | (859,006)         | (20.7)%               |
| Dividends received deduction             | (32,630)          | (0.3)%                | (41,966)          | (1.0)%                |
| Prior period adjustment, taxes           | (297)             | 0.0 %                 | -                 | 0.0 %                 |
| Tax rate differential                    | -                 | 0.0 %                 | 415,528           | 10.0 %                |
| Total tax provision                      | <b>\$ 868,737</b> | <b>9.0 %</b>          | <b>\$ 921,245</b> | <b>22.3 %</b>         |
| Federal and foreign income taxes expense | \$ 646,476        | 6.7 %                 | \$ (232,755)      | (5.6)%                |
| Realized capital gains tax               | 385,409           | 4.0 %                 | 761,652           | 18.4 %                |
| Change in net deferred income taxes      | (163,148)         | (1.7) %               | 392,348           | 9.5 %                 |
| Total statutory income taxes             | <b>\$ 868,737</b> | <b>9.0 %</b>          | <b>\$ 921,245</b> | <b>22.3 %</b>         |

As of December 31, 2018 and 2017, the Exchange had no alternative minimum tax credit carryforwards available to offset future regular income tax. The Exchange has no operating loss carryforwards available.



# Michigan Professional Insurance Exchange

## Notes to Statutory Basis Financial Statements

December 31, 2018

### 6. Federal Income Taxes (continued)

The following are income taxes incurred in the current and prior year, which will be available for recoupment in the event of future net losses:

|      |              |
|------|--------------|
| 2018 | \$ 1,031,885 |
| 2017 | \$ 550,843   |

Federal income tax reported in the annual statement was allocated to realized capital gains in the amount of \$385,409 in 2018 and \$761,652 in 2017.

The Exchange's federal tax return is consolidated with PRCD Holdings, LLC (subsidiary of the Exchange), and MPIE Consulting, LLC and Alliance Innovations, LLC (subsidiaries of PRCD). The subsidiaries that are consolidated in the Exchange's federal tax return are disregarded entities.

### 7. Related Party Transactions

Michigan Professional Exchange Services, a not-for-profit corporation organized on a directorship basis, serves as attorney-in-fact for the Exchange. A management agreement exists between the two entities whereby Michigan Professional Exchange Services provides financial and technical support, including personnel, accounting, and legal services, on a cost reimbursement basis. Total expenses incurred by the Exchange under this management agreement were \$2,603,439 in 2018 and \$6,008,014 in 2017.

Direct premium revenues written from hospitals were \$8,375,531 for the year ended December 31, 2018 and \$7,663,249 for the year ended December 31, 2017.

### 8. Reinsurance

The Exchange has fully reinsured all claims made under certain hospital excess professional liability and general liability lines of business. No claims have been made on the general liability line since inception. Total ceded premiums earned for the hospital professional liability and general liability lines were \$1,362,408 in 2018 and \$748,457 in 2017. For physician professional liability claims, the reinsurance arrangement for the Exchange is a loss event contract where any claim over \$1,000,000 up to \$5,000,000 is covered. All physicians and all limits participate. A loss event can include multiple physicians and multiple days of treatment. Ceded premiums earned on the physician professional liability line of business were \$1,620,147 in 2018 and \$1,387,668 in 2017.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**8. Reinsurance (continued)**

The net amount of return commissions recoverable (payable) as of December 31, if all assumed and ceded reinsurance was cancelled, is as follows:

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| <b>2018</b>                     |                     |                   |                   |                   |                 |                   |
| Total                           | \$ -                | \$ -              | \$ 626,504        | \$ 13,805         | \$ 626,504      | \$ 13,805         |
| Direct unearned premium reserve |                     |                   | \$ 6,111,594      |                   |                 |                   |

|                                 | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                 | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| <b>2017</b>                     |                     |                   |                   |                   |                 |                   |
| Total                           | \$ -                | \$ -              | \$ 349,019        | \$ -              | \$ 349,019      | \$ -              |
| Direct unearned premium reserve |                     |                   | \$ 5,874,282      |                   |                 |                   |

The Exchange has no reinsurance recoverables in dispute or deemed to be uncollectible as of December 31, 2018 or 2017. Further, the Exchange had not entered into any retroactive reinsurance agreements and had not commuted any contracts.

**9. Deposit Premium Agreement**

Effective July 1, 2004, the Exchange entered into a Deposit Premium Agreement with Spectrum Health Hospitals (Spectrum) for the purpose of providing loss administration services for professional medical liability after that date. Risk of loss on professional medical liability after July 1, 2004 will be retained by Spectrum.

Under this agreement, Spectrum has agreed to deposit monies (self insurance funds held) with the Exchange in an amount necessary to fund anticipated outlays for claims, allocated overhead expenses, defense and cost containment expenses, loss adjustment, and other payments defined under the agreement. The Exchange held self insurance funds of \$825,694 as of December 31, 2018 and \$1,900,052 as of December 31, 2017 related to this agreement. The Exchange pays Spectrum an interest charge (0.11% from July 1, 2015 through June 30, 2017 and 1.14% from July 1, 2017 through December 31, 2018) on deposit balances, computed monthly. Interest incurred under the arrangement was \$17,463 in 2018 and \$5,992 for 2017.

Michigan Professional Insurance Exchange

Notes to Statutory Basis Financial Statements

December 31, 2018

**10. High Deductibles**

The Exchange's reserve credit recorded on unpaid claims and amounts billed and recoverable on paid claims for high deductible policies as of December 31 were as follows:

| <b>Annual Statement Line of Business</b> | <b>Gross (of High Deductible) Loss Reserves</b> | <b>Reserve Credit for High Deductibles</b> | <b>Billed Recoverables on Paid Claims</b> | <b>Total High Deductibles and Billed Recoverables</b> |
|--|---|--|---|---|
| <b>2018</b>                              |   |  |   |   |
| Michigan Professional Liability          | \$ 16,823,459                                   | \$ 12,628,459                              | \$ 518,805                                | \$ 13,147,264   |
| <b>2017</b>                              |   |  |   |   |
| Michigan Professional Liability          | \$ 5,070,461                                    | \$ 3,570,351                               | \$ 146,154                                | \$ 3,716,505  |

There were no paid recoverable amounts on high deductible policies over 90 days overdue as of December 31, 2018 or 2017 and 100% of the Exchange's total high deductible and billed recoverables on paid claims were unsecured.

## Other Supplementary Information

Report of Independent Auditors  
on Other Supplementary Information

Board of Directors  
Michigan Professional Insurance Exchange  
Grand Rapids, Michigan

The report on our audit of the basic statutory basis financial statements (financial statements) of Michigan Professional Insurance Exchange (Exchange) as of December 31, 2018 and for the year then ended is presented on pages one and two of this document. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the Exchange as of December 31, 2018, and for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The effects on the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. As a consequence, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, such information of the Exchange as of December 31, 2018, and for the year then ended. The Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Summary of Investments, Supplemental Investment Risks Interrogatories, and General Interrogatories Part 2, No. 7, 8, & 9 are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Andrews Hooper Pavlik PLC*

Grand Rapids, Michigan  
May 29, 2019

# Michigan Professional Insurance Exchange

## Supplemental Summary of Investments

December 31, 2018

|   | Gross Investment Holding: |        | Admitted Assets as Reported in the Annual Statement |   |                |        |
|---|---------------------------|--------|---|---|----------------|--------|
|   | Amount                    | %      | Amount  | Securities Lending Reinvested Collateral Amount | Total          | %      |
| 1. Bonds  |                           |        |   |   |                |        |
| 1.1 U.S. treasury securities  | \$ 4,276,215              | 4.3%   | \$ 4,276,215  | \$ -  | \$ 4,276,215   | 4.1%   |
| 1.2 U.S. government agency obligations (including mortgage-backed securities):  |                           |        |   |   |                |        |
| 1.21 Issued by U.S. government agencies   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.22 Issued by U.S. government-sponsored agencies   | 1,268,389                 | 1.3%   | 1,268,389   | -   | 1,268,389      | 1.2%   |
| 1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:   |                           |        |   |   |                |        |
| 1.41 States, territories and possessions general obligations  | 1,307,849                 | 1.3%   | 1,307,849   | -   | 1,307,849      | 1.3%   |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations                                 | 1,969,285                 | 2.0%   | 1,969,285   | -   | 1,969,285      | 1.9%   |
| 1.43 Revenue and assessment obligations   | 4,733,251                 | 4.7%   | 4,733,251   | -   | 4,733,251      | 4.5%   |
| 1.44 Industrial development and similar obligations   | 250,000                   | 0.3%   | 250,000   | -   | 250,000        | 0.2%   |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS)  |                           |        |   |   |                |        |
| 1.51 Pass-through securities:   |                           |        |   |   |                |        |
| 1.511 Issued or guaranteed by GNMA  | 19,430                    | 0.0%   | 19,430  | -   | 19,430         | 0.0%   |
| 1.512 Issued or guaranteed by FNMA and FHLMC  | 2,282,391                 | 2.3%   | 2,282,391   | -   | 2,282,391      | 2.2%   |
| 1.513 All other   | 246,155                   | 0.2%   | 246,155   | -   | 246,155        | 0.2%   |
| 1.52 CMOs and REMICs:   |                           |        |   |   |                |        |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC, or VA  | 4,318,576                 | 4.3%   | 4,318,576   | -   | 4,318,576      | 4.1%   |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 1.523 All other   | 17,852,766                | 17.9%  | 17,852,766  | -   | 17,852,766     | 17.0%  |
| 2. Other debt and other fixed income securities (excluding short-term):   |                           |        |   |   |                |        |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)   | 33,870,356                | 34.0%  | 33,870,356  | -   | 33,870,356     | 32.3%  |
| 2.2 Unaffiliated non-U.S. securities (including Canada)   | 12,899,324                | 13.0%  | 12,899,324  | -   | 12,899,324     | 12.3%  |
| 2.3 Affiliated securities   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3. Equity interests:  |                           |        |   |   |                |        |
| 3.1 Investments in mutual funds   | 10,710,861                | 10.8%  | 10,710,861  | -   | 10,710,861     | 10.2%  |
| 3.2 Preferred stocks:   |                           |        |   |   |                |        |
| 3.21 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.22 Unaffiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.3 Publicly traded equity securities (excluding preferred stocks):   |                           |        |   |   |                |        |
| 3.31 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.32 Unaffiliated   | 142,900                   | 0.1%   | 142,900   | -   | 142,900        | 0.1%   |
| 3.4 Other equity securities:  |                           |        |   |   |                |        |
| 3.41 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.42 Unaffiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.5 Other equity interests including tangible personal property under lease:  |                           |        |   |   |                |        |
| 3.51 Affiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 3.52 Unaffiliated   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4. Mortgage loans:  |                           |        |   |   |                |        |
| 4.1 Construction and land development   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.2 Agricultural  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.3 Single family residential properties  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.4 Multifamily residential properties  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.5 Commercial loans  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 4.6 Mezzanine real estate loans   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5. Real estate investments:   |                           |        |   |   |                |        |
| 5.1 Property occupied by company  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5.2 Property held for production of income  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 5.3 Property held for sale  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 6. Contract loans   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 7. Derivatives  | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 8. Receivables for securities   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 9. Securities lending (line 10, Asset Page reinvested collateral)   | -                         | 0.0%   | -   | -   | -              | 0.0%   |
| 10. Cash, cash equivalents, and short-term investments  | 3,461,268                 | 3.5%   | 7,525,767   | -   | 7,525,767      | 7.2%   |
| 11. Other invested assets   | -                         | 0.0%   | 1,198,865   | -   | 1,198,865      | 1.2%   |
| 12. Total invested assets   | \$ 99,609,016             | 100.0% | \$ 104,872,380                                      | \$ -  | \$ 104,872,380 | 100.0% |

See Report of Independent Auditors on Other Supplementary Information.

## Michigan Professional Insurance Exchange

### Supplemental Investment Risks Interrogatories

December 31, 2018

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

1. Report entity's total admitted assets as reported on page two of this Annual Statement.  

\$108,527,679
2. Ten largest exposures to a single issuer/borrower/investment:

|      | 1  | 2                       | 3            | 4                                   |
|------|--|-------------------------|--------------|-------------------------------------|
|      | Issuer   | Description of Exposure | Amount       | Percentage of Total Admitted Assets |
| 2.01 | Federal National Mortgage Association, Inc.          | MBS, CMO, ABS           | \$ 2,957,823 | 2.7%                                |
| 2.02 | Oklahoma, State of                                   | Muni Bond               | \$ 1,060,397 | 1.0%                                |
| 2.03 | Federal Home Loan Mortgage Corporation               | MBS, CMO                | \$ 1,036,418 | 1.0%                                |
| 2.04 | Qurate Retail, Inc.                                  | Corp Bond               | \$ 1,035,969 | 1.0%                                |
| 2.05 | Texas, State of                                      | Muni Bond               | \$ 839,273   | 0.8%                                |
| 2.06 | Washington, State of                                 | Muni Bond               | \$ 829,617   | 0.8%                                |
| 2.07 | Indianapolis Local Public Improvement Bond Bank      | Muni Bond               | \$ 765,219   | 0.7%                                |
| 2.08 | BAMLL Commercial Mortgage Securities Trust 2012-Park | CMO                     | \$ 754,819   | 0.7%                                |
| 2.09 | Duke Energy Corporation                              | Corp Bond               | \$ 751,926   | 0.7%                                |
| 2.10 | Phoenix, City of                                     | Muni Bond               | \$ 751,553   | 0.7%                                |

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

|      | Bonds    | 1             | 2     | Preferred Stock | 3        | 4         |
|------|----------|---------------|-------|-----------------|----------|-----------|
| 3.01 | NAIC - 1 | \$ 63,696,313 | 58.7% | 3.07            | P/RP - 1 | \$ 0 0.0% |
| 3.02 | NAIC - 2 | \$ 18,831,205 | 17.4% | 3.08            | P/RP - 2 | \$ 0 0.0% |
| 3.03 | NAIC - 3 | \$ 2,774,444  | 2.6%  | 3.09            | P/RP - 3 | \$ 0 0.0% |
| 3.04 | NAIC - 4 | \$ 1,706,456  | 1.6%  | 3.10            | P/RP - 4 | \$ 0 0.0% |
| 3.05 | NAIC - 5 | \$ 252,393    | 0.2%  | 3.11            | P/RP - 5 | \$ 0 0.0% |
| 3.06 | NAIC - 6 | \$ 0          | 0.0%  | 3.12            | P/RP - 6 | \$ 0 0.0% |

Michigan Professional Insurance Exchange  
Supplemental Investment Risks Interrogatories

December 31, 2018

4. Assets held in foreign investments:

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

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

|      |   |              |       |
|------|---|--------------|-------|
| 4.02 | Total admitted assets held in foreign investments               | \$11,156,414 | 10.3% |
| 4.03 | Foreign-currency-denominated investments                        | \$ 0         | 0.0%  |
| 4.04 | Insurance liabilities denominated in that same foreign currency | \$ 0         | 0.0%  |

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

|      | <u>1</u>                             | <u>2</u>     |       |
|------|--------------------------------------|--------------|-------|
| 5.01 | Countries designated NAIC-1          | \$11,156,414 | 10.3% |
| 5.02 | Countries designated NAIC-2          | \$ 0         | 0.0%  |
| 5.03 | Countries designated NAIC-3 or below | \$ 0         | 0.0%  |

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

|      | <u>1</u>                              | <u>2</u>     |      |
|------|---------------------------------------|--------------|------|
|      | Countries designated NAIC-1:          |              |      |
| 6.01 | Country 1: United Kingdom             | \$ 2,011,955 | 1.9% |
| 6.02 | Country 2: Switzerland                | \$ 1,703,987 | 1.6% |
|      | Countries designated NAIC-2:          |              |      |
| 6.03 | Country 1:                            | \$ 0         | 0.0% |
| 6.04 | Country 2:                            | \$ 0         | 0.0% |
|      | Countries designated NAIC-3 or below: |              |      |
| 6.05 | Country 1:                            | \$ 0         | 0.0% |
| 6.06 | Country 2:                            | \$ 0         | 0.0% |

7. Aggregate unhedged foreign currency exposure:

|  | <u>1</u> | <u>2</u> |
|--|----------|----------|
|  | \$ 0     | 0.0%     |

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

|      | <u>1</u>                             | <u>2</u> |      |
|------|--------------------------------------|----------|------|
| 8.01 | Countries designated NAIC-1          | \$ 0     | 0.0% |
| 8.02 | Countries designated NAIC-2          | \$ 0     | 0.0% |
| 8.03 | Countries designated NAIC-3 or below | \$ 0     | 0.0% |



Michigan Professional Insurance Exchange  
Supplemental Investment Risks Interrogatories

December 31, 2018

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

|                                       |            | <u>1</u> | <u>2</u> |
|---------------------------------------|------------|----------|----------|
| Countries designated NAIC-1:          |            |          |          |
| 9.01                                  | Country 1: | \$ 0     | 0.0%     |
| 9.02                                  | Country 2: | \$ 0     | 0.0%     |
| Countries designated NAIC-2:          |            |          |          |
| 9.03                                  | Country 1: | \$ 0     | 0.0%     |
| 9.04                                  | Country 2: | \$ 0     | 0.0%     |
| Countries desingated NAIC-3 or below: |            |          |          |
| 9.05                                  | Country 1: | \$ 0     | 0.0%     |
| 9.06                                  | Country 2: | \$ 0     | 0.0%     |

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

|       | <u>1</u>                                | <u>2</u><br>NAIC<br>Designation | <u>3</u>   | <u>4</u> |
|-------|---|---------------------------------|------------|----------|
|       | Issuer                                  |                                 |            |          |
| 10.01 | Anheuser-Busch InBev Finance Inc.       | 2FE                             | \$ 601,341 | 0.6%     |
| 10.02 | Shell International Finance B.V.        | 1FE                             | \$ 593,891 | 0.5%     |
| 10.03 | Deutsche Bank Aktiengesellschaft        | 1FE                             | \$ 531,190 | 0.5%     |
| 10.04 | Siemens Financieringsmaatschappij N.V.  | 1FE                             | \$ 520,751 | 0.5%     |
| 10.05 | Chubb INA Holdings Inc.                 | 1FE                             | \$ 501,517 | 0.5%     |
| 10.06 | Nestle Holdings, Inc.                   | 1FE                             | \$ 496,911 | 0.5%     |
| 10.07 | Reckitt Benckiser Treasury Services PLC | 1FE                             | \$ 472,588 | 0.4%     |
| 10.08 | Total SA                                | 1FE                             | \$ 459,757 | 0.4%     |
| 10.09 | VINCI                                   | 1FE                             | \$ 435,972 | 0.4%     |
| 10.10 | Qiagen N.V.                             | 2                               | \$ 416,163 | 0.4%     |

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

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

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

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

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

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

Michigan Professional Insurance Exchange  
Supplemental Investment Risks Interrogatories

December 31, 2018

13. Amounts and percentages of admitted assets held in the 10 largest equity interests:

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

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

|       | 1<br>Issuer                | 2            | 3    |
|-------|----------------------------|--------------|------|
| 13.02 | Vanguard Index Funds       | \$ 6,729,074 | 6.2% |
| 13.03 | Dodge & Cox Income Fund    | \$ 2,009,381 | 1.9% |
| 13.04 | Vanguard Tax-Managed Funds | \$ 1,972,406 | 1.8% |
| 13.05 | FHLB I Common Stock        | \$ 142,900   | 0.1% |
| 13.06 |                            | \$ 0         | 0.0% |
| 13.07 |                            | \$ 0         | 0.0% |
| 13.08 |                            | \$ 0         | 0.0% |
| 13.09 |                            | \$ 0         | 0.0% |
| 13.10 |                            | \$ 0         | 0.0% |
| 13.11 |                            | \$ 0         | 0.0% |

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

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

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

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

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

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

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

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

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

17. Not applicable.

Michigan Professional Insurance Exchange

Supplemental Investment Risks Interrogatories

December 31, 2018

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

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

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

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

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

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

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

|   | At Year-End |      | At End of Each Quarter |         |         |
|---|-------------|------|------------------------|---------|---------|
|   | 1           | 2    | 1st Qtr                | 2nd Qtr | 3rd Qtr |
|   | 1           | 2    | 3                      | 4       | 5       |
| 20.01 Securities lending agreements<br>(do not include assets held as collateral for such transactions) | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 20.02 Repurchase agreements   | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 20.03 Reverse repurchase agreements   | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 20.04 Dollar repurchase agreements  | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 20.05 Dollar reverse repurchase agreements  | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |

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

|                         | Owned |      | Written |      |
|-------------------------|-------|------|---------|------|
|                         | 1     | 2    | 3       | 4    |
| 21.01 Hedging           | \$ 0  | 0.0% | \$ 0    | 0.0% |
| 21.02 Income generation | \$ 0  | 0.0% | \$ 0    | 0.0% |
| 21.03 Other             | \$ 0  | 0.0% | \$ 0    | 0.0% |

Michigan Professional Insurance Exchange

Supplemental Investment Risks Interrogatories

December 31, 2018

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

|                         | At Year-End |      | At End of Each Quarter |         |         |
|-------------------------|-------------|------|------------------------|---------|---------|
|                         | 1           | 2    | 1st Qtr                | 2nd Qtr | 3rd Qtr |
|                         | 1           | 2    | 3                      | 4       | 5       |
| 22.01 Hedging           | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 22.02 Income generation | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 22.03 Replications      | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 22.04 Other             | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |

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

|                         | At Year-End |      | At End of Each Quarter |         |         |
|-------------------------|-------------|------|------------------------|---------|---------|
|                         | 1           | 2    | 1st Qtr                | 2nd Qtr | 3rd Qtr |
|                         | 1           | 2    | 3                      | 4       | 5       |
| 23.01 Hedging           | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 23.02 Income generation | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 23.03 Replications      | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |
| 23.04 Other             | \$ 0        | 0.0% | \$ 0                   | \$ 0    | \$ 0    |

# Michigan Professional Insurance Exchange

## General Interrogatories Part 2, No. 7, 8, & 9

December 31, 2018

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)?

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(s) 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 triggered only 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

# Michigan Professional Insurance Exchange

## General Interrogatories Part 2, No. 7, 8, & 9

December 31, 2018

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 32 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 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 engages in only 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]