

EXAMINATION REPORT

OF

OLYMPUS INSURANCE COMPANY

PALM BEACH GARDENS, FLORIDA

AS OF

DECEMBER 31, 2015

BY THE

FLORIDA OFFICE OF INSURANCE REGULATION

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	-
SCOPE OF EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS	2
CURRENT EXAMINATION FINDINGS	2
PRIOR EXAMINATION FINDINGS	2
COMPANY HISTORY	3
GENERAL	3
DIVIDENDS	3
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	3
SURPLUS NOTES	4
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS AND PURCHASE OR SALES THROUGH REINSURANCE	4
CORPORATE RECORDS	4
CONFLICT OF INTEREST.....	5
MANAGEMENT AND CONTROL	5
MANAGEMENT	5
DIRECTORS	6
SENIOR OFFICERS	6
AFFILIATED COMPANIES	7
ORGANIZATIONAL CHART	8
TAX ALLOCATION AGREEMENT.....	9
INTER-COMPANY SERVICES AGREEMENT	9
ASSET MANAGEMENT AGREEMENT	9
AMENDED AND RESTATED MANAGING GENERAL AGENT AGREEMENT	9
REINSURANCE AGREEMENT.....	10
EMPLOYMENT CONTRACTS.....	11
TERRITORY AND PLAN OF OPERATIONS	11
TREATMENT OF POLICYHOLDERS	11
REINSURANCE	11
REINSURANCE ASSUMED.....	13
REINSURANCE CEDED.....	13
ACCOUNTS AND RECORDS	13
CUSTODIAL AGREEMENT	14
INDEPENDENT AUDITOR AGREEMENT	14
INFORMATION TECHNOLOGY REPORT	14
STATUTORY DEPOSITS	15
FINANCIAL STATEMENTS	16

ASSETS	17
LIABILITIES, SURPLUS AND OTHER FUNDS	18
STATEMENT OF INCOME AND CAPITAL AND SURPLUS ACCOUNT	19
RECONCILIATION OF CAPITAL AND SURPLUS.....	20
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS.....	21
COMMENTS ON FINANCIAL STATEMENTS.....	22
LIABILITIES	22
CAPITAL AND SURPLUS	22
SUBSEQUENT EVENTS.....	23
SURPLUS NOTE	23
CONCLUSION.....	24

September 26, 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 69O-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

Olympus Insurance Company
4200 Northcorp Parkway, Suite 400
Palm Beach Gardens, Florida 33410

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, 2010 through December 31, 2010. Additionally, a limited scope examination of the corporate governance, underwriting, loss and loss adjustment expense (LAE) reserves, cash flow, reinsurance and premium remittance process as of September 30, 2012 was conducted by representatives of the Office. This examination commenced with planning at the Office on April 4, 2016 to April 8, 2016. The fieldwork commenced on April 14, 2016 and concluded as of September 26, 2016.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (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 separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

The findings noted during this examination period have been resolved by the Company subsequent to the examination date. However, the findings or exceptions are discussed in detail in the body of the examination report.

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, 2010, along with resulting action taken by the Company in connection therewith.

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

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 limited scope examination report as of September 30, 2012, along with resulting action taken by the Company in connection therewith.

There were no material findings, significant non-compliance findings or material changes in the financial statements in the Office's prior limited scope examination report as of September 30, 2012.

COMPANY HISTORY

General

The Company was incorporated in Florida on May 22, 2007, and commenced business on August 8, 2007.

The Company was authorized to transact insurance coverage in Florida on May 31, 2007 and continued to be authorized for the following coverage(s) as of December 31, 2015.

Fire	Inland Marine
Allied Lines	Other Liability
Homeowners Multiple-Peril	

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	35,000
Number of shares issued and outstanding	35,000
Total common capital stock	\$35,000
Par value per share	\$1.00

Control of the Company was maintained by its parent, Gemini Financial Holdings Corporation (GFHC), a Delaware corporation which owned one hundred percent (100%) of the stock issued by the Company, which in turn was one hundred percent (100%) owned by Gemini Financial Holdings, LLC, a Delaware company. During the period covered by this examination, the parent contributed \$5,000,000 in cash to the Company on December 31, 2012.

Surplus Notes

On May 31, 2013, the Company issued a Subordinated Surplus Debenture (Surplus Note) to GFHC in exchange for \$2,000,000 cash which was received during 2013. The principal and unpaid interest is due and payable on June 30, 2018, upon approval by the Office.

Subsequent Event: A payment of \$100,000 principal and \$167,916 interest was paid on the Surplus Note on April 30, 2016. The principal payment reduced the amount of the Surplus Note to \$1,900,000. This payment was approved by the Office.

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

During 2014, Jeffrey Scott indirectly acquired twenty-five percent (25%) of the issued and outstanding voting securities of the Company. This acquisition was governed by Consent Order #156895-14-CO.

CORPORATE RECORDS

The recorded minutes of the Shareholder(s), 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 Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments as required by Section 625.304, Florida Statutes, with the following exceptions:

A review of the corporate minutes found no evidence that a report related to the actuarial opinion was provided by the appointed actuary to the Board or that the actuarial opinion and report were made available. The Company was not in compliance with the NAIC Annual Statement Instructions which requires that "the appointed actuary must report to the board of directors or the

audit committee each year on the items within the scope of the actuarial opinion. The actuarial opinion and the actuarial report must be made available to the board of directors. The minutes of the board of directors should indicate that the appointed actuary has presented such information to the board of directors or the audit committee and that the actuarial opinion and the actuarial report were made available."

Subsequent Event: On December 22, 2016, the Board of Directors was presented and reviewed the actuarial opinion and actuarial report for the year ending December 31, 2015.

The Company did not have an Audit Committee charter nor did it maintain Audit Committee meeting minutes demonstrating that the Audit Committee provided reports to the Company's Board relating to any findings of adverse financial condition or significant deficiencies of internal control as noted by the CPA as required by Section 624.424(8) (c), Florida Statutes. As such, the Company was not in compliance with Section 624.424(8) (c), Florida Statutes.

Subsequent Event: An audit committee charter was established by the Board of Directors on December 22, 2016.

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 and Location	Principal Occupation
Jeffrey Bernard Scott Palm Beach Gardens, Florida	President, CEO and Secretary, Olympus Insurance Company
Jennifer Lee Gravelle Palm Beach Gardens, Florida	Chief Financial Officer, Olympus Insurance Company
Alec Isabelle Jean Machiels Cos Cob, Connecticut	Partner, Pegasus Capital Advisors, LP
Richard Hannah Davis, Jr. Cos Cob, Connecticut	Partner, COO, Pegasus Capital Advisors, LP
Daniel Benjamin Stencil Cos Cob, Connecticut	CFO, Pegasus Capital Advisors, LP

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

Senior Officers

Name	Title
Jeffrey Bernard Scott Palm Beach Gardens, Florida	President, CEO and Secretary
Jennifer Lee Gravelle Palm Beach Gardens, Florida	Chief Financial Officer

The Company's Board appointed two (2) internal committees. Following were the principal internal Board committees and their members as of December 31, 2015:

Audit Committee

Jeffrey Bernard Scott Palm Beach Gardens, Florida	President, CEO and Secretary, Director
Jennifer Lee Gravelle Palm Beach Gardens, Florida	Chief Financial Officer, Director
Daniel Benjamin Stencil Cos Cob, Connecticut	Director

Investment Committee

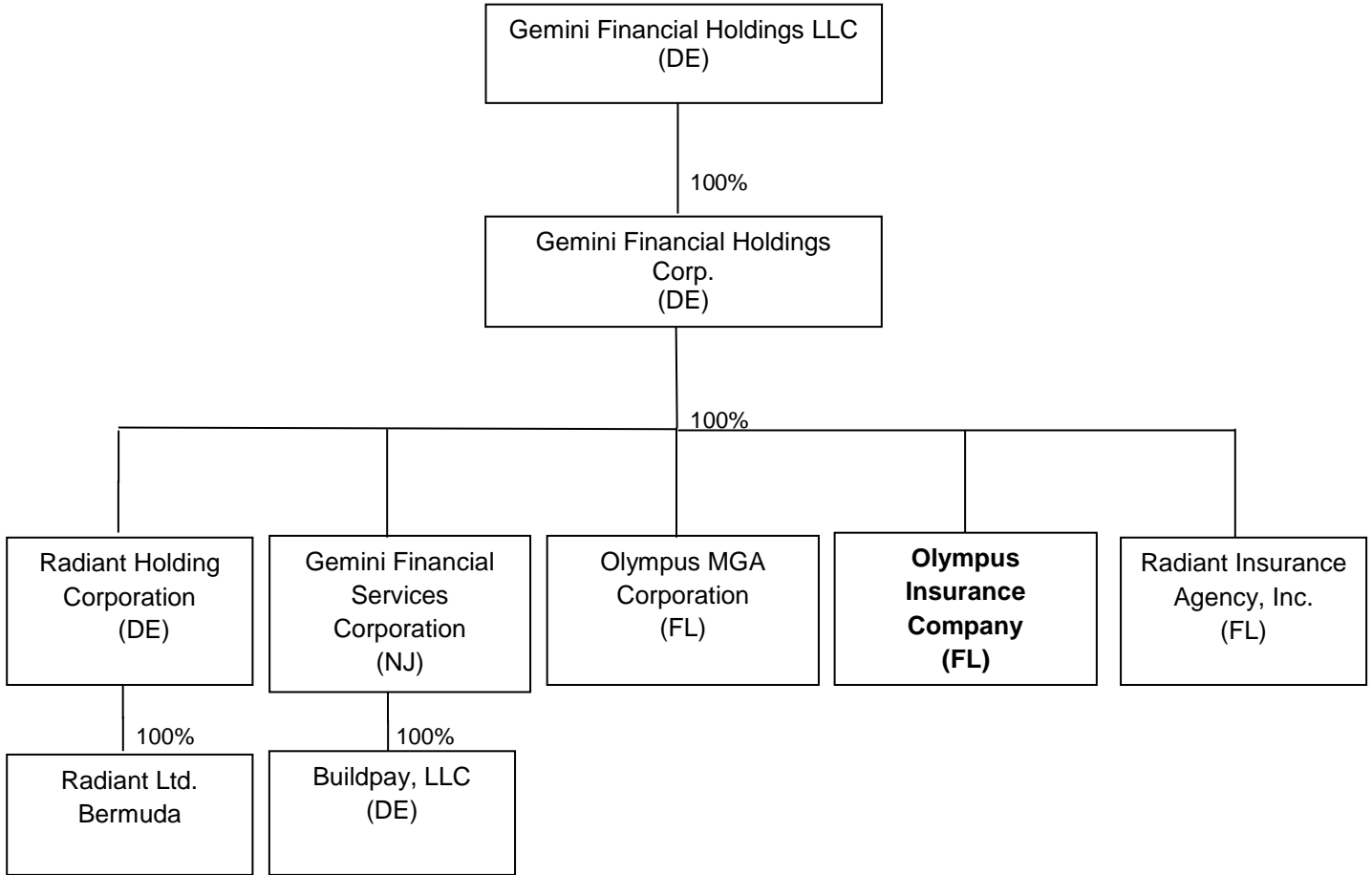
Jeffrey Bernard Scott Palm Beach Gardens, Florida	President, CEO and Secretary, Director
Jennifer Lee Gravelle Palm Beach Gardens, Florida	Director
Daniel Benjamin Stencil Cos Cob, Connecticut	Director
Richard Hannah Davis, Jr. Cos Cob, Connecticut	Director
Alec Isabelle Jean Machiels Cos Cob, Connecticut	Director

The Board acted as the audit committee, as required by Section 624.424(8) (c), Florida Statutes.

Affiliated Companies

The most recent holding company registration statement (HCRS) was filed with the Office on March 14, 2016 and amended on July 25, 2016, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

**Olympus Insurance Company
Organizational Chart
December 31, 2015**



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

Tax Allocation Agreement

The Company was a party to an intercompany tax allocation agreement dated May 22, 2007, with its affiliates and GFHC whereby the allocation of taxes among the parties are based on separate return calculations with current credit for net losses, to the extent that such losses can be used to reduce the overall group's tax liability. This agreement was amended effective August 6, 2013, to include Radiant Holding Corporation and Radiant, Ltd (Radiant).

Inter-Company Services Agreement

The Company was a party to an inter-company services agreement dated May 22, 2007, between GFHC, Gemini Financial Services Corporation (GFSC), Olympus MGA Corporation (OMGA) and the Company. Under the terms of the agreement, GFSC provides all human resources, purchasing, treasury, tax and financial statement services, bookkeeping, management and information services, lease payment and other services. The Company pays a charge equal to all costs, direct and indirect, reasonably and equitably determined by GFSC. Fees incurred under this agreement during 2015 amounted to \$298,409.

Asset Management Agreement

The Company entered into an asset management agreement with GFSC dated May 22, 2007. GFSC is authorized to invest and reinvest the assets, perform portfolio management services and investment advisory, accounting and reporting services. The contract includes a schedule of permissible investments and maximum amounts to be invested in various types of investments. Fees incurred under this agreement during 2015 amounted to \$175,000.

Amended and Restated Managing General Agent Agreement

The Company entered into an Amended and Restated Managing General Agent and Claims Administration Agreement, effective January 1, 2010, with OMGA. Under the terms of the

agreement, OMGA provides services including premium collection, claims payment, claims adjusting, underwriting and binding. OMGA contracts with unaffiliated service companies to provide some of these services. The Company pays OMGA a commission for services provided under the agreement equal to twenty-five percent (25%) of direct premiums written, as well as a \$25 per policy MGA fee. Fees incurred under this agreement during 2015 amounted to \$36,413,843. The agreement also contains a provision that the Company's underwriting expenses, including the twenty-five percent (25%) commission to OMGA, but excluding reinsurance ceding commissions and other reinsurance costs, shall not exceed twenty-eight percent (28%) of total gross premiums written. If the Company's applicable underwriting expenses exceed the twenty-eight percent (28%), OMGA must refund a portion of its twenty-five percent (25%) commission so that the Company does not exceed the twenty-eight percent (28%) applicable underwriting expense cap. The amount that OMGA may refund is not limited to the expenses in excess of twenty-eight percent (28%), as discretionary excess refunds may also be made. In 2015, OMGA refunded \$11,625,000 of its commission to the Company.

Reinsurance Agreement

On June 1, 2015, the Company entered into two reinsurance contracts with its captive reinsurance affiliate, Radiant. The first is an underlying catastrophe excess of loss reinsurance contract covering \$3,500,000 of losses with a \$1,000,000 Company retention and the second is a catastrophe aggregate excess of loss reinsurance contract covering \$9,999,992 of losses with a \$1,000,000 Company retention. The Company and Radiant were also parties to a trust agreement dated June 1, 2014, whereby obligations relating to the two reinsurance agreements were secured by Radiant for the purposes of the Company receiving credit for reinsurance. The written premium ceded during 2015 to Radiant amounted to \$7,261,625. It was noted that the Company did not file any of the documents required by Section 624.424(11), Florida Statutes, regarding the captive Radiant.

Subsequent Event: On August 4, 2016, the Company filed the required documents with the Office.

Employment Contracts

The Company had three (3) employment contracts in place as of December 31, 2015. These were with Jennifer Gravelle, effective October 9, 2015, Bradley Burton, effective September 30, 2015 and Christina Clark, effective October 7, 2015. The employment agreement for Jeffrey B. Scott was with GFSC, effective January 1, 2014. It was noted that the employment contracts for Bradley Burton and Christina Clark were not disclosed in the 2015 HCRS. This omission is not in compliance with Rule 69O-143.046, Florida Administrative Code.

Subsequent Event: On July 25, 2016, The Company submitted a corrected HCRS to the Office.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance only in the State of Florida.

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) 3.a., 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.

During the period covered by the examination, the Company maintained reinsurance trust agreements with several of the reinsurers. One (1) of the agreements among Oxbridge Reinsurance Limited, the Company, and BNY Mellon did not contain the requirements of Rule 69O-144.005(5) (b) 6e, Florida Administrative Code and Rule 69O-144.005(5) (b) 14a through 14c, Florida Administrative Code. Rule 69O-144.005(5) (b) 6e, Florida Administrative Code, requires that the trust agreement shall require the trustee to: Upon written demand of the beneficiary, immediately take any and all steps necessary to transfer absolutely and unequivocally all right, title and interest in the assets held in the trust account to the beneficiary and deliver physical custody of the assets to the beneficiary. Rule 69O-144.005(5) (b) 14a through 14c, Florida Administrative Code, require that:

- a. Notwithstanding any other provision in the trust instrument, if the grantor of the trust has been declared insolvent or placed into receivership, rehabilitation, liquidation, or similar proceedings under the laws of its state or country of domicile, the trustee shall comply with an order of the commissioner with regulatory oversight over the trust or court of competent jurisdiction directing the trustee to transfer to the commissioner with regulatory oversight or other designated receiver all of the assets of the trust fund.
- b. The assets shall be applied in accordance with the priority statutes and laws of the state in which the trust is domiciled applicable to the assets of insurance companies in liquidation.
- c. If the commissioner with regulatory oversight determines that the assets of the trust fund or any part thereof are not necessary to satisfy claims of the U.S. beneficiaries of the trust, the assets or any part of them shall be returned to the trustee for distribution in accordance with the trust agreement.

Subsequent Event: The trust agreement was amended with the above requirements on July 14, 2016.

On May 31, 2013, the Company contracted with Advocate Reinsurance Partners, LLC (Advocate) in a reinsurance intermediary broker capacity. The agreement did not contain a provision that the insurer have access and the right to copy and audit all accounts and records maintained by the reinsurance intermediary broker related to its business in a form usable by the insurer. The

Company was not in compliance with Section 626.7492(4) (d), Florida Statutes that requires compliance with Section 626.7492(5) (b), Florida Statutes.

Subsequent Event: The agreement was amended to include the above provision on December 19, 2016.

Reinsurance Assumed

The Company assumed policies from Citizens Property Insurance Corporation (Citizens). The written premium assumed from Citizens during 2015 was \$272,045.

Reinsurance Ceded

As of December 31, 2015, the Company's ceded reinsurance program consisted of catastrophe excess of loss, per risk excess of loss and quota share reinsurance. The reinsurance is provided by agreements with various commercial reinsurers through a reinsurance intermediary Advocate and an automatic facultative excess contract with various Lloyd's syndicates through THB Intermediaries, Inc. The Company also participated in the Florida Hurricane Catastrophe Fund (FHCF).

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Palm Beach Gardens, Florida.

The Company and non-affiliates had the agreements on the following page.

Custodial Agreement

The Company maintained a custodial agreement with JP Morgan Chase executed on August 1, 2014. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

Subsequent Event: As of April 1, 2016, the Company executed a new custodial agreement with Wells Fargo. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

Independent Auditor Agreement

An independent CPA, Thomas Howell and Ferguson, P.A. (THF) audited the Company's statutory basis financial statements annually for the years 2011, 2012, 2013 and 2014, and BDO USA, LLP (BDO) audited the Company's statutory basis financial statements annually for the year 2015 in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by THF and BDO as required by Rule 69O-137.002, Florida Administrative Code.

INFORMATION TECHNOLOGY REPORT

James Gowins, AES, CISA, AFE, MCM, IT Specialist, of Examination Resources, LLC, performed the review of the information technology and computer systems of the Company. Results of the review were noted in the Information Technology Summary Memorandum provided to the Company.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes.

State	Description	Par Value	Market Value
FL	Cash	\$ 366,000	\$ 366,000
TOTAL SPECIAL DEPOSITS		<u>\$ 366,000</u>	<u>\$ 366,000</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:

Olympus Insurance Company

Assets

December 31, 2015

	Per Company	Examination Adjustments	Per Examination
Bonds	\$27,062,382		\$27,062,382
Stocks:			
Common	1,969,445		1,969,445
Cash and Short-Term Investments	23,636,357		23,636,357
Investment income due and accrued	144,471		144,471
Agents' Balances:			
Uncollected premium	3,233,740		3,233,740
Deferred premium	4,103,063		4,103,063
Reinsurance recoverable	8,712,414		8,712,414
Federal income tax recoverable	2,988,090		2,988,090
Net deferred tax asset	349,669		349,669
EDP equipment	19,505		19,505
Receivable from parents, subsidiaries and affiliates	660,189		660,189
Totals	<u>\$72,879,325</u>	<u>\$0</u>	<u>\$72,879,325</u>

Olympus Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2015

	Per Company	Examination Adjustments	Per Examination
Losses	\$10,544,797		\$10,544,797
Loss adjustment expenses	2,967,769		2,967,769
Other expenses	608,694		608,694
Taxes, licenses and fees	1,132,657		1,132,657
Unearned premium	(4,650,848)		(4,650,848)
Advance premium	3,644,569		3,644,569
Ceded reinsurance premium payable	25,901,777		25,901,777
Remittances and items non allocated	6,263		6,263
Provision for reinsurance	10,000		10,000
Aggregate write-ins for liabilities	2,384,409		2,384,409
Total Liabilities	\$42,550,087	\$0	\$42,550,087
Common capital stock	\$35,000		\$35,000
Surplus Notes	2,000,000		2,000,000
Gross paid in and contributed surplus	38,498,334		38,498,334
Unassigned funds (surplus)	(10,204,096)		(10,204,096)
Surplus as regards policyholders	\$30,329,238	\$0	\$30,329,238
Total liabilities, surplus and other funds	\$72,879,325	\$0	\$72,879,325

Olympus Insurance Company
Statement of Income and Capital and Surplus Account
December 31, 2015

Underwriting Income

Premiums earned		(\$6,389,176)
	Deductions:	
Losses incurred		\$15,839,336
Loss expenses incurred		3,590,512
Other underwriting expenses incurred		(32,286,019)
Aggregate write-ins for underwriting deductions		0
Total underwriting deductions		(\$12,856,171)
Net underwriting gain or (loss)		\$6,466,995

Investment Income

Net investment income earned		\$250,021
Net realized capital gains or (losses)		17,205
Net investment gain or (loss)		\$267,226

Other Income

Net gain or (loss) from agents' or premium balances charged off		(\$25,864)
Finance and service charges not included in premiums		0
Aggregate write-ins for miscellaneous income		49,704
Total other income		\$23,840
Net income before dividends to policyholders and before federal & foreign income taxes		\$6,758,061
Dividends to policyholders		0
Net Income, after dividends to policyholders, but before federal & foreign income taxes		\$6,758,061
Federal & foreign income taxes		698,194
Net Income		\$6,059,867

Capital and Surplus Account

Surplus as regards policyholders, December 31 prior year		\$25,776,246
Net Income		\$6,059,867
Change in net unrealized capital gains or losses		(22,651)
Change in net deferred income tax		(1,545,460)
Change in nonadmitted assets		(54,600)
Change in provision for reinsurance		(10,000)
Cumulative effect of changes in accounting principles		125,836
Aggregate write-ins for gains and losses in surplus		0
Examination Adjustment		0
Change in surplus as regards policyholders for the year		\$4,552,992
Surplus as regards policyholders, December 31 current year		\$30,329,238

Olympus Insurance Company
Reconciliation of Capital and Surplus
December 31, 2015

Surplus as regards policyholders		
December 31, 2010 per Examination		\$21,693,074
	<u>Gain in Surplus</u>	<u>Loss in Surplus</u>
Net Income (loss)	\$2,901,945	
Change in net unrealized capital gain (loss)		\$1,034,607
Change in net deferred income tax		\$49,608
Change in non-admitted assets		\$297,402
Change in provision for reinsurance		\$10,000
Change in surplus notes	\$2,000,000	
Cumulative effect of changes in accounting principles	\$125,836	
Change in paid in surplus	\$5,000,000	
Total Gains and Losses	<u>\$10,027,781</u>	<u>\$1,391,617</u>
Net Increase/(Decrease) in surplus as regards policyholders		<u>\$8,636,164</u>
Surplus as regards policyholders		
December 31, 2015 per Examination		<u>\$30,329,238</u>

Olympus Insurance Company
Comparative Analysis of Changes in Surplus
December 31, 2015

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

Surplus at December 31, 2015, per Annual Financial Statement			\$30,329,238
	<u>Increase</u>	<u>Decrease</u>	
No adjustments			
Net increase (or decrease)			
Surplus at December 31, 2015			<u>\$30,329,238</u>

COMMENTS ON FINANCIAL STATEMENTS

Liabilities

Losses and Loss Adjustment Expenses

The Company's Chief Actuary, Paul Forester, FCAS, MAAA 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, Brent M. Sallay, FCAS, MAAA of Taylor-Walker Consulting, LLC, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$30,329,238, exceeded the minimum of \$5,000,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

Surplus Note

A payment of \$100,000 principal and \$167,917 interest was paid on the Surplus Note on April 30, 2016. The principal payment reduced the amount of the Surplus Note to \$1,900,000. This payment was approved by the Office.

CONCLUSION

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

Per examination findings, the Company's surplus as regards policyholders was \$30,329,238, which exceeded the minimum of \$5,000,000 required by Section 624.408, Florida Statutes.

In addition to the undersigned, Timothy Butler, CFE, ARe, CPM, MCM, Examiner-in-Charge, Rachelle Gowins, CFE, Supervisor, Supervising Examiner, James Gowins, AES, CISA, AFE, MCM, Senior Examiner IT, IT Specialist and Steven Sigler, CFE, AES, MCM, CISA, Director of IT Examination Services, IT Specialist of Examination Resources, 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, Sol Frazier, FSA, ACAS, MAAA, Actuary and Brent Sallay, FCAS, MAAA of Taylor-Walker Consulting, LLC are recognized for participation in the examination.

Respectfully submitted,

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