

**EXAMINATION REPORT
OF**

**MAIN STREET AMERICA PROTECTION
INSURANCE COMPANY**

**Jacksonville, Florida
as of
December 31, 2015**

**BY THE
FLORIDA OFFICE OF INSURANCE REGULATION**

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October 18, 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, 2015, of the financial condition and corporate affairs of

Main Street America Protection Insurance Company

4601 Touchton Road East, Suite 3400
Jacksonville, Florida 32246

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, 2011, through December 31, 2015. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) covering the period of January 1, 2009, through December 31, 2010. This examination commenced with planning at the Office on April 26, 2016, to April 28, 2016. The fieldwork commenced on May 9, 2016, and concluded as of October 18, 2016.

The examination was a multi-state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook. The Handbook requires that the examination be 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 Statements of Statutory Accounting Principles (SSAP).

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 (for example, subjective conclusions or proprietary information), are not included within the examination report but are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

The following is a summary of material adverse findings, significant noncompliance findings or material changes in the financial statements.

Statement of Actuarial Opinion Requirements

Our review indicated that the Company's appointed actuary did not opine on the insurers "gross reserves" in the Company's Statement of Actuarial Opinion. The Statement of Actuarial Opinion was not completed in accordance with the NAIC Property and Casualty Annual Statement Instructions as the Statement of Actuarial Opinion must address the adequacy of direct and assumed, as well as net loss and loss adjustment expense reserves, as contained in Schedule P of the annual statement.

Custodian Termination Notice

The Company utilized State Street Bank as its custodian during the period under examination. Effective January 16, 2014, the custody agreement between State Street Bank and the Company was terminated. The custodian did not provide written notification to the Office regarding the termination of the custodial agreement between the Company and State Street Bank as required by Rule 69O-143.042(2)(o), Florida Administrative Code.

Reinsurance Broker Services Agreement

Based on the review of the reinsurance broker services agreement between BMS Intermediaries, Inc. and the Company, the examiner noted that the agreement does not contain the required statutory provisions set forth in Section 626.7492(4), Florida Statutes.

Prior Examination Findings

There were no adverse findings, significant noncompliance findings or material changes in the financial statements in the Office's prior examination report as of December 31, 2010.

COMPANY HISTORY

General

The Company organized on June 28, 2007, under the laws of Florida as a stock property and casualty company.

The Company was authorized to transact insurance in Florida on October 9, 2007, and is currently authorized for the following coverage(s) as of December 31, 2015.

Fire	Allied Lines
Commercial Multiple-Peril	Earthquake
Inland Marine	Workers' Compensation
Burglary and Theft	Private Passenger Auto Physical Damage
Other Liability	Private Passenger Auto Liability
Fidelity	Surety
Boiler and Machinery	

Dividends

The Company did not declare or pay any dividends during the period of this examination.

Capital Stock and Capital Contributions

As of December 31, 2015, the Company's capitalization was as follows:

Number of authorized common capital shares	10,000,000
Number of shares issued and outstanding	10,000,000
Total common capital stock	\$10,000,000
Par value per share	\$1.00

Control of the Company was maintained by its parent, Main Street America Financial Corporation, which owned one hundred percent (100%) of the stock issued by the Company, which in turn was one hundred percent (100%) owned by NGM Insurance Company, a Florida

domestic property and casualty and the lead insurer in the affiliated group. NGM Insurance Company was one hundred percent (100%) owned by Main Street America Group, Inc., which in turn was one hundred percent (100%) owned by Main Street America Group Mutual Holdings, Inc., a Florida mutual insurance holding company. The Company's parent contributed cash to the Company in 2014 and 2013 in the amounts of \$400,000 and \$1,000,000, respectively.

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 September 15, 2011, the Company entered into a Master Affiliation Agreement and a Management and Services Agreement with Spring Valley Mutual Insurance Company. Under these agreements, the Company provides Spring Valley Mutual Insurance Company with executive management and oversight of Spring Valley Mutual Insurance Company's business operations. Effective January 1, 2012, the Company and Spring Valley Mutual Insurance Company entered into a one hundred percent (100%) quota share reinsurance agreement.

Effective April 3, 2012, the Company entered into a Master Affiliation Agreement and a Management and Services Agreement with Austin Mutual Insurance Company. Under these agreements the Company provides Austin Mutual Insurance Company with executive management and oversight of Austin Mutual Insurance Company's business operations. Effective January 1, 2013, the Company and Austin Mutual Insurance Company entered into a one hundred percent (100%) quota share reinsurance agreement.

CORPORATE RECORDS

The recorded minutes of the Shareholder(s), 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, 2015, are shown on the following page.

Directors

Name	City, State	Principal Occupation
Terry Lawrence Baxter	Lyme, New Hampshire	Retired Insurance Executive
Cotton Mather Cleveland	New London, New Hampshire	Senior Associate/Management Consulting, Mather Associates
John Adrian Delaney	Neptune Beach, Florida	University President, University of North Florida
Robert Chris Doerr	Jacksonville, Florida	Retired Insurance Executive
Albert Henry Elfner, III	Boston, Massachusetts	Retired Investment Management
Eric Shawn Elliott ¹	West Chester, Pennsylvania	Retired Insurance Executive
David Freeman	Canton, Connecticut	Retired Executive
William Dawson Gunter, Jr.	Tallahassee, Florida	Insurance Agency Executive and Consultant
Idalene Fay Kesner	Bloomington, Indiana	Dean and Professor of Strategic Management, Indiana University
James Everitt Morley, Jr.	Annapolis, Maryland	Retired Executive
Thomas Mark Van Berkel	Ponte Vedra Beach, Florida	Chairman, President and Chief Executive Officer, Main Street America Group

¹ Eric S. Elliott resigned effective August 22, 2016.

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

Senior Officers

Name	City, State	Title
Thomas Mark Van Berkel	Ponte Vedra Beach, Florida	President and Chief Executive Officer
Edward John Kuhl	St. Augustine, Florida	Treasurer and Chief Financial Officer
Bruce Robert Fox	Orange Park, Florida	Secretary and General Counsel

The Company's Board appointed several internal committees. Following were the principal internal board committees and their members as of December 31, 2015:

Executive Committee

Name	City, State	Title
Thomas Mark Van Berkel ¹	Ponte Vedra Beach, Florida	President and Chief Executive Officer
John Adrian Delaney	Neptune Beach, Florida	University President, University of North Florida
Robert Chris Doerr	Jacksonville, Florida	Retired Insurance Executive
Albert Henry Elfner III	Boston, Massachusetts	Retired Investment Management
David Freeman	Canton, Connecticut	Retired Executive
Idalene Fay Kesner	Bloomington, Indiana	Dean and Professor of Strategic Management

¹Chairperson

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

Audit Committee

Name	City, State	Title
Albert Henry Elfner III ¹	Boston, Massachusetts	Retired Investment Management
Terry Lawrence Baxter	Lyme, New Hampshire	Retired Insurance Executive
Cotton Mather Cleveland	New London, New Hampshire	Senior Associate/Management Consulting, Mather Associates
Idalene Fay Kesner	Bloomington, Indiana	Dean and Professor of Strategic Management, Indiana University
James Everitt Morley, Jr.	Annapolis, Maryland	Retired Executive

¹Chairperson

Finance Committee

Name	City, State	Title
Robert Chris Doerr ¹	Jacksonville, Florida	Retired Insurance Executive
John Adrian Delaney	Neptune Beach, Florida	University President, University of North Florida
Eric Shawn Elliott	West Chester, Pennsylvania	Retired Insurance Executive
David Freeman	Canton, Connecticut	Retired Executive
William Dawson Gunter, Jr.	Tallahassee, Florida	Insurance Agency Executive and Consultant

¹Chairperson

Corporate Governance Committee

Name	City, State	Title
Idalene Fay Kesner ¹	Bloomington, Indiana	Dean and Professor of Strategic Management, Indiana University
Terry Lawrence Baxter	Lyme, New Hampshire	Retired Investment Management
Albert Henry Elfner III	Boston, Massachusetts	Retired Investment Management
Eric Shawn Elliott	West Chester, Pennsylvania	Retired Insurance Executive
William Dawson Gunter, Jr.	Tallahassee, Florida	Insurance Agency Executive and Consultant

¹Chairperson

Compensation Committee

Name	City, State	Title
John Adrian Delaney ¹	Neptune Beach, Florida	University President, University of North Florida
Cotton Mather Cleveland	New London, New Hampshire	Senior Associate/Management Consulting, Mather Associates
Robert Chris Doerr	Jacksonville, Florida	Retired Insurance Executive
David Freeman	Canton, Connecticut	Retired Executive
James Everitt Morley, Jr.	Annapolis, Maryland	Retired Executive

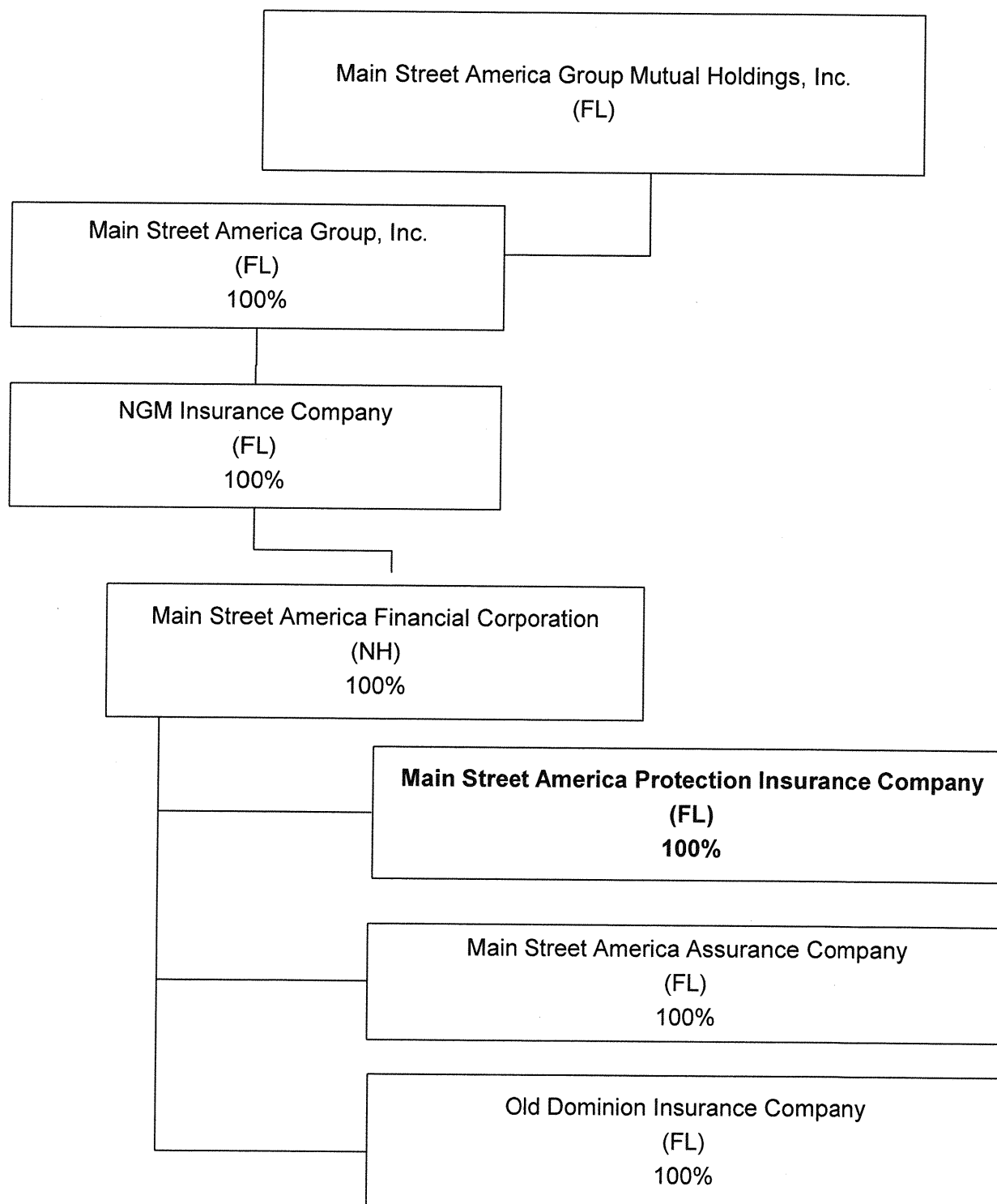
¹Chairperson

Affiliated Companies

The most recent holding company registration statement was filed with the Office on March 30, 2016, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

A simplified organizational chart as of December 31, 2015, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2015 annual statement provided a list of all related companies of the holding company group.

Main Street America Protection Insurance Company
Organizational Chart
December 31, 2015



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

Intercompany Quota Share Reinsurance Agreement

Effective September 6, 2007, the Company was party to an Intercompany Pooling Arrangement (the "Pool") with the Main Street America Group of insurers, who are primarily involved in the sale of personal and commercial lines of property and casualty insurance. Pursuant to the agreement, the Company ceded one hundred percent (100%) of its net underwriting results to NGM Insurance Company, the lead company of the Pool. Facultative reinsurance cessions to non-affiliated reinsurers occurred prior to cessions to the Pool. The agreement was amended on October 1, 2008, to include Great Lakes Casualty Insurance Company. The agreement was amended on October 15, 2008, to include reinsurer's coverage for run-off liabilities. The agreement was amended again on August 2, 2010, to provide that all intercompany balances resulting from intercompany pooling transactions made pursuant to this agreement are due and payable within ninety (90) days of the end of each month.

Intercompany Tax Allocation Agreement

Effective June 30, 2007, the Company, along with its ultimate parent, Main Street America Group Mutual Holdings, Inc., and its insurance affiliates, entered into an Intercompany Tax Allocation Agreement. The agreement provides for a tax sharing arrangement that allocates the consolidated tax provision among the companies that are party to the agreement. The method of allocation among the companies is subject to the tax sharing arrangement, which is approved by the Board of Directors. Allocations are based upon separate tax return calculations with tax benefits recognized for net losses recoverable on a consolidated basis. The agreement was amended on October 1, 2008, to include Great Lakes Casualty Insurance Company.

Intercompany Expense Allocation Agreement

Effective June 30, 2007, the Company, along with its ultimate parent, Main Street America Group Mutual Holdings, Inc. and its insurance affiliates, entered into an Intercompany Expense Allocation Agreement. The agreement provides that NGM Insurance Company will provide a

number of administrative and managerial services. The agreement also provides for the allocation of and payment of the expense obligations of all parties to the agreement. Pursuant to the terms of the agreement, indirect costs were allocated based upon a uniform and reasonable basis for all companies that are party to the agreement. NGM Insurance Company will furnish statements with accounting of costs and expenses paid on behalf of each affiliate party to the agreement. The agreement was amended on October 1, 2008, to add Great Lakes Casualty Insurance Company to the existing agreement. The agreement was amended again on August 2, 2010, to provide that all intercompany balances resulting from cost allocations made pursuant to this agreement are due and payable within ninety (90) days of the end of each month. The Company reported and paid no fees under this agreement during the examination period.

TERRITORY AND PLAN OF OPERATIONS

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

Alabama	Michigan	Rhode Island
Florida	Mississippi	South Carolina
Georgia	New Hampshire	Tennessee
Maine	New York	Vermont
Maryland	North Carolina	Virginia
Massachusetts	Pennsylvania	

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, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Assumed

The Company did not assume any reinsurance during the period under review.

Ceded

The Company ceded one hundred percent (100%) of its risk on a quota share basis pursuant to the intercompany quota share reinsurance arrangement.

ACCOUNTS AND RECORDS

The Company maintained its principal administrative office in Jacksonville, Florida.

The Company and non-affiliates had the following agreements:

Custodial Agreement

The Company maintained a custodial agreement with U.S. Bank National Association, executed on November 24, 2014. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

The Company utilized State Street Bank as its custodian during the period under examination. Effective January 16, 2014, the custody agreement between State Street Bank and the Company was terminated. The custodian did not provide written notification to the Office regarding the termination of the custodial agreement between the Company and State Street Bank as required by Rule 69O-143.042(2)(o), Florida Administrative Code.

Investment Management Agreements

The Company was a party to various investment advisory agreements during the period of review. The investment advisors had authority and responsibility to select appropriate investments in the specific asset classes mandated by the Company's investment policy statement in accordance and subject to the terms of the investment management agreement between the Company and investment advisor. The Company's Chief Investment Officer was primarily responsible for managing and providing oversight of the external asset managers and all investment transactions were subject to approval by the Finance Committee of the Company's Board of Directors.

The Company's primary investment managers included Asset Allocation and Management Company, LLC and Municrest Investment Management Company.

BMS Service Bank Brokerage Agreement

Effective January 1, 2012, the Company and its insurance subsidiaries and affiliates were party to a Service Bank Brokerage Agreement with BMS Intermediaries, Inc. The agreement did not contain the required statutory provisions set forth in Section 626.7492(4), Florida Statutes.

Guy Carpenter Reinsurance Intermediary Authorization Agreement

Effective January 1, 2007, the Company and its insurance subsidiaries and affiliates were party to a Reinsurance Intermediary Authorization Agreement with Guy Carpenter & Company, LLC (Guy Carpenter). 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.

Aon Broker Authorization Agreement

Effective August 30, 2010, the Company and its insurance subsidiaries and affiliates were party to a Broker Authorization Agreement with Aon Benfield (Aon). The agreement provides that Aon is designated as its reinsurance broker for the purpose of procuring and servicing reinsurance in the kinds and amounts outlined in each reinsurance confirmation or reinsurance contract issued by Aon and accepted by the Company. Aon is compensated by the reinsurers for placements made by Aon on behalf of the Company and its affiliates. Aon is to provide quarterly statements accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees.

Holborn Broker Authorization Contract

Effective January 1, 2014, the Company and its insurance subsidiaries and affiliates were party to a Broker Authorization Agreement with Holborn Corporation (Holborn). The agreement provides that Holborn is designated as its reinsurance broker for the purpose of procuring and servicing reinsurance in the kinds and amounts outlined in each reinsurance confirmation or reinsurance contract issued by Holborn and accepted by the Company. Holborn is compensated by the brokerage revenue owed to the intermediary by the reinsurers. Holborn is to provide quarterly statements accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees.

Managing General Agent Agreements

The Company utilized two (2) non-affiliated managing general agents (MGAs) to produce insurance business during the examination period. The agreements pertained to business written in Illinois and Texas only. The MGAs were responsible for quoting policies to customers, binding policies, policy administration, claims administration and billing and collecting premiums on behalf of the insurer. The agreements specifically state that the MGAs have the authority to bind program business in accordance with the Company's guidelines and procedures. The Company terminated their MGA agreements with Frontier General Agency, Inc. and Milton O. Johnston & Company, Ltd. on April 4, 2011, and January 4, 2014, respectively. The company reported no direct premium written through MGAs for the period under examination.

Independent Auditor Agreement

An independent CPA, Ernst & Young, audited the Company's statutory basis financial statements annually for the years 2011, 2012, 2013, 2014 and 2015, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Rule 69O-137.002, Florida Administrative Code.

INFORMATION TECHNOLOGY REPORT

Phillip McMurray, CISSP, CISA, AES, IT Specialist, of Risk and Regulatory Consulting, LLC, performed a review and 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	USTB 6.25%, 08/15/2023	\$ <u>425,000</u>	\$ <u>548,781</u>
TOTAL FLORIDA DEPOSITS		\$ 425,000	\$ 548,781
GA	USTB 2.625%, 01/31/2018	\$ 35,000	\$ 36,083
MA	USTB 3.6250%, 02/15/2021	100,000	108,711
NC	USTB 3.6250%, 02/15/2021	300,000	326,133
SC	USTB 7.5%, 11/15/2016	125,000	132,144
VA	USTB 3.6250%, 02/15/2021	200,000	217,422
TOTAL OTHER DEPOSITS		\$ <u>760,000</u>	\$ <u>820,493</u>
TOTAL SPECIAL DEPOSITS		\$ <u>1,185,000</u>	\$ <u>1,369,274</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:

Main Street America Protection Insurance Company

Assets

December 31, 2015

	Per Company	Examination Adjustments	Per Examination
Bonds	\$15,042,238		\$15,042,238
Cash and Short-Term Investments	115,036		\$115,036
Investment income due and accrued	213,099		\$213,099
Totals	<u>\$15,370,373</u>	<u>\$0</u>	<u>\$15,370,373</u>

Main Street America Protection Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2015

	Per Company	Examination Adjustments	Per Examination
Losses	\$0		\$0
Loss adjustment expenses	0		0
Current federal income tax	111,955		111,955
Payable to parent, subsidiaries, and affiliates	1,924		1,924
Aggregate write-ins for liabilities	2,840		2,840
Total Liabilities	\$116,719		\$116,719
Common capital stock	\$10,000,000		\$10,000,000
Gross paid in and contributed surplus	1,400,000		1,400,000
Unassigned funds (surplus)	3,853,654		3,853,654
Surplus as regards policyholders	\$15,253,654	\$0	\$15,253,654
Total liabilities, surplus and other funds	\$15,370,373	\$0	\$15,370,373

Main Street America Protection Insurance Company
Statement of Income and Capital and Surplus Account
December 31, 2015

Underwriting Income

Premiums earned	\$0
Deductions:	
Losses incurred	\$0
Loss expenses incurred	0
Other underwriting expenses incurred	0
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	<u>\$0</u>
Net underwriting gain or (loss)	\$0

Investment Income

Net investment income earned	\$309,196
Net realized capital gains or (losses)	<u>160,562</u>
Net investment gain or (loss)	\$469,758

Other Income

Net gain or (loss) from agents' or premium balances charged off	\$0
Finance and service charges not included in premiums	0
Aggregate write-ins for miscellaneous income	<u>0</u>
Total other income	<u>\$0</u>
Net income before dividends to policyholders and before federal & foreign income taxes	\$469,758
Dividends to policyholders	<u>0</u>
Net Income, after dividends to policyholders, but before federal & foreign income taxes	\$469,758
Federal & foreign income taxes	<u>25,499</u>
Net Income	<u><u>\$444,259</u></u>

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year	\$14,809,394
Net Income	\$444,259
Change in surplus as regards policyholders for the year	<u>\$444,259</u>
Surplus as regards policyholders, December 31 current year	<u><u>\$15,253,654</u></u>

Main Street America Protection Insurance Company
Reconciliation of Capital and Surplus
December 31, 2015

No adjustments were made to surplus as a result of this examination.

Surplus as regards policyholders			
December 31, 2010 per Examination			\$11,667,203
	<u>Gain in Surplus</u>	<u>Loss in Surplus</u>	
Net Income (loss)	\$2,186,451		
Change in paid in surplus	\$1,400,000		
Total Gains and Losses	<u>\$3,586,451</u>	<u>\$0</u>	
Net Increase/(Decrease) in surplus as regards policyholders			<u>\$3,586,451</u>
Surplus as regards policyholders			
December 31, 2015 per Examination			<u><u>\$15,253,654</u></u>

COMMENTS ON FINANCIAL STATEMENTS

Liabilities

Losses and Loss Adjustment Expenses \$0

Dean Dorman, Vice President and Chief Actuary of Main Street America Group, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2015, 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, Dave Heppen, FCAS, MAAA of Risk and Regulatory Consulting, LLC, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

Our review indicated that the Company's appointed actuary did not opine on the insurers "gross reserves" in the Company's Statement of Actuarial Opinion. The Statement of Actuarial Opinion was not completed in accordance with the NAIC Property and Casualty Annual Statement Instructions as the Statement of Actuarial Opinion must address the adequacy of direct and assumed, as well as net loss and loss adjustment expense reserves as contained in Schedule P of the annual statement.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$15,253,654, exceeded the minimum of \$5,000,000 required by Section 624.408, Florida Statutes.

SUMMARY OF RECOMMENDATIONS

Statement of Actuarial Opinion Requirements

We recommend that the Company's appointed actuary opine on the adequacy of the gross reserves in the Company's Statement of Actuarial Opinion in accordance with Rule 69O-170.031(3), Florida Administrative Code, and Section 624.424, Florida Statutes.

Custodian Termination Notice

We recommend that the Company comply with Rule 69O-143.042(2)(o), Florida Administrative Code, as well as, disclose any changes to its custodian in accordance with NAIC Annual Statement Instructions.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Main Street America Protection Insurance Company as of December 31, 2015, consistent with the insurance laws of the State of Florida.

Per examination annual financial statements, the Company's surplus as regards policyholders was \$15,253,654, which exceeded the minimum of \$5,000,000 required by Section 624.408, Florida Statutes.

In addition to the undersigned, Joshua J. Johnson, CFE, Examiner-in-Charge, and Waheed Zafer, CFE, CPA, Participating Examiner, of Risk and Regulatory Consulting, LLC, also participated in the examination. Members of the Office who participated in the examination include Jeffrey Rockwell, MBA, Financial Examiner/Analyst Supervisor, Examination Manager and Marie Stuhlmuller, Financial Specialist, Participating Examiner. Additionally, Dave Heppen, FCAS, MAAA, Actuarial Specialist, Phillip McMurray, CISSP, CISA, AES, IT Specialist, of Risk and Regulatory Consulting, LLC and Tracy Gates, CISA, CFE, Examination Manager, of Highland Clark, LLC, are recognized for participation in the examination.

Respectfully submitted,



Brian Sewell, CFE, MCM
Chief Examiner
Florida Office of Insurance Regulation