IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a Municipal Corporation,
441 4th Street, NW
Suite 630 South
Washington, D. C. 20001,

Petitioner,

v.

OCEAN RISK RETENTION GROUP,
INC. c/o The Taft Companies
1620 Providence Road
Towson, Maryland 21286

Serve:

Arthur D. Perschetz, Esquire
Registered Agent
McIntyre & Lemon, PLLC
Madison Building
1155 15th Street, N.W., Suite 1101
Washington, DC 20005

Respondent.

Civil Action No.: 13-0006110
Judge: JIC
Calendar No.:

EMERGENCY CONSENT[1] PETITION FOR AN EXPEDITED ORDER OF LIQUIDATION OF OCEAN RISK RETENTION GROUP, INC., PURSUANT TO D.C. OFFICIAL CODE §§ 31-1303, 31-1315, 31-1316 and 31-3931.01 *et seq.*, <u>ON OR BEFORE SEPTEMBER 10, 2013</u>

The District of Columbia at the request of and on behalf of William P. White, Commissioner of the District of Columbia Department of Insurance, Securities and Banking ("Commissioner"), by and through its counsel, the Office of the Attorney General for the District of Columbia, and with the consent of Ocean Risk Retention Group, Inc. ("Ocean") as described

[1] As detailed further below, Ocean's sole remaining director provided consent via email while simultaneously tendering her resignation. Consent is one of several independent grounds for liquidation.

below, respectfully petitions this Court for the entry of an Expedited Order of Liquidation appointing the Commissioner and his successors in office as Liquidator of Ocean, and for the relief otherwise described herein, pursuant to D.C. Official Code §§ 31-1303 (jurisdiction and venue), 31-1315 and 31-1316 (liquidation), 31-1319 (powers of liquidator) and 31-3931.01 *et seq.* (captive insurance companies) (2001). As grounds for this request, the Petitioner states that an expedited Order of Liquidation is needed to preserve Ocean's assets in light of its hazardous financial condition, apparent insolvency, and lack of formal management and board supervision for over 600 active claims. Therefore, for the reasons stated more fully below, the Petitioner requests that the attached *Emergency Consent Order of Liquidation* be signed on or before September 10, 2013.

Ocean is a captive insurer offering liability insurance to taxi owner operators and taxi fleet owners in New Jersey and Pennsylvania; Ocean therefore is an "association captive insurer" within the meaning of D.C. Official Code § 31-3931.01(5). As set forth in D.C. Official Code § 31-3931.16(b), association captive insurers are subject to terms and conditions for liquidation of insurers described in D.C. Official Code § 31-1301 *et seq.* The grounds for the liquidation of an insurer include: (1) the grounds set forth in § 13-1310, including but not limited to, violation of insurance laws, the violation of the insurer's own by-laws, the failure to file statutorily required reports, or consent by the insurer's board of directors; (2) the insurer is insolvent; and (3) the insurer is in such a condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public. See D.C. Official Code § 31-1315. All three potential grounds for liquidation apply to Ocean.

Further, D.C. Official Code § 31-1316(a) mandates that a liquidation order "shall appoint the Commissioner and his or her successors in office liquidator and shall direct the liquidator to take possession of the assets of the insurer and to administer them under the general supervision of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer . . . wherever located . . . ." Finally, the enumerated powers of a liquidator include, but are not limited to, the power to appoint one or more special deputies who may be granted all of the power and responsibilities of liquidator and to employ any counsel, clerks, and assistants as deemed useful or necessary by the Commissioner and authorizing the payment thereof from the insurer's assets. See D.C. Official Code § 31-1319.

In support of this Petition, the Commissioner, by and through counsel, states as follows:

1. William P. White is the duly appointed Commissioner of the Department of Insurance, Securities and Banking ("Department") of the Government of the District of Columbia (the "District"). In this capacity, he is responsible for and lawfully empowered to regulate insurance business conducted within the District and insurance business conducted outside the District by insurers domiciled within the District.

2. Ocean is an association captive insurer organized under the laws of the District, holding a license (RR045; NAIC No. 10158) issued under D.C. Official Code § 31-3931.02. Ocean was licensed on March 22, 2005, and commenced business on or about April 12, 2005. Ocean's statutory home office is located at 1250 H Street, NW, Suite 901, Washington, D.C.

3. Ocean's financial condition is such that its further transaction of insurance business would be hazardous financially to its policyholders, its creditors and the general public, and therefore Ocean should be placed in liquidation pursuant to D.C. Official Code § 31-1315(3), based upon the following:

a. Since 2007, Ocean has incurred a series of significant net underwriting losses. Specifically, Ocean reported underwriting losses in the amounts of: Four Million Six Hundred Fifteen Thousand Seven Hundred Eight Dollars ($4,615,708) as of December 31, 2007; Two Million Fifty-Six Thousand Eight Hundred Eighty Dollars ($2,056,880) as of December 31, 2008; Three Hundred Ninety-Two Thousand Five Hundred Ten Dollars ($392,510) as of December 31, 2009; One Million Two Hundred Ninety-Eight Thousand Six Hundred Sixty Dollars ($1,298,660) as of December 31, 2010; and Three Hundred Two Thousand Two Hundred Forty-Two Dollars ($302,242) as of December 31, 2012. These underwriting losses are shown on line 8 of page 4 of Ocean's annual statements. The key pages of Ocean's annual statements for 2007, 2008, 2009, 2010, and 2012 are attached hereto as **Exhibits A-1, A-2, A-3, A-4 and A-5**, respectively, and are incorporated herein by reference.[2]

b. On June 5, 2013 the Commissioner issued an Order of Hazardous Financial Condition (the "Order") to Ocean pursuant to the Standards to Identify Insurance Companies Deemed to Be in Hazardous Financial Condition Act of 1993, D.C. Official Code § 31-2101 *et seq.* The Commissioner's Order was based on Ocean's financial performance since its inception, its continuing deteriorating financial condition, and its loss reserves and surplus balances. The Commissioner concluded that Ocean's continued operation without regulatory intervention would be hazardous to Ocean's policyholders, creditors and the general public. The Commissioner further concluded that Ocean's inability to stem its losses over the past four (4) years might lead to cash flow or liquidity problems, which might

[2] Ocean's 2011 Annual Statement showed an atypical underwriting gain.

result in insolvency. See D.C. Official Code § 31-2101(a)(3), (6), (10) and (15). The Order is attached hereto as **Exhibit B** and is incorporated herein by reference.

c. The Order directed Ocean to increase its surplus as regards policyholders by at least Five Hundred Thousand Dollars ($500,000) within thirty (30) days from the date of the Order. Ocean was further ordered to divest one hundred percent (100%) of its interests in the promissory notes from Renaissance Retention Group, Ocean's managing general underwriter, within thirty (30) days from the date of the Order. Lastly, Ocean was directed to cease writing all new and renewal business until further order from the Commissioner.

d. Ocean did not seek judicial review of the Commissioner's Order as permitted in D.C. Official Code § 31-2103. To date, Ocean has not fully complied with the Order.

e. Ocean's failure to satisfy the conditions of the Commissioner's June 5, 2013 Order is an independent ground for liquidation pursuant to D.C. Official Code §§ 31-1310(9) and 31-1315(1).

4. Ocean is insolvent and therefore should be placed in liquidation pursuant to D.C. Official Code §§ 31-1315(2), based upon the following:

a. Ocean is required to maintain at all times a minimum capital and surplus balance of not less than Four Hundred Thousand Dollars ($400,000.00). See D.C. Official Code §§ 31-3931.06(a) and 31-3931.06(f)(2).

b. For reporting purposes, "capital and surplus" appears on Ocean's statements as "surplus as regards policyholders." As of March 31, 2013, the date of Ocean's most recent quarterly statement on file with the Commissioner, Ocean reported surplus as regards policyholders in the amount of One Million Twenty-Four Thousand Twenty-Nine Dollars ($1,024,029), as shown on line 37 of the third page of its quarterly statement. The key pages of Ocean's quarterly statement as of March 31, 2013 are attached hereto as **Exhibit C** and are incorporated herein by reference.

c. According to Ocean's most recent quarterly statement, however, as of March 31, 2013, Ocean's assets include a net deferred tax asset in the amount of One Million Two Hundred Fifty-Three Thousand One Hundred Thirty-Six Dollars ($1,253,136), as shown on line 18.2 of the second page of its quarterly statement (Exhibit C). Captive insurers like Ocean must use Generally Accepted Accounting Principles ("GAAP"). See D.C. Official Code § 31-3931.13(a). Under GAAP, a deferred tax asset may be recorded as a valid asset, *provided* that it is more likely than not that the entity recording the asset will be able to use the asset in future fiscal periods to offset its net income. Ocean's continued practice of recording a net deferred tax asset is contrary to GAAP for two reasons: First, Ocean's prior and continuing losses make it unlikely that it will generate any net income that can be offset with Ocean's net deferred tax asset. Second, Ocean has indicated in discussions with the Commissioner's staff that it cannot raise the additional capital required by the Commissioner's Order, and therefore, in effect, Ocean has conceded that it is no longer a going concern that would be able to use a deferred tax asset.

d. On August 20, 2013, Ocean filed its 2012 audit, removing the net deferred tax asset as shown on page 4 and explained in Note 8. The audit confirms in Note 1 and elsewhere that, as of December 31, 2012, Ocean is well below the $400,000 statutory minimum requirements. Ocean's 2012 audit is attached hereto as **Exhibit D** and is incorporated herein by reference.

e. The Commissioner has determined, based upon the information presently available to him, that the non-recognition of the net deferred tax asset renders Ocean insolvent.

5. Article II of Ocean's By-Laws requires Ocean to have three (3) directors at all times. The relevant pages of Ocean's By-Laws are attached hereto as **Exhibit E** and are incorporated herein by reference. Ocean had only two (2) directors from March 2, 2012 through May 15, 2013, only one (1) director from May 15, 2013 to August 7, 2013, and, effective August 7, 2013, Ocean has no directors. Ocean's failure to maintain the total number of directors required by its By-Laws for a period exceeding one (1) year is a ground for liquidation pursuant to D.C. Official Code §§ 31-1310(9) and 31-1315(1).

6. By email dated August 7, 2013, Ocean's last remaining board member confirmed that Ocean consented to liquidation (and simultaneously transmitted her letter of resignation from Ocean's board). A copy of the August 7, 2013 email and attached resignation letter are attached hereto as **Exhibit F** and are incorporated herein by reference. Ocean therefore may be placed in liquidation pursuant to D.C. Official Code §§ 31-1310(12) and 31-1315(1).

WHEREFORE, the District of Columbia prays as follows:

A. That this Court issue an Order of Liquidation against Ocean pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316, and 31-3931.01 *et seq.*, appointing the Commissioner and his successors in office as Liquidator of Ocean, and authorizing the Commissioner as Liquidator to: (i) take possession of all Ocean's assets, and to administer them under the general supervision of the Court; (ii) have title to all of Ocean's property, contracts, rights of actions, books, and records, wherever located; (iii) appoint one or more special deputies who may be granted all of the power and responsibilities of liquidator and to employ any counsel, clerks, and assistants as deemed useful or necessary by the Commissioner as Liquidator and authorizing the payment thereof from Ocean's assets; and (iv) granting the Commissioner all rights, powers, and authority vested by law in a liquidator, including those powers set forth in D.C. Official Code § 31-1319; and

B. That this Court retain jurisdiction in this matter for the purposes of granting such other and further relief as this cause and the interests of Ocean's policyholders, creditors, and claimants, or the public may require; and

C. That this Court afford such other and further relief as it deems just and proper.

Respectfully submitted,

IRVIN B. NATHAN
Attorney General for the District of Columbia

ELLEN A. EFROS
Deputy Attorney General
Public Interest Division

STEPHANE J. LATOUR
Chief, Civil Enforcement Section

E. LOUISE R. PHILLIPS
Assistant Attorney General
Bar Number 422074
441 Fourth Street, N.W., 630 South
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louise.phillips@dc.gov

VERIFICATION

I, William P. White, Commissioner of the Department of Insurance, Securities and Banking, Government of the District of Columbia, hereby declare upon penalty of perjury that to the best of my knowledge, information, and belief that the facts contained in the foregoing Emergency Consent Petition for an Expedited Order of Liquidation of Ocean Risk Retention Group, Inc. are accurate.

William P. White
William P. White
Commissioner

District of Columbia: ss

Subscribed and sworn to before me

this 6th day of September, 2013.

Michelle Mathis
Notary Public

My commission expires: April 30, 2018

MICHELLE MATHIS
NOTARY PUBLIC
EXP.
4-30-2018
DISTRICT OF COLUMBIA

IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA, a Municipal Corporation, 441 4th Street, NW Suite 630 South Washington, D. C. 20001, Petitioner, v. OCEAN RISK RETENTION GROUP, INC. c/o The Taft Companies 1620 Providence Road Towson, Maryland 21286 Serve: Arthur D. Perschetz, Esquire Registered Agent McIntyre & Lemon, PLLC Madison Building 1155 15th Street, N.W., Suite 1101 Washington, DC 20005 Respondent.	Civil Action No.: 13-0006110 Judge: JIC Calendar No.:

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF EMERGENCY CONSENT PETITION FOR AN EXPEDITED ORDER OF LIQUIDATION OF OCEAN RISK RETENTION GROUP, INC., PURSUANT TO D.C. OFFICIAL CODE §§ 31-1303, 31-1315, 31-1316 AND 31-3931.01 *et seq.*, ON OR BEFORE SEPTEMBER 10, 2013

1. D.C. Official Code §§ 31-1303 (jurisdiction and venue), 31-1310 (grounds for rehabilitation), 31-1315 (grounds for liquidation, including (1) the grounds for rehabilitation set forth in § 13-1310, (2) insolvency, and (3) insurer's condition is such that further transaction of business would be hazardous, financially or

otherwise, to its policyholders, creditors or the public), 31-1316 (liquidation orders) and 31-1319 (liquidator's powers) (2001).

2. D.C. Official Code §§ 31-2101(a) (standards for determining whether insurer is in hazardous financial condition), 31-2103 (judicial review) (2001)

3. D.C. Official Code §§ 31-3931.01(5) (defining association captive insurer), 31-3931.02 (describing captive insurer's authority to do business), 31-3931.06 (describing captive insurer's capital and surplus requirements), 31-3931.13(a) (mandating use of generally accepted accounting principles in captive insurer's annual reports), 31-3931.16(b) (stating that Chapter 13 shall apply in full to captive insurers) (2001).

4. The entire record herein.

Respectfully submitted,

IRVIN B. NATHAN
Attorney General for the District of Columbia

ELLEN A. EFROS
Deputy Attorney General
Public Interest Division

STEPHANE J. LATOUR
Chief, Civil Enforcement Section

E. LOUISE R. PHILLIPS
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IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a Municipal Corporation,
441 4th Street, NW
Suite 630 South
Washington, D. C. 20001,

Petitioner,

v.

OCEAN RISK RETENTION GROUP,
INC. c/o The Taft Companies
1620 Providence Road
Towson, Maryland 21286

Serve:

Arthur D. Perschetz, Esquire
Registered Agent
McIntyre & Lemon, PLLC
Madison Building
1155 15th Street, N.W., Suite 1101
Washington, DC 20005

Respondent.

Civil Action No.: 13-0006110
Judge: JIC
Calendar No.:

EMERGENCY CONSENT ORDER OF LIQUIDATION

Upon Consideration of the Emergency Consent Petition for an Expedited Order of Liquidation of Ocean Risk Retention Group, Inc., Pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316, and 31-3931.16(b) ("Petition"), the Memorandum of Points and Authorities in support thereof, and the entire record herein, it is by this Court, this_____ day of September, 2013,

ORDERED, that the Emergency Consent Petition for Liquidation is hereby GRANTED; and it is

FURTHER ORDERED, that the Commissioner and his successors in office are hereby appointed Liquidator of Ocean Risk Retention Group, Inc. pursuant to D.C. Official Code § 31-1316 (2001); and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall take possession of the assets of Ocean Risk Retention Group, Inc. and shall administer them under the supervision of this Court; and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall be vested with the title to all of the property, contracts, and rights of action, and all of the books and records, wherever located, of Ocean Risk Retention Group, Inc.; and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall conduct the liquidation proceedings consistent with D.C. Official Code § 31-1316 (2001) and shall be vested with the powers identified at D.C. Official Code § 31-1319 (2001); and it is

FURTHER ORDERED, that for the purpose granting such order and further relief as this cause and the interests of the policyholders, creditors and the public may require, the Court shall retain jurisdiction in this matter until the Liquidator petitions this Court for an order discharging the liquidator pursuant to D.C. Official Code § 31-1318 (2001).

____
Judge-in-Chambers
D. C. Superior Court

cc:

E. Louise R. Phillips
Assistant Attorney General
441 Fourth Street, N.W., 630 South

Washington, D.C. 20001
louise.phillips@dc.gov

Arthur D. Perschetz, Esquire
McIntyre & Lemon, PLLC
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Washington, DC 20005
Email: aperschetz@mcintyrelf.com

EXHIBIT A-1

10158200720100105

ANNUAL STATEMENT

For the Year Ended December 31, 2007
of the Condition and Affairs of the

Ocean Risk Retention Group Inc.

NAIC Group Code..... , (Current Period) (Prior Period) | NAIC Company Code..... 10158 | Employer's ID Number..... 73-1733457

Organized under the Laws of DC | State of Domicile or Port of Entry DC | Country of Domicile US

Incorporated/Organized..... March 10, 2005 | Commenced Business..... April 12, 2005

Statutory Home Office	1250 H Street, Suite 901..... Washington ..... DC ..... 20005 (Street and Number) (City or Town, State and Zip Code)	
Main Administrative Office	837 Kearny Avenue..... Kearny ..... NJ ..... 07032 (Street and Number) (City or Town, State and Zip Code)	(Area Code) (Telephone Number)
Mail Address	901 Dulaney Valley Road, Suite 610..... Towson ..... MD ..... 21204 (Street and Number or P. O. Box) (City or Town, State and Zip Code)	
Primary Location of Books and Records	1250 H Street, NW Suite 901..... Washington ..... DC ..... 20005 (Street and Number) (City or Town, State and Zip Code)	877-587-1763 (Area Code) (Telephone Number)
Internet Website Address	N/A	
Statutory Statement Contact	Mary Claire Goff (Name) mcg@tafcos.com (E-Mail Address)	877-587-1763 (Area Code) (Telephone Number) (Extension) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Jeanette Frankenberg	President	2. Glenn Battschinger	VP, Secretary, and Treasurer
3. AJ Guignion	Asst. Treasurer and Asst. Sec.	4.	

OTHER

DIRECTORS OR TRUSTEES

Jeanette Frankenberg | Glenn Battschinger | Amet Songun

State of...... Maryland
County of.... Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy of the enclosed statement (except for formatting differences due to electronic filing). The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Jeanette Frankenberg	Glenn Battschinger	AJ Guignion
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	VP, Secretary, and Treasurer	Asst. Treasurer and Asst. Sec.
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 28th day of February 2008
Christine A. Farnon

a. Is this an original filing? Yes [X] No [ ]
b. If no 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.........0 encumbrances)			0	
4.2 Properties held for the production of income (less $.........0 encumbrances)			0	
4.3 Properties held for sale (less $.........0 encumbrances)			0	
5. Cash ($.....6,259,058, Sch. E-Part 1), cash equivalents ($.....1,042, Sch. E-Part 2) and short-term investments ($.....3,000,000, Sch. DA)	9,260,100		9,260,100	8,307,764
6. Contract loans (including $.........0 premium notes)			0	
7. Other invested assets (Schedule BA)			0	
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	9,260,100	0	9,260,100	8,307,764
11. Title plants less $.........0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	6,184		6,184	
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection	1,981,644		1,981,644	934,944
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.........0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon	285,633		285,633	467,847
16.2 Net deferred tax asset	1,364,131		1,364,131	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software			0	
19. Furniture and equipment, including health care delivery assets ($.........0)			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates			0	
22. Health care ($.........0) and other amounts receivable			0	
23. Aggregate write-ins for other than invested assets	2,605,999	0	2,605,999	2,458,843
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	15,503,690	0	15,503,690	12,169,398
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	15,503,690	0	15,503,690	12,169,398

DETAILS OF WRITE-INS

	1	2	3	4
0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Deferred Acquisition Costs	1,196,988		1,196,988	1,458,843
2302. Letter of Credit	1,400,000		1,400,000	1,000,000
2303. Salvage & Subrogation Recoverable	9,011		9,011	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,605,999	0	2,605,999	2,458,843

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 34, Column 8)	8,181,746	3,089,850
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 34, Column 9)	548,414	265,838
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	94,938	25,123
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	207,514	219,658
7.1	Current federal and foreign income taxes (including $.........0 on realized capital gains (losses))		
7.2	Net deferred tax liability		26,149
8.	Borrowed money $.........0 and interest thereon $.........0		
9.	Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of $.........0 and including warranty reserves of $.........0)	4,952,039	5,210,153
10.	Advance premiums		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Payable for securities		
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $.........0 and interest thereon $.........0		
23.	Aggregate write-ins for liabilities	34,959	356,725
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	14,019,609	9,193,496
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	14,019,609	9,193,496
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	2,530,411	1,509,940
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	1,400,000	1,000,000
31.	Surplus notes	200,000	200,000
32.	Gross paid in and contributed surplus		
33.	Unassigned funds (surplus)	(2,646,329)	265,962
34.	Less treasury stock, at cost:		
	34.1 ....0.000 shares common (value included in Line 28 $.........0)		
	34.2 ....0.000 shares preferred (value included in Line 29 $.........0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	1,484,082	2,975,902
36.	TOTALS (Page 2, Line 26, Col. 3)	15,503,690	12,169,398

DETAILS OF WRITE-INS

2301.	Return premiums payable		356,725
2302.	Accrued interest payable	34,959	
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	34,959	356,725
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.	Letter of Credit	1,400,000	1,000,000
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	1,400,000	1,000,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 34, Column 4)	9,135,335	6,305,402
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 34, Column 7)	8,576,956	3,233,892
3.	Loss expenses incurred (Part 3, Line 25, Column 1)	1,301,921	698,260
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,872,165	2,319,203
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	13,751,042	6,251,356
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(4,615,708)	54,046
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	207,715	107,484
10.	Net realized capital gains (losses) less capital gains tax of $.........0 (Exhibit of Capital Gains (Losses))		
11.	Net investment gain (loss) (Lines 9 + 10)	207,715	107,484
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.........0 amount charged off $.........0)	0	
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	0	0
15.	Total other income (Lines 12 through 14)	0	0
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(4,407,993)	161,530
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(4,407,993)	161,530
19.	Federal and foreign income taxes incurred	(1,495,702)	58,885
20.	Net income (Line 18 minus Line 19) (to Line 22)	(2,912,291)	102,645
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,975,902	1,949,057
22.	Net income (from Line 20)	(2,912,291)	102,645
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.........0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in	1,020,471	924,200
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	400,000	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(1,491,820)	1,026,845
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	1,484,082	2,975,902

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.			
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0
3701.	Letter of Credit	400,000	
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	400,000	0

EXHIBIT A-2

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

1015820082010010 2008 Document Code: 201

ANNUAL STATEMENT

For the Year Ended December 31, 2008

OF THE CONDITION AND AFFAIRS OF THE

Ocean Risk Retention Group Inc.

NAIC Group Code	0000 (Current Period), 0000 (Prior Period)	NAIC Company Code 10158	Employer's ID Number 73-1733457
Organized under the Laws of	District of Columbia	State of Domicile or Port of Entry	District of Columbia
Country of Domicile	US	(electronic filing)	
Country of Domicile	United States of America		
Incorporated/Organized	03/10/2005	Commenced Business	04/12/2005
Statutory Home Office	1250 H Street, Suite 901 (Street and Number)		Washington, DC 20005 (City or Town, State and Zip Code)
Main Administrative Office	837 Kearny Avenue (Street and Number)		
	Kearny, NJ 07032 (City or Town, State and Zip Code)		(201)246-1059 (Area Code) (Telephone Number)
Mail Address	901 Dulaney Valley Road, Suite 610 (Street and Number or P.O. Box)		Towson, MD 21204 (City or Town, State and Zip Code)
Primary Location of Books and Records	1250 H Street, NW Suite 901 (Street and Number)		
	Washington, DC 20005 (City or Town, State and Zip Code)		(877)587-1763 (Area Code) (Telephone Number)
Internet Website Address	N/A		
Statutory Statement Contact	Mary Claire Goff (Name)		(877)587-1763 (Area Code)(Telephone Number)(Extension)
	mcg@tafcos.com (E-Mail Address)		(877)224-0876 (Fax Number)

OFFICERS

Name	Title
Jeanette Frankenberg	President
Mary Claire Goff	Secretary and Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Jeanette Frankenberg   Arnet Songun

State of Maryland
County of Baltimore ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	Mary Claire Goff (Signature)	(Signature)
Jeanette Frankenberg (Printed Name)	Mary Claire Goff (Printed Name)	(Printed Name)
1.	2.	3.
President (Title)	Secretary and Treasurer (Title)	(Title)

Subscribed and sworn to before me this 9th day of MARCH, 2009

Christine A Larson
(Notary Public Signature)

My Commission Expires: 5/1/2009

a. Is this an original filing? Yes[X] No[ ]

b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..............0 encumbrances)				
4.2 Properties held for the production of income (less $..............0 encumbrances)				
4.3 Properties held for sale (less $..............0 encumbrances)				
5. Cash ($......10,916,920 Schedule E Part 1), cash equivalents ($..........1,076 Schedule E Part 2) and short-term investments ($........143,830 Schedule DA)	11,061,826		11,061,826	9,260,100
6. Contract loans (including $..............0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	11,061,826		11,061,826	9,260,100
11. Title plants less $..............0 charged off (for Title insurers only)				
12. Investment income due and accrued	87,199		87,199	6,184
13. Premiums and considerations				
13.1 Uncollected premiums and agents' balances in the course of collection	1,355,517		1,355,517	1,981,644
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	10		10	285,633
16.2 Net deferred tax asset	1,964,296		1,964,296	1,364,131
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets ($..............0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care ($..............0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	2,573,584		2,573,584	2,605,999
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	17,042,432		17,042,432	15,503,690
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	17,042,432		17,042,432	15,503,690
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Deferred Acquisition Costs	1,127,377		1,127,377	1,196,988
2302. Letter of Credit	1,400,000		1,400,000	1,400,000
2303. Salvage & Subrogation Recoverable				9,011
2398. Summary of remaining write-ins for Line 23 from overflow page	46,207		46,207	
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,573,584		2,573,584	2,605,999

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	10,867,128	8,181,746
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	947,637	548,414
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	77,467	94,938
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	188,260	207,514
7.1	Current federal and foreign income taxes (including $..............0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..............0 and interest thereon $..............0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..............0 and including warranty reserves of $..............0)	4,026,348	4,952,039
10.	Advance premiums		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Payable for securities		
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $..............0 and interest thereon $..............0		
23.	Aggregate write-ins for liabilities	55,014	34,959
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	16,161,854	14,019,609
25.	Protected cell liabilities		
26.	Total Liabilities (Lines 24 and 25)	16,161,854	14,019,609
27.	Aggregate write-ins for special surplus funds		
28.	Common capital stock	3,122,248	2,530,411
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	1,400,000	1,400,000
31.	Surplus notes	200,000	200,000
32.	Gross paid in and contributed surplus		
33.	Unassigned funds (surplus)	(3,841,670)	(2,646,329)
34.	Less treasury stock, at cost:		
	34.1 ....0 shares common (value included in Line 28 $..............0)		
	34.2 ....0 shares preferred (value included in Line 29 $..............0)		
35.	Surplus as regards policyholders (Lines 27 to 33, minus 34) (Page 4, Line 39)	880,578	1,484,082
36.	TOTALS (Page 2, Line 26, Column 3)	17,042,432	15,503,690
DETAILS OF WRITE-INS			
2301.	Accrued interest payable	55,014	34,959
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	55,014	34,959
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.	Letter of Credit	1,400,000	1,400,000
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	1,400,000	1,400,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	8,234,339	9,135,335
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	5,719,504	8,576,956
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,677,175	1,301,921
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	2,894,540	3,872,165
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	10,291,219	13,751,043
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(2,056,880)	(4,615,708)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	261,373	207,715
10.	Net realized capital gains (losses) less capital gains tax of $..............0 (Exhibit of Capital Gains (Losses))		
11.	Net investment gain or (loss) (Lines 9 + 10)	261,373	207,715
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $..............0 amount charged off $..............0)		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income		
15.	Total other income (Lines 12 through 14)		
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 +11 + 15)	(1,795,507)	(4,407,993)
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,795,507)	(4,407,993)
19.	Federal and foreign income taxes incurred	(600,166)	(1,495,702)
20.	Net income (Line 18 minus Line 19) (to Line 22)	(1,195,341)	(2,912,291)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,484,082	2,975,902
22.	Net income (from Line 20)	(1,195,341)	(2,912,291)
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..............0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 26, Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in	591,837	1,020,471
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		400,000
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(603,504)	(1,491,820)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	880,578	1,484,082
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.			
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701.	Letter of Credit		400,000
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		400,000

EXHIBIT A-3

10158200920100100 2009

ANNUAL STATEMENT

For the Year Ending December 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

Ocean Risk Retention Group Inc.

NAIC Group Code 0000 (current period), 0000 (prior period) NAIC Company Code 10158 Employer's ID Number 73-1733457

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Incorporated/Organized 03/10/2005 Commenced Business 04/12/2005

Statutory Home Office 1250 H Street, Suite 901 (Street and Number), Washington, DC 20005 (City or Town, State and Zip Code)

Main Administrative Office 837 Kearny Avenue (Street and Number)

Kearny, NJ 07032 (City or Town, State and Zip Code) (201)246-1059 (Area Code)(Telephone Number)

Mail Address 901 Dulaney Valley Road, Suite 610 (Street and Number), Towson, MD 21204 (City or Town, State and Zip Code)

Primary Location of Books and Records 1250 H Street, NW Suite 901 (Street and Number)

Washington, DC 20005 (City or Town, State and Zip Code) (877)587-1763 (Area Code)(Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Mary Claire Goff (Name) (877)587-1763 (Area Code)(Telephone Number)

mcg@taftcos.com (E-Mail Address) (877)224-0876 (Fax Number)

OFFICERS

Name	Title
Jeanette Frankenberg	President
Mary Claire Goff	Secretary and Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Jeanette Frankenberg
Mary Claire Goff #
Amet Songun

State of Maryland

County of Baltimore ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Jeanette Frankenberg	Mary Claire Goff	
(Printed Name) 1.	(Printed Name) 2.	(Printed Name) 3.
President	Secretary and Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

____ day of ________ 2010

(Notary Public Signature)

a. Is this an original filing? Yes[X] No[ ]

b. If no:
1. State the amendment number 0
2. Date filed
3. Number of pages attached 0

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..............0 encumbrances)				
4.2 Properties held for the production of income (less $..............0 encumbrances)				
4.3 Properties held for sale (less $..............0 encumbrances)				
5. Cash ($.......8,628,649 Schedule E Part 1), cash equivalents ($.........131,796 Schedule E Part 2) and short-term investments ($.........384,518 Schedule DA)	9,144,963		9,144,963	11,061,826
6. Contract loans (including $..............0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	9,144,963		9,144,963	11,061,826
11. Title plants less $..............0 charged off (for Title insurers only)				
12. Investment income due and accrued	37,880		37,880	87,199
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,094,922		1,094,922	1,355,517
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				10
16.2 Net deferred tax asset	1,964,080		1,964,080	1,964,296
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets ($..............0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care ($..............0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	3,269,755		3,269,755	2,573,584
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	15,511,600		15,511,600	17,042,432
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	15,511,600		15,511,600	17,042,432
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Deferred Acquisition Costs	641,734		641,734	1,127,377
2302. Letter of Credit	2,400,000		2,400,000	1,400,000
2303. Note Receivable - Renaissance	211,338		211,338	
2398. Summary of remaining write-ins for Line 23 from overflow page	16,684		16,684	46,207
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	3,269,755		3,269,755	2,573,584

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	9,327,284	10,867,128
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	918,680	947,637
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	52,612	77,467
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	192,539	188,260
7.1	Current federal and foreign income taxes (including $..............0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..............0 and interest thereon $..............0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..............0 and including warranty reserves of $..............0)	2,790,088	4,026,348
10.	Advance premiums		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Payable for securities		
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $..............0 and interest thereon $..............0		
23.	Aggregate write-ins for liabilities		55,014
24.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 23)	13,281,203	16,161,854
25.	Protected cell liabilities		
26.	TOTAL Liabilities (Lines 24 and 25)	13,281,203	16,161,854
27.	Aggregate write-ins for special surplus funds		
28.	Common capital stock	867,914	3,122,248
29.	Preferred capital stock	2,603,742	
30.	Aggregate write-ins for other than special surplus funds	2,400,000	1,400,000
31.	Surplus notes	200,000	200,000
32.	Gross paid in and contributed surplus		
33.	Unassigned funds (surplus)	(3,841,259)	(3,841,670)
34.	Less treasury stock, at cost:		
	34.1 ....0 shares common (value included in Line 28 $..............0)		
	34.2 ....0 shares preferred (value included in Line 29 $..............0)		
35.	Surplus as regards policyholders (Lines 27 to 33, minus 34) (Page 4, Line 39)	2,230,397	880,578
36.	TOTALS (Page 2, Line 26, Column 3)	15,511,600	17,042,432
	DETAILS OF WRITE-INS		
2301.	Accrued interest payable		55,014
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)		55,014
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.	Letter of Credit	2,400,000	1,400,000
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	2,400,000	1,400,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	6,671,916	8,234,339
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	3,670,041	5,719,504
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,219,270	1,677,175
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	2,175,114	2,894,540
5.	Aggregate write-ins for underwriting deductions		
6.	TOTAL Underwriting Deductions (Lines 2 through 5)	7,064,426	10,291,219
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(392,510)	(2,056,880)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	359,042	261,373
10.	Net realized capital gains (losses) less capital gains tax of $..............0 (Exhibit of Capital Gains (Losses))		
11.	Net investment gain or (loss) (Lines 9 + 10)	359,042	261,373
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $..............0 amount charged off $..............0)		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	34,106	
15.	TOTAL Other Income (Lines 12 through 14)	34,106	
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	638	(1,795,507)
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	638	(1,795,507)
19.	Federal and foreign income taxes incurred	227	(600,166)
20.	Net income (Line 18 minus Line 19) (to Line 22)	411	(1,195,341)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	880,578	1,484,082
22.	Net income (from Line 20)	411	(1,195,341)
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..............0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 26, Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in	349,408	591,837
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	1,000,000	
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	1,349,819	(603,504)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	2,230,398	880,578
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.	Miscellaneous Income	34,106	
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	34,106	
3701.	Letter of Credit	1,000,000	
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)	1,000,000	

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

10158201020100100 2010 Doc

EXHIBIT A-4

ANNUAL STATEMENT

For the Year Ended December 31, 2010

OF THE CONDITION AND AFFAIRS OF THE

Ocean Risk Retention Group Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 10158 Employer's ID Number 73-1733457

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Incorporated/Organized 03/10/2005 Commenced Business 04/12/2005

Statutory Home Office 1250 H Street, Suite 901 (Street and Number), Washington, DC 20005 (City or Town, State and Zip Code)

Main Administrative Office 837 Kearny Avenue (Street and Number)

Kearny, NJ 07032 (City or Town, State and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Mail Address 1620 Providence Road (Street and Number or P.O. Box), Towson, MD 21286 (City or Town, State and Zip Code)

Primary Location of Books and Records 1250 H Street, NW Suite 901 (Street and Number)

Washington, DC 20005 (City or Town, State and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Mary Claire Goff (Name) (877)587-1763 (Area Code)(Telephone Number)(Extension)

mcg@taftcos.com (E-Mail Address) (877)224-0876 (Fax Number)

OFFICERS

Name	Title
Jeanette Frankenberg	President
Mary Claire Goff	Secretary and Treasurer #

OTHERS

DIRECTORS OR TRUSTEES

Jeanette Frankenberg
Mary Claire Goff #
Amet Songun

State of Maryland
County of Baltimore ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Jeanette Frankenberg	Mary Claire Goff	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary and Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this ______ day of ______, 2011

a. Is this an original filing? Yes[X] No[ ]
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

(Notary Public Signature)

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..............0 encumbrances)				
4.2 Properties held for the production of income (less $..............0 encumbrances)				
4.3 Properties held for sale (less $..............0 encumbrances)				
5. Cash ($.......5,851,861 Schedule E Part 1), cash equivalents ($............319 Schedule E Part 2) and short-term investments ($..............0 Schedule DA)	5,852,180		5,852,180	9,144,963
6. Contract loans (including $..............0 premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	5,852,180		5,852,180	9,144,963
13. Title plants less $..............0 charged off (for Title insurers only)				
14. Investment income due and accrued	640		640	37,880
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	897,780		897,780	1,094,922
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	2,382,270		2,382,270	1,964,080
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($..............0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care ($..............0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	3,009,035		3,009,035	3,269,755
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,141,905		12,141,905	15,511,600
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	12,141,905		12,141,905	15,511,600
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Deferred Acquisition Costs	578,110		578,110	641,734
2502. Letter of Credit	2,400,000		2,400,000	2,400,000
2503. Note Receivable - Renaissance	12,705		12,705	211,338
2598. Summary of remaining write-ins for Line 25 from overflow page	18,220		18,220	16,684
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,009,035		3,009,035	3,269,755

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	7,555,625	9,327,284
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	278,348	918,680
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	58,966	52,612
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	156,446	192,539
7.1	Current federal and foreign income taxes (including $..............0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..............0 and interest thereon $..............0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..............0 and including warranty reserves of $..............0)	2,359,633	2,790,088
10.	Advance premiums		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..............0 and interest thereon $..............0		
25.	Aggregate write-ins for liabilities		
26.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	10,409,018	13,281,203
27.	Protected cell liabilities		
28.	TOTAL Liabilities (Lines 26 and 27)	10,409,018	13,281,203
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock	939,389	867,914
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	2,400,000	2,400,000
33.	Surplus notes	200,000	200,000
34.	Gross paid in and contributed surplus	2,818,169	2,603,742
35.	Unassigned funds (surplus)	(4,624,671)	(3,841,259)
36.	Less treasury stock, at cost:		
	36.1 ....0 shares common (value included in Line 30 $..............0)		
	36.2 ....0 shares preferred (value included in Line 31 $..............0)		
37.	Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	1,732,887	2,230,397
38.	TOTALS (Page 2, Line 28, Column 3)	12,141,905	15,511,600
DETAILS OF WRITE-INS			
2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	Letter of Credit	2,400,000	2,400,000
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)	2,400,000	2,400,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	4,536,654	6,671,916
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	3,043,959	3,670,041
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,422,393	1,219,270
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,368,962	2,175,114
5.	Aggregate write-ins for underwriting deductions		
6.	TOTAL Underwriting Deductions (Lines 2 through 5)	5,835,314	7,064,426
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(1,298,660)	(392,510)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	97,059	359,042
10.	Net realized capital gains (losses) less capital gains tax of $..............0 (Exhibit of Capital Gains (Losses))		
11.	Net investment gain or (loss) (Lines 9 + 10)	97,059	359,042
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $..............0 amount charged off $..............0)		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income		34,106
15.	TOTAL Other Income (Lines 12 through 14)		34,106
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,201,601)	638
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,201,601)	638
19.	Federal and foreign income taxes incurred	(418,190)	227
20.	Net income (Line 18 minus Line 19) (to Line 22)	(783,411)	411
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,230,397	880,578
22.	Net income (from Line 20)	(783,411)	411
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..............0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in	71,475	349,408
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in	214,427	
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		999,999
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(497,509)	1,349,818
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,732,887	2,230,397
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.	Miscellaneous Income		34,106
1402.	Note Receivable - Renaissance interest income		
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		34,106
3701.	Letter of Credit		1,000,000
3702.	Prior year audit adjustment		
3703.	Rounding		(1)
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		999,999

EXHIBIT A-5

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

10158201220100100 2012

ANNUAL STATEMENT

For the Year Ended December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

Ocean Risk Retention Group Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 10158 Employer's ID Number 73-1733457

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Incorporated/Organized 03/10/2005 Commenced Business 04/12/2005

Statutory Home Office 1250 H Street, Suite 901 (Street and Number), Washington, DC, 20005 (City or Town, State, Country and Zip Code)

Main Administrative Office 1620 Providence Road (Street and Number)

Towson, MD, 21286 (City or Town, State, Country and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Mail Address 1620 Providence Road (Street and Number or P.O. Box), Towson, MD, 21286 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1250 H Street, NW Suite 901 (Street and Number)

Washington, DC, 20005 (City or Town, State, Country and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Mary Claire Goff (Name) (877)587-1763 (Area Code)(Telephone Number)(Extension)

mcg@taftcos.com (E-Mail Address) (877)224-0876 (Fax Number)

OFFICERS

Name	Title
Phillip A. Kane	President #
Mary Claire Goff	Secretary and Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Phillip A. Kane # Mary Claire Goff

State of Maryland
County of Baltimore ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Phillip A. Kane	Mary Claire Goff	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary and Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this ______ day of ______, 2013

a. Is this an original filing? Yes[X] No[ ]
b. If no,
1. State the amendment number ______
2. Date filed ______
3. Number of pages attached ______

(Notary Public Signature)

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)				
2.	Stocks (Schedule D)				
	2.1 Preferred stocks				
	2.2 Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $..............0 encumbrances)				
	4.2 Properties held for the production of income (less $..............0 encumbrances)				
	4.3 Properties held for sale (less $..............0 encumbrances)				
5.	Cash ($.......2,952,843 Schedule E Part 1), cash equivalents ($..............0 Schedule E Part 2) and short-term investments ($..............0 Schedule DA)	2,952,843		2,952,843	4,973,520
6.	Contract loans (including $..............0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	2,952,843		2,952,843	4,973,520
13.	Title plants less $..............0 charged off (for Title insurers only)				
14.	Investment income due and accrued	3,842		3,842	3,236
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	850,997		850,997	1,032,147
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $..............0 earned but unbilled premiums)				
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers				
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	1,156,736		1,156,736	1,111,630
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($..............0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care ($..............0) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	3,648,359		3,648,359	3,233,279
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	8,612,776		8,612,776	10,353,812
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	8,612,776		8,612,776	10,353,812
DETAILS OF WRITE-INS					
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Deferred Acquisition Costs	302,987		302,987	538,863
2502.	Letter of Credit	2,000,000		2,000,000	2,000,000
2503.	Note Receivable - Renaissance	485,635		485,635	642,053
2598.	Summary of remaining write-ins for Line 25 from overflow page	859,737		859,737	52,363
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,648,359		3,648,359	3,233,279

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	5,301,178	5,801,306
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	570,811	759,509
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	66,433	61,680
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	79,669	158,402
7.1	Current federal and foreign income taxes (including $..............0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..............0 and interest thereon $..............0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $..............0 and including warranty reserves of $..............0 and accrued accident and health experience rating refunds including $..............0 for medical loss ratio rebate per the Public Health Service Act)	1,236,682	2,199,441
10.	Advance premiums		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including ($..............0 certified)) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..............0 and interest thereon $..............0		
25.	Aggregate write-ins for liabilities		
26.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	7,254,773	8,980,338
27.	Protected cell liabilities		
28.	TOTAL Liabilities (Lines 26 and 27)	7,254,773	8,980,338
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock	1,087,785	1,033,472
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	2,000,000	2,000,000
33.	Surplus notes	200,000	200,000
34.	Gross paid in and contributed surplus	3,263,356	3,100,415
35.	Unassigned funds (surplus)	(5,193,139)	(4,960,413)
36.	Less treasury stock, at cost:		
	36.1 ....0 shares common (value included in Line 30 $..............0)		
	36.2 ....0 shares preferred (value included in Line 31 $..............0)		
37.	Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	1,358,003	1,373,474
38.	TOTALS (Page 2, Line 28, Column 3)	8,612,776	10,353,812
DETAILS OF WRITE-INS			
2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	Letter of Credit	2,000,000	2,000,000
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)	2,000,000	2,000,000

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	3,565,218	4,500,863
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	3,630,129	2,903,740
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	485,794	1,389,866
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	(248,463)	(593,392)
5.	Aggregate write-ins for underwriting deductions		
6.	TOTAL Underwriting Deductions (Lines 2 through 5)	3,867,460	3,700,214
7.	Net income of protected cells		
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(302,242)	800,649
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	27,235	46,786
10.	Net realized capital gains (losses) less capital gains tax of $..............0 (Exhibit of Capital Gains (Losses))	(3,321)	
11.	Net investment gain or (loss) (Lines 9 + 10)	23,914	46,786
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $..............0 amount charged off $..............0)		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	12,996	87,462
15.	TOTAL Other Income (Lines 12 through 14)	12,996	87,462
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(265,332)	934,897
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(265,332)	934,897
19.	Federal and foreign income taxes incurred	(32,606)	1,270,639
20.	Net income (Line 18 minus Line 19) (to Line 22)	(232,726)	(335,742)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,373,474	1,732,889
22.	Net income (from Line 20)	(232,726)	(335,742)
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..............0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in	54,314	94,084
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in	162,941	282,246
	33.2 Transferred to capital (Stock Dividend)		
	33.3 Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		(400,003)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(15,471)	(359,415)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,358,003	1,373,474
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.	Miscellaneous Income		87,462
1402.	Late fee income and interest from payment plan	12,996	
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	12,996	87,462
3701.	Letter of Credit		(400,000)
3702.	Prior year audit adjustment		
3703.	Miscellaneous adjustment - Rounding		(3)
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		(400,003)

EXHIBIT

B

Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking

ONE CITY

William P. White
Commissioner

District of Columbia Department of Insurance, Securities and Banking,	)	RFB No. O-01-13
v.	)	
Ocean Risk Retention Group, Inc.	)	

ORDER

WHEREAS, the Commissioner of the Department of Insurance, Securities and Banking ("Department") issued a certificate of authority to Ocean Risk Retention Group, Inc. ("Ocean" or the "Company") (RR045; NAIC #10158) on March 22, 2005, which authorizes Ocean, an association captive insurer, to write commercial auto liability insurance. The Company commenced operations on or about April 12, 2005.

WHEREAS, since 2007, Ocean has incurred a series of significant net underwriting losses. Specifically, in its Annual Statements filed with the Department, the Company reported underwriting losses in the amounts of: Four Million Six Hundred Fifteen Thousand Seven Hundred Eight Dollars ($4,615,708) as of December 31, 2007; Two Million Fifty-Six Thousand Eight Hundred Eighty Dollars ($2,056,880) as of December 31, 2008; Three Hundred Ninety-Two Thousand Five Hundred Ten Dollars ($392,510) as of December 31, 2009; One Million Two Hundred Ninety-Eight Thousand Six Hundred Sixty Dollars ($1,298,660) as of December 31, 2010; and Three Hundred Two Thousand Two Hundred Forty-Two Dollars ($302,242) as of December 31, 2012.

WHEREAS, according to its Annual Statements filed with the Department, the Company engaged in a series of transactions with Renaissance Retention Group, Inc. ("Renaissance"), Ocean's managing general underwriter, wherein Renaissance agreed to retroactively reduce its commissions and return said commissions to Ocean through cash payments and/or as promissory notes.

- On June 27, 2011 the Company and Renaissance executed Addendum #4 to the Managing General Underwriting Agreement, whereby Renaissance agreed to reduce its commission rate from twenty-five percent (25.0%) to twenty-one point three percent (21.3%) on net premium written between April 10, 2005 to December 31, 2008, resulting in a return commission from Renaissance to Ocean in the amount of One Million One Hundred One Thousand One Hundred Eighty-Nine Dollars ($1,101,189) on December 30, 2011. Four Hundred Thousand Dollars ($400,000) was paid to Ocean in cash, and Renaissance executed a promissory note payable to Ocean in the amount of Seven Hundred One Thousand One Hundred Eighty-Nine Dollars ($701,189), payable in monthly payments of Fifteen Thousand Seven Twenty-Severn Thousand Dollars ($15,727), at an interest rate of three percent (3.00%) until the note is paid in full.

- On June 26, 2012 the Company and Renaissance executed Addendum #5 to the Managing General Underwriting Agreement, whereby Renaissance agreed to reduce its commission rate from twenty-one point three percent (21.3%) to eighteen point three percent (18.3%) on net premium written between April 10, 2005 to December 31, 2008, resulting in a return commission from Renaissance to Ocean in the amount of Eight Hundred Ninety-Two Eight Hundred Seven Thousand Dollars ($892,807) paid in cash in December 2011.

- On July 16, 2012 the Company and Renaissance executed Addendum #7 to the Managing General Underwriting Agreement, whereby Renaissance agreed to reduce its commission rate from eighteen point three percent (18.3%) to sixteen point three percent (16.3%), resulting in a return commission from Renaissance to Ocean in the amount of Six Hundred Thousand Dollars ($600,000), of which Two Hundred Fifty Thousand ($250,000) was paid in cash on July 13, 2012 and Three Hundred Fifty Thousand Dollars ($350,000) was paid in cash in September 30, 2012.

- In the Fourth Quarter of 2012 Renaissance agreed to return to Ocean additional commissions in the amount of Seven Hundred Fifty Thousand Dollars ($750,000) that it had earned in prior quarters. A second promissory note was executed for the full amount of Seven Hundred Fifty Thousand Dollars ($750,000). On or about March 27, 2013, Renaissance paid Ocean Three Hundred Seventy-Five Thousand Dollars ($375,000) on this note, leaving an unpaid balance in the amount of Three Hundred Seventy-Five Thousand Dollars ($375,000).

WHEREAS, The receivable due from the Renaissance promissory notes payable to Ocean have a balance of Eight Hundred Fifty-Two Thousand Three Hundred Thirty-Two Dollars ($852,332) as of March 31, 2013, which represents eighty-three percent (83%) of Ocean's surplus as regards policyholders as of the same date. See Note 19 of the Company's Quarterly Statement as of March 31, 2013.

WHEREAS, Ocean has failed to record appropriate reserves for defense and cost containment expenses on Schedule P of its 2012 Annual Statement, which results in a significant understatement of Ocean's true loss and loss adjustment expense reserves. In this regard, Jeannette Frankenberg was the President of Ocean from its inception until August 30, 2012. Ms. Frankenberg is a partner in a law firm of Stewart, Lavinthal, Frankenburg Norgaard in New Jersey. Ms. Frankenberg and others in her firm have been providing substantial legal services to Ocean on a *pro bono* basis for at least three years, to reduce Ocean's litigation-related expenses. It is not clear whether Ocean will be obligated to pay Stewart, Lavinthal, Frankenburg Norgaard or Ms. Frankenberg for its services, or what will happen if Stewart, Lavinthal, Frankenburg Norgaard or Ms. Frankenberg are unwilling or unable to continue to provide these services on a *pro bono* basis.

WHEREAS, the Company reported anticipated salvage and subrogation in the amount of Five Hundred Ninety-Seven Thousand Dollars ($597,000) as of December 31, 2012 on Schedule P of its Annual Statement, which has the effect of reducing Ocean's loss and loss expense reserves and increasing its surplus by the same amount. Prior to its most recent report, Ocean had never reported anticipated salvage and subrogation. Since the Company's inception, Ocean has only collected salvage and subrogation in the amount of Twenty-Six Thousand Dollars ($26,000).

WHEREAS, Ocean is required to maintain certain qualified reserve investments pursuant to D.C. Official Code § 31-1373.02(a). Based on the Department's review of the Company's investments, Ocean's qualified reserves were approximately Nine Hundred Forty Thousand Dollars ($940,000) below the statutorily mandated amount as of December 31, 2012.

WHEREAS, Bartlett Actuarial Group, Ltd., Ocean's consulting actuary indicated in its Actuarial Opinion Summary dated April 1, 2013, a range of estimated loss and loss adjustment reserves between Five Million Six Hundred Fifty Eight Thousand Eight Hundred Fifty-Two Dollars ($5,658,852) and Six Million Five Hundred Twenty-Six Thousand Eight Hundred Twenty-Nine Dollars ($6,526,829) for the year ending December 31, 2012. The consulting actuary opined that there is a significant risk of material adverse deviation. Notwithstanding the consulting actuary's opinion, Ocean's management chose to report on its Annual Statement the Company's reserves at Five Million Eight Hundred Seventy-One Thousand Nine Hundred Eighty-Nine Dollars ($5,871,989), which is only slightly above the low point of the estimated reserves range.

WHEREAS, notwithstanding the substantial commission returns received from Renaissance, in its Annual Statements Ocean reported net operating losses of approximately Seven Hundred Eighty-Three Thousand Dollars ($783,000) at year-end 2010, approximately Three Hundred Thirty-Six Thousand Dollars ($336,000) at year-end 2011, Two Hundred Thirty-Three Thousand Dollars ($233,000) at year-end 2012, and approximately Three Hundred Sixty-Six Thousand Two Hundred Twenty-Five Thousand Dollars ($366,225) as of March 31, 2013. Ocean's loss ratio was one hundred fifteen percent (115%) as of December 31, 2012 and one hundred forty-six percent (146%) as of March 31, 2013.

WHEREAS, the Department has determined that Ocean's risk retention ratio is twenty-four percent (24%) as of March 31, 2013. Accordingly, Ocean is in violation of D.C. Official Code § 31-2502.12 and 26 DCMR § 3774.1 which provide that no risk retention group organized as a stock insurer shall expose itself to any loss on any one risk or hazard to an amount exceeding ten percent (10%) of the sum of its capital stock and surplus.

WHEREAS, the Commissioner has concluded that Ocean's financial performance since its inception, its continuing deteriorating financial condition, its current loss reserves and surplus balances, and its inability to stem its losses since 2007 may result in insolvency.

WHEREAS, in light of Ocean's ratios of commission expense, general insurance expense, policy benefits and reserve increases to annual premium and net investment income; Ocean's operating losses; the age and collectibility of Ocean's receivables, the foreseeability of future cash flow or liquidity problems, the Commissioner has determined that the Company's continued operation without regulatory intervention would be hazardous to the Company's policyholders, creditors and the general public, as set forth in the Standards to Identify Insurance Companies Deemed to Be in Hazardous Financial Condition Act of 1993. *See* D.C. Official Code § 31-2101(a)(3), (6), (10) and (15).

NOW, THEREFORE, on this 5th day of June 2013, pursuant to D.C. Official Code §§ 31-3931.15(a)(4) and 31-2102(a)(2), (4) and (7), the Commissioner hereby orders as follows:

ORDERED: That Ocean Risk Retention Group, Inc. shall cease writing all new and renewal business, including all endorsements, effective as of the date of this Order, until such time as this Order is rescinded or amended; and it is

FURTHER ORDERED: That Ocean Risk Retention Group, Inc. shall increase its surplus as regards policyholders by at least Five Hundred Thousand Dollars ($500,000) within thirty (30) days from the date of this Order; and it is

FURTHER ORDERED: That Ocean Risk Retention Group, Inc. shall collect 100% of the amounts owed under the promissory notes from Renaissance within thirty (30) days from the date of this Order; and it is

FURTHER ORDERED: That Ocean Risk Retention Group, Inc. shall have the right to request a hearing in this matter by delivering a letter to the DISB in person or by certified mail within ten (10) days after the service of this notice. The letter shall be addressed to Dana Shepard, Associate Commissioner Risk Finance Bureau, Department of Insurance, Securities and Banking, 810 First Street, NE, Suite 701, Washington, D.C. 20002.

SO ORDERED,

IN WITNESS WHEREOF, I HEREUNTO
SET MY HAND, AND AFFIX
THE OFFICIAL SEAL OF THIS
DEPARTMENT IN THE DISTRICT OF

COLUMBIA, THIS 5th DAY OF
June 2013.

William P. White
Commissioner

CERTIFICATE OF SERVICE

June I, Joyce A. Lewis, verify that a copy of the foregoing was sent on this 5th day of ______, 2013 via electronic mail to the following individuals:

Stephanie Schmelz
Assistant Attorney General
Department of Insurance, Securities and Banking
Office of the General Counsel
810 First Street, N.E., Suite 701
Washington, D.C. 20002

Arthur D. Perschetz, Esquire
McIntyre & Lemon
1155 15th St., NW Suite 1100
WASHINGTON, D.C. 20005
Counsel for Ocean Risk Retention Group, Inc.

Mary Claire Goff, CIC
Senior Vice President
The Taft Companies, LLC
1620 Providence Road
Towson, MD 21286
Captive Manager for Ocean Risk Retention Group, Inc.

Joyce A. Lewis

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

10158201320100101 2013 Docum

EXHIBIT C

QUARTERLY STATEMENT

AS OF March 31, 2013

OF THE CONDITION AND AFFAIRS OF THE

Ocean Risk Retention Group Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 10158 Employer's ID Number 73-1733457

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Incorporated/Organized 03/10/2005 Commenced Business 04/12/2005

Statutory Home Office 1250 H Street, Suite 901 (Street and Number), Washington, DC, 20005 (City or Town, State, Country and Zip Code)

Main Administrative Office 1620 Providence Road (Street and Number)

Towson, MD, 21286 (City or Town, State, Country and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Mail Address 1620 Providence Road (Street and Number or P.O. Box), Towson, MD, 21286 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1250 H Street, NW Suite 901 (Street and Number)

Washington, DC, 20005 (City or Town, State, Country and Zip Code) (877)587-1763 (Area Code) (Telephone Number)

Internet Web Site Address N/A

Statutory Statement Contact Mary Claire Goff (Name) (877)587-1763 (Area Code)(Telephone Number)(Extension)

mcg@taftcos.com (E-Mail Address) (877)224-0876 (Fax Number)

OFFICERS

Name	Title
Phillip A. Kane	President
Mary Claire Goff	Secretary and Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Phillip A. Kane Mary Claire Goff

State of Maryland
County of Baltimore ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Phillip A. Kane	Mary Claire Goff	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary and Treasurer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this ______ day of ______ , 2013

a. Is this an original filing? Yes[X] No[ ]
b. If no, 1. State the amendment number ______
2. Date filed ______
3. Number of pages attached ______

______
(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds				
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate:				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less $..............0 encumbrances)				
	4.2 Properties held for the production of income (less $..............0 encumbrances)				
	4.3 Properties held for sale (less $..............0 encumbrances)				
5.	Cash ($.......2,514,977), cash equivalents ($..............0) and short-term investments ($..............0)	2,514,977		2,514,977	2,952,843
6.	Contract loans (including $..............0 premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	2,514,977		2,514,977	2,952,843
13.	Title plants less $..............0 charged off (for Title insurers only)				
14.	Investment income due and accrued	12,831		12,831	3,842
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	841,960		841,960	850,997
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..............0 earned but unbilled premiums)				
	15.3 Accrued retrospective premiums				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers				
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset	1,253,136		1,253,136	1,156,736
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($..............0)				
22.	Net adjustments in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates				
24.	Health care ($..............0) and other amounts receivable				
25.	Aggregate write-ins for other than invested assets	3,246,850		3,246,850	3,648,359
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	7,869,754		7,869,754	8,612,776
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	7,869,754		7,869,754	8,612,776
DETAILS OF WRITE-INS					
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Deferred Acquisition Costs	265,476		265,476	302,987
2502.	Letter of Credit	2,000,000		2,000,000	2,000,000
2503.	Note Receivable #1 - Renaissance	471,255		471,255	485,635
2598.	Summary of remaining write-ins for Line 25 from overflow page	510,119		510,119	859,737
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,246,850		3,246,850	3,648,359

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $..............0)	5,025,654	5,301,178
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	616,470	570,811
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	68,017	66,433
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	52,010	79,669
7.1	Current federal and foreign income taxes (including $..............0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..............0 and interest thereon $..............0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $..............0 and including warranty reserves of $..............0 and accrued accident and health experience rating refunds including $..............0 for medical loss ratio rebate per the Public Health Service Act)	1,083,574	1,236,682
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $..............0 certified)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $..............0 and interest thereon $..............0		
25.	Aggregate write-ins for liabilities		
26.	TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	6,845,725	7,254,773
27.	Protected cell liabilities		
28.	TOTAL liabilities (Lines 26 and 27)	6,845,725	7,254,773
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock	1,095,848	1,087,785
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	2,000,000	2,000,000
33.	Surplus notes	200,000	200,000
34.	Gross paid in and contributed surplus	3,287,545	3,263,356
35.	Unassigned funds (surplus)	(5,559,364)	(5,193,139)
36.	Less treasury stock, at cost:		
	36.1 ....0 shares common (value included in Line 30 $..............0)		
	36.2 ....0 shares preferred (value included in Line 31 $..............0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	1,024,029	1,358,003
38.	TOTALS (Page 2, Line 28, Col. 3)	7,869,754	8,612,776
DETAILS OF WRITE-INS			
2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	Letter of Credit	2,000,000	2,000,000
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)	2,000,000	2,000,000

STATEMENT OF INCOME

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
	UNDERWRITING INCOME			
1.	Premiums earned			
	1.1 Direct (written $.........462,297)	615,405	977,424	3,565,218
	1.2 Assumed (written $...............0)			
	1.3 Ceded (written $..............0)			
	1.4 Net (written $.........462,297)	615,405	977,424	3,565,218
DEDUCTIONS:				
2.	Losses incurred (current accident year $...............0)			
	2.1 Direct	643,088	1,191,718	3,630,129
	2.2 Assumed			
	2.3 Ceded			
	2.4 Net	643,088	1,191,718	3,630,129
3.	Loss adjustment expenses incurred	254,055	151,042	485,794
4.	Other underwriting expenses incurred	195,399	308,855	(248,463)
5.	Aggregate write-ins for underwriting deductions			
6.	TOTAL underwriting deductions (Lines 2 through 5)	1,092,542	1,651,615	3,867,460
7.	Net income of protected cells			
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(477,137)	(674,191)	(302,242)
	INVESTMENT INCOME			
9.	Net investment income earned	14,511	3,377	27,235
10.	Net realized capital gains (losses) less capital gains tax of $..............0			(3,321)
11.	Net investment gain (loss) (Lines 9 + 10)	14,511	3,377	23,914
	OTHER INCOME			
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $..............0 amount charged off $..............0)			
13.	Finance and service charges not included in premiums			
14.	Aggregate write-ins for miscellaneous income			12,996
15.	TOTAL other income (Lines 12 through 14)			12,996
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(462,625)	(670,814)	(265,332)
17.	Dividends to policyholders			
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(462,625)	(670,814)	(265,332)
19.	Federal and foreign income taxes incurred	(96,400)	10,000	(32,606)
20.	Net income (Line 18 minus Line 19) (to Line 22)	(366,225)	(680,814)	(232,726)
	CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year	1,358,003	1,373,475	1,373,474
22.	Net income (from Line 20)	(366,225)	(680,814)	(232,726)
23.	Net transfers (to) or from Protected Cell accounts			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..............0			
25.	Change in net unrealized foreign exchange capital gain (loss)			
26.	Change in net deferred income tax			
27.	Change in nonadmitted assets			
28.	Change in provision for reinsurance			
29.	Change in surplus notes			
30.	Surplus (contributed to) withdrawn from Protected cells			
31.	Cumulative effect of changes in accounting principles			
32.	Capital changes:			
	32.1 Paid in	8,063	19,684	54,314
	32.2 Transferred from surplus (Stock Dividend)			
	32.3 Transferred to surplus			
33.	Surplus adjustments:			
	33.1 Paid in	24,189	59,054	162,941
	33.2 Transferred to capital (Stock Dividend)			
	33.3 Transferred from capital			
34.	Net remittances from or (to) Home Office			
35.	Dividends to stockholders			
36.	Change in treasury stock			
37.	Aggregate write-ins for gains and losses in surplus			
38.	Change in surplus as regards policyholders (Lines 22 through 37)	(333,974)	(602,076)	(15,471)
39.	Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,024,029	771,399	1,358,003
DETAILS OF WRITE-INS				
0501.				
0502.				
0503.				
0598.	Summary of remaining write-ins for Line 5 from overflow page			
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401.	Miscellaneous Income			
1402.	Late fee income and interest from payment plan			12,996
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			12,996
3701.	Letter of Credit			
3702.	Prior year audit adjustment			
3703.	Miscellaneous adjustment - Rounding			
3798.	Summary of remaining write-ins for Line 37 from overflow page			
3799.	TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

EXHIBIT

D

Ocean Risk Retention Group, Inc.

Independent Auditors' Report,
Financial Statements and Exhibits

As of and for the Years Ended
December 31, 2012 and 2011

Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

Ocean Risk Retention Group, Inc.
Independent Auditors' Report, Financial Statements and Exhibits
As of and for the Years Ended December 31, 2012 and 2011

Table of Contents

Independent Auditors' Report

To the Board of Directors and Stockholders of
Ocean Risk Retention Group, Inc.:

We have audited the accompanying financial statements of Ocean Risk Retention Group, Inc. (the Company), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 6, as of December 31, 2012 and 2011, the Company included in stockholders' equity and as an asset, letters of credit in the amount of $2,000,000, issued in favor of the Commissioner of Insurance of the District of Columbia, and has also included in stockholders' equity, a surplus note in the amount of $200,000. Additionally, no interest is being accrued on the surplus note. Such accounting practices are permitted by the District of Columbia Department of Insurance, Securities and Banking (the Department), but are not in accordance with accounting principles generally accepted in the United States of America. In our opinion, accounting principles generally accepted in the United States of America require that the surplus note and related accrued interest be recorded as a liability and the letters of credit not be recognized in the financial statements.

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As discussed in Note 2, during the year ended December 31, 2012, the Company recorded a $596,687 salvage and subrogation recoverable relating to paid and unpaid losses. Management believes that the recoverable for salvage and subrogation represents an accurate estimate of the amount expected to be recovered based upon the available data and the results of its claim review. Such recoverables for salvage and subrogation are necessarily based on estimates and, while management believes that the amount is reasonable, the ultimate recoverable may be significantly in excess of or less than the amount recorded. In our opinion, based on the lack of historical company data and past collection patterns, the Company's asset for the salvage and subrogation should be reduced to $21,000, which reflects actual amounts collected from January 1, 2013 through the date of this report, and continue to be recorded on a cash basis until such time that sufficient data and patterns develop to accurately project estimates of the future recoverables.

As discussed in Note 8, the Company recorded a full valuation allowance against the deferred tax asset. As of and for the year ended December 31, 2011, the Company has recorded a deferred tax valuation allowance against a portion of its deferred tax asset. Estimation of a deferred tax valuation allowance is the responsibility of management. The estimation of a deferred tax valuation allowance is based upon a combination of the historical operating performance and financial projections of the Company's future operations. Due to the operating performance of the Company through December 31, 2011, generally accepted accounting principles require more weight to be placed on the historical operating performance rather than future financial projections. The financial projections include the future positive impact of actions taken by management to improve the operating performance of the Company, which are further described in Note 1. Projections of the future operations are subject to a high variability depending upon relatively small changes in key assumptions inherent in projections of the Company's future operations. Accordingly, the required amount of an estimated deferred tax valuation allowance could be significantly higher than or less than the amounts recorded within the financial statements. As of December 31, 2011, management has determined that an appropriate deferred tax valuation allowance is $918,578.

In our opinion, based upon the available evidence and the requirement for more weight to be placed on historical operating performance than future financial projections, including positive steps taken by management, it is more likely than not that, as of December 31, 2011, an additional $604,000 of the deferred tax asset may not be realized. If the additional valuation allowance were recorded, assets and stockholders' equity at December 31, 2011 would be reduced by the amount of the additional valuation allowance. Additionally, for the year ended December 31, 2011, tax expense and net income would increase and decrease, respectively, by the amount of this additional valuation allowance.

Qualified Opinion

In our opinion, except for the effects of the inclusion of the letters of credit in stockholders' equity and as an asset and the inclusion of the surplus note in stockholders' equity and the non accrual of the related interest as of December 31, 2012 and 2011, the inclusion of the additional salvage and subrogation recoverable as of December 31, 2012, and the exclusion of the additional valuation allowance against the deferred tax asset, as of December 31, 2011, as discussed in the Basis of Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Ocean Risk Retention Group, Inc., as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-matter Regarding Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As further discussed in Note 1 to the financial statements, the Company has experienced significant losses from operations since inception primarily resulting from adverse development on its unpaid loss and loss adjustment reserves. As of December 31, 2012 , the Company's cumulative net losses have resulted in an accumulated deficit of $6,349,872. This accumulated deficit does not take into account the non accrual of the surplus note interest and the reduction of the salvage and subrogation recoverable as discussed in the Basis for Qualified Opinion paragraph. As of December 31, 2012, the Company is below the minimum surplus requirements of the Department.

In addition, as discussed in Note 1, effective June 6, 2013, the Department issued an Order of Hazardous Financial Condition directing the Company to cease writing all new and renewal business, including all endorsements, as well as comply with various other surplus, cash flow and operational requirements. The Company has not yet complied with certain provisions of this order, however, has notified the Department that the Company consents to voluntary liquidation.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to these matters.

Other Matters

As discussed in Note 5, effective July 1, 2012, the Company elected to discontinue underwriting new and renewal business in the State of New Jersey. For the years ended December 31, 2012 and 2011, premiums written in the State of New Jersey accounted for approximately 23% and 42%, respectively of gross written premiums.

As of December 31, 2012, the Company has amounts receivable of $2,065,954 from related parties, as further described in Note 7. Subsequent to year-end and through the date of this report, $1,315,409 has been collected related to these receivables. The Company's ability to collect the remaining amount is dependent upon the future financial condition of the related party.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors, Stockholders, management of the Company, the District of Columbia Department of Insurance, Securities and Banking, the NAIC and other state insurance departments to whose jurisdiction the Company is subject, and is not intended to be and should not be used by anyone other than these specified parties.

Saslow Lufkin & Buggy, LLP

August 13, 2013

Ocean Risk Retention Group, Inc.
Balance Sheets
December 31, 2012 and 2011

	2012	2011
Assets		
Cash and cash equivalents	$ 2,852,844	$ 4,135,769
Negotiable certificates of deposit, at fair value	100,000	837,750
Non-financing premiums receivable from agent (a related party), net of commission	410,912	1,032,147
Financing premiums and interest receivable from agent (a related party)	324,877	-
Receivable due from Innovative Premium Funding (a related party)	94,530	-
Financing premiums and interest receivable from policyholders	20,678	-
Notes receivable from agent (a related party)	1,235,635	642,053
Net deferred tax asset	-	1,111,630
Deferred policy acquisition costs	302,987	538,863
Letters of credit	2,000,000	2,000,000
Salvage and subrogation recoverable	596,687	-
Prepaid expenses and other assets	113,579	55,598
Total assets	$ 8,052,729	$ 10,353,810
Liabilities and Stockholders' Equity		
Liabilities:		
Unpaid losses and loss adjustment expenses	$ 6,468,676	$ 6,560,815
Unearned premiums	1,236,682	2,199,441
Accounts payable and accrued expenses	66,433	61,680
Premium taxes payable	79,669	158,402
Total liabilities	7,851,460	8,980,338
Stockholders' equity:		
Common stock ($0.25 par value; 5,000,000 shares authorized, 4,351,141 and 4,133,887 shares issued and outstanding as of 2012 and 2011, respectively)	1,087,785	1,033,472
Additional paid-in capital	3,263,356	3,100,415
Letters of credit	2,000,000	2,000,000
Surplus note	200,000	200,000
Accumulated deficit	(6,349,872)	(4,960,415)
Total stockholders' equity	201,269	1,373,472
Total liabilities and stockholders' equity	$ 8,052,729	$ 10,353,810

The accompanying notes are an integral part of these financial statements.

Ocean Risk Retention Group, Inc.
Statements of Operations
For the Years Ended December 31, 2012 and 2011

	2012	2011
Revenues:		
Premiums written	$ 2,602,459	$ 4,340,671
Change in unearned premiums	962,759	160,192
Premiums earned	3,565,218	4,500,863
Net investment income	33,913	56,785
Interest income from premium financing	12,995	-
Commission return income (Note 7)	1,350,000	1,993,996
Total revenues	4,962,126	6,551,644
Losses and expenses:		
Incurred losses and loss adjustment expenses	4,712,610	4,293,606
Salvage and subrogation income	(596,687)	-
Amortization of deferred policy acquisition costs	836,037	1,065,783
General and administrative expenses	275,493	350,705
Total losses and expenses	5,227,453	5,710,094
Net (loss) income before federal income tax expense	(265,327)	841,550
Federal income tax expense	1,124,130	256,861
Net (loss) income	$ (1,389,457)	$ 584,689

The accompanying notes are an integral part of these financial statements.

Ocean Risk Retention Group, Inc.
Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2012 and 2011

	Common Stock		Additional Paid-In	Letters	Surplus	Accumulated	
	Shares	Amount	Capital	of Credit	Note	Deficit	Total
Balance as of January 1, 2011	3,757,559	$ 939,390	$ 2,818,169	$ 2,400,000	$ 200,000	$ (5,545,104)	$ 812,455
Issuance of common stock	376,328	94,082	282,246	-	-	-	376,328
Reduction in letters of credit	-	-	-	(400,000)	-	-	(400,000)
Net income	-	-	-	-	-	584,689	584,689
Balance as of December 31, 2011	4,133,887	1,033,472	3,100,415	2,000,000	200,000	(4,960,415)	1,373,472
Issuance of common stock	217,254	54,313	162,941	-	-	-	217,254
Net loss	-	-	-	-	-	(1,389,457)	(1,389,457)
Balance as of December 31, 2012	4,351,141	$ 1,087,785	$ 3,263,356	$ 2,000,000	$ 200,000	$ (6,349,872)	$ 201,269

The accompanying notes are an integral part of these financial statements.

Ocean Risk Retention Group, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Net (loss) income	$ (1,389,457)	$ 584,689
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Net unrealized (gains) losses on negotiable certificates of deposit	(572)	4,946
Realized losses on negotiable certificates of deposit	3,322	-
Deferred tax expense	1,111,630	256,861
Changes in assets and liabilities:		
Non-financing premiums receivable from agent (a related party), net of commission	621,235	(134,367)
Financing premiums and interest receivable from agent (a related party)	(324,877)	-
Receivable due from Innovative Premium Funding (a related party)	(94,530)	-
Financing premiums and interest receivable from policyholders	(20,678)	-
Notes receivable from agent (a related party)	(593,582)	(629,348)
Deferred policy acquisition costs	235,876	39,247
Salvage and subrogation recoverable	(596,687)	-
Prepaid expenses and other assets	(57,981)	(36,739)
Unpaid losses and loss adjustment expenses	(92,139)	(1,273,158)
Unearned premiums	(962,759)	(160,192)
Accounts payable and accrued expenses	4,753	2,715
Premium taxes payable	(78,733)	1,956
Net cash used in operating activities	(2,235,179)	(1,343,390)
Cash flows from investing activities:		
Purchases of negotiable certificates of deposit	-	(100,000)
Proceeds from maturities of negotiable certificates of deposit	735,000	1,690,000
Net cash provided by investing activities	735,000	1,590,000
Cash flows from financing activities:		
Issuance of common stock	217,254	376,328
Net cash provided by financing activities	217,254	376,328
Net change in cash and cash equivalents	(1,282,925)	622,938
Cash and cash equivalents, beginning of year	4,135,769	3,512,831
Cash and cash equivalents, end of year	$ 2,852,844	$ 4,135,769
Non-cash financing activity:		
Reduction in letters of credit	$ -	$ (400,000)
Supplemental disclosure:		
Cash paid for federal income taxes	$ 12,500	$ -

The accompanying notes are an integral part of these financial statements.

Note 1 - Organization and Operations

Reporting Entity - Ocean Risk Retention Group, Inc. (the Company), received its certificate of authority on March 10, 2005 from the Commissioner of Insurance of the District of Columbia Department of Insurance, Securities and Banking (the Department), and commenced operations on March 22, 2005, to transact business as a risk retention group. The Company provides commercial automobile liability coverage to taxicabs operating in New Jersey and Pennsylvania.

Effective June 6, 2013, the Department issued an Order of Hazardous Financial Condition directing the Company to cease writing all new and renewal business, including all endorsements, increase surplus by $500,000, collect all amounts due with regard to related party notes included in the balance sheets, and comply with various other operational requirements. The Company has not yet complied with certain provisions of this order, specifically the order to increase surplus and collect all amounts due with regard to related party notes, however, has notified the Department that the Company consents to voluntary liquidation.

Accumulated Deficit and Cumulative Net Losses From Operations - The Company has experienced significant losses from operations since inception primarily resulting from adverse development on its unpaid loss and loss adjustment reserves. The Company's cumulative net losses have resulted in an accumulated deficit of $6,349,872 as of December 31, 2012. This accumulated deficit does not take into account the non accrual of the surplus note interest and reduction of the salvage and subrogation recoverable for which the financial statements were qualified for in the Independent Auditors' Report. As of December 31, 2012, the Company is below the minimum surplus requirements of the Department.

During 2012, the Department requested that the Company raise additional capital. In response to this request, as described below, the Company implemented the following actions to increase the capital of the Company:

- As discussed in Note 7, effective June 30, 2012, the Company entered into a return commission transaction with Renaissance Retention Group, LLC (Renaissance), an affiliated entity through common ownership whereby the owner of Renaissance is an immediate family member of the former President and Director of the Company (resigned in 2012). As discussed above, this transaction was executed in response to the request by the Department for the Company to raise additional capital. The transaction provides for the return of an additional $600,000 of prior commissions paid by the Company to Renaissance for services rendered. Of the $600,000, $250,000 was paid in cash to the Company on July 16, 2012 with the remaining $350,000 paid on September 30, 2012. This transaction was recorded as commission return income for the year ended December 31, 2012.

- As discussed in Note 7, effective December 28, 2012, the Company entered into an additional return commission transaction with Renaissance. The transaction provides for the return of an additional $750,000 of prior commission paid by the Company to Renaissance for services rendered. The $750,000 is to be repaid quarterly in increments of $187,500, commencing January 1, 2013 through the end of 2013. This transaction was recorded as commission return income for the year ended December 31, 2012. Subsequent to year-end, $350,000 has been collected on this note in accordance with the payment terms.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), except for the effects of the inclusion of the letters of credit in stockholders' equity and as an asset and the inclusion of the surplus note in stockholders' equity and the non accrual of related interest as of December 31, 2012 and 2011, the inclusion of the salvage and subrogation recoverable as of December 31, 2012, and the non recognition of an additional valuation allowance against the deferred tax asset as of December 31, 2011.

Cash and Cash Equivalents - The Company classifies certain securities with original maturity dates of three months or less from the date of purchase as cash equivalents. As of December 31, 2012 and 2011, cash equivalents consist of money market funds. The Federal Deposit Insurance Corporation (FDIC) insures cash balances up to $250,000 per depositor, per bank. Amounts in excess of the FDIC limits are uninsured. It is the Company's policy to monitor the financial strength of the banks that hold its deposits on an ongoing basis.

Money market funds are not insured by the FDIC and are not a risk-free investment. Although a money market fund seeks to preserve its one dollar per share value, it is possible that a money market fund's value can decrease below one dollar per share.

Investments - The Company accounts for its investments in accordance with FASB ASC 825, "*The Fair Value Option for Financial Assets and Financial Liabilities.*" FASB ASC 825 permits entities to choose, at specified election dates, to measure eligible items at fair value (i.e., the fair value option). As of December 31, 2012 and 2011, the Company invests in negotiable certificates of deposit, which the Company has elected to utilize the fair value option. The election date of investments are defined as the date that the Company first recognizes the eligible item which typically for the Company is the date upon which the Company purchases an interest in each of these investments. The fair value option: (a) may be applied instrument by instrument, with certain exceptions; (b) is irrevocable (unless a new election date occurs); and (c) is applied only to entire instruments and not to portions of instruments. The Company elected to apply the fair value option to its negotiable certificates of deposit to improve financial reporting and provide a more transparent view of the Company's financial position.

Included within net investment income in the statements of operations are interest income, unrealized gains and losses on negotiable certificates of deposit and bank service charges. Interest income is recorded on the accrual basis.

Fair Value Measurements - The Company measures fair value in accordance with FASB ASC 820, "*Fair Value Measurements and Disclosures,*" which defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and lowest priority to unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets the Company has the ability to access.

Note 2 - Summary of Significant Accounting Policies (continued)

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company has measured its negotiable certificates of deposit and cash equivalents in accordance with FASB ASC 820, as more fully disclosed in Note 4.

Deferred Policy Acquisition Costs and Premium Deficiency - Deferred policy acquisition costs, which consist of premium taxes and agency commissions, are deferred and amortized over the terms of the underlying policies to which they relate. The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected policyholder dividends to stockholders, unamortized deferred policy acquisition costs and maintenance costs exceed unearned premiums and anticipated investment income. No premium deficiencies have been recognized in 2012 and 2011.

Premium Financing - During 2012, the Company purchased existing premium financing receivables, related to policies previously issued by the Company, from Innovative Premium Funding (Innovative), a related party through common ownership whereby the owner of Innovative is also the owner of Renaissance and is an immediate family member of the former President and Director of the Company (resigned in 2012). The premium financing receivables, which were in various stages of repayment up to nine months remaining, were purchased from Innovative in exchange for cash equal to the remaining principal cash flows from these receivables and assigned to the Company. The Company charges interest at various rates, ranging from 8.5% to 19%, as well late fees, when necessary, in connection with the payment plans. For the year ended December 31, 2012, these financing receivables generated $12,995 in interest income including late fee assessments. Cash flows including interest generated from these receivables are collected by Renaissance as the agent for the Company. As of December 31, 2012, $324,877 in premium principal and interest payments were collected by Renaissance but had not yet been remitted to the Company and an additional $20,678 in premium principal and interest was outstanding from policyholders in connection with their payment plans. As of December 31, 2012, $94,530 was due from Innovative for an invalid receivable purchased by the Company in connection with these plans. Subsequent to year-end, the amounts due related to these plans, including the receivable from Innovative, were repaid to the Company in full or their cash flows were utilized to purchase additional premium financing receivables in lieu of payment.

Allowance for Bad Debts - The Company uses the allowance method to record bad debts. The Company will record an allowance for doubtful accounts against its financing and non-financing premium receivables as well as notes receivables, if necessary, which is based on management's estimation of bad debts in the near term. The Company assesses the credit quality of its receivables through periodic review of the agent's financial condition, monitoring of timely payments, and analysis of any amounts past due. The Company records an impairment for credit losses when the Company believes that it will be unable to collect amounts due. As of December 31, 2012 and 2011, the Company did not record an allowance for doubtful accounts against its receivables. Adjustments to these estimates, as necessary, will be reflected in current operations.

Note 2 - Summary of Significant Accounting Policies (continued)

Unpaid Losses and Loss Adjustment Expenses - The liability for unpaid losses and loss adjustment expenses includes estimates for reported losses, plus supplemental reserves for incurred but not reported losses calculated based upon loss projections utilizing actuarial studies of a similar group of insureds and industry data. In establishing the liability for unpaid losses and loss adjustment expenses, the Company utilizes the findings of an independent actuary. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year end represents its best estimate, based upon available data, of the amount necessary to cover the ultimate cost of losses; however, because of the limited population of risks insured, and the limited historical experience, it is not presently possible to determine whether actual loss experience will conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet date. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the financial statements. As adjustments to these estimates become necessary, such adjustments will be reflected in current operations.

Salvage and Subrogation Recoverable - During 2012, management changed its methodology for recording estimates for salvage and subrogation. Based on a thorough claim review conducted by the Company's management, third party claims administrator, and an independent legal counsel, the Company recorded $596,687 of salvage and subrogation recoverable relating to paid and unpaid losses as of December 31, 2012. Management believes that the recoverable for salvage and subrogation represents an accurate estimate of amount expected to be recovered based upon the available data and the results of its claim review. Such recoverables for salvage and subrogation are necessarily based on estimates and, while management believes that the amount is reasonable, the ultimate recoverable may be significantly in excess of or less than the amount recorded. The methods for making such estimates and for establishing the resulting recoverable will be continually reviewed, and any adjustments from the review process as well as differences between estimates and ultimate recoveries are reflected in earnings in the period in which the adjustment becomes known. Such changes may be material to the results of operations and could occur in a future period. Salvage and subrogation recoverables do not relieve the Company of its obligations to its policyholders.

Revenue Recognition - Premiums are earned over the period that coverage is provided. Unearned premiums are calculated on a daily pro-rata basis for the unexpired terms of policies in force.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Federal Income Taxes - The Company accounts for income taxes in accordance with FASB ASC 740, "*Income Taxes*." FASB ASC 740 is an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the tax and financial reporting bases of certain assets and liabilities.

FASB ASC 740 also provides a framework for how companies should recognize, measure, present and disclose uncertain tax positions in their financial statements. With these changes, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Note 2 - Summary of Significant Accounting Policies (continued)

The Company did not record any unrecognized tax benefits as of and for the year ended December 31, 2012 and 2011. The Company does not believe it is reasonably possible that its unrecognized tax benefits would materially change in the next twelve months. The Company's policy is to include interest and penalties related to unrecognized tax benefits as a component of its provision for income taxes. As of December 31, 2012 and 2011, the Company did not record any penalties or interest associated with unrecognized tax benefits. All tax years from 2009 and forward are open subject to examination. Additionally, the 2007 and 2008 tax years remain partially open due to net operating loss (NOL) carryforwards. These years will remain partially open until the year in which the NOL's were utilized closes.

Recent Accounting Pronouncements - In October 2010, the FASB issued Accounting Standards Update (ASU) 2010-26, "*Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts (a Consensus of the FASB Emerging Issues Task Force).*" This update provides clarity in defining which costs relating to the acquisition of new or renewal insurance contracts qualify for deferral, as deferred acquisition costs. Additionally, this ASU specifies that only costs that are directly associated with the successful acquisition of a policy or contract may be deferred. This differs from the current insurance industry practice in which costs related to unsuccessful acquisitions are often deferred and reported as deferred acquisition costs. This ASU is effective for the year ended December 15, 2012. The implementation of this guidance did not have an impact on the Company's financial statements.

In April 2011, the FASB issued ASU No. 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS.*" This update clarifies the guidance for measuring fair value and for disclosing information about fair value measurements. The update does not extend the use of fair value accounting, but clarifies how it should be applied to be consistent with IFRS and expands certain disclosure requirements relating to Level 3 fair value measurements. For many of the requirements, the FASB does not intend for the amendments in this update to result in a change in application from existing guidance. This guidance is to be applied prospectively for periods beginning after December 15, 2011. Since the guidance only relates to disclosures, the adoption of this guidance did not impact the Company's financial condition or results of operations.

Reclassifications - Certain reclassifications to the 2011 financial statements have been made in order to conform with the 2012 presentation. These reclassifications were not material to the financial statements.

Subsequent Events - Subsequent events have been evaluated through August 13, 2013, which is the date the financial statements were available to be issued. Management believes there are no subsequent events having a material impact on the financial statements, other than those identified in Note 11.

Note 3 - Investments

Negotiable certificates of deposit, classified as FASB ASC 825 securities and carried at fair value as of December 31, 2012, are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Negotiable certificates of deposit	$ 100,000	$ -	$ -	$ 100,000

Note 3 - Investments (continued)

Negotiable certificates of deposit, classified as FASB ASC 825 securities and carried at fair value as of December 31, 2011, are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Negotiable certificates of deposit	$ 838,322	$ -	$ (572)	$ 837,750

As of December 31, 2012, the Company's remaining certificates of deposit is due to mature in less than one year.

Note 4 - Fair Value Measurements

The following table sets forth, by level, within the fair value hierarchy, the Company's assets measured and reported, at fair value, as of December 31, 2012:

	Level 1	Level 2	Level 3
Negotiable certificates of deposit	$ -	$ 100,000	$ -
Money market funds	1,504,650	-	-
Total	$ 1,504,650	$ 100,000	$ -

The following table sets forth, by level, within the fair value hierarchy, the Company's assets measured and reported, at fair value, as of December 31, 2011:

	Level 1	Level 2	Level 3
Negotiable certificates of deposit	$ -	$ 837,750	$ -
Money market funds	1,053,963	-	-
Total	$ 1,053,963	$ 837,750	$ -

Each asset's fair value measurement level within the fair value hierarchy, as discussed in Note 2, is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments in money market funds are recorded using Level 1 fair values based on observable inputs that reflect quoted prices for identical assets in active markets that the Company has the ability to access at the measurement date.

The valuation techniques used to measure securities recorded using Level 2 fair values were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data. Inputs used also take into consideration market indicators, industry and economic events. There have been no changes in the fair value methodologies used by the Company during 2012 and 2011.

Note 4 - Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

Note 5 - Insurance Activity

The Company issues occurrence based commercial automobile liability insurance policies including uninsured and underinsured motorist coverage to its stockholders with limits of up to $50,000 and $30,000 in New Jersey and Pennsylvania, respectively. Prior to 2009, the Company issued policies with limits up to $100,000. Pursuant to state laws, the Company also provides pedestrian injury protection coverage up to statutorily determined limits. Defense costs do not erode the policy limits. Most policies are financed by policyholders through related and unrelated finance companies as well as through the Company (see Note 2). Effective July 1, 2012, the Company has elected to discontinue underwriting new and renewal business in the State of New Jersey for the remainder of the year. As discussed in Note 1, effective June 6, 2013, the Company issued an Order of Hazardous Financial Condition directing the Company to cease writing all new and renewal business, including all endorsements.

Activity in the liability for unpaid losses and loss adjustment expenses for the years ended December 31, 2012 and 2011, are summarized as follows:

	2012	2011
Balance, beginning of year	$ 6,560,815	$ 7,833,973
Incurred related to:		
Current year	1,914,000	2,749,000
Prior years	2,798,610	1,544,606
Total incurred	4,712,610	4,293,606
Paid related to:		
Current year	(249,000)	(519,000)
Prior years	(4,555,749)	(5,047,764)
Total paid	(4,804,749)	(5,566,764)
Balance, end of year	$ 6,468,676	$ 6,560,815

As a result of changes in estimates of insured events in prior years, incurred losses and loss adjustment expenses increased by $2,798,610 and $1,544,606 in 2012 and 2011, respectively, which was primarily due to unfavorable loss development for policies written in certain territories in the States of New Jersey and Pennsylvania.

Note 6 - Stockholders' Equity

Issuance of Stock and Contributed Capital - The Company is owned by its insureds, the stockholders. The Company is authorized to issue one class of common stock in accordance with the Company's articles of incorporation. Each share of common stock is entitled to one vote and equal rights between outstanding shares with regard to dividends, distributions and all other respects. One share is issued for each dollar of capital contributed by the stockholders. Each new stockholder is required to contribute capital in the amount of at least 10% of their annualized first, second and third year premium. To the extent a stockholder terminates its participation in the program, the amount and timing of a return of capital will be subject to (1) the approval by the Department, (2) that the funds are legally available to make the payment and (3) that the Board of Directors determine in its discretion that the payment will not materially impair or threaten the financial stability of the Company. For the years ended December 31, 2012 and 2011, there was no capital returned to stockholders.

Letters of Credit - The Company has included, in stockholders' equity and as an asset, various letters of credit (LOCs), which amounted to $2,000,000 as of and for the years ended December 31, 2012 and 2011. During 2011, in connection with the return of commission from Renaissance, the Company was authorized by the Department to release a $400,000 letter of credit. The remaining LOCs expire on various dates, with automatic renewals for one year. The LOCs were issued in favor of the Commissioner of Insurance of the District of Columbia and qualify as capital as permitted by the Department. Such inclusion is not in accordance with GAAP, as previously stated in the Independent Auditors' Report.

Surplus Note - The Company has included in stockholders' equity, a surplus note, which amounted to $200,000 as of December 31, 2012 and 2011. The surplus note qualifies as capital as permitted by the Department. Such inclusion is not in accordance with GAAP, as previously stated in the Independent Auditors' Report. As of December 31, 2012 and 2011, the Company has also not recorded $135,014 and $115,014, respectively, of cumulative accrued interest on the surplus note in accordance with the permitted practices of the Department. The accrued interest would be recorded under GAAP.

Minimum Capital - In accordance with the laws of the District of Columbia for the purpose of submitting its financial statements to the District of Columbia for regulatory purposes, the Company is required to use GAAP with the exception of variances prescribed by the District of Columbia laws and regulations or permitted by the Department. The Company is required to maintain minimum total capitalization of $500,000. As of December 31, 2012, the Company is currently below minimum surplus requirements, as discussed in Note 1.

No dividends can be paid by a Risk Retention Group domiciled in the District of Columbia without obtaining the approval of the Department. There were no policyholder dividends declared or paid during 2012 and 2011.

Note 7 - Service Agreements and Related Party Transactions

The Company has no employees. Accounting and reporting services, record retention and other management services are provided by The Taft Companies, LLC (Taft) pursuant to a management agreement. Expenses under this agreement amounted to $141,313 and $161,500 for the years ended December 31, 2012 and 2011, respectively. An officer and director of the Company is also an employee of Taft.

Note 7 - Service Agreements and Related Party Transactions (continued)

The former President and Director of the Company (resigned in 2012):

- Holds a surplus note issued by the Company during 2005. The surplus note has a stated interest rate of 10% per annum. In accordance with the Company's permitted practice related to the surplus note, the Department does not permit the accrual of interest until paid;
- Has pledged personal assets as collateral for the letters of credit that serve as contributed capital for the Company;
- Provides legal services to the Company in connection with the handling and settlement of the Company's claims. As of December 31, 2012 and 2011, these services were provided at no charge to the Company.

In March 2011, the Company terminated its agreement with their former claims administrator Crawford & Company (Crawford) and entered into a new claims administration agreement with Sky Claims, LLC (Sky) (an affiliated entity through common ownership). A partial owner of Sky is an immediate family member of the former President and Director (resigned in 2012) of the Company. In 2012, fees under this agreement were calculated as the lesser of $325,000 or 8.5% of gross written premiums. In 2011, fees under this agreement were set as a flat fee structure. For the years ended December 31, 2012 and 2011, the Company incurred expenses of $221,208 and $295,581, respectively, in accordance with the Sky claims administration agreement.

Renaissance provides underwriting services for the Company subject to a Managing General Underwriting Agreement (MGU Agreement) whereby Renaissance is compensated at a commission rate of 20% of gross written premium. Expenses incurred under this agreement amounted to $713,044 and $900,173 for the years ended December 31, 2012 and 2011. The president of Renaissance is an immediate family member of the former President and Director of the Company (resigned in 2012). As of December 31, 2012 and 2011, the net premium receivable due from the agent of $410,912 and $1,032,147, respectively, is net of $93,575 and $231,018 of commissions, respectively, which are due to Renaissance for underwriting services.

Effective June 30, 2012, the Company entered into a return commission transaction with Renaissance. This transaction was executed in response to the request by the Department for the Company to raise additional capital. The transaction provides for the return of an additional $600,000 of prior commission paid by the Company to Renaissance for services rendered. Of the $600,000, $250,000 was paid in cash to the Company on July 16, 2012 with the remaining $350,000 paid on September 30, 2012. This transaction was recorded as commission return income for the year ended December 31, 2012.

Effective December 28, 2012, the Company entered into an additional return commission transaction with Renaissance. The transaction provides for the return of an additional $750,000 of prior commission paid by the Company to Renaissance for services rendered. The $750,000 is to be repaid quarterly in increments of $187,500, commencing January 1, 2013 through the end of 2013. This transaction was recorded as commission return income for the year ended December 31, 2012. As of December 31, 2012, the balance on the note receivable was $750,000. Subsequent to year-end, $350,000 has been collected on this note in accordance with the payment terms.

Note 7 - Service Agreements and Related Party Transactions (continued)

Effective June 28, 2011, the Company entered into a transaction with Renaissance whereby Renaissance agreed to return prior commissions of $1,101,189 to the Company through an addendum to the MGU Agreement. In conjunction with the return of commissions, the Company obtained approval from the Department to release a $400,000 letter of credit included within stockholders' equity. Using cash previously committed to capitalize the letter of credit, Renaissance paid $400,000 of the return commission in cash with the remaining $701,189 effectuated through the execution of a note receivable from Renaissance, as discussed below. In December 2011, the Company entered into a second transaction with Renaissance through another addendum to the MGU agreement whereby Renaissance agreed to return additional prior commissions amounting to $892,807. This second commission return amount of $892,807 was paid in full during December 2011. The total return commissions for the year ended December 31, 2011 of $1,993,996 are reported within the statements of operations as commission return income.

Effective June 28, 2011 and in connection with the return of commission above, the Company entered into a promissory note receivable with Renaissance in the amount of $701,189 whereby Renaissance agreed to repay the note's principal along with annual interest which accrues at a fixed fate of 3% per year. The note is payable in monthly principal and interest installments totaling $15,727 and has an original term of forty-eight months. As of December 31, 2012 and 2011, the balance on the note receivable was $485,635 and $642,053, respectively.

As of December 31, 2010, Company held a note receivable from Renaissance, in the amount of $12,705. This note earned interest at a fixed rate of 3.25% and was payable in installments corresponding with monthly premium remittances made to the Company equaling 4% of all premiums collected. During 2011, this note was paid in full in accordance with the payment schedule.

For the years ended December 31, 2012 and 2011, interest earned on the notes receivable from Renaissance was $17,185 and $10,343, respectively, which is included within net investment and interest income on the statements of operations.

Note 8 - Federal Income Taxes

The components of the provision for federal income tax expense for the years ended December 31, 2012 and 2011, are as follows:

	2012	2011
Current	$ 12,500	$ -
Deferred	1,111,630	256,861
Total	$ 1,124,130	$ 256,861

Note 8 - Federal Income Taxes (continued)

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 34% to pre-tax net (loss) income. The significant items causing the difference for the years ended December 31, 2012 and 2011, are as follows:

	2012		2011	
Income tax expense at the statutory rate	$ (90,211)	34.0%	$ 286,127	34.0%
Valuation allowance	1,202,054	-453.1%	(63,462)	-7.5%
Other	12,287	-4.6%	34,196	4.0%
Total	$ 1,124,130	-423.7%	$ 256,861	30.5%

The tax effect of temporary differences, which result in a deferred tax asset, for the years ended December 31, 2012 and 2011, respectively, are as follows:

	2012	2011
Deferred tax assets:		
Loss reserve discounting	$ 122,313	$ 150,400
Net operating loss carryforward	2,013,559	1,909,290
Unearned premiums	84,094	149,562
Organizational costs	3,682	4,186
Total deferred tax assets	2,223,648	2,213,438
Deferred tax liabilities:		
Deferred policy acquisition costs	(103,016)	(183,213)
Unrealized gains	-	(17)
Total deferred tax liabilities	(103,016)	(183,230)
Net deferred tax asset before valuation allowance	2,120,632	2,030,208
Less: Valuation allowance	(2,120,632)	(918,578)
Net deferred tax asset	$ -	$ 1,111,630

As of December 31, 2012 and 2011, the Company has recorded a valuation allowance against the deferred tax asset in the amount of $2,120,632 and $918,578, respectively, as management believes that the deferred tax asset will not be fully utilized.

Note 8 - Federal Income Taxes (continued)

The change in the deferred tax valuation allowance of $1,202,054 was based on management's projections of future earnings and due to the impact of the regulatory actions requiring the company to cease all underwriting of new and renewal business as discussed in Note 1. The amount of the deferred tax asset considered realizable could be changed in the near term if estimates of future taxable income are changed. As of December 31, 2012, the Company had a federal net operating loss carryforward of $5,922,232, which begins to expire in 2027.

As of December 31, 2011, in accordance with GAAP, based upon the weight of available evidence and the requirement for more weight to be placed on historical operating performance than future financial projections, including positive steps taken by management, it is more likely than not that an additional amount of the deferred tax asset will not be realized. Accordingly, as of December 31, 2011, an additional valuation allowance of $604,000 is required for the financial statements, to be presented in accordance with GAAP. Estimation of a deferred asset valuation allowance is the responsibility of management. The estimation of a deferred asset valuation allowance is based upon a combination of historical operating performance and projections of the Company's future operations. As of December 31, 2011, more weight has been placed on the historical operating performance than the financial projections which include the future impact of actions taken by management to improve the operating performance of the Company. Projections of the future operations is subject to high variability depending upon relatively small changes in key assumptions inherent in projections of the Company's future operations. Accordingly, the required amount of an estimated valuation allowance could be significantly higher than or less than estimated amounts.

Note 9 - Commitments and Contingencies

The Company is currently involved in a dispute with Crawford surrounding various issues related to the services provided and fees charged by Crawford in connection with the claims administration agreement. As of December 31, 2012 and 2011, the Company is disputing amounts charged by Crawford for loss adjustment expenses in the amount of $439,077, which management believes were inappropriately billed. The Company has not paid or recorded these amounts in the accompanying financial statements. In addition, the Company is currently evaluating and considering legal recourse against Crawford for undetermined amounts arising from other alleged errors and deficiencies in service. The Company believes that the amount for this claim is far in excess of any amounts that Crawford suggests is due and payable by the Company. The amount of a final settlement, if any, is unknown. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Subsequent to year-end, the Superior Court of New Jersey Appellate Division issued judgments against the Company related to two separate ongoing personal injury protection (PIP) claims. The judgments specified that the Company was to pay approximately $500,000 to third parties involved in these claims. Upon these rulings, the Company has taken the necessary steps to file for appeal of these decisions. The appeals are currently in process and the outcome of these actions are unknown. The Company has recorded reserves which reflect management's best estimate of the ultimate cost of settling these claims. The ultimate liability could be significantly in excess of or less than the amount indicated in the financial statements. As adjustments to these estimates become necessary, such adjustments will be reflected in current operations.

Note 10 - Reconciliation to the Annual Statement

The following provides a reconciliation of the differences between the annual statement as filed with the Department and the audited financial statements as of December 31, 2012:

	Total Assets	Total Liabilities	Stockholders' Equity	Net Loss
As reported in the NAIC Annual Statement	$ 8,612,776	$ 7,254,773	$ 1,358,003	$ (232,726)
Adjustments:				
Deferred tax asset valuation allowance	(1,156,736)	-	(1,156,736)	(1,156,736)
Subrogation reclassification	596,687	596,687	-	-
Rounding	2	-	2	5
As reported within audited financial statements	$ 8,052,729	$ 7,851,460	$ 201,269	$ (1,389,457)

The following provides a reconciliation of the differences between the annual statement as filed with the Department and the audited financial statements as of December 31, 2011:

	Total Assets	Total Liabilities	Stockholders' Equity	Net (Loss) Income
As reported in the NAIC Annual Statement	$ 10,353,812	$ 8,980,338	$ 1,373,474	$ (335,743)
Adjustments:				
Prior year federal income taxes	-	-	-	1,013,777
Prior year other income	-	-	-	(93,345)
Rounding	(2)	-	(2)	-
As reported within audited financial statements	$ 10,353,810	$ 8,980,338	$ 1,373,472	$ 584,689

Note 11 - Subsequent Events

As discussed in Note 1, effective June 6, 2013, the Department issued an Order of Hazardous Financial Condition directing the Company to cease writing all new and renewal business, including all endorsements, increase surplus by $500,000, collect all amounts due with regard to related party notes included in the balance sheets, and comply with various other operational requirements. The Company has not yet complied with certain provisions of this order, specifically the order to increase surplus and collect all amounts due with regard to related party notes, however, has notified the Department that the Company consents to voluntary liquidation.

SIB | Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

August 13, 2013

To the Board of Directors and Stockholders of
Ocean Risk Retention Group, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Ocean Risk Retention Group, Inc. (the Company) as of December 31, 2012 and for the year then ended, and have issued our report thereon dated August 13, 2013. In connection therewith, we advise you as follows:

1. We are independent certified public accountants with respect to the Company and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Connecticut and District of Columbia Boards of Public Accountancy.

2. The engagement partner, who is a certified public accountant, has thirty years of experience in public accounting and is experienced in auditing insurance enterprises. Members of the engagement team, all of whom have had experience in auditing insurance enterprises, and 75% of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

3. We understand that the Company intends to file its audited financial statements and our report thereon with the District of Columbia Department of Insurance, Securities and Banking and other state insurance departments in states in which the Company is licensed and that the insurance commissioners of those states will be relying on that information in monitoring and regulating the financial condition of the Company.

   While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, the Company and insurance commissioners should understand that the objective of an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America.

   Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements.

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Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatements resulting from fraud. Because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material errors or misstatements caused by fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would have been assessed differently by the insurance commissioners.

It is the responsibility of the management of the Company to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The insurance commissioners should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the financial position of insurers and should not rely solely upon the independent auditors' report.

4. We will retain the work papers prepared in the conduct of our audit until the date the District of Columbia Department of Insurance, Securities and Banking has filed a Report of Examination covering 2012, but not longer than seven years. After notification to the Company, we will make the work papers available for review by the District of Columbia Department of Insurance, Securities and Banking at the offices of the insurer, at our offices, at the Insurance Department or at any other reasonable place designated by the Director of Insurance. Furthermore, in the conduct of the aforementioned periodic review by the District of Columbia Department of Insurance, Securities and Banking, photocopies of pertinent audit work papers may be made (under the control of the accountant) and such copies may be retained by the District of Columbia Department of Insurance, Securities and Banking.

5. The engagement partner has served in that capacity with respect to the Company since 2009, is licensed by the Connecticut and District of Columbia State Boards of Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.

6. To the best of our knowledge and belief, we are in compliance with the requirements of section 7 of the NAIC's Model Rule (Regulation) "Requiring Annual Audited Financial Reports" regarding qualifications of independent certified public accountants.

This letter is intended solely for the information and use of the Board of Directors, Stockholders, management of the Company, the District of Columbia Department of Insurance, Securities and Banking, the NAIC and other state insurance departments, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Saslow Lufkin & Buggy, LLP

SLB | Saslow Lufkin & Buggy, LLP
Certified Public Accountants and Consultants

August 13, 2013

To the Board of Directors and Stockholders of
Ocean Risk Retention Group, Inc.:

In planning and performing our audit of the financial statements of Ocean Risk Retention Group, Inc. (the Company) as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above, as of December 31, 2012.

This communication is intended solely for the information and use of the Board of Directors, Stockholders, management of the Company, the District of Columbia Department of Insurance, Securities and Banking, the NAIC and other state insurance departments, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Saslow Lufkin & Buggy, LLP

10 Tower Lane
Avon, Connecticut 06001
Phone 860.678.9200

4600 E. Washington Street, Suite 300
Phoenix, Arizona 85034
Phone 602.252.7373

30 Main Street, Suite 215
Burlington, Vermont 05401
Phone 802.865.9300

RBC

EXHIBIT

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BCT 5/06

[illegible]

OCEAN RISK RETENTION GROUP, INC.

BYLAWS

ARTICLE I - SHAREHOLDERS

1.01 ANNUAL MEETING

The annual meeting of the shareholders of the Corporation shall be held each year at such time and on such date as the Board of Directors shall, in their discretion, fix. The business to be transacted at the annual meeting shall include the election of directors and any other business properly brought before the meeting in accordance with these Bylaws.

1.02 SPECIAL MEETINGS

A special meeting of the shareholders may be called at any time for any purpose or purposes by the Chairman of the Board, the President, or by a majority of the total number of directors which the Corporation would have if there were no vacancies on the Board of Directors. A special meeting of the shareholders shall be called by the Secretary of the Corporation upon the written request of the holders of not less than 20% of all shares outstanding and entitled to vote on the business to be transacted at such meeting. Business transacted at any special meeting shall be confined to the purpose or purposes stated in the notice of such meeting.

1.03 PLACE OF MEETING

The Board of Directors may designate any place, either within or without the District of Columbia, as the place of meeting for any annual or special meeting of shareholders.

1.04 NOTICE OF MEETING; WAIVER OF NOTICE

Not less than ten (10) days or more than fifty (50) days before the date of every shareholders meeting, the Secretary shall give to each shareholder entitled to vote at or to notice of such meeting, written notice stating the place, date and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, either by mail to his address as it appears on the records of the Corporation or by presenting it to him personally. Notwithstanding the foregoing provisions, a written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be equivalent to notice. Attendance of a person entitled to notice at a meeting, in person or by proxy, shall constitute a waiver of notice of such meeting, except when such person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; *provided however,* that if the date of the adjourned meeting is

1.09 PROXIES

At all meetings of shareholders, a shareholder may vote the shares owned of record by him either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Any facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

1.10 ACTION WITHOUT A MEETING

Action may be taken without a meeting if all shareholders consent thereto in writing and the written consent is filed with the minutes of the proceedings of shareholders.

1.11 QUALIFICATIONS

To be eligible to become a shareholder of the Corporation, an entity must be eligible to be insured by the Corporation or must belong to an association all of the members of which are eligible to be insured by the Corporation. To become insured by the Corporation, an entity must meet and satisfy all of the following conditions: (a) it must be engaged in a business or activity similar or related to the provision of taxi and livery services; (b) it must be exposed to liabilities similar to those of other insureds of the Corporation by virtue of being in a related, similar or common business, trade, product, service, premise or operations; (c) it must qualify under the underwriting criteria of the Corporation for the issuance of a policy of insurance by the Corporation; and (d) it must meet such other conditions as prescribed by the Board of Directors.

ARTICLE II - DIRECTORS

2.01 GENERAL POWERS

The business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors may exercise all the powers of the Corporation, except those conferred on or reserved to the shareholders by statute or by the Articles of Incorporation or the Bylaws. The Board may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they may deem proper, and which are not inconsistent with these Bylaws and with the District of Columbia Business Corporation Act.

2.02 NUMBER

The number of directors of the Corporation shall be three (3).

EXHIBIT

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Schmelz, Stephanie (DISB)

From: Mary Claire Goff <MCG@taftcos.com>
Sent: Wednesday, August 07, 2013 2:14 PM
To: Sheppard, Dana (DISB)
Cc: O'Donnell, Sean (DISB); 'wataft@watfor.com'; Schmelz, Stephanie (DISB); Holden, Kimberly (DISB)
Subject: RE: Ocean
Attachments: Resignation - MCG.pdf

Thank you for the response.

Ocean's intent has always been and it now that they are consenting to the voluntary liquidation. Our only concern was how to slow down the process in case the citadel deal pans out.

Please move forward and accept this as confirmation that Ocean does consent to the voluntary liquidation and the order is to reflect that.

Also attached is my resignation from the board.

I will keep you posted on the Citadel opportunity and I am sure you will be in contact once the order is in place.

If you need any thing else from me please advise.

Safe Travel

Thank you,

Mary Claire Goff, CIC
Senior Vice President
The Taft Companies, LLC
1620 Providence Road
Towson, MD 21286
877-587-1763 (p)
877-224-0876 (f)
www.taftcos.com

August 7, 2013

Ocean Risk Retention Group Inc.
1250 H Street, NW Suite 901
Washington, DC 20005

Re: Resignation

To Whom It Concern:

Please accept this letter as my registration as Secretary and board member of Ocean Risk Retention Group Inc. effective as of the date of this letter.

Sincerely,

Mary Claire Goff

IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA, a Municipal Corporation, 441 4th Street, NW Suite 630 South Washington, D. C. 20001, Petitioner, v. OCEAN RISK RETENTION GROUP, INC. c/o The Taft Companies 1620 Providence Road Towson, Maryland 21286 Serve: Arthur D. Perschetz, Esquire Registered Agent McIntyre & Lemon, PLLC Madison Building 1155 15th Street, N.W., Suite 1101 Washington, DC 20005 Respondent.	Civil Action No.: 6110-2013 Judge: JIC Calendar No.:

EMERGENCY CONSENT ORDER OF LIQUIDATION

Upon Consideration of the Emergency Consent Petition for an Expedited Order of Liquidation of Ocean Risk Retention Group, Inc., Pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316, and 31-3931.16(b) ("Petition"), the Memorandum of Points and Authorities in support thereof, and the entire record herein, it is by this Court, this 6th day of September, 2013,

ORDERED, that the Emergency Consent Petition for Liquidation is hereby GRANTED; and it is

FURTHER ORDERED, that the Commissioner and his successors in office are hereby appointed Liquidator of Ocean Risk Retention Group, Inc. pursuant to D.C. Official Code § 31-1316 (2001); and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall take possession of the assets of Ocean Risk Retention Group, Inc. and shall administer them under the supervision of this Court; and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall be vested with the title to all of the property, contracts, and rights of action, and all of the books and records, wherever located, of Ocean Risk Retention Group, Inc.; and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall conduct the liquidation proceedings consistent with D.C. Official Code § 31-1316 (2001) and shall be vested with the powers identified at D.C. Official Code § 31-1319 (2001); and it is

FURTHER ORDERED, that for the purpose granting such order and further relief as this cause and the interests of the policyholders, creditors and the public may require, the Court shall retain jurisdiction in this matter until the Liquidator petitions this Court for an order discharging the liquidator pursuant to D.C. Official Code § 31-1318 (2001). It is FURTHER ORDERED that a status hearing is set for 10:00 a.m. on September 24, 2013 before Judge Melvin R. Wright in Courtroom 519.

Stephanie Duncan-Peters
Judge-in-Chambers
D. C. Superior Court

cc:

E. Louise R. Phillips
Assistant Attorney General
441 Fourth Street, N.W., 630 South

A TRUE COPY
TEST:

Clerk, Superior Court of the District of Columbia

By ______
Deputy Clerk

Washington, D.C. 20001
louise.phillips@dc.gov

Arthur D. Perschetz, Esquire
McIntyre & Lemon, PLLC
Madison Building
1155 15th Street, N.W., Suite 1101
Washington, DC 20005
Email: aperschetz@mcintyrelf.com

Hon. Melvin R. Wright
Presiding Judge, Civil Division