EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT OF EXAMINATION

OF

PLATEAU CASUALTY INSURANCE COMPANY

(NAIC #10817)

CROSSVILLE, TENNESSEE

AS OF

DECEMBER 31, 2014

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Crossville, Tennessee
April 13, 2016

Honorable Julie Mix McPeak
Commissioner
Tennessee Department of Commerce and Insurance
State of Tennessee
500 James Robertson Parkway
Nashville, Tennessee 37243

Dear Commissioner:

Pursuant to your instructions and in accordance with the Tenn. Code Ann. § 56-1-408, regulations, and resolutions adopted by the National Association of Insurance Commissioners (NAIC), a full-scope financial examination and market conduct review, as of December 31, 2014, has been made of the condition and affairs of:

Plateau Casualty Insurance Company
NAIC # 10817
2701 North Main Street
Crossville, Tennessee 38555

hereinafter generally referred to as "PCIC" or the "Company", and a report thereon is submitted as follows:

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or "Department"). The examination commenced on October 30, 2015, and was conducted by duly authorized representatives of the TDCI. This examination was called through the NAIC's Financial Examination Electronic Tracking System (FEETS). The Company's ultimate parent is The Plateau Group, Inc. (PGI). There were no requests from other states for a coordinated examination.

SCOPE OF EXAMINATION

The last examination made as of December 31, 2009. This examination covers the period January 1, 2010 through December 31, 2014, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the State of Tennessee and in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook), as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company, as of December 31, 2014. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with statutory accounting principles and annual statement instructions.

During planning, all accounts and balances were considered to determine which key activities and accounts would be examined. The key activities included: Investments; Underwriting; Premiums; Reserving/Claims Handling; Reinsurance Ceded; Related Party; Taxes; Expenses; and Capital & Surplus.

The Company's 2014 annual statement was compared with or reconciled to the corresponding general ledger account balances.

An examination of the Company's information technology general controls (ITGC) was conducted. The examination included a review of management and organizational controls, logical and physical security controls, system and program development controls, contingency planning controls, service provider controls, operations controls, processing controls, e-commerce controls, and network and internet controls.

A separate market conduct review was also performed concurrently with the financial examination.

The Company does not maintain an Internal Audit (IA) Department. The Company also does not perform internal controls testing. As such, while a review of operational and financial processes and procedures was performed during the examination, a substantive test work approach was generally taken to determine completeness and accuracy of annual statement financial reporting.

Independent actuaries, Lewis & Ellis, Inc., were utilized for this examination in the review of the Company's loss reserves.

Johnson Lambert LLP was the certified public accountant (CPA) and independent auditor for the Company for years 2014 and 2013 under examination. Crowe Horwath, LLP was the CPA and independent auditor for the Company for years 2012, 2011, and 2010. The CPA's work papers were reviewed for the 2014 audit and copies were incorporated into the examination, as deemed appropriate.

The Company provided a letter of representation certifying that management has disclosed all significant matters and records.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

The examination included a review to determine the current status of the comments and recommendations included in the previous report on examination, dated May 6, 2011, which covered the period from January 1, 2005, through December 31, 2009. The previous full-scope examination report as of December 31, 2009, contained one comment. The Company addressed the prior exam comment during the course of the previous examination. Below is a description of the prior examination report's comment:

Comment:

1. During the examination, it was found that the Company had no Anti-Fraud Plan as required by Tenn. Code Ann. § 56-53-111. Prior to completion of the examination, the Company prepared and adopted a plan.

COMPANY HISTORY

The Company was organized under the laws of the State of Tennessee on December 28, 1995. Effective May 29, 1997, the Company was issued a Certificate of Authority by the TDCI to transact the business of property and casualty insurance.

Provision was made in the original Charter for authorized capital of $1,250,000 consisting of one thousand, two hundred fifty (1,250) shares of common stock with a par value of $1,000 per share. On May 1, 1997, the Company issued one thousand (1,000) shares of its common stock to PGI, in consideration of the payment by PGI of $3,000 per share. Thus, the Company's capitalization consisted of $1,000,000 in common capital stock and $2,000,000 in gross paid-in and contributed surplus.

On March 1, 2001, PGI contributed the common voting stock of the Company to Plateau Insurance Company (PIC). The stock, one thousand (1,000) shares of $1,000 par value per share, was contributed at the statutory book value of the Company at that time of $3,671,593. The primary reason for the corporate restructure was to aide in obtaining certificates of authority in other states. At the time, the Company was only four (4) years old and a number of states had an aging limit of not less than five (5) years. This aging requirement was waived if the applicant for a certificate of authority was owned by an insurance company licensed in that state. Moving the ownership of the Company from PGI to PIC satisfied this aging requirement. The result of the transaction was that the Company was now owned by PIC and not PGI. While ownership of the Company changed, ultimate control of the Company did not change as a result of this transaction, since PGI remained the ultimate controlling party for both companies.

During September 2005, the Company increased its number of shares authorized from one thousand, two hundred fifty (1,250) to two thousand (2,000) shares. Subsequent to the increase in the number of shares authorized, PIC, the sole shareholder, purchased an additional five hundred (500) shares of the Company stock at a cost of $500,000, thereby increasing the number of shares of the Company's stock issued and outstanding from one thousand (1,000) shares to one thousand, five hundred (1,500) shares.

In November 2005, PIC paid a dividend in the form of a transfer of the stock of the Company to PGI. The amount of the dividend, $5,509,220 was the statutory book value of the Company as of October 31, 2005. As a result of this dividend, both the Company and PIC were then owned directly by PGI.

In September 2006, ownership of PIC was transferred from the parent, PGI, to the Company by virtue of a non-cash dividend in the amount of $5,629,032. This dividend amount represented the statutory book value of PIC as of the effective date of the transfer. This corporate restructure was the result of the company's ongoing efforts to strengthen and maintain its A. M. Best rating. In addition, the restructure was of some benefit to the Company, pursuant to the revenue section of the Tennessee Code Annotated. After this restructure, the ownership structure was that PGI owned one hundred percent (100%) of PCIC, which in turn owns one hundred percent (100%) of PIC.

During 2007, a $500,000 stock dividend was paid to PGI, thus increasing the capital shares outstanding to two thousand (2,000). This capital increase was a result of the company's ongoing pursuit of certificates of authority in various states.

On May 2, 2011, the Company amended its articles of incorporation to increase the number of authorized shares from two thousand (2,000) to ten thousand (10,000), and increase the par value per share from $1,000 to $1,250. This resulted in capital stock increasing from $2,000,000 to $2,500,000.

During the first quarter of 2012, the Company paid an extraordinary dividend in the amount of $1,700.000 to PGI. PGI then purchased one thousand, three hundred sixty

(1,360) shares of Company stock at $1,250 bringing the total common stock to $4,200,000. This transaction did not change the total amount of shareholders equity; however, the net effect was to reduce retained earnings by $1,700,000 and increase common stock by $1,700,000. This was done in furtherance of the Company's ongoing efforts to secure additional certificates of authority.

As of December 31, 2014, the Company had ten thousand (10,000) shares of authorized stock, of which three thousand, three hundred sixty (3,360) were outstanding, at a par value of $1,250 per share. All outstanding shares are wholly owned by PGI.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Company's Bylaws state that the property, affairs and business of the corporation shall be managed by a Board of Directors ("Board") which is elected at the annual meeting of stockholders. The Bylaws state that the number of directors shall consist of no fewer than three (3) nor more than ten (10). The following is a listing of persons serving as members of the Board at December 31, 2014:

Name	Principal Occupation
William Dickson Williams	President and CEO, Plateau Group, Inc.
Euretha J. Roberts	SVP and Secretary, Plateau Group, Inc.
D. Michael Graham	SVP, Plateau Group, Inc.
Michael Ramsey	VP and Treasurer, Plateau Group, Inc.

Officers

The Company's Bylaws provide that the officers of the corporation shall be elected annually by the Board and shall consist of a President, Secretary, and such other officers as maybe from time to time appointed by the Board.

The following is a list of key officers and their respective titles as of December 31, 2014:

Name	Office
William Dickson Williams	President
Euretha J. Roberts	Secretary
D. Michael Graham	Sr. Vice President
Michael Ramsey	Treasurer

The administrative and executive functions of the Company are performed by staff employed through its ultimate parent, PGI, and provided to the Company under the terms of an Administrative Agreement between the Company and PGI, as described in this report under the heading "Agreements with Parent, Subsidiaries and Affiliates." Certain services are purchased from outside contractors, if needed and not available from in-house personnel. Such services include actuarial analysis and independent audit.

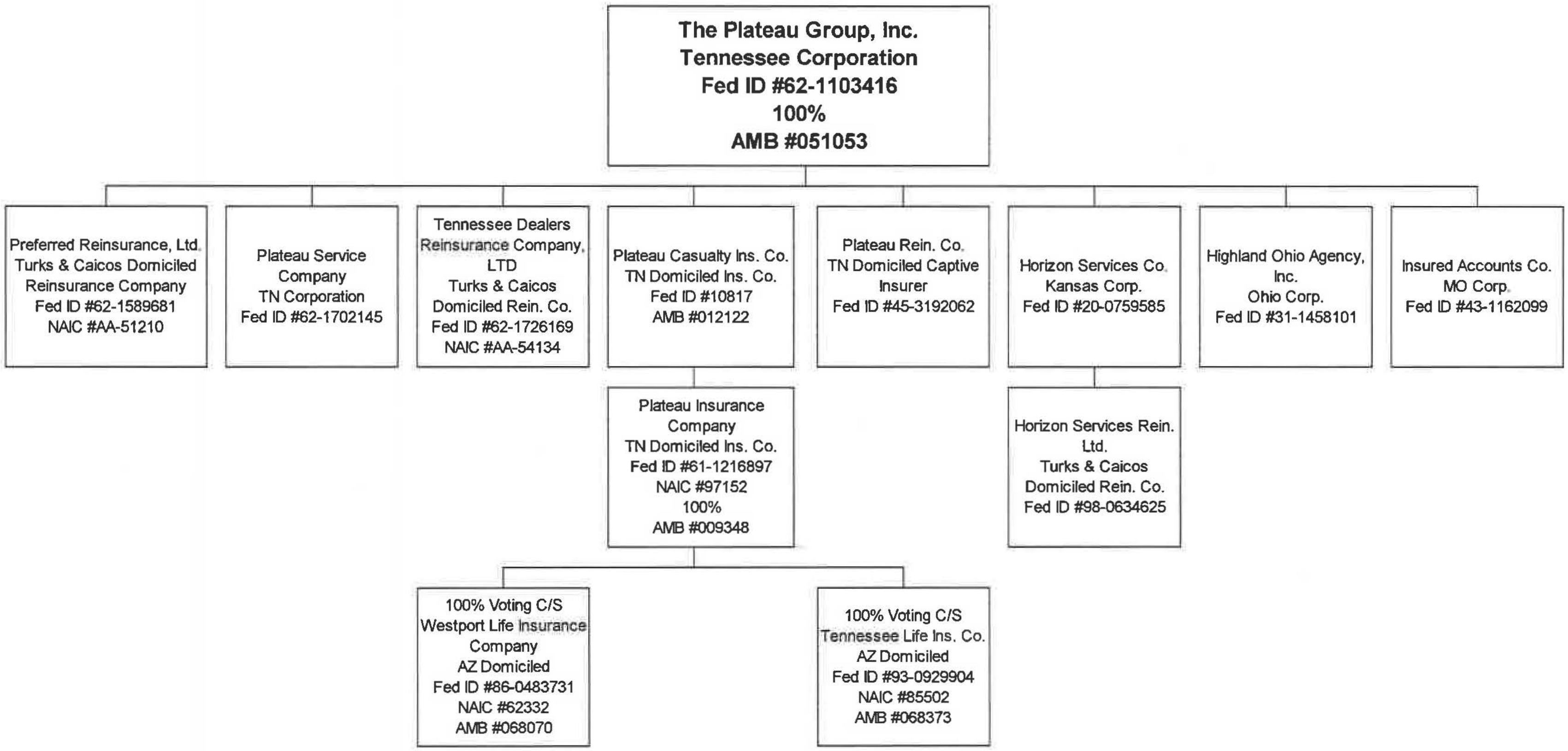
CONTROL

The Company is wholly-owned by PGI. A holding company organizational chart is included on the next page of this examination report.

CONFLICTS OF INTEREST AND PECUNIARY INTERESTS

The Company established a conflict of interest policy for its Directors and Officers to attest to compliance with Tenn. Code Ann. § 56-3-103, prohibiting officers and directors from having pecuniary interest in investment or disposition of Company funds. The Officers and Directors filed annual conflict of interest statements for each year under examination. No conflicts of interest were noted.

ORGANIZATIONAL CHART



DIVIDENDS

During the period of examination, the Company declared and paid one (1) extraordinary and one (1) ordinary dividend to its shareholder. The Company complied with the requirements of Tenn. Code Ann. §§ 56-11-105(e) and 56-11-106(b) by notifying the TDCI of declaration of said dividends.

The following table lists each dividend amount, whether the dividend was determined to be Ordinary or Extraordinary, the date the Company notified the TDCI of the dividend, and the date the Company paid the dividend to its shareholders. The extraordinary dividends were approved by the TDCI.

Year	Ordinary or Extraordinary	Notification Date	Paid Date	Dividend Amount
2014	None			$ -
2013	None			$ -
2012	Extraordinary	02/06/12	02/15/12	$ 1,700,000.00
2011	Extraordinary	01/03/11	02/15/11	$ 1,500,000.00
2010	Ordinary	03/15/10	03/31/10	$ 300,000.00
Total paid during period of exam				$ 3,500,000.00

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board, and committees were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies.

Charter

The Charter of the Company in effect as of December 31, 2014, is the Company's Amended Charter which was filed with the Secretary of State on May 2, 2011. The Charter states the Corporation is for-profit, organized to conduct business as a casualty insurance company under the laws of the State of Tennessee. The Company had one (1) amendment to its Charter during the period of examination which increased the number of authorized shares from two thousand (2,000) to ten thousand (10,000), and increased the par value per share from $1,000 per share to $1,250 per share.

Bylaws

The Bylaws of the Company in effect as of December 31, 2014, are the Company's Original Bylaws, which were adopted by the Board of Directors on May 1, 1997. No amendments or restatements were made to the Company's Bylaws during the period of examination.

The Bylaws are such as are generally found in corporations of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board, and its shareholders.

AGREEMENTS WITH PARENT, SUBSIDIARIES, AND AFFILIATES

The Company had two (2) agreements with affiliated companies in effect, as of December 31, 2014. The following are summaries of the agreements in effect:

Management Service Agreement

The Company entered into a management service agreement with PGI effective July 1, 1997. Pursuant to the agreement, PGI agrees to provide the Company with all management, professional, technical, clerical, and other services necessary to operate. In consideration for these services, the Company pays PGI an amount equal to five percent (5%) of net written premiums.

Effective January 1, 2014, the Company revised its management agreement with PGI. PGI agrees to provide, as in the earlier agreement, all of the management, professional, technical, clerical, and other services necessary in order to make it feasible for the Company to carry on an insurance business. PGI agrees to accept a service fee based on a predetermined percentage of direct premiums written, plus reinsurance premiums assumed from non-affiliated insurance companies; provided, however, PGI may discount the service fee, if it is believed to be necessary in order to enhance or retain one (1) or more credit ratings agency characterizations.

The management service agreement does not contain a specific date for amounts owed as required by Statements of Statutory Accounting Principles (SSAP) No. 25. According to the agreements, payment is due upon receipt of reports provided for in the agreement. The reports are to be provided, not less frequently than quarterly, within the forty-five (45) day period next following the period to which such reports pertain. This wording does not meet the requirement of SSAP No. 25, that a specific date by which amounts owed are due be included within the agreement. The Company is aware of this matter and has submitted a revised agreement to the TDCI for approval. See "Comments and Recommendations" section later in this report for additional information.

Tax Allocation Agreement

The Company entered into a tax allocation agreement with its parent, PGI, effective March 26, 2001. The agreement states the Company has elected, through the provisions of the Internal Revenue Code, to be included in a consolidated tax return. The Company agrees to pay, each year, federal income taxes equivalent to the amount it would have paid if it were on a separate return basis, with the benefit of exemptions under Internal Revenue Code (IRC) 11(b) and IRC 55(d). Additionally, the Company agrees to allow PGI to use and allocate any applicable sur-tax exemptions under IRC 11(b) and alternative minimum tax exemptions under IRC 55(d) without further consent.

FIDELITY BOND AND OTHER INSURANCE

The Company is a named insured on a fidelity bond issued to its parent, PGI. The Company's fidelity coverage exceeds the suggested minimum amount per the NAIC Handbook.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has no employees and does not participate in any pension plans.

TERRITORY AND PLAN OF OPERATION

TERRITORY

As of December 31, 2014, the Company was licensed to transact business in the following thirty-seven (37) states:

Alabama	Maine	Pennsylvania
Alaska	Maryland	Rhode Island
Arkansas	Michigan	South Carolina
Colorado	Mississippi	Tennessee
Connecticut	Missouri	Texas
Delaware	Nebraska	Utah
Florida	New Jersey	Vermont
Georgia	New Mexico	Virginia
Illinois	Nevada	Washington
Indiana	North Carolina	West Virginia
Iowa	Ohio	Wisconsin
Kansas	Oklahoma	
Louisiana	Oregon	

The Certificates of Authority for each jurisdiction were reviewed and found to be in order.

The Company traditionally concentrated marketing efforts in the southeast where it had certificates of authority in Alabama, Mississippi, Louisiana, Georgia, North Carolina, South Carolina, and Tennessee. In 2011, the Company's subsidiary, PIC, purchased a block of credit insurance business from Guarantee Trust Life Insurance Company (GTL), a company located in the mid-west. This purchase was for credit insurance business produced September 1, 2011 and thereafter, and did not include the in-force business of GTL. GTL had business located in forty-two (42) states, most of which neither the Company nor PIC had certificates of authority at the time of the transaction. The effect of this transaction was to give PGI access to the nearly six hundred (600) active producers of GTL, and resulted in cross-selling opportunities for the Company and PIC.

In 2012, PIC acquired the in-force and on-going credit (life) insurance business from Individual Assurance Company, Life and Health (IAC). PGI began receiving a commission for marketing the Debt Protection business IAC developed. IAC administered this business until September 2013, when PGI acquired the administrative function and the Company acquired the FOURPOINT™ software built for the processing of debt cancellation contracts. Debt cancellation is the process where commercial banks will enter into a contractual arrangement with their lending customers, whereby the customers' debt will be cancelled upon the occurrence of a protected event. The commercial bank will then purchase a Contractual Liability Insurance Policy (CLIP) from a licensed insurance company where, in the event of the occurrence of the protected event, the insurance company will reimburse the bank for the cancelled debt. Prior to 2014, the CLIP was issued by a company not affiliated with the Company. Beginning in 2014, the Company began issuing the CLIP's directly.

As a result of the acquisition activity in 2011 and 2012, the Company began applying for certificates of authority in various states primarily in order to transfer existing business of GTL and IAC to the Company and to increase marketing opportunities for the CLIP business issued directly by the Company. Over the period under examination, the Company increased its approved certificates of authority from eight (8) states in 2010 to thirty-seven (37) in 2014. The Company continues to search for opportunities to expand operations geographically, as well as identify other potential lines of business in which to enter. These efforts are driven in part by certain companies that have exited the credit insurance business industry-wide.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

State	Direct Premiums Written	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid
Alabama	$ 4,107,346	$ 3,685,497	$ 894,606	$ 982,673	$ 238,247
Alaska	0	0	0	0	0
Arkansas	670,391	576,392	97,058	103,631	24,156
Colorado	0	0	0	0	0
Connecticut	376	10	0	2	2
Delaware	0	0	0	0	0
Florida	0	0	0	0	0
Georgia	6,395,910	6,376,649	1,792,452	1,813,352	414,957
Illinois	18,560	17,293	1,112	3,035	1,755
Indiana	271,067	240,880	76,505	111,852	32,405
Iowa	4,818	1,409	0	318	361
Kansas	0	0	0	0	0
Louisiana	1,968,653	1,618,157	224,613	251,370	74,516
Maine	140,931	140,931	30,988	56,945	23,693
Maryland	0	0	0	0	0
Michigan	6,088	6,088	1,153	3,361	2,015
Mississippi	6,708,801	6,032,040	1,069,033	1,127,139	275,196
Missouri	134,688	93,749	56,643	69,865	12,125
Nebraska	0	0	0	0	0
New Jersey	2,713	611	0	121	110
New Mexico	0	0	0	0	0
Nevada	0	0	0	0	0
North Carolina	1,184,441	1,148,835	298,653	300,094	113,393
Ohio	544,914	421,579	244,584	318,915	82,352
Oklahoma	131,934	66,311	7,210	17,804	10,833
Oregon	1,753	182	0	33	30
Pennsylvania	1,680,652	1,680,651	650,830	903,851	230,959
Rhode Island	0	0	0	0	0
South Carolina	2,737,577	2,224,575	935,820	986,294	223,351
Tennessee	12,238,993	9,877,476	3,325,731	3,413,498	687,291
Texas	0	0	0	0	0
Utah	0	0	0	0	0
Vermont	60	1	0	0	0
Virginia	1,908	1,489	0	55	285
Washington	0	0	0	0	0
West Virginia	0	0	0	0	0
Wisconsin	0	0	0	0	0
Totals	$ 38,952,574	$ 34,210,805	$ 9,706,991	$10,464,208	$ 2,448,032

The Company was licensed in each state listed. Premium tax records were reviewed for Tennessee, and no exceptions were noted.

PLAN OF OPERATION

The Company's primary products are vehicle service contracts, guaranteed auto protection coverage, and various consumer credit insurance products. The Company markets its products through consumer finance companies, automobile dealerships, credit unions, and banks, collectively the "producers".

The Company's credit property coverage primarily insures the underlying financed asset in the event the property is damaged or lost and the debtor ceases making payments on it.

The guaranteed auto protection (GAP) product insures the difference between the loan payoff and the value of the vehicle in the case of a total loss.

The Company issued a CLIP to its affiliate, Plateau Service Company (PSC) to cover PSC's obligations from vehicle service contracts (VSC) marketed to consumers. The VSC is not an insurance policy, but is a contractual arrangement between PSC and the consumer. PSC provides the administration of the VSC and is the obligor on the VSC. The CLIP issued to PSC shifts the warranty liability to the Company.

With the exception of the VSC and GAP products, most products are issued as group policies to the financial institution and auto dealers and the consumer participates via a certificate of insurance.

Many of the producers have organized reinsurance companies to which the Company cedes risk, thus allowing the producers to participate in the profit/loss of the business. These reinsurance companies are known as "producer owned reinsurance companies" (PORCs). PGI and the Company specialize in setting up and managing PORCs as a primary way to add new credit insurance relationships. The services offered include licensing, financial and tax return preparation/filings, and regulatory support. An officer of the Company acts as Treasurer for the PORC. This provides the Company with authority to move assets at each PORC to ensure collateral is adequate to meet reinsurance reserve credit requirements. These assets are held in domestic banks.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination, according to its annual statements as filed with the TDCI:

Year	Admitted Assets	Liabilities	Capital and Surplus	Net Underwriting Gain
2014	$ 39,503,952	$ 19,044,219	$ 20,459,733	$ 797,620
2013	$ 33,957,394	$ 15,678,671	$ 18,278,723	$ 470,013
2012	$ 32,808,613	$ 14,295,220	$ 18,513,393	$ 850,635
2011	$ 28,560,661	$ 12,016,082	$ 16,544,579	$ 1,348,689
2010	$ 27,321,641	$ 11,605,853	$ 15,715,788	$ (438,576)

LOSS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements filed with the TDCI, the ratios of losses incurred to earned premiums for the period subject to this examination were as follows:

Year	Losses Incurred	LAE Incurred	Premiums Earned	Loss Ratio
2014	$ 4,632,802	$ 1,128,015	$ 14,117,118	40.8%
2013	$ 3,767,221	$ 882,316	$ 12,137,966	38.3%
2012	$ 2,887,705	$ 577,411	$ 10,906,196	31.8%
2011	$ 2,808,780	$ 474,517	$ 10,458,863	31.4%
2010	$ 2,811,452	$ 433,580	$ 10,022,084	32.4%

REINSURANCE AGREEMENTS

The Company's reinsurance agreements were reviewed and found to contain the standard provisions for arbitration, cancellation, errors and omissions, exclusions, insolvency, offset, settlement, taxes, and termination. The Company's reinsurance agreements transfer risk in accordance with SSAP No. 62 and NAIC guidelines. The following summary describes the reinsurance agreements in effect, as of December 31, 2014:

REINSURANCE ASSUMED

American National Insurance Company (ANIC)

ANIC cedes on a one hundred percent (100%) quota share basis all debt cancellation contractual liability insurance policies issued on or after January 1, 2014, produced in Oregon, Washington and Alaska, to the Company. These are states where PCIC does not have approved CLIP policies, but is working to obtain approval. The Company receives one hundred percent (100%) of the net premiums written on all said policies on or after the inception date. The Company pays a nine percent (9%) ceding commission and reimburses the ceding company for certain fees, commissions, and taxes.

REINSURANCE CEDED

Plateau Insurance Company (PIC)

The Company cedes one hundred percent (100%) of each and every all cause death, disability and accidental death and dismemberment risks covered under a debt protection (cancellation) program to PIC effective January 1, 2014. All other risks covered by the CLIP, such as involuntary unemployment, family leave, and hospitalization, remain with PCIC. Debt protection coverage involves a risk where a consumer's debt due to a financial institution will be cancelled in the event of certain specified occurrences. To this end, the Company issues a CLIP to the financial institution. The Company utilizes the FOURPOINT™ system of software and hardware to underwrite the financial institution's customers, track the loan payments by financial institution, and bill the financial institution monthly for a percentage of the monthly loan payments received by the financial institution. The customer pays the financial institution a fee based on the loan payment amount each month in addition to their loan payment for this protection provided by the financial institution.

In addition, the Company cedes one hundred percent (100%) of each and every benefit payable to the PORC, effective per the reinsurance agreement date. As PORC reinsurers are all offshore-domiciled, for purposes of reinsurance credit, all counterparty exposure must be collateralized. Company management monitors and manages trusts that hold funds for each PORC as part of the overall management service provided each PORC. These trusts, as well as premiums payable, constitute offsets and collateral for ceded contract reserves.

Producer Owned Reinsurance Companies (PORCs)

Only the business which has been produced by a particular producer, financial institution, or auto dealer is ceded to its PORC. All of the risk is ceded to the PORC, therefore, all of the premium is ceded to the PORC, less the amount of the ceding commission and the amount to be reimbursed for premium taxes. As of December 31, 2014, the Company was ceding business to seventy-two (72) PORCs.

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination and as of December 31, 2014, the Company has been a party to various pending legal proceedings arising in the ordinary course of business. As of December 31, 2014, the Company had no pending legal proceedings. Based in part upon the opinion of its counsel as to the ultimate disposition of such lawsuits and claims, Company management believes that contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the jurisdictions or custodians named below, as of December 31, 2014.

Special Deposits

Jurisdiction	Description of Security	Book / Adjusted Carrying Value	Fair Value	Par Value (Dollars)
New Mexico - Office of Insurance	Las Cruces NM Schl Dist 4.0% Due 8-1-2020 CUSIP# 517534RL9	$ 100,000	$ 100,000	$ 100,000
North Carolina - Department of Insurance	North Carolina ST 4.0% Due 6-1-2022 CUSIP# 658256S86	897,932	922,992	800,000
South Carolina - Department of Insurance	FHLMC MTN 1.5%, Due 8-27-2019 CUSIP # 3134G3F54	130,000	128,400	130,000
Virginia - Bureau of Insurance	Virginia Beach, Virginia GO 5.0%, Due 4-1-2019 CUSIP# 927734WW9	200,000	200,000	200,000
	Total	$ 1,327,932	$ 1,351,392	$ 1,230,000

General Deposits

Jurisdiction	Description of Security	Book / Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Louisiana - Department of Insurance	Cash	$ 100,000	$ 100,000	$ 100,000
New Mexico - Department of Insurance	Las Cruces NM Sch Dist 4.0%, Due 08/01/2020 CUSIP# 517534RL9	236,910	230,639	200,000
Tennessee - Department of Insurance	US TREASURY NOTE 0.850%, Due 01/31/2017 CUSIP# 912828SC5	250,881	250,723	250,000
Tennessee - Department of Insurance	FHLB 1.40%, Due 12/31/2019 CUSIP# 313381HA6	1,000,000	973,310	1,000,000
Tennessee - Department of Insurance	FNMA 1.50%, Due 10/09/2019 CUSIP# 3136G0S51	349,742	343,826	350,000
Tennessee - Department of Insurance	FNMA 1.50%, Due 11/27/2020 CUSIP# 3136G06D8	150,000	144,594	150,000
Tennessee - Department of Insurance	FNMA 1.50%, Due 12/24/2020 CUSIP# 3136G17L7	250,000	240,543	250,000
Tennessee - Department of Insurance	US TREASURY NOTE 2.125%, Due 08/15/2020 CUSIP# 912828RC6	100,193	101,180	100,000
Virginia - Department of Insurance	Virginia Beach Virginia GO 5.0%, Due 4-1-2019 CUSIP# 927734WW9	30,402	31,668	0
	Total	**$ 2,468,128**	**$ 2,416,483**	**$ 2,400,000**
Total Special and General Deposits		**$ 3,796,060**	**$ 3,767,875**	**$ 3,630,000**

Deposits with said jurisdictions or custodians were verified by direct correspondence with the custodians of such deposits.

ACCOUNTS AND RECORDS

Tenn. Comp. R. & Regs. 0780-01-65-.08(4), states that no partner or other person responsible for rendering a report by a certified public accounting firm may act in that capacity for more than five (5) consecutive years. The Company was audited by Johnson & Lambert, LLP for 2014 and 2013, and by Crowe Horwath, LLP for 2012, 2011, and 2010. Both firms were in compliance with this regulation.

During the course of the examination, certain balances were tested and amounts were traced from the Company's trial balance to the annual statement. Immaterial differences were noted due to rounding. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. All of the Company's investment securities were confirmed with the custodian of such securities as of the date of this examination. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

During the period of examination, the Company had custodial agreements with Raymond James and Regions Bank. These agreements did not meet all requirements of Tenn. Comp. R. & Regs. 0780-01-46, Regulations on Custodial Agreements and the Use of Clearing Corporations. The primary deficiencies related to the lack of custodian requirements to reimburse the company for any lost or stolen securities and requirements for replacement of any securities lost. Also, the agreement wording was less than what is required in regards to simple negligence on the part of the custodian. Subsequent to the completion of examination field work, the Company executed a new custodial agreement with Regions Bank which meets the requirements of the above referenced statute and discontinued the use of services of Raymond James. See "Comments and Recommendations" section later in this report for additional information.

The Company's books and records are located in Crossville, Tennessee.

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company as of December 31, 2014, in conjunction with this examination. The following items were addressed:

Underwriting, Rates and Policy Forms

In the examination of underwriting and rating, Company operations were examined for compliance with their own underwriting guidelines, filed rates and forms, and applicable statutes and rules. In conducting the examination, random samples were selected from open, closed, and declined underwriting files. As a result of examination, no issues or concerns were identified.

Complaint Handling Practices

The Company's complaint handling procedures and complaints received by the Company were examined to ensure that records maintained by the Company were in accordance with applicable statutes, rules and regulations, and that the time-frame within which the Company responded to complaints was reasonable. As a result of examination, no issues or concerns were identified.

Advertising

All advertising and sales materials used by the Company were examined for compliance with statutory and rule requirements. As a result of examination, no issues or concerns were identified.

Claims Handling Practices

The Company's efficiency of claims handling, accuracy of payment, adherence to contract provisions, and compliance with applicable statutes and rules were examined. In conducting the examination, random samples were selected from claims approved and resisted by the Company. As a result of examination, no issues or concerns were identified.

Antifraud Plan

The Company's antifraud plan was examined to ensure that the plan was updated and included proper guidance for employees in compliance with Tenn. Code Ann. § 56-53-111. Company operations were also examined for proper implementation of antifraud measures. As a result of examination, no issues or concerns were identified.

Privacy of Consumer Information:

The Company's policies and procedures for the privacy of consumer information were examined to ensure the Company had developed and implemented written policies and procedures for the management of confidential and personal insurance information. As a result of examination, no issues or concerns were identified.

SUBSEQUENT EVENTS

No events occurring subsequent to December 31, 2014 through the date of the report were identified that merit recognition or disclosure in this report.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a statement of income as of December 31, 2014, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2014 Annual Statement.

ASSETS

	Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$ 13,656,339	$ 340,797	$ 13,315,542
Preferred stocks	204,150		204,150
Common stocks	14,834,357		14,834,357
Properties occupied by the Company	330,789		330,789
Cash and short-term investments	6,903,769		6,903,769
Other invested assets	329,331		329,331
Investment income due and accrued	98,321		98,321
Amounts recoverabel from reinsurers	386,360		386,360
Other amounts receivable under reinsurance contracts	318,040		318,040
Net deferred tax asset	1,107,910	259,076	848,834
Electronic data processing equipment and software	1,526,333		1,526,333
Furniture and equipment	29,032	29,032	0
Aggregate write-ins for other than invested assets:			
Prepaid expenses	205,521	205,521	0
Accounts receivable	408,126		408,126
Totals	$ 40,338,378	$ 834,426	$ 39,503,952

LIABILITIES, SURPLUS, AND OTHER FUNDS

Losses		$ 1,246,531
Loss Adjustment Expenses		219,976
Commissions Payable, Contingent Commissions and Other Similar Charges		532,873
Other Expenses		58,409
Taxes, Licenses and Fees		681,161
Federal Income Taxes Payable		333,771
Unearned Premiums		14,031,776
Ceded Reinsurance Premiums Payable		1,867,707
Provision for Reinsurance		72,015
Total Liabilities		19,044,219
Common capital stock	$ 4,200,000	
Gross paid in and contributed surplus	7,129,032	
Unassigned funds	9,130,701	
Surplus as Regards Policyholders		20,459,733
Totals		$ 39,503,952

STATEMENT OF INCOME

UNDERWRITING INCOME			
Premiums earned			$ 14,117,118
Deductions:	Losses incurred	$ 4,632,802	
	Loss expenses incurred	1,128,015	
	Other underwriting expenses incurred	7,558,681	
Total underwriting deductions			13,319,498
Net underwriting gain			797,620
INVESTMENT INCOME			
Net investment income earned		282,296	
Net realized capital gains(losses)		16,285	
Net investment gain			298,581
OTHER INCOME			
Aggregate write-ins for miscellaneous income		570	
Total other income			570
Net income before federal income taxes			1,096,771
Federal income taxes incurred			503,240
Net income			$ 593,531

CAPITAL AND SURPLUS ACCOUNT

	2014	2013	2012	2011	2010
Surplus as regards policyholders					
December 31, previous year	$ 18,278,723	$ 18,513,393	$ 16,544,579	$ 15,715,788	$ 15,404,820
Net income	593,531	515,242	971,958	1,161,496	(250,876)
Change in net unrealized capital	750,266	(494,520)	988,773	1,094,231	668,086
gains or (losses)					
Change in net deferred income tax	(184,340)	285,311	137,272	(8,542)	167,240
Change in non-admitted assets	1,010,550	(606,716)	(225,573)	81,606	26,518
Change in provision for reinsurance	11,003	66,013	(149,030)	0	0
Cummulative effect of a change in					
accounting principles	0	0	245,414	0	0
Capital Changes:					
Paid in	0	0	0	500,000	0
Transferred from surplus (Stock Dividend)	0	0	1,700,000	0	0
Surplus adjustments:					
Paid in	0	0	(500,000)	(500,000)	0
Transferred to capital (Stock Dividend)	0	0	(1,700,000)	0	0
Transferred from capital	0	0	500,000	0	0
Dividends to stockholders				(1,500,000)	(300,000)
Net change in capital and surplus					
for the year	2,181,010	(234,670)	1,968,814	828,791	310,968
Surplus as regards policyholders					
December 31, current year	$ 20,459,733	$ 18,278,723	$ 18,513,393	$ 16,544,579	$ 15,715,788

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

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

SUMMARY SCHEDULE FOR CHANGES IN CAPITAL AND SURPLUS

There were no adjustments to capital and surplus as of December 31, 2014, based on the results of this examination.

COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments and recommendations noted in this report:

Comments

1. At the date of the examination, the Company's custodial agreements did not meet all requirements of Tenn. Comp. R. & Regs. 0780-01-46, Regulations on Custodial Agreements and the Use of Clearing Corporations. The Company has subsequently executed an agreement that satisfies the requirements of Tenn. Comp. R. & Regs. 0780-01-46.

2. The management service agreement between PGI and the Company does not contain a specific date for amounts owed as required by SSAP No. 25. The Company has submitted revised agreements to the TDCI for approval.

Recommendations

None.

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in connection with the verification and valuation of assets and the determination of liabilities of Plateau Casualty Insurance Company of Crossville, Tennessee.

In such manner, it was found that as of December 31, 2014, the Company had admitted assets of $39,503,952 and liabilities, exclusive of capital and surplus, of $19,044,219. Thus, there existed for the additional protection of the policyholders, the amount of $20,459,733 in the form of common capital stock of $4,200,000, gross paid in and contributed surplus of $7,129,032, and unassigned funds of $9,130,701.

The courteous cooperation of the officers and employees of the Company extended during the course of the examination is hereby acknowledged.

In addition to the undersigned, Jay Uselton, CFE and Rhonda Bowling-Black, CFE, Insurance Examiners for the state of Tennessee, and Ryan Havick, CFE, James Burch, CFE, and Michael Nadeau, CFE, AES, Insurance Examiners with the firm Eide Bailly LLP, Fargo, North Dakota, representing the state of Tennessee, participated in the work of this examination. An actuarial review was performed by Gregory S. Wilson, FCAS, MAAA, of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas.

Respectfully submitted,

James Menck, CFE
Examiner-in-Charge
Eide Bailly LLP, representing
The State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Plateau Casualty Insurance Company located in Crossville, Tennessee, dated April 13, 2016, and made as of December 31, 2014, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information and belief.

James Menck, CFE
Examiner-in-Charge
Eide Bailly LLP, representing
The State of Tennessee

State Texas

County Tarrant

Subscribed to and sworn before me

this 18th day of June, 2016

(NOTARY)

My Commission Expires: 10/30/18

SABRINA E. MENCK
Notary Public, State of Texas
My Commission Expires
October 30, 2018

NOTARY PUBLIC STATE OF TEXAS

EXHIBIT B

The**Plateau**Group

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Toll-Free: 1-800-752-8328
P.O. Box 7001
Crossville, TN 38557-7001

June 22, 2016

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243

RE: Report of Examination – **Plateau Casualty Insurance Company**

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for **Plateau Casualty Insurance Company**. By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Dick Williams
President

Your first choice.