

EXAMINATION REPORT

OF

FIRST PROFESSIONALS INSURANCE

COMPANY, INC.

JACKSONVILLE, FLORIDA

AS OF

DECEMBER 31, 2014

BY THE

FLORIDA OFFICE OF INSURANCE REGULATION

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April 15, 2016

David Altmaier
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Sir:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 690-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2014, of the financial condition and corporate affairs of

First Professionals Insurance Company
12724 Gran Bay Parkway West, Suite 400
Jacksonville, Florida 32258

hereinafter referred to as the "Company." Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2010 through December 31, 2014. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) covered the period of January 1, 2006 through December 31, 2009. This examination commenced with planning at the Office on November 18, 2015 to November 20, 2015. The fieldwork commenced on December 14, 2015 and concluded as of April 15, 2016.

The examination was a multi-state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook. The Handbook requires that the examination is planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles.

This examination report includes significant findings of fact, as mentioned in Section 624.319, Florida Statutes and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no material findings or exceptions noted during the examination as of December 31, 2014.

Prior Examination Findings

The following is a summary of material adverse findings, significant non-compliance findings or material changes in the financial statements in the Office's prior examination report as of December 31, 2009, along with resulting action taken by the Company in connection therewith.

Holding Company System Registration Statement

The Company did not disclose its intercompany pooling agreement with affiliates in the annual filing of the holding company system registration statement. The Company was not in compliance with Rule 69O-143.046(2) (c) 6, Registration of Insurers, Florida Administrative Code.

Resolution: The examination team verified that the Company complied with Rule 69O-143.046(2) (c) 6, Registration of Insurers, Florida Administrative Code.

COMPANY HISTORY

General

The Company was incorporated in Florida on October 10, 1985, and organized by conversion of the Florida Physician Insurance Reciprocal, a Florida reciprocal insurer, on January 1, 1986.

Florida Physicians Insurance Reciprocal originally commenced business on December 13, 1976 and was authorized to transact insurance coverage in Florida on January 9, 1986. The Company changed its name to First Professionals Insurance Company on May 8, 2001.

On October 19, 2011, FPIC Insurance Group, Inc., the Company's parent, was acquired by The Doctors Company, an Interinsurance Exchange and a California corporation. The Company's employees and operations were fully integrated into The Doctors Company after the aforementioned acquisition. Effective January 1, 2013, all new direct policies of the Company and policies that were due for renewal were renewed as policies of The Doctors Company. The Company went into and remains in run-off.

The Company was authorized to transact the following insurance coverage in Florida on January 9, 1986 and continued to be authorized as of December 31, 2014:

Medical Malpractice	Other Liability
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Dividends

In accordance with Section 628.371, Florida Statutes, the Company declared and paid dividends to its parent, FPIC Insurance Group, Inc., in 2010, 2011, 2012 and 2013, in the amounts of \$32,000,000, \$23,000,000, \$21,300,000 and \$70,000,000, respectively.

Subsequent Event: The Company declared and paid a dividend to its parent, FPIC Insurance Group, Inc. in 2015 in the amount of \$50,000,000.

Capital Stock and Capital Contributions

As of December 31, 2014, the Company's capitalization was as follows:

Number of authorized common capital shares	5,000,000
Number of shares issued and outstanding	5,000,000
Total common capital stock	\$5,000,000
Par value per share	\$ 1.00

Control of the Company was maintained by its parent, FPIC Insurance Group, Inc., who owned 100 percent of the stock issued by the Company, who in turn was 100 percent owned by The Doctors Company, which is wholly owned by its policy holders.

Surplus Notes

The Company did not have any surplus notes during the period of this examination.

Acquisitions, Mergers, Disposals, Dissolutions and Purchase or Sales through Reinsurance

Effective December 31, 2014, Advocate, MD Insurance of the Southwest, a Texas corporation, merged with the Company (its former parent). The merger was approved by the Office and Texas Department of Insurance. Prior to the merger, effective November 30, 2014, Advocate, MD Insurance of the Southwest entered into an Assumption Reinsurance Agreement with The Doctors Company whereby, The Doctors Company assumed all the underwriting liabilities of Advocate, MD Insurance of the Southwest. **Subsequent Event:** Effective August 13, 2015, Intermed Insurance Company, a Missouri corporation, was merged with the Company (its former parent). The merger was approved by the Office and Missouri Department of Insurance. Prior to the merger, effective December 31, 2014, Intermed Insurance Company entered into an Assumption Reinsurance Agreement with The Doctors Company, whereby, The Doctors Company assumed all the underwriting liabilities of Intermed Insurance Company.

CORPORATE RECORDS

The recorded minutes of the Shareholder, Board of Directors (Board) and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, in compliance with the NAIC Financial Condition Examiners Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments as required by Section 625.304, Florida Statutes.

Conflict of Interest

The Company adopted a policy statement requiring periodic disclosure of conflicts of interest in accordance with the NAIC Financial Condition Examiners Handbook adopted by Rule 69O-138.001, Florida Administrative Code.

MANAGEMENT AND CONTROL

Management

The annual shareholder meeting for the election of directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2014 are shown on the following page.

Directors

Name and Location

Principal Occupation

Richard Elliott Anderson, MD
Yountville, California

Chief Executive Officer
The Doctors Company

Robert David Francis
Napa, California

Chief Operating Officer
The Doctors Company

Dennis Bryan Lawton, Ph. D
Sausalito, California

Chief Governance Officer
The Doctors Company

David Armand McHale
Granite Bay, California

Senior Vice President,
Chief Counsel
The Doctors Company

David Gerard Preimesberger
Napa, California

Chief Financial Officer
The Doctors Company

In accordance with the Company's bylaws, the Board appointed the following senior officers:

Senior Officers

Name

Title

Richard Elliott Anderson, MD

Chairman and
Chief Executive Officer

Robert Elwood White, Jr.

President

Robert David Francis

Chief Operating Officer

David Gerard Preimsberger

Treasurer and
Chief Financial Officer

David Armand McHale

Secretary

Douglas Charles Will

Vice President

Douglas William Boltz

Assistant Vice President

The Company's Board appointed several internal committees from the Board of Governors of its ultimate parent, The Doctors Company, to act on the Company's behalf. Following were the principal Board of Governors committees and their members as of December 31, 2014:

Governance Committee

Kenneth R. Chrisman ¹
Richard E. Anderson, MD
Eugene M. Bullis
Charles R. Kossman, MD
Kathleen D. Ricord
Ronald H. Wender, MD

Audit Committee

Robert W. Pike ¹
Richard E. Anderson, MD
Eugene M. Bullis
Kenneth R. Chrisman
Charles R. Kossman, MD
Mary Ann Thode
Ronald H. Wender, MD
Steven J. Bensinger

Investment Committee

David M. Charles, MD ¹
Richard E. Anderson, MD
Eugene M. Bullis
Charles R. Kossman, MD
Robert W. Pike
Mary Ann Thode
Steven J. Bensinger

Finance Committee

Eugene M. Bullis ¹
Richard E. Anderson, MD
Kenneth R. Chrisman
Donald J. Palmisano, MD
Robert W. Pike
Kathleen D. Ricord
William C. Rupp, MD
Ronald H. Wender, MD

¹ Chair

The Company maintained an audit committee, as required by Section 624.424(8) (c), Florida Statutes.

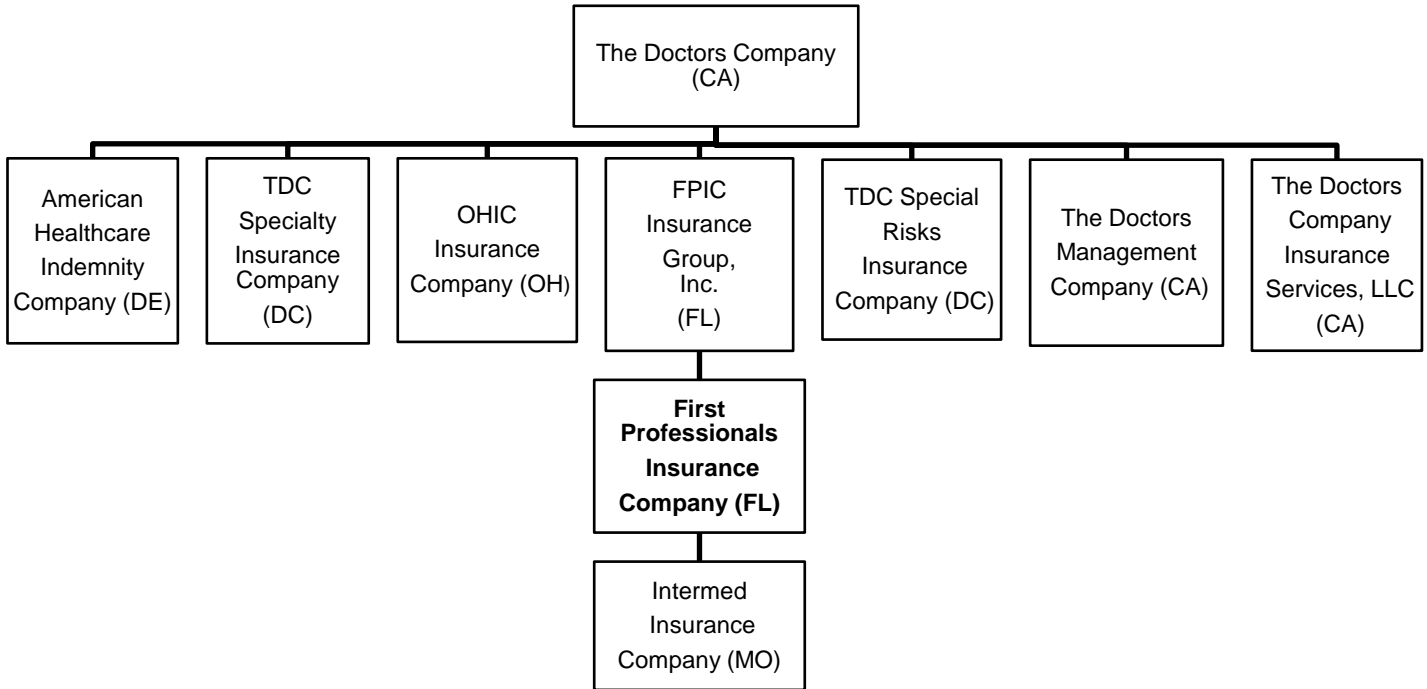
Affiliated Companies

The most recent holding company registration statement was filed with the Office on February 24, 2015, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

First Professionals Insurance Company

Organizational Chart

December 31, 2014



The following agreements were in effect between the Company and its affiliates:

Management Services Agreement

The Company entered into a Management Services Agreement with The Doctors Management Company on October 31, 2011. The agreement provides administrative services to be provided by The Doctors Management Company, including but not limited to: claims adjusting and payment, underwriting, investments, taxes, reinsurance, reserving, financial reporting, and business insurance. The agreement provides that expenses shall be apportioned in accordance with Statement of Statutory Accounting Principles No. 70 (Allocation of Expenses) and that compensation paid to The Doctors Management Company shall be limited to reimbursement of all expenses actually incurred by The Doctors Management Company. Total management service fee incurred was \$15,198,432, \$12,405,774 and \$26,398,514 for the years 2014, 2013 and 2012, respectively.

Tax Allocation Agreement

The Company entered into a Restated Federal Income Tax Allocation Agreement with The Doctors Company on December 1, 2013. The agreement superseded a former tax allocation agreement. The agreement provides for consolidated federal income tax liability to be allocated to and paid by each party and shall be the percentage of the consolidated federal income tax liability which is equal to the percentage that the federal income tax of such party, if computed on a separate return basis with credit given for any net operating losses or other items utilized in the consolidated return. The parties to the agreement agree to reimburse The Doctors Company for estimated tax payments no later than 30 days after the month in which tax payments have been made. Additional payments due or reimbursements will be settled within 30 days after the day that the returns are filed. Compensation of any party shall be limited to reimbursement of actual cost, without application of a profit factor.

Commission Override Agreement

The Company entered into a Commission Override Agreement with The Doctors Company on July 2, 2012. The terms of the agreement expired on December 31, 2013. The agreement stated that on January 1, 2013, The Doctors Company will commence the issuance of insurance policies to the former insureds of the Company and The Doctors Company will provide the Company with a commission of two and one-half percent of the earned premium on each insurance policy that was sold by The Doctors Company to a renewal customer that was previously insured by the Company.

Intercompany Reinsurance Pooling Agreement

From January 1, 1999 through September 30, 2012, the Company participated in an intercompany pooling agreement with Anesthesiologists Professional Assurance Company and Intermed Insurance Company. Under the terms of this pooling agreement, each participating affiliate ceded 100% of its net written premium, after deducting premiums ceded to non-affiliates, to the lead insurer, which is the Company. The Company then allocated to itself and the participating affiliates a pro-rata portion of the premium, losses, and administrative expenses based on the participant's proportionate prior year-end surplus to the total surplus of all participants. This agreement was commuted effective October 1, 2012, and all amounts due between the companies relative to the intercompany pooling agreement were settled during the fourth quarter of 2012.

Quota Share Reinsurance Agreement

The Company entered into a 50% Quota Share Reinsurance Agreement with Advocate, MD Insurance of the Southwest on January 1, 2010. This agreement was commuted effective June

30, 2013 and all amounts due between the companies relative to the reinsurance agreement were settled during the third quarter of 2013.

Reinsurance Allocation Agreement

Subsequent Event: Effective March 28, 2016, The Doctors Company and its insurance subsidiaries including the Company entered into a Reinsurance Allocation Agreement. The agreement establishes an allocation of balances payable or recoverable by the reinsurer or individually named insured.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in the following states.

Alabama	Indiana	Montana	South Carolina
Arizona	Kansas	Nevada	Tennessee
Arkansas	Kentucky	New Jersey	Texas
Colorado	Maryland	North Carolina	Utah
Delaware	Michigan	Ohio	Virginia
Florida	Minnesota	Oklahoma	Washington
Georgia	Mississippi	Oregon	West Virginia
Illinois	Missouri	Pennsylvania	Wyoming

Treatment of Policyholders

The Company established procedures for handling written complaints in accordance with Section 626.9541(1) (j), Florida Statutes. The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim in accordance with Section 626.9541(1) (i) 3a, Florida Statutes.

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause and intermediary clause, transfer of risk, reporting and settlement information deadlines.

Assumed

All previous reinsurance treaties have either expired or were terminated following The Doctors Company's acquisition of FPIC Insurance Group, Inc. The Company is in run-off and does not intend to actively assume insurance risks from other insurers.

Ceded

Beginning January 1, 2012, the Company became party to the reinsurance treaties of its ultimate parent, The Doctors Company. All previous reinsurance treaties have either expired or were terminated by the Company.

The Company's reinsurance program was administrated by Guy Carpenter & Company, LLC (Guy Carpenter) under a Reinsurance Intermediary Authorization agreement. All treaties had a one-year term beginning, January, 1, 2014 and ending January 1, 2015, and coverage was provided on all physician, hospital and related business for loss or losses under claims made, TailGard or occurrence form policies (or awards made from the aforementioned coverages). The Company's reinsurance program structure consisted of a per event excess of treaty, multi-layer casualty excess of loss treaty and a multi-layer awards made excess of loss treaty.

Additionally, the reinsurance program included several reinsurance arrangements with TDC Specialty Risks Insurance Company, a captive insurer, to supplement the non-affiliated casualty catastrophe and awards made excess of loss treaties.

The Company's reinsurance program was designed to provide coverage up to \$51 million with a net retention of \$2 million on the casualty catastrophe excess on excess of treaties and coverage up to \$30 million with a net retention of \$10 million on the awards made excess of loss treaty.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Jacksonville, Florida.

Actuarial Opinion or Certification Reporting for Captive Insurer

The Company did not file a stand-alone actuarial opinion or certification for their affiliated captive insurer, identifying the differences between the assets the ceding company would be required to hold and the assets held by the captive, with the Office, in compliance with Section 624.424(11) (b) (3), Florida Statute. **Subsequent Event:** Effective March 25, 2016, the Company filed the actuarial opinion or certification for TDC Special Risks Insurance Company with the Office.

Enterprise Risk Reporting

The Company was not in compliance with Section 628.801(2), Florida Statutes, due to failure to file the Enterprise Risk Report of the ultimate parent, The Doctors Company. **Subsequent Event:** Effective March 24, 2016, the Company filed its ultimate parent's, The Doctors Company, Form F – Enterprise Risk Report with the Office.

Letter of Credit(s)

The Company reported the following three (3) letters of credit that were not in compliance with Rule 69O-144.005(6), Florida Administrative Code.

Catalina London Ltd. and Scor Switzerland Ltd.

- The “evergreen clause” shall provide for a period of no less than sixty (60) days notice prior to expiration date or nonrenewal.
- The letter of credit shall be subject to and governed by the laws of the state of Florida

Magna Carta Insurance Ltd.

- The letter of credit shall be subject to and governed by the laws of the state of Florida

Subsequent Event: Effective April 8, 2016, the Company filed termination notices for their letters of credit with Catalina London Ltd. and Scor Switzerland Ltd. with the Office.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company maintained a custodial agreement with MUFG Union Bank, N.A. executed on December 28, 2011. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

Investment Management Agreement

The Company and its affiliates were party to an Investment Management Agreement with Deutsche Investment Americas, Inc. (Deutsche). The agreement was entered into by The Doctors Company on November 17, 2009 and the Company became party to the agreement on September 30, 2012. The agreement provides that Deutsche manages the Company’s investment portfolio, provides investment expertise and other investment advisor related services. Deutsche is required to maintain the Company’s investment portfolio according to specific written investment guidelines. Deutsche may execute investment transactions within the confines of the Company’s written investment guidelines. Deutsche is compensated for its

services quarterly based on specific fixed annual percentages of the market value of the assets managed.

Reinsurance Intermediary Authorization Agreement

The Company and its affiliates were party to a Reinsurance Intermediary Authorization agreement with Guy Carpenter & Company, LLC (Guy Carpenter). The agreement was entered into by The Doctors Company on April 8, 2009 and the agreement includes all present and future affiliates of The Doctors Company. The agreement provides that Guy Carpenter will provide reinsurance brokering services to the Company and its affiliates in accordance with applicable laws and regulations. Guy Carpenter is to provide accounts to the Company on at least a quarterly basis accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by or owing to Guy Carpenter. Reinsurance brokerage shall be earned upon the earlier of the placement of the reinsurance contract(s) or inception date of reinsurance contracts. The agreement complied with Section 626.7492, Florida Statutes.

Independent Auditor Agreement

An independent CPA, PricewaterhouseCoopers, audited the Company's statutory basis financial statements annually for the years 2010, 2011 and 2012, in accordance with Section 624.424(8), Florida Statutes. For the years 2013 and 2014 the Company's CPA was Ernst & Young LLP. Supporting work papers were prepared by the CPA as required by Rule 69O-137.002, Florida Administrative Code.

INFORMATION TECHNOLOGY REPORT

Tom Hayden, CISA, AES, IT Specialist, performed an evaluation of the information technology and computer systems of the Company. Results of the evaluation were noted in the Information Technology Report provided to the Company.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes and with various state officials as required or permitted by law.

State	Description	Par Value	Market Value
FL	NY TWY TRN-SER A, 5%, 03/15/2018	\$ 1,500,000	\$ 1,678,500
FL	ENERGY N W ELEC, 5%, 07/01/2017	1,450,000	1,594,855
FL	OH-REF-INFRASTRCT-B, 5%, 08/01/2018	<u>4,400,000</u>	<u>5,004,560</u>
TOTAL FLORIDA DEPOSITS		\$ 7,350,000	\$ 8,277,915
AZ	NC ST GO REF BDS, 4%, 03/1/2015	\$ 110,000	\$ 110,703
AR	USTB, 6%, 02/15/2026	125,000	171,319
DE	FIRST AMERICAN TREAS FUND, 1.04%	100,005	100,005
GA	WELLS ADV TR PL MM INS	25,016	25,016
NV	NC ST GO REF BDS, 4%, 03/1/2015	400,000	402,604
NC	FIRST AMERICAN TREA FUND, 2.08%	200,003	200,003
OR	IN ST FIN AUTH, 5.25%, 07/01/2017	113,000	125,362
VA	USTB, 6%, 02/15/2026	225,000	308,374
TOTAL OTHER DEPOSITS		<u>\$ 1,298,024</u>	<u>\$ 1,443,386</u>
TOTAL SPECIAL DEPOSITS		<u>\$ 8,648,024</u>	<u>\$ 9,721,301</u>

FINANCIAL STATEMENTS

The examination does not attest to the fair presentation of the financial statements included herein. If an adjustment is identified during the course of the examination, the impact of such adjustment will be documented separately following the Company's financial statements.

Financial statements, as reported and filed by the Company with the Florida Office of Insurance Regulation, are reflected on the following pages:

First Professionals Insurance Company

Assets

December 31, 2014

	Per Company	Examination Adjustments	Per Examination
Bonds	\$352,527,018		\$352,527,018
Stocks:			
Preferred	291,700		291,700
Common	19,342,287		19,342,287
Cash and Short-Term Investments	8,361,664		8,361,664
Investment income due and accrued	2,461,750		2,461,750
Agents' Balances:			
Uncollected premium	206,937		206,937
Deferred premium	305,386		305,386
Reinsurance:			
Recoverables	4,758,827		4,758,827
Other amounts receivable	3,161,688		3,161,688
Net deferred tax asset	11,285,262		11,285,262
Totals	<u>\$402,702,519</u>	<u>\$0</u>	<u>\$402,702,519</u>

First Professionals Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2014

	Per Company	Examination Adjustments	Per Examination
Losses	\$139,479,365		\$139,479,365
Reinsurance payable	269,159		269,159
Loss adjustment expenses	41,697,326		41,697,326
Commissions payable	34,961		34,961
Other expenses	435,000		435,000
Taxes, licenses and fees	874		874
Current federal income taxes	5,836,831		5,836,831
Ceded reinsurance premiums payable	405,091		405,091
Amounts withheld	317,429		317,429
Remittances and items not allocated	485,939		485,939
Provision for reinsurance	6,479,021		6,479,021
Payable to parent, subs and affiliates	18,777,043		18,777,043
	<hr/>		
Total Liabilities	\$214,218,039	\$0	\$214,218,039
Common capital stock	\$5,000,000		\$5,000,000
Gross paid in and contributed surplus	76,741,272		76,741,272
Unassigned funds (surplus)	106,743,208		106,743,208
Surplus as regards policyholders	\$188,484,480	\$0	\$188,484,480
	<hr/>		
Total liabilities, surplus and other funds	\$402,702,519	\$0	\$402,702,519
	<hr/> <hr/>		

First Professionals Insurance Company
Statement of Income and Capital and Surplus Account
December 31, 2014

Underwriting Income

Premiums earned		(\$2,921,024)
	Deductions:	
Losses incurred		(\$14,362,971)
Loss expenses incurred		830,262
Other underwriting expenses incurred		6,570,807
Total underwriting deductions		(\$6,961,902)
Net underwriting gain or (loss)		\$4,040,878

Investment Income

Net investment income earned		\$11,553,499
Net realized capital gains or (losses)		8,299,557
Net investment gain or (loss)		\$19,853,056

Other Income

Net gain or (loss) from agents' or premium balances charged off		(\$21,114)
Aggregate write-ins for miscellaneous income		541
Total other income		(\$20,573)
Net income before dividends to policyholders and before federal & foreign income taxes		\$23,873,361
Net Income, after dividends to policyholders, but before federal & foreign income taxes		\$23,873,361
Federal & foreign income taxes		3,849,715
Net Income		\$20,023,646

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year		\$175,032,659
Net Income		\$20,023,646
Change in net unrealized capital gains or losses		(9,658,976)
Change in net deferred income tax		(1,481,297)
Change in non-admitted assets		(2,671,063)
Change in provision for reinsurance		(970,021)
Aggregate write-ins for gains and losses in surplus		8,209,532
Change in surplus as regards policyholders for the year		\$13,451,821
Surplus as regards policyholders, December 31 current year		\$188,484,480

First Professionals Insurance Company
Comparative Analysis of Changes in Surplus
December 31, 2014

The following is a reconciliation of surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders December 31, 2014, per Annual Statement	\$188,484,480
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	<u>PER COMPANY</u>	<u>PER EXAM</u>	<u>INCREASE (DECREASE) IN SURPLUS</u>
ASSETS: No Adjustment			
LIABILITIES: No Adjustment			
Net Change in Surplus:			0
Surplus as Regards Policyholders December 31, 2014, Per Examination			\$188,484,480

COMMENTS ON FINANCIAL STATEMENTS

Liabilities

Losses and Loss Adjustment Expenses \$181,176,691

An actuary appointed by the Board, Christian Lemay of Ernst & Young LLP, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2014, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary, Lisa Chanzit, FCAS, MAAA, ARM of Risk and Regulatory Consulting, LLC, reviewed the loss and loss adjustment expense work papers provided by the Company and she was in concurrence with this opinion.

Capital and Surplus

The Company's surplus as regards policyholders was \$188,484,480, which exceeded the minimum of \$18,792,487 required by Section 624.408, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **First Professionals Insurance Company, Inc.** as of December 31, 2014, consistent with the insurance laws of the State of Florida.

The Company's surplus as regards policyholders was \$188,484,480, which exceeded the minimum of \$18,792,487 required by Section 624.408, Florida Statutes.

In addition to the undersigned, Joshua J. Johnson, CFE, Examiner-in-Charge, of Risk and Regulatory Consulting, LLC, also participated in the examination. Members of the Office who participated in the examination include Jeff Rockwell, Financial Examiner/Analyst Supervisor, Examination Manager and Marie Stuhlmuller, Financial Specialist, Participating Examiner. Additionally, Lisa Chanzit, FCAS, MAAA, ARM, Actuarial Specialist, Susan Lee Chee, Actuarial Specialist and Tom Hayden, CISA, AES, IT Specialist, all from Risk and Regulatory Consulting, LLC, are recognized for participation in the examination.

Respectfully submitted,

Lamar Downs, CPA
Deputy Chief Examiner
Florida Office of Insurance Regulation