HANDOUT:
RISK BASED CAPITAL CALCULATION

[redacted] INSURANCE COMPANY

CALCULATION OF TOTAL ADJUSTED CAPITAL (PR026)

		Annual Statement Reference	(1) Statement Value*	Factor	(2) Adjusted Capital
(1)	Capital and Surplus	P3 C1 L37	4,217,947	1.000	4,217,947
(2)	Non-Tabular Discount - Losses	Sch P P1 - Sum C32 L12	0	1.000	0
(3)	Non-Tabular Discount - Expense	Sch P P1 - Sum C33 L12	0	1.000	0
(4)	Discount on Medical Loss Reserves Reported as Tabular in Schedule P	Company Records		1.000	0
(5)	Discount on Medical Expense Reserves Reported as Tabular in Schedule P	Company Records		1.000	0
(6)	P&C Subs Non-Tabular Discount - Losses	Subs Sch P Pt1 - Sum C32 L12		1.000	0
(7)	P&C Subs Non-Tabular Discount - Expense	Subs Sch P Pt1 - Sum C33 L12		1.000	0
(8)	P&C Subs Discount on Medical Loss Reserves Reported as Tabular in Schedule P	Subs Company Records		1.000	0
(9)	P&C Subs Discount on Medical Expense Reserves Reported as Tabular in Schedule P	Subs Company Records		1.000	0
(10)	AVR - Life Subs	Subs P3 C1 L24.01		1.000	0
(11)	Dividend Liability - Life Subs	Subs P3 C1 L6.1 + L6.2		0.500	0
(12)	Total Adjusted Capital Before Capital Notes = L(1) - L(2) - L(3) - L(4) - L(5) - L(6) - L(7) - L(8) - L(9) + L(10) + L(11)				4,217,947
	Credit for Capital Notes				
(13.1)	Surplus Notes	Page 3 Column 1 Line 33	0		
(13.2)	Limitation on Capital Notes	0.5 x [Line(12) - Line (13.1)] - Line 13.1, but not less than zero	2,108,974		
(13.3)	Capital Notes Before Limitation	PR025 Column (4) Line (18)	0		
(13.4)	Credit for Capital Notes	Lesser of Column (1) Line (13.2) or Line (13.3)			0
(14)	Total Adjusted Capital (Post-Deferred Tax)	Line (12) + Line (13.4)			4,217,947
	Sensitivity Test:				
(15)	Deferred Tax Assets	Page 2, Line 18.2	0	1.000	0
(15.1)	Deferred Tax Liabilities	Page 3, Line 7.2	0	1.000	0
(16)	Deferred Tax Assets for Subsidiary	Company Record		1.000	0
(16.1)	Deferred Tax Liabilities for Subsidiary	Company Record		1.000	0
(17)	Total Adjusted Capital For Sensitivity Test	Line (14) - Line (15) + Line (15.1) - Line (16) + Line (16.1)			4,217,947
	Expanded DTA Sensitivity Test				
(18)	Expanded Deferred Tax Asset	Page 2 Column 3 Line 18.2, in part		1.000	0
(19)	Total Adjusted Capital Less Expanded Deferred Tax Asset	Line (14) less Line (18)			4,217,947
(20)	Authorized Control Level RBC	PR031 Comparison of Total Adjusted Capital to Risk-Based Capital Line (4)			451,151
(21)	RBC% Without Expanded Deferred Tax Asset	Line (19)/Line (20)			934.930

* Report amounts in this column as whole dollars.

Company Code [redacted]

[redacted] INSURANCE COMPANY

Calculation of Total Risk-Based Capital After Covariance (PR027) R0-R1

		PRBC O&I Reference	(1) RBC Amount
R0 - Asset Risk - Subsidiary Insurance Companies			
(1)	Affiliated US P&C Insurers - Directly Owned	PR003 L(1) C(5)	0
(2)	Affiliated US P&C Insurers - Indirectly Owned	PR003 L(4) C(5)	0
(3)	Affiliated US Life Insurers - Directly Owned	PR003 L(2) C(5)	0
(4)	Affiliated US Life Insurers - Indirectly Owned	PR003 L(5) C(5)	0
(5)	Affiliated US Health Insurer - Directly Owned	PR003 L(3) C(5)	0
(6)	Affiliated US Health Insurer - Indirectly Owned	PR003 L(6) C(5)	0
(7)	Affiliated Alien Insurers - Directly Owned	PR003 L(8) C(5)	0
(8)	Affiliated Alien Insurers - Indirectly Owned	PR003 L(9) C(5)	0
(9)	Misc Off-Balance Sheet - Non-controlled Assets	PR013 L(12) C(2)	0
(10)	Misc Off-Balance Sheet - Guarantees for Affiliates	PR013 L(13) C(2)	0
(11)	Misc Off-Balance Sheet - Contingent Liabilities	PR013 L(14) C(2)	0
(12)	Total R0	L(1)+L(2)+L(3)+L(4) +L(5)+L(6)+L(7) +L(8)+L(9)+L(10)+L(11)	0
R1 - Asset Risk - Fixed Income			
(13)	Class 01 U.S. Government Agency Bonds	PR005 L(2) C(2)	0
(14)	Unaffiliated Bonds Subject to Size Factor	PR005 L(21) C(2)+PR014 L(9) C(2)	37,845
(15)	Bond Size Factor RBC	PR005 L(24) C(2)	56,768
(16)	Bonds – Aff'd Invest Sub	PR003 L(7) C(4)	0
(17)	Bonds - Aff'd Hold. Co. in excess of Ins. Subs	PR003 L(10) C(4)	0
(18)	Bonds - Investment in Parent	PR003 L(11) C(4)	0
(19)	Bonds - Aff'd US P&C Not Subj to RBC	PR003 L(12) C(4)	0
(20)	Bonds - Aff'd US Life Not Subj to RBC	PR003 L(13) C(4)	0
(21)	Bonds - Aff'd US Health Insurer Not Subj to RBC	PR003 L(14) C(4)	0
(22)	Bonds - Aff'd Non-insurer	PR003 L(15) C(4)	0
(23)	Other Long-Term Assets - Mortgage Loans	PR007 L(10) C(2)	0
(24)	Misc Assets - Collateral Loans	PR008 L(14) C(2)	0
(25)	Misc Assets - Cash	PR008 L(3) C(2)	1,221
(26)	Misc Assets - Cash Equivalents	PR008 L(6) C(2)	0
(27)	Misc Assets - Other Short-Term Investments	PR008 L(11) C(2)	0
(28)	Replication -Synthetic Asset: One Half	PR009 L(9999999)C(7)	0
(29)	Asset Concentration RBC - Fixed Income	PR010 L(7) C(3) Grand Total Page	29,222
(30)	Total R1	L(13)+L(14)+L(15)+L(16)+L(17)+L(18)+L(19)+L(20)+ L(21)+L(22)+L(23)+L(24)+L(25)+L(26)+L(27) (28)+L(29)	125,056

PR027

Company Code [redacted]

[redacted] INSURANCE COMPANY

CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE (PR028) R2-R3

	Description	PRBC O&I Reference	(1) RBC Amount
	R2 - Asset Risk - Equity		
(31)	Common - Affiliate Investment Subsidiary	PR003 L(7) C(2)	0
(32)	Common - Affiliate Hold. Company in excess of Ins. Subs	PR003 L(10) C(2)	0
(33)	Common - Investment in Parent	PR003 L(11) C(2)	0
(34)	Common - Aff'd US P&C Not Subj to RBC	PR003 L(12) C(2)	0
(35)	Common - Affil US Life Not Subj to RBC	PR003 L(13) C(2)	0
(36)	Common - Affil US Health Insurer Not Subj to RBC	PR003 L(14) C(2)	0
(37)	Common - Aff'd Non-insurer	PR003 L(15) C(2)	53,926
(38)	Preferred - Aff'd Invest Sub	PR003 L(7) C(3)	0
(39)	Preferred – Aff'd Hold. Co. in excess of Ins. Subs	PR003 L(10) C(3)	0
(40)	Preferred - Investment in Parent	PR003 L(11) C(3)	0
(41)	Preferred - Affil US P&C Not Subj to RBC	PR003 L(12) C(3)	0
(42)	Preferred - Affil US Life Not Subj to RBC	PR003 L(13) C(3)	0
(43)	Preferred - Affil US Health Insurer Not Subj to RBC	PR003 L(14) C(3)	0
(44)	Preferred - Affil Non-insurer	PR003 L(15) C(3)	0
(45)	Unaffiliated Preferred Stock and Hybrid Securities	PR006 L(15) C(2)+PR014 L(16)C(2)	0
(46)	Unaffiliated Common Stock	PR006 L(22) C(2)+PR014 L(17)C(2)	0
(47)	Other Long-Term Assets - Real Estate	PR007 L(7) C(2)	0
(48)	Other Long-Term Assets - Schedule BA Assets	PR007 L(13) C(2)+PR014 L(18)C(2)+PR014 L(19)C(2)	0
(49)	Misc Assets - Receivable for Securities	PR008 L(1) C(2)	0
(50)	Misc Assets - Aggregate Write-ins for Invested Assets	PR008 L(2) C(2)	0
(51)	Misc Assets - Derivatives	PR008 L(15) C(2)	0
(52)	Replication -Synthetic Asset: One Half	PR009 L(9999999) C(7)	0
(53)	Asset Concentration RBC - Equity	PR010 L(23)C(3) Grand Total Page	0
(54)	Total R2	L(31)+L(32)+L(33)+L(34)+L(35)+L(36) +L(37)+ L(38)+L(39)+L(40)+L(41)+L(42)+L(43)+L(44) +L(45)+ L(46)+L(47)+L(48)+L(49)+L(50)+L(51)+L(52) +L(53)	53,926
	R3 - Asset Risk - Credit		
(55)	Other Credit RBC	PR011 L(16) C(4) - L(9) C(4)	13,307
(56)	One half of Rein Recoverables	0.5 x PR011 L(9) C(4)	0
(57)	Other half of Rein Recoverables	If R4 L(61)>(R3 L(55) + R3 L(56)), 0, otherwise, R3 L(56)	0
(58)	Health Credit Risk	PR012 L(12) C(2)	0
(59)	Total R3	L(55) + L(56) + L(57) + L(58)	13,307

[redacted] INSURANCE COMPANY

CALCULATION OF TOTAL RISK-BASED CAPITAL AFTER COVARIANCE (PR029) R4-R5

	Description	PRBC O&I Reference	(1) RBC Amount
	R4 - Underwriting Risk - Reserves		
(60)	One half of Reinsurance RBC	If R4 L(61)>(R3 L(55) + R3 L(56)), R3 L(56), otherwise, 0	0
(61)	Total Adjusted Unpaid Loss/Expense Reserve RBC	PR016 L(15) C(20)	412,000
(62)	Excessive Premium Growth - Loss/Expense Reserve	PR015 L(13) C(8)	0
(63)	A&H Claims Reserves Adjusted for LCF	PR023 L(5) C(2) + PR022 L(6) C(4)	0
(64)	Total R4	L(60)+L(61)+L(62)+L(63)	412,000
	R5 - Underwriting Risk - Net Written Premium		
(65)	Total Adjusted NWP RBC	PR017 L(15) C(20)	791,000
(66)	Excessive Premium Growth - Written Premiums Charge	PR015 L(14) C(8)	0
(67)	Total Net Health Premium RBC	PR021 L(21)C(2)	0
(68)	Health Stabilization Reserves	PR024 L(8) C(2) + PR022 L(3) C(2)	0
(69)	Total R5	L(65)+L(66)+L(67)+L(68)	791,000
(70)	**Total RBC After Covariance = R0 + SQRT(R1^2+R2^2+R3^2+R4^2+R5^2)**		902,302
(71)	**Authorized Control Level RBC = .5 x Total RBC After Covariance**		451,151

PR029

[redacted] INSURANCE COMPANY

TREND TEST (PR030)

		Annual Statement Source	(1) Amount	(2) Result
	Original RBC% Before Applying Trend Test			
(1)	Authorized Control Level Risk-Based Capital	PR029, C(1) L(71)	451,151	
(2)	Total Adjusted Capital	PR026, C(2) L(14)	4,217,947	
(3)	RBC %	L(2)C(1) / L(1)C(1)	934.900	
	Combined Ratio Data			
(4)	Premiums Earned	Pg 4, Col 1, L 1	3,570,383	
(5)	Losses Incurred	Pg 4, Col 1, L 2	2,942,601	
(6)	Loss Expenses Incurred	Pg 4, Col 1, L 3	905,797	
(7)	Other Underwriting Expenses Incurred	Pg 4, Col 1, L 4	1,249,874	
(8)	Aggregate Write-ins for Underwriting Deductions	Pg 4, Col 1, L 5	0	
(9)	Dividends to Policyholders	Pg 4, Col 1, L 17	0	
(10)	Net Written Premiums	Pg 8, Col 6, L 35	3,442,861	
	Combined Ratio Calculation			
(11)	Loss Ratio	[Pg 4, Col 1, L 2 + Pg 4, Col 1, L 3] / Pg 4, Col 1, L1	107.800	
(12)	Dividend Ratio	Pg 4, Col 1, L 17 / Pg 4, Col 1, L1	0.000	
(13)	Expenses Ratio	[Pg 4, Col 1, L 4 + Pg 4, Col 1, L 5] / Pg 8, Col 6, L35	36.303	
(14)	Combined Ratio	L(11) + L(12) + (L13)	144.103	
(15)	Trend Test Result †	If L(3) Between 200% & 300% & L(14)>120%, L(15), YES, Otherwise, NO		NO

† The Trend Test applies only if L(15) = Yes.
‡ If result = YES, the company triggers regulatory attention at the Company Action Level based on the trend test.

Note: This page is for information only until the modifications made by Capital Adequacy Task Force to the Risk-Based Capital (RBC) FOR INSURERS MODEL ACT are implemented by states.

[redacted] INSURANCE COMPANY

Company Code [redacted]

COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL (PR031)

Description	Abbreviation	(1) Amount
Excluding the Trend Test:		
(1) Total Adjusted Capital (Post-Deferred Tax: PR026 Line 14)		4,217,947
(2) Company Action Level = 200% of Authorized Control Level	CAL	902,302
(3) Regulatory Action Level = 150% of Authorized Control Level	RAL	676,727
(4) Authorized Control Level = 100% of Authorized Control Level	ACL	451,151
(5) Mandatory Control Level = 70% of Authorized Control Level	MCL	315,806
(6) Level of Action, if Any (excluding the trend test)		NONE
Including the Trend Test:		
(7) Level of Action, if Any (including the trend test)		NONE
THE FOLLOWING NUMBERS MUST BE REPORTED IN THE FIVE YEAR HISTORY EXHIBIT ON THE INDICATED LINE		
Total Adjusted Surplus to Policyholders	Five Yr Hist C1 L28	4,217,947
Authorized Control Level Risk-Based Capital	Five Yr Hist C1 L29	451,151

FIVE-YEAR HISTORICAL DATA

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

	1 2010	2 2009	3 2008	4 2007	5 2006
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
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)	30,220,753	34,084,875	30,518,000	1,416,097	0
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)	30,220,753	34,084,875	30,518,000	1,416,097	0
Net Premiums Written (Page 8, Part 1B, Col. 6)					
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)	3,442,861	3,370,650	3,034,334	140,652	0
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)	3,442,861	3,370,650	3,034,334	140,652	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,527,889)	(558,157)	(241,655)	(26,402)	0
14. Net investment gain (loss) (Line 11)	392,013	130,509	294,590	160,816	0
15. Total other income (Line 15)	(285,266)	(210,470)	(4,473)	0	0
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	0	0	0	0	0
18. Net income (Line 20)	(1,421,142)	(638,118)	48,462	134,414	0
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	12,505,415	14,034,359	11,629,377	8,034,744	0
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	433,341	294,043	135,638	227,087	0
20.2 Deferred and not yet due (Line 15.2)	1,446,478	1,706,637	1,140,284	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	8,287,468	8,399,316	5,287,601	1,936,212	0
22. Losses (Page 3, Line 1)	4,018,579	2,394,477	1,254,400	99,189	0
23. Loss adjustment expenses (Page 3, Line 3)	145,472	1,337,044	254,800	23,517	0
24. Unearned premiums (Page 3, Line 9)	1,235,103	1,303,980	972,410	0	0
25. Capital paid up (Page 3, Lines 30 & 31)	6,000,000	6,000,000	6,000,000	6,000,000	0
26. Surplus as regards policyholders (Page 3, Line 37)	4,217,947	5,635,043	6,341,776	6,098,532	0
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(824,489)	1,321,894	1,499,355	412,448	0
Risk-Based Capital Analysis					
28. Total adjusted capital	4,217,947	5,635,043	6,341,776	6,098,532	0
29. Authorized control level risk-based capital	451,151	193,062	72,507	18,853	0
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	90.5	69.5	6.1	7.9	0.0
31. Stocks (Lines 2.1 & 2.2)	2.6	3.9	0.0	0.0	0.0
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)	6.9	26.6	93.9	92.1	0.0
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	XXX	XXX	XXX	XXX
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	XXX	XXX	XXX	XXX
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
Investments in Parent, Subsidiaries and Affiliates					
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)	239,673	422,859	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
47. All other affiliated		0	0	0	0
48. Total of above Lines 42 to 47	239,673	422,859	0	0	0
49. 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)	5.7	7.5	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	(183,185)	(77,141)	0	0	0
51. Dividends to stockholders (Line 35)	0	0	0	0	0
52. Change in surplus as regards policyholders for the year (Line 38)	(1,417,096)	(706,733)	243,244	5,084,414	0
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
53. 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)	13,738,216	9,860,936	4,886,817	191,110	0
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
58. Total (Line 35)	13,738,216	9,860,936	4,886,817	191,110	0
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. 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)	1,462,257	986,093	488,682	19,111	0
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
64. Total (Line 35)	1,462,257	986,093	488,682	19,111	0
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	82.4	70.0	79.7	84.1	0.0
67. Loss expenses incurred (Line 3)	25.4	99.6	74.1	125.9	0.0
68. Other underwriting expenses incurred (Line 4)	35.0	(51.2)	(42.2)	(91.3)	0.0
69. Net underwriting gain (loss) (Line 8)	(42.8)	(18.4)	(11.7)	(18.8)	0.0
Other Percentages					
70. 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)	44.6	(39.9)	(28.5)	(91.3)	0.0
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	107.8	169.5	153.9	210.0	0.0
72. 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)	81.6	59.8	47.8	2.3	0.0
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	99	(127)	(12)	0	0
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100.0)	1.8	(2.0)	(0.2)	0.0	0.0
Two Year Loss Development (000 omitted)					
75. 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)	(7)	(29)	0	0	0
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(0.1)	(0.5)	0.0	0.0	0.0

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

If no, please explain

IRIS Worksheet

Help E-Mail

[redacted]	**Status:** Active (2)	**Date:** 02/29/2012
Cocode: [redacted]	**Statement Type:** P&C	**Domicile:** Arizona
FEIN: [redacted]	**Group Code:** [redacted]	**Nationally Significant - 2010:** N
Year: 2010	**Group Name:** [redacted]	**RBC Ratio - 2010:** 934.9%

Writes Multiple Peril Crop Insurance : N/A **Reporting Basis Other than SAP : N/A** **Merger/Consolidation : N**

[redacted]

Arizona
Original Filing

NAIC PROPERTY AND CASUALTY FINANCIAL RATIO RESULTS FOR 2010

[redacted]

Commenced Business On: [redacted]

Results Produced: March 31, 2011
SUMMARY

Ratio	**Unusual Values Equal To Or Over/Under**		**Your Results**
1. Gross Premiums Written to Policyholders' Surplus	900		716.0
2. Net Premiums Written to Policyholders' Surplus	300		82.0
3. Change in Net Premiums Written	33	-33	2.0
4. Surplus Aid to Policyholders' Surplus	15		0.0
5. Two-Year Overall Operating Ratio	100		132.0 *
6. Investment Yield	6.5	3	3.6
7. Gross Change in Policyholders' Surplus	50	-10	-25.0 *
8. Change in Adjusted Policyholders' Surplus	25	-10	-25.0 *
9. Adjusted Liabilities to Liquid Assets	100		76.0
10. Gross Agents Balances (in collection) to Policyholders' Surplus	40		10.0
11. One-Year Reserve Development to Policyholders' Surplus	20		2.0
12. Two-Year Reserve Development to Policyholders' Surplus	20		-0.0
13. Estimated Current Reserve Deficiency to Policyholders' Surplus	25		-15.0

* - Indicates an unusual value.
U - Indicates result is automatically considered unusual.
NR - Indicates no result is calculated.

Ratio 1. Gross Premiums Written to Policyholders' Surplus

A. Direct Premiums Written (Page 8, Line 37, Column 1)	29,726,170.0
B. Reinsurance Assumed - Affiliates (Page 8, Line 35, Column 2)	0.0
C. Reinsurance Assumed - Non-Affiliates (Page 8, Line 35, Column 3)	494,583.0
D. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
Result = 100 * (A + B + C) / D.	716.0

If D is zero or negative, result is 999.
If D is positive and (A + B + C) is negative, result is zero.

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Ratio 2. Net Premiums Written to Policyholders' Surplus

A. Net Premiums Written (Page 8, Line 35, Column 6)	3,442,861.0
B. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
Result = 100 * (A / B).	82.0

If B is zero or negative, result is 999.
If B is positive and A is negative, result is zero.

Ratio 3. Change in Net Premiums Written

A. Net Premiums Written (Page 8, Line 35, Column 6)	3,442,861.0
B. Net Premiums Written - Prior Year (PY: Page 8, Line 34, Column 6)	3,370,650.0
Result = 100 * (A - B) / B.	2.0

If A and B are both zero or negative, result is zero.
If A is positive and B is zero or negative, result is 999.

Ratio 4. Surplus Aid to Policyholders' Surplus

A. Reinsurance Ceded Commissions (Page 11, Line 2.3, Column 2)	4,818,205.0
B. Reinsurance Ceded Contingent Commissions (Page 11, Line 2.6, Column 2)	0.0
C. Reinsurance Ceded - Affiliates (Page 8, Line 35, Column 4)	26,534,501.0
D. Reinsurance Ceded - Non-Affiliates (Page 8, Line 35, Column 5)	243,391.0
E. Unearned Premiums - Total Authorized and Unauthorized Other US Unaffiliated Insurers (Page 22, Line (0599999 + 1499999) * 1000, Column 13)	0.0
F. Unearned Premiums - Total Authorized and Unauthorized Mandatory and Voluntary Pools (Page 22, Line (0699999 + 0799999 + 1599999 + 1699999) * 1000, Column 13)	0.0
G. Unearned Premiums - Total Authorized and Unauthorized Other Non-US Insurers (Page 22, Line (0899999 + 1799999) * 1000, Column 13)	0.0
H. Sum of Unearned Premiums (E + F + G)	0.0
I. Surplus Aid = [(A + B) / (C + D)] * H	0.0
J. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
Result = 100 * (I / J).	0.0

If either (C + D) or I is zero or negative, result is zero.
If I is positive and J is zero or negative, result is 999.

Ratio 5. Two-Year Overall Operating Ratio

A. Losses and LAE Incurred (Page 4, Line 2 + 3, Column 1)	3,848,398.0
B. Losses and LAE Incurred - Prior Year (PY: Page 4, Line 2 + 3, Column 1)	5,152,403.0
C. Dividends to Policyholders (Page 4, Line 17, Column 1)	0.0
D. Dividends to Policyholders - Prior Year (PY: Page 4, Line 17, Column 1)	0.0
E. Premiums Earned (Page 4, Line 1, Column 1)	3,570,383.0
F. Premiums Earned - Prior Year (PY: Page 4, Line 1, Column 1)	3,039,080.0
G. Other Underwriting Expense & Write-ins (Page 4, Line 4 + 5, Column 1)	1,249,874.0
H. Other Underwriting Exp & Write-ins - Prior Year (PY: Page 4, Line 4 + 5, Column 1)	-1,555,166.0
I. Total Other Income (Page 4, Line 15, Column 1)	-285,266.0
J. Total Other Income - Prior Year (PY: Page 4, Line 15, Column 1)	-210,470.0
K. Net Premiums Written (Page 8, Line 35, Column 6)	3,442,861.0
L. Net Premiums Written - Prior Year (PY: Page 8, Line 34, Column 6)	3,370,650.0
M. Net Investment Income Earned (Page 4, Line 9, Column 1)	361,619.0
N. Net Investment Income Earned - Prior Year (PY: Page 4, Line 9, Column 1)	130,509.0
O. Loss Ratio = 100 * [(A + B + C + D) / (E + F)]	136.0
P. Expense Ratio = 100 * [(G + H - I - J) / (K + L)]	3.0
Q. Investment Income Ratio = 100 * [(M + N) / (E + F)]	7.0
Result = (O + P - Q).	132.0

If (A + B + C + D + G + H - I - J - M - N) is zero or negative, result is zero.
If (E + F) or (K + L) is zero or negative, result is 999.

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Ratio 6. Investment Yield

A. Total Cash and Invested Assets (Page 2, Line 12, Column 3)	9,137,935.0
B. Total Cash and Invested Assets - Prior Year (PY: Page 2, Line 10, Column 3)	10,883,494.0
C. Investment Income Due & Accrued (Page 2, Line 14, Column 3)	117,837.0
D. Investment Income Due & Accrued - Prior Year (PY: Page 2, Line 12, Column 3)	110,908.0
E. Borrowed Money (Page 3, Line 8, Column 1)	0.0
F. Borrowed Money - Prior Year (PY: Page 3, Line 8, Column 1)	0.0
G. Net Investment Income Earned (Page 4, Line 9, Column 1)	361,619.0
Result = 200 * [G / (A + B + C + D - E - F - G)].	3.6

Limit result to a minimum of zero.

Ratio 7. Gross Change in Policyholders' Surplus

A. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
B. Policyholders Surplus - Prior Year (PY: Page 3, Line 35, Column 1)	5,635,043.0
Result = 100 * [(A - B) / B].	-25.0

If A is zero or negative, result is -99.
If A is positive and B is zero or negative, result is 999.

Ratio 8. Change in Adjusted Policyholders' Surplus

A. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
B. Change in Surplus Notes (Page 4, Line 29, Column 1)	0.0
C. Capital Paid-in or Transferred (Page 4, Line 32.1 + 32.2 + 32.3, Column 1)	0.0
D. Surplus Paid-in or Transferred (Page 4, Line 33.1 + 33.2 + 33.3, Column 1)	0.0
E. Policyholders Surplus - Prior Year (PY: Page 3, Line 35, Column 1)	5,635,043.0
Result = 100 * [(A - B - C - D - E) / ABS (E)].	-25.0

If A is zero or negative, result is -99.
If A is positive and E is zero or negative, result is 999.

Ratio 9. Adjusted Liabilities to Liquid Assets

A. Total Liabilities (Page 3, Line 28, Column 1)	8,287,468.0
B. Liabilities Equal to Deferred Agents Bal. (Page 2, Line 15.2, Column 3)	1,446,478.0
C. Adjusted Liabilities = (A - B)	6,840,990.0
D. Bonds (Page 2, Line 1, Column 3)	8,271,758.0
E. Stocks, Preferred & Common (Page 2, Line 2.1 + 2.2, Column 3)	239,673.0
F. Cash, Cash Equivalents & Short-Term Investments (Page 2, Line 5, Column 3)	626,504.0
G. Receivable for Securities (Page 2, Line 9, Column 3)	0.0
H. Investment Income Due & Accrued (Page 2, Line 14, Column 3)	117,837.0
I. Investments in Parent, Subsidiaries, & Affiliates (Page 17, Lines 42 + 43 + 44 + 45, Column 1)	239,673.0
J. Liquid Assets = (D + E + F + G + H - I)	9,016,099.0
Result = 100 * (C / J).	76.0

If J is zero or negative, result is 999.

Ratio 10. Gross Agents Balances (in collection) to Policyholders' Surplus

A. Gross Agents Balances in Course of Collection (Page 2, Line 15.1, Column 3)	433,341.0
B. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
Result = 100 * (A / B).	10.0

If A is zero or negative, result is zero.
If A is positive and B is zero or negative, result is 999.

Ratio 11. One-Year Reserve Development to Policyholders' Surplus

A. One-Year Loss Reserve Development (Page 32, Part 2, Line 12 * 1000, Column 11)	99,000.0
B. Policyholders Surplus - Prior Year (PY: Page 3, Line 35, Column 1)	5,635,043.0
Result = 100 * (A / B).	2.0

If A is positive and B is zero or negative, result is 999.

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Ratio 12. Two-Year Reserve Development to Policyholders' Surplus

A. Two-Year Loss Reserve Development (Page 32, Part 2, Line 12 * 1000, Column 12)	-7,000.0
B. Policyholders Surplus - Second Prior Year (2nd PY: Page 3, Line 35, Column 1)	6,341,776.0
Result = 100 * (A / B).	-0.0
If A is positive and B is zero or negative, result is 999.	

Ratio 13. Estimated Current Reserve Deficiency to Policyholders' Surplus

A. Losses & LAE Reserves - Second Prior Year (2nd PY: Page 3, Line 1 + 3, Column 1)	1,509,200.0
B. Two-Year Development of Losses & LAE Incurred (Page 32, Part 2, Line 12 * 1000, Column 12)	-7,000.0
C. Premiums Earned - Second Prior Year (2nd PY: Page 4, Line 1, Column 1)	2,061,924.0
D. Ratio Second Prior Year = [(A + B) / C] If C is zero, negative, or less than L/10, D = H.	0.7
E. Losses & LAE Reserves - Prior Year (PY: Page 3, Line 1 + 3, Column 1)	3,731,521.0
F. One-Year Development of Losses & LAE Incurred (Page 32, Part 2, Line 12 * 1000, Column 11)	99,000.0
G. Premiums Earned - Prior Year (PY: Page 4, Line 1, Column 1)	3,039,080.0
H. Ratio Prior Year = [(E + F) / G]	1.3
I. Premiums Earned (Page 4, Line 1, Column 1)	3,570,383.0
J. Losses & LAE Reserves Required (Page 3, Line 1 + 3, Column 1)	4,164,051.0
K. Deficiency = {[0.5 * (D + H)] * I} - J If G is zero, negative, or less than L/10, K = zero.	-613,305.1
L. Policyholders Surplus (Page 3, Line 37, Column 1)	4,217,947.0
Result = 100 * (K / L).	-15.0
If K is positive and L is zero or negative, result is 999.	
If K and L are both zero or negative, result is zero.	

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