

STATEMENT AS OF DECEMBER 31, 2015 OF THE AFFIRMATIVE CASUALTY INSURANCE COMPANY (Adjusted)

ASSETS

				Current Year			Prior Year
	Inset 1	Inset 2	Inset 3	1	2	3	4
				Assets	Non-admitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D)				778,704		778,704	1,673,594
2. Stocks (Schedule D)				-		-	
2.1 Preferred stocks (Schedule D)				-		-	
2.2 Common stocks (Schedule D)				5,259,298		5,259,298	5,326,452
3. Mortgage loans on real estate (Schedule B):				-		-	
3.1 First liens				-		-	
3.2 Other than first liens				-		-	
4. Real estate (Schedule A):				-		-	
4.1 Properties occupied by the company (less \$... encumbrances)				-		-	
4.2 Properties held for the production of income (less \$... encumbrances)				-		-	
4.3 Properties held for sale (less \$... encumbrances)				-		-	
5. Cash (Schedule E Part 1), cash equivalents (Schedule E Part 2) and short term investments (Schedule DA)	3,732,881		4,138,504	7,871,385		7,871,385	(52,013)
6. Contract loans (including \$... premium notes)						-	
7. Derivatives (Schedule DB)						-	
8. Other invested assets (Schedule BA)				11,028,763		11,028,763	11,271,870
9. Receivables for securities				-		-	
10. Securities lending reinvested collateral assets (Schedule DL)				-		-	
11. Aggregate write-ins for invested assets				74,462		74,462	74,462
12. Subtotals, cash and invested assets (Lines 1 to 11)				25,012,611	-	25,012,611	18,294,365
13. Title plants less \$... Charged off (for Title insurers only)				-		-	
14. Investment income due and accrued				6,763		6,763	11,044
15. Premiums and considerations:				-		-	
15.1 Uncollected premiums and agents' balances in the course of collection				4,048,567	-	4,048,567	8,214,083
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$... earned but unbilled premiums)				-		-	-
15.3 Accrued retrospective premiums				-		-	
16. Reinsurance:						-	
16.1 Amounts recoverable from reinsurers				46,505,507	39,401,324	7,104,183	9,249,788
16.2 Funds held by or deposited with reinsured companies				-		-	
16.3 Other amounts receivable under reinsurance contracts				-		-	
17. Amounts receivable relating to uninsured plans				-		-	
18.1 Current federal and foreign income tax recoverable and interest thereon				-		-	
18.2 Net deferred tax asset				249,360	249,360	-	314,278
19. Guaranty funds receivable or on deposit				-		-	
20. Electronic data processing equipment and software				-		-	
21. Furniture and equipment, including health care delivery assets (\$...)				-		-	
22. Net adjustment in assets and liabilities due to foreign exchange rates				-		-	
23. Receivables from parent, subsidiaries and affiliates				851		851	-
24. Health care (\$...) and other amounts receivable				-		-	
25. Aggregate write-ins for other than invested assets				1,433	1,433	-	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)				75,825,092	39,652,116	36,172,976	36,083,558
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts							
28. Total (Lines 26 and 27)				75,825,092	39,652,116	36,172,976	36,083,558
DETAILS OF WRITE-INS							
1101. Other Receivable				74,462		74,462	74,462
1199. Total				74,462		74,462	74,462
2501. Prepaid				1,433	1,433	-	
2599. Total				1,433	1,433	-	

STATEMENT AS OF DECEMBER 31, 2015 OF THE AFFIRMATIVE CASUALTY INSURANCE COMPANY (Adjusted)
LIABILITIES, SURPLUS AND OTHER FUNDS

	Inset	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)		26,908,576	(1,986)
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		-	-
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)		1,714,988	(12,802)
4. Commissions payable, contingent commissions and other similar charges		184,769	184,769
5. Other expenses (excluding taxes, licenses and fees)		237,285	3,600
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		-	-
7.1 Current federal and foreign income taxes (including \$... on realized capital gains (losses))		1,297,482	1,709,211
7.2 Net deferred tax liability		373,871	448,658
8. Borrowed money \$... and interest thereon \$...		-	-
9. Unearned premiums (Part 1A, Line 38, Column 5)(after deducting unearned premiums for ceded reinsurance of and including warranty reserves of \$... and accrued accident and health experience rating refunds including \$... for medical loss ratio rebate per the Public Health Service Act)	-	15,475,213	-
10. Advance premium		-	-
11. Dividends declared and unpaid:		-	-
11.1 Stockholders		-	-
11.2 Policyholders		-	-
12. Ceded reinsurance premiums payable (net of ceding commissions)		(67,688)	5,051,307
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		-	-
14. Amounts withheld or retained by company for account of others		-	-
15. Remittances and items not allocated		-	-
16. Provision for reinsurance (including \$... certified) (Schedule F, Part 8)		14,100	11,263
17. Net adjustments in assets and liabilities due to foreign exchange rates		-	-
18. Drafts outstanding		-	-
19. Payable to parent, subsidiaries and affiliates		49,097	43,092
20. Derivatives		-	-
21. Payable for securities		-	-
22. Payable for securities lending		-	-
23. Liability for amounts held under uninsured plans		-	-
24. Capital Notes \$... and interest thereon \$...		-	-
25. Aggregate write-ins for liabilities		1,790,946	1,368,267
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)		47,978,639	8,805,379
27. Protected cell liabilities		-	-
28. Total liabilities (Lines 26 and 27)		47,978,639	8,805,379
29. Aggregate write-ins for special surplus funds		-	-
30. Common capital stock		3,000,000	3,000,000
31. Preferred capital stock		-	-
32. Aggregate write-ins for other than special surplus		-	-
33. Surplus Notes		-	-
34. Gross paid in and contributed surplus		3,300,000	3,300,000
35. Unassigned funds (surplus)		(18,105,663)	20,978,179
36. Less treasury stock, at cost:		-	-
36.1 shares common (value included in Line 30 \$...)		-	-
36.2 shares preferred (value included in Line 31 \$...)		-	-
37. Surplus as regards policyholders (Lines 29 to 35, less 36)(Page 4, Line 39)		(11,805,663)	27,278,179
38. TOTALS (Page 2, Line 28, Col. 3)		36,172,976	36,083,558
DETAILS OF WRITE-INS			
2501. Escheat Payable		1,366,479	1,084,163
2502. ULAE Payable to GA		345,967	284,104
2503. Other Payable		78,500	-
2599. Total		1,790,946	1,368,267

STATEMENT AS OF DECEMBER 31, 2015 OF THE AFFIRMATIVE CASUALTY INSURANCE COMPANY (Adjusted)

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	3,882,667	-
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	2,705,959	-
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	302,566	-
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,251,421	-
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	4,259,946	-
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(377,279)	-
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	322,741	645,218
10. Net realized capital gains or (losses) less capital gains tax of \$... (Exhibit of Capital Gains (Losses))		-
11. Net investment gain or (loss) (Lines 9 + 10)	322,741	645,218
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$... amount charged off \$...)		-
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	32,500	-
15. Total other income (Lines 12 through 14)	32,500	-
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(22,038)	645,218
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(22,038)	645,218
19. Federal and foreign income taxes incurred	(74,787)	509,602
20. Net income (Line 18 minus Line 19)(to Line 22)	52,749	135,616
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	27,278,179	25,727,539
22. Net income (from Line 20)	52,749	135,616
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$...	583,281	1,128,116
25. Change in net unrealized foreign exchange capital gain (loss)	-	
26. Change in net deferred income tax	(314,278)	288,966
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)	(39,402,756)	
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(2,837)	(2,059)
29. Change in surplus notes	-	
30. Surplus (contributed to) withdrawn from protected cells	-	
31. Cumulative effect of changes in accounting principles	-	
32. Capital changes:		
32.1 Paid in	-	
32.2 Transferred from surplus (Stock Dividend)	-	
32.3 Transferred to surplus	-	
33. Surplus adjustments:		
33.1 Paid in	-	
33.2 Transferred to capital (Stock Dividend)	-	
33.3 Transferred from capital	-	
34. Net remittances from or (to) Home Office	-	
35. Dividends to stockholders	-	
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	-	
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders (Lines 22 through 37)	(39,083,841)	1,550,639
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	(11,805,662)	27,278,178
DETAILS OF WRITE-INS		
1401. Other Income	32,500	
1402.		
1499. Total		