

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

DISTRICT OF COLUMBIA
Department of Insurance, Securities
and Banking
810 First Street, N.E., Suite 701
Washington, D.C. 20002

Petitioner,

v.

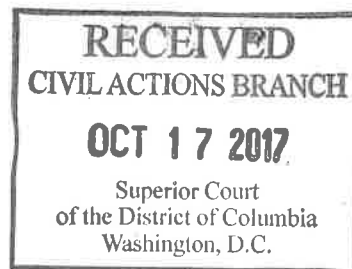
Fairway Physicians Insurance Company,
A Risk Retention Group
1401 Eye Street, N.W., Suite 600
Washington, D.C. 20005
et al.

Respondent.

Serve:
Robert H. Myers, Jr., Registered Agent
1401 Eye Street, N.W., Suite 600
Washington, D.C. 20005

Civil Action No.

Judge: 17-0006962



**EMERGENCY CONSENT PETITION FOR ORDER AUTHORIZING
THE COMMISSIONER OF INSURANCE TO LIQUIDATE
FAIRWAY PHYSICIANS INSURANCE COMPANY, A RISK RETENTION GROUP**

The District of Columbia (District), through the Office of the Attorney General for the District of Columbia, its attorneys, petitions this Court on behalf of Stephen C. Taylor, Commissioner of the District of Columbia Department of Insurance, Securities and Banking (Commissioner), for the entry of an order, pursuant to D.C. Official Code §§ 31-3931.16(b), 31-1315, and 31-1316 (2012 Repl.), appointing the Commissioner and any of his successors in office as liquidator of Fairway Physicians Insurance Company, A Risk Retention Group (Fairway).

The District petitions the Court for an order of liquidation on the grounds that Fairway is insolvent. Fairway consents to the entry of such an order.

In furtherance of the petition, the District requests an order authorizing the Commissioner as liquidator to take possession of all the assets of Fairway and to administer them under the general supervision of the Court; authorizing the Commissioner to have title to all of the property, contracts, rights of actions, books, and records of Fairway, wherever located; authorizing the Commissioner as liquidator 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, experts, and assistants as deemed useful or necessary by the Commissioner and authorizing the payment thereof from the assets of Fairway; and granting the Commissioner all rights, powers, and authority vested by law in a liquidator, including those powers set forth in D.C. Official Code §§ 31-1304, 31-1319, and 31-1322 (2012 Repl.).

Factual Background

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

1. D.C. Official Code § 31-1315(2) (2012 Repl.) provides that the Commissioner may petition the Court for an order directing him to liquidate a domestic insurer on the basis that the insurer is insolvent. Based on the information set forth below, and the entire record herein, the Commissioner requests that the Court appoint the Commissioner as liquidator of Fairway on the grounds set forth in D.C. Official Code § 31-1315 (2012 Repl.).

2. Stephen C. Taylor is the duly appointed Commissioner of the Department of Insurance, Securities and Banking (Department) of the government of the District of Columbia. In this capacity, he is responsible for, and lawfully empowered to regulate insurance business conducted within the District of Columbia and insurance business conducted outside the District by insurers domiciled within the District.

3. Fairway is an association captive insurer organized under the laws of the District, holding a license (RR029; NAIC No. 11840) issued under D.C. Official Code § 31-3931.02 (2012 Repl.). Fairway was licensed on June 25, 2004. Fairway's statutory home office is located at 1401 Eye Street, N.W., Suite 600, in the District of Columbia.

4. Fairway's certificate of authority authorizes it to offer and sell medical professional liability insurance to physicians located throughout the United States.

5. Fairway 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 (f)(2) (2012 Repl.).

6. On August 15, 2017, Fairway filed its June Quarterly Statement with the Department. Fairway reported a capital and surplus balance of Eleven Thousand Thirty-One Dollars and no cents (\$11,031.00) on page Q3 line 37 of its Liabilities, Surplus and Other Funds page. Previously, Fairway had reported a surplus balance of Three Million, One Hundred Eighty-Two Thousand, Four Hundred Seventy-Six Dollars and no cents (\$3,182,476.00), as of December 31,

2016. *See* Exhibit A, Fairway Quarterly Statement for Quarter Ending June 30, 2017 (Aug. 15, 2017).

7. Fairway, in a letter to the Department dated August 17, 2017, confirmed that it had voluntarily ceased writing all business and was no longer writing any business, including new business, renewals, endorsements, and tail policies. *See* Exhibit B, Letter from Fairway to the Department (Aug. 17, 2017).

8. Fairway informed the Department on August 24, 2017 that because of its financial condition, it is unable to pay any pending claims or its creditors.

9. Fairway also informed the Department that approximately eighty claims involving policyholder exists in various stages of litigation, a fact which necessitates an emergency petition.

10. On September 8, 2017, Fairway's Board of Directors agreed to consent to the liquidation of Fairway. *See* Exhibit C, Muhammad Anwar, Certificate of the Fairway Secretary (Sept. 8, 2017).

11. D.C. Official Code § 31-1315(1) (2012 Repl.) provides that the Commissioner may petition the Court for an order directing him to liquidate a domestic insurer based on any ground for an order of rehabilitation specified in D.C. Official Code § 31-1310 (2012 Repl.).

12. D.C. Official Code § 31-1310(12) (2012 Repl.) states that one of the grounds for an order of rehabilitation is where the board of directors or the holders of a majority of the shares entitled to vote, or a majority of those individuals

entitled to the control of those entities specified in the insurance laws of the District, request or consent to rehabilitation. *See Exhibit C.*

13. Based on the above statements of Fairway, the Department finds that Fairway's financial condition is such that the further transaction of insurance business would be hazardous financially to its policyholders, its creditors, and the general public, and therefore should be placed in liquidation pursuant to D.C. Official Code § 31-1315(3) (2012 Repl.).

14. Based on the above statements of Fairway and Exhibits A, B, and C, the Department finds that Fairway does not meet the minimum capital and surplus balance of Four Hundred Thousand Dollars (\$400,000.00) and is therefore statutorily "insolvent" pursuant to D.C. Official Code § 31-1301(12)(B)(i) (2012 Repl.). Therefore, the Department finds that Fairway should be placed in liquidation pursuant to D.C. Official Code § 31-1315.

WHEREFORE, the District of Columbia prays as follows:

A. That this Court issue a Consent Order of Liquidation against Fairway pursuant to D.C. Official Code §§ 31-1303, 31-1315, and 31-1316 (2012 Repl.) appointing the Commissioner and any of his successors in office as liquidator of Fairway;

B. That this Court issue a Consent Order of Liquidation authorizing the Commissioner as liquidator to take possession of all the assets of Fairway, including any assets currently held by any financial institution of Fairway or its third party administrator on behalf of Fairway or its affiliate companies pursuant to D.C.

Official Code § 31-1319(a)(8) (2012 Repl.), and to administer them under the general supervision of the Court; authorizing the Commissioner to have title to all of the property, contracts, rights of actions, books, and records of Fairway, wherever located; authorizing the Commissioner as liquidator 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, experts, and assistants as deemed useful or necessary by the Commissioner and authorizing the payment thereof from the assets of Fairway; and 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 (2012 Repl.);

C. 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 Fairway policyholders, creditors, and claimants, or the public may require;

D. That this Court issue a Consent Order of Liquidation staying all litigation pending against Fairway, the Commissioner as Liquidator, and any Policyholder, pursuant to D.C. Official Code §§ 31-1304 and 31-1322 (2012 Repl.);

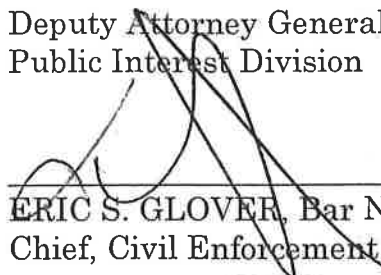
E. That this Court issue a Consent Order of Liquidation enjoining all persons and entities from commencing or continuing any litigation against Fairway, against the Commissioner as Liquidator, or against any Policyholder, pursuant to D.C. Official Code §§ 31-1304 and 31-1322 (2012 Repl.); and

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


Respectfully submitted,

KARL A. RACINE
Attorney General for the District of Columbia

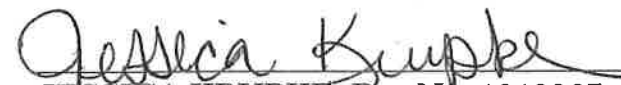
ELIZABETH SARAH GERE
Deputy Attorney General
Public Interest Division



ERIC S. GLOVER, Bar No. 978841
Chief, Civil Enforcement Section



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JESSICA KRUPKE, Bar No. 1019967
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(202) 727-2125
(202) 370-7628 (desktop fax)
Email: Jessica.Krupke@dc.gov

Attorneys for the District of Columbia

MEMORANDUM OF POINTS AND AUTHORITIES

1. D.C. Official Code § 31-1303 (2012 Repl.) provides for jurisdiction and venue.
2. D.C. Official Code § 31-1315 (2012 Repl.) states grounds for liquidation, including (1) the grounds for rehabilitation set forth in § 31-1310, (2) insolvency, or (3) insurer's condition is such that further transaction of

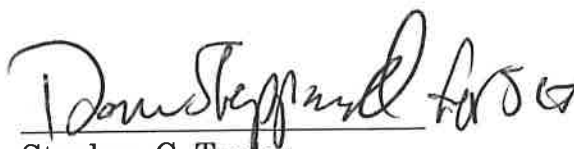
business would be hazardous, financially or otherwise, to its policyholders, creditors or the public.

3. D.C. Official Code § 31-1316 (2012 Repl.) authorizes liquidation orders.
4. D.C. Official Code § 31-1319 (2012 Repl.) enumerates the liquidator's powers.
5. D.C. Official Code § 31-2101(a) (2012 Repl.) sets standards for determining whether an insurer is in hazardous financial condition.
6. D.C. Official Code § 31-2103 (2012 Repl.) provides for judicial review.
7. D.C. Official Code § 31-3931.01(5) (2012 Repl.) defines association captive insurer.
8. D.C. Official Code § 31-3931.02 (2012 Repl.) provides captive insurers the authority to do business.
9. D.C. Official Code § 31-3931.06 (2012 Repl.) sets a captive insurer's capital and surplus requirements.
10. D.C. Official Code § 31-3931.13(a) (2012 Repl.) mandates the use of generally accepted accounting principles in a captive insurer's annual reports.
11. D.C. Official Code § 31-3931.16(b) (2012 Repl.) states that Chapter 13 of Title 31 of the D.C. Official Code shall apply in full to captive insurers.
12. D.C. Official Code § 31-1322 (2012 Repl.) states that no action at law or equity or in arbitration shall be brought against the insurer or liquidator, whether in the District or elsewhere, nor shall any existing actions be maintained or further presented after issuance of the order.

13. D.C. Official Code § 31-1304 (2012 Repl.) states that any court of general jurisdiction may grant preliminary and permanent injunctions, and other orders deemed necessary and proper to prevent the obtaining of preferences, judgments, attachments, garnishments, or liens against the insurer, its assets, or its policyholders.
14. The entire record herein.
15. The inherent powers of the court.


VERIFICATION

I, Stephen C. Taylor, being duly sworn and oath, state that I am the Commissioner of the Department of Insurance, Securities and Banking, Government of the District of Columbia, and as such that I am the officer authorized to verify that to the best of my knowledge, information, and belief the foregoing Emergency Consent Petition for an Order of Liquidation is accurate.

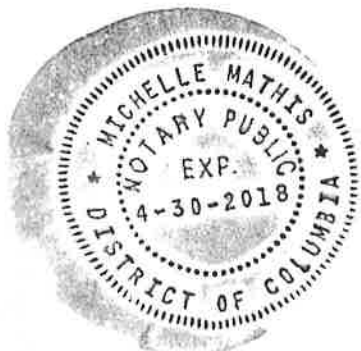

Stephen C. Taylor
Commissioner

District of Columbia: SS

Subscribed and sworn to before me this 10th day of October, 2017.


Notary Public, District of Columbia

My commission expires on 4 / 30 / 2018



IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

<p>DISTRICT OF COLUMBIA Department of Insurance, Securities and Banking</p> <p style="text-align: center;">Petitioner,</p> <p>v.</p> <p>Fairway Physicians Insurance Company, A Risk Retention Group</p> <p style="text-align: center;">Respondent.</p>	<p>Civil Action No.</p> <p>Judge:</p>
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EMERGENCY CONSENT PETITION FOR ORDER OF LIQUIDATION
EXHIBIT LIST

EXHIBIT NO.	DOCUMENT
A	Fairway Physicians Insurance Company, a Risk Retention Group, Quarterly Statement for Quarter Ending June 30, 2017 (Aug. 15, 2017)
B	Letter from Fairway Physicians Insurance Company, a Risk Retention Group, to the Department of Insurance, Securities, and Banking (Aug. 17, 2017)
C	Muhammad Anwar, Certificate of the Secretary of Fairway Physicians Insurance Company, a Risk Retention Group (Sept. 8, 2017)

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Arizona**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017.

QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group

of
Washington
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
California

FOR THE QUARTER ENDED
JUNE 30, 2017

2017

PROPERTY AND CASUALTY

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Colorado**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

2017

PROPERTY AND CASUALTY

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Connecticut**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
District of Columbia**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Georgia**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Idaho**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Maryland**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Massachusetts**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group

of
Washington
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
Michigan

FOR THE QUARTER ENDED
JUNE 30, 2017

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
New Jersey**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group

of
Washington
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
New Mexico

FOR THE QUARTER ENDED
JUNE 30, 2017

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
New York**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
North Carolina**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

2017

PROPERTY AND CASUALTY

2017

QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group

of
Washington
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
Ohio

FOR THE QUARTER ENDED
JUNE 30, 2017

2017

PROPERTY AND CASUALTY

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Oregon**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017

QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group

of
Washington
in the state of
District of Columbia

TO THE
Insurance Department
OF THE STATE OF
Utah

FOR THE QUARTER ENDED
JUNE 30, 2017

2017

PROPERTY AND CASUALTY

2017

**QUARTERLY STATEMENT
OF THE
Fairway Physicians Insurance Company,
A Risk Retention Group**

**of
Washington
in the state of
District of Columbia**

**TO THE
Insurance Department
OF THE STATE OF
Washington**

**FOR THE QUARTER ENDED
JUNE 30, 2017**

PROPERTY AND CASUALTY

2017

2017



QUARTERLY STATEMENT AS OF JUNE 30, 2017 OF THE CONDITION AND AFFAIRS OF THE

Fairway Physicians Insurance Company, A Risk Retention Group

NAIC Group Code	0000	0000	NAIC Company Code	11840	Employer's ID Number	20-0455011
	(Current Period)	(Prior Period)				
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry		DC	
Country of Domicile	United States of America					
Incorporated/Organized	10/22/2003		Commenced Business		11/10/2003	
Statutory Home Office	1401 Eye Street, N.W., Suite 600		Washington, DC, US 20005			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	29899 Agoura Rd., Suite 110		Agoura Hills, CA, US 91301			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
	Agoura Hills, CA, US 91301		(616)889-7240			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Main Address	29899 Agoura Rd., Suite 110		Agoura Hills, CA, US 91301			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2700 N. 3rd Street, Suite 3050		Phoenix, AZ, US 85004			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
	Phoenix, AZ, US 85004		(602)200-6937			
	(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Web Site Address						
Statutory Statement Contact	Peter Shaw		(314)302-4407			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	pshaw@thorsoninsurance.com		(818)889-2500			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title
Michael Stuart Gurvey MD	Chairman of the Board
Brian Craig Bashner MD	President
Brian Craig Bashner MD	Treasurer
Muhammed Anwar MD	Secretary

OTHERS

DIRECTORS OR TRUSTEES

Michael Stuart Gurvey MD	Brian Bashner MD
Muhammed Anwar MD	

State of
County of

California
Los Angeles

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)
Muhammed Anwar MD
(Printed Name)
1.
Secretary
(Title)

(Signature)
Brian Craig Bashner MD
(Printed Name)
2.
President
(Title)

(Signature)
Brian Craig Bashner MD
(Printed Name)
3.
Treasurer
(Title)

Subscribed and sworn to before me this
15 day of August, 2017

(Notary Public Signature)

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

Yes ☒ No ☐



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	343,642		343,642	7,366,622
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 (\$.....1,737,516), cash equivalents (\$.....2,500,337) and short-term investments (\$.....0)	4,237,854		4,237,854	2,750,224
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)	4,581,496		4,581,496	10,116,846
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	4,102		4,102	96,314
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,053,608		1,053,608	808,976
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 (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	58,055		58,055	21,675
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	2,068,879		2,068,879	1,848,637
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	2,994,564	2,994,564		1,975,000
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	2,863,239	1,097,546	1,765,693	3,079,574
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	13,623,943	4,092,110	9,531,833	17,947,022
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	13,623,943	4,092,110	9,531,833	17,947,022
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. Letter of Credit	1,000,000		1,000,000	1,000,000
2502. Capital Receivable	42,296		42,296	40,391
2503. Prepaid Commissions	398,712		398,712	700,512
2598. Summary of remaining write-ins for Line 25 from overflow page	1,422,231	1,097,546	324,685	1,338,671
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,863,239	1,097,546	1,765,693	3,079,574

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$.....177,892)	4,812,558	5,019,442
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	1,866,064	3,477,719
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	32,521	142,094
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
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 \$.....1,475,116 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)	1,301,025	2,048,133
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,033,309	3,095,882
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	475,325	981,276
26. TOTAL liabilities excluding protected cell liabilities (Lines 1 through 25)	9,520,802	14,764,546
27. Protected cell liabilities		
28. TOTAL liabilities (Lines 26 and 27)	9,520,802	14,764,546
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	5,536,043	5,521,386
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds	1,000,000	1,000,000
33. Surplus notes	450,000	450,000
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	(6,975,012)	(3,788,910)
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$.....0)		
36.20 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	11,031	3,182,476
38. TOTALS (Page 2, Line 28, Col. 3)	9,531,833	17,947,022
DETAILS OF WRITE-INS		
2501. Ceding Commission Unearned	475,325	981,276
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)	475,325	981,276
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	1,000,000	1,000,000
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)	1,000,000	1,000,000

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 \$.....3,273,499)	5,541,061	5,908,800	11,784,653
1.2 Assumed (written \$.....0)			
1.3 Ceded (written \$.....2,024,092)	3,544,547	926,858	4,994,374
1.4 Net (written \$.....1,249,407)	1,996,514	4,981,942	6,790,279
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....177,892)			
2.1 Direct	789,073	2,245,439	5,400,762
2.2 Assumed			
2.3 Ceded	(98,135)		984,956
2.4 Net	887,208	2,245,439	4,415,806
3. Loss adjustment expenses incurred	478,066	1,134,115	1,677,390
4. Other underwriting expenses incurred	1,025,613	1,513,954	1,883,475
5. Aggregate write-ins for underwriting deductions			
6. TOTAL underwriting deductions (Lines 2 through 5)	2,390,887	4,893,508	7,976,671
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(394,373)	88,434	(1,186,392)
INVESTMENT INCOME			
9. Net investment income earned	93,646	155,407	237,080
10. Net realized capital gains (losses) less capital gains tax of \$.....0	192,221	16,703	27,480
11. Net investment gain (loss) (Lines 9 + 10)	285,867	172,110	264,560
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		87,611	(270,444)
15. TOTAL other income (Lines 12 through 14)		87,611	(270,444)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(108,506)	348,155	(1,192,276)
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)	(108,506)	348,155	(1,192,276)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(108,506)	348,155	(1,192,276)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	3,182,477	4,286,314	4,286,313
22. Net income (from Line 20)	(108,506)	348,155	(1,192,276)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	(184,735)	253,825	139,360
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	1,019,564		
27. Change in nonadmitted assets	(4,092,110)		
28. Change in provision for reinsurance			
29. Change in surplus notes		200,000	200,000
30. Surplus (contributed to) withdrawn from Protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in	14,657	21,642	45,909
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			
37. Aggregate write-ins for gains and losses in surplus	179,685	(296,829)	(296,829)
38. Change in surplus as regards policyholders (Lines 22 through 37)	(3,171,445)	526,793	(1,103,836)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	11,032	4,813,107	3,182,477
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. Change in Net Deferred Income Tax (GAAP)		87,611	(270,444)
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)		87,611	(270,444)
3701. Prior Period Adjustment -	179,685	(296,829)	(296,829)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	179,685	(296,829)	(296,829)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	(1,278,041)	6,780,023	8,596,564
2. Net Investment Income	207,820	206,223	321,088
3. Miscellaneous income			
4. TOTAL (Lines 1 to 3)	(1,070,221)	6,986,246	8,917,652
5. Benefit and loss related payments	1,130,472	3,270,634	5,741,306
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	3,224,907	3,421,192	5,199,517
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)			
10. TOTAL (Lines 5 through 9)	4,355,379	6,691,826	10,940,923
11. Net cash from operations (Line 4 minus Line 10)	(5,425,600)	294,420	(2,023,271)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,008,504	1,499,949	1,894,094
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds		16,703	3
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	7,008,504	1,516,652	1,894,097
13. Cost of Investments acquired (long-term only):			
13.1 Bonds		700	115,744
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)		700	115,744
14. Net Increase (or decrease) in contract loans and premium notes			
15. Net cash from Investments (Line 12.8 minus Line 13.7 and Line 14)	7,008,504	1,515,952	1,778,353
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes		200,000	200,000
16.2 Capital and paid in surplus, less treasury stock	14,657	21,642	40,783
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(109,931)	(631,118)	609,879
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(95,274)	(409,476)	850,662
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,487,630	1,400,896	605,744
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,750,225	2,144,481	2,144,481
19.2 End of period (Line 18 plus Line 19.1)	4,237,855	3,545,377	2,750,225

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Fairway Physicians Insurance Company, RRG (the "Company") have been prepared in conformity with accounting practices prescribed or permitted by the state of District of Columbia for determining and reporting the financial conditions and results of operations of a risk retention group for determining its solvency under District of Columbia Insurance law. The financials have been completed in accordance with Generally Accepted Accounting Principles (GAAP).

The reconciliation of total assets, total liabilities, shareholders' equity and net income as reflected in these financial statements to statutory accounting practices prescribed by the National Association of Insurance Commissioners ("NAIC SAP") is as follows:

	Total Assets	Total Liabilities	Shareholder's Equity	Net Income (Loss)
Balance per these financial statements	9,531,833	9,520,802 -	11,032	(108,506)
Adjustments to NAIC SAP:				
Deferred acquisition costs	(73,005)		(73,005)	68,462
Prepaid Expenses	(645,891)		(645,891)	
Letter of Credit	(1,000,000)		(1,000,000)	
NAIC SAP Balance	7,812,938	9,520,802 -	(1,707,865)	(40,044)

B. Use of Estimates in the Preparation of the Financial Statements

No Material Change

C. Accounting Policy

(1) - (5) - No Material Change

(6) The Company had no loan-backed securities.

(7) - (13) - No Material Change

D. Going Concern

During the first quarter of 2017, the Company recognized additional adverse loss reserve development particularly related to accident years prior to 2014, which continued to decrease surplus and triggered additional risk-based capital action levels. As a result, management took the following steps to preserve the Company's remaining surplus: 1. During the second quarter of 2017, management amended the Company's quota share reinsurance treaty with Swiss Re America to cede 95% of prospective premiums and claims; 2. Management is in process of exploring a variety of options to sell or recapitalize the Company; and 3. Identified other insurers that could assume the in force book of business on a prospective basis.

On June 9, 2017, management signed a Letter of Intent wherein the Company would be sold to an unrelated party. Completion of the proposed sale involves several steps including but not limited to regulatory and shareholder approval. If the deal is finalized, the Company would operate to run off its open claims inventory, with the remaining in force business being placed with other carriers. Additionally, management is in discussions with three unrelated insurers who have expressed interest in assuming the remaining book of business on a prospective basis.

While the outcome of the sale remains uncertain, management is confident that the deal will be closed during 2017.

2. Accounting Changes and Corrections of Errors

The Company booked a prior period correction in the amount of \$179,685 as the result of an adjustment to prior period Deductible Receivable.

3. Business Combinations and Goodwill

No material change

4. Discontinued Operations

No material change

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - None.

B. Debt Restructuring - None.

Notes to Financial Statement

- C. Reverse Mortgages – None.
- D. Loan-Backed Securities – None.
- E. Repurchase Agreements and/or Securities Lending Transactions
 - (1) Policy for requiring collateral or other security – No Material Change
 - (2) Carrying amount and classification of both those assets and associated liabilities – No Material Change
 - (3) Collateral accepted that it is permitted by contract or custom to sell or repledge:
 - a. Aggregate amount of contractually obligated open collateral positions – No Material Change
 - b. Fair value of that collateral and of the portion of that collateral that it has sold or repledged – None
 - c. Information about the sources and uses of that collateral – No Material Change
 - (4) Aggregate value of the reinvested collateral which is "one-line" reported and the aggregate reinvested collateral which is reported in the investment schedules – No Material Change
 - (5) Reinvestment of the cash collateral and any securities which it or its agent receives as collateral that can be sold or repledged – No Material Change
 - (6) Collateral accepted that it is not permitted by contract or custom to sell or repledge – No Material Change
 - (7) Collateral for transactions that extend beyond one year from the reporting date – No Material Change
- F. Real Estate – No Material Change
- G. Low-income housing tax credits (LIHTC) – No Material Change.
- H. Restricted Assets – No Material Change.
- I. Working Capital Finance Investments – None
- J. Offsetting and Netting of Assets and Liabilities – None
- K. Structured Notes – No Material Change
- L. *5 Securities – No material change
- M. Wash Sales – No material change
- N. Prepayment Penalties and Acceleration Fees – No material change

6. Joint Ventures, Partnerships and Limited Liability Companies

No material change

7. Investment Income

No material change

8. Derivative Instruments

No material change

9. Income Taxes

No material change

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties.

A, B, & C. - None

D. Amounts due to or from related parties - Premium & capital receivable are from Thorson and TPA fee payable is RMSG which are affiliates

Notes to Financial Statement

- E. Guarantees or undertakings for related parties - None
 - F. Management, service contracts, cost sharing arrangements - None
 - G. Common control - None
 - H. Amount deducted for investment in upstream company - None
 - I. Detail of investments in affiliates greater than 10% of admitted assets - None
 - J. Writedown for impairments of investments in affiliates - None
 - K. Foreign insurance subsidiary valued using CARVM - None
 - L. Downstream holding company valued using look-through method - None
 - M. Non-Insurance SCA Investments - None.
 - N. Investment in Insurance SCA - None.
- 11. Debt**
- A. Debt - None
 - B. FHLB (Federal Home Loan Bank) Agreements - None
- 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.**
- A. Defined Benefit Plan
 - (1) Change in benefit obligation - No material change
 - (2) Change in plan assets- No material change
 - (3) Funded status - No material change
 - (4) Components of net periodic benefit cost - None
 - (5) The amount included in unassigned funds (surplus) for the period arising from a change in the additional minimum pension liability recognized - No material change
 - (6) Amounts in unassigned funds (surplus expected to be recognized in the next fiscal year as components of net periodic benefit cost - No material change
 - (7) Amounts in unassigned funds (surplus) that have not been recognized as components of net periodic benefit cost - No material change
 - (8) Weighted-average assumptions used to determine net period benefit cost - No material change
 - (9) The amount of accumulated benefit obligation for defined benefit pension plans - No material change
 - (10) - (11) The defined benefit pension plan asset allocation as of the measurement date, and the target asset allocation, presented as a percentage of total plan assets - No material change
 - (12) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years- No material change
 - (13) Regulatory contribution requirements - No material change
 - (14) - (21) No material change
 - B. Investment Policies and Strategies - None
 - C. Plan Assets - None
 - D. Long-term Rate-of-return-on-assets Assumption - None
 - E. Defined Contribution Plans - None
 - F. Multi-Employer Plan - None

Notes to Financial Statement

- G. Consolidated/Holding Company Plans – None
- H. Post-Employment Benefits and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None
- 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
 - No material change
- 14. Contingencies
 - No material change
- 15. Leases
 - A. Lessee Operating Lease-- None.
 - B. Lessor Leases – No material change
- 16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk
 - No material change
- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
 - A. Transfers of Receivables reported as Sales – No material change
 - B. Transfer and Servicing of Financial Assets
 - (1) Description of loaned securities – No material change
 - (2) Servicing Assets and Liabilities
 - a. Risks inherent in servicing assets and servicing liabilities – None
 - b. Amount of contractually specified servicing fees, late fees and ancillary fees earned for each period – None
 - c. Assumptions used to estimate the fair value – None
 - (3) Servicing assets and servicing liabilities are subsequently measured at fair value – No material change
 - (4) For securitizations, asset-backed financing arrangements, and similar transfers accounted for as sales when the transferor has continuing involvement (as defined in the glossary of the Accounting Practices & Procedures Manual) with the transferred financial assets:
 - a. Each income statement presented – None
 - b. Each statement of financial position presented, regardless of when the transfer occurred – None
 - (5) Transfers of financial assets accounted for as secured borrowing value – No material change
 - (6) Transfers of receivables with recourse – No material change
 - (7) Securities underlying repurchase and reverse repurchase agreements – No material change
 - C. Wash Sales – None
- 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
 - No material change
- 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
 - No Material Change

Notes to Financial Statement

20. Fair Value Measurements

A. Fair Market Value at Reporting Date

- (1) Fair Value Measurements at Reporting Date – As of June 30, 2017, Bonds were valued at Market Value, as compared to amortized value in previous periods

	Description of each class of asset or liability	(Level 1)	(Level 2)	(level 3)	Total
	Bonds	\$ 343,642			\$ 343,642

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None.
- (3) The Company's policy for determining when transfers between levels are recognized is the end of the reporting period.
- (4) The Company has not valued any securities at a Level 2 or 3.
- (5) Derivative assets and liabilities – None.
- B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None
- C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 343,642	\$ 343,642	\$ 343,642			
Cash Equivalents	\$2,500,338	\$2,500,338	\$2,500,338			

- E. Not Practicable to Estimate Fair Value – None.

21. Other Items

- A. Unusual and Infrequent Items – No material change
- B. Troubled Debt Restructuring – No material change
- C. Other Disclosures – No material change
- D. Business Interruption Insurance Recoveries – No material change
- E. State Transferable and Non-transferable Tax Credits – No material change
- F. Subprime-Mortgage-Related Risk Exposure – No material change
- G. Insurance-Linked Securities – No material change

22. Events Subsequent

Type I. – Recognized Subsequent Events.

No Material Change

Type II. – Nonrecognized Subsequent Events

No Material Change

The Company did not write any A&H premiums that are subject to Section 9010 of Federal Affordable Care Act.

23. Reinsurance

- A. Unsecured Reinsurance Recoverables – Fairway has a reinsurance balance receivable of \$3,776,814. Fairway believes this balance is secured with the certified reinsurance partners and the economics of the reinsurance treaty.
- B. Reinsurance Recoverable in Dispute – No material change
- C. Reinsurance Assumed and Ceded – No material change

Notes to Financial Statement

- D. Uncollectible Reinsurance – No material change
- E. Commutation of Ceded Reinsurance – No material change
- F. Retroactive Reinsurance – No material change
- G. Reinsurance Accounted for as a Deposit

Reinsurance deposit of \$2,068,879 is derived by applying the development rate (minimum) under the Company's reinsurance contract to the inception to date reinsurance premium paid on a written basis.

Total Reinsurance Premium Funded to Date:	\$10,412,103
Minimum Premium Applies	(8,343,224)
Reinsurance Deposit	\$ 2,068,879

- H. Transfer of Property and Casualty Run-off Agreements – No material change
- I. Certified Reinsurer Rating Downgraded or status Subject to Revocation – No material change
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation – No material change

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. – E. Retrospective rated contracts – No Material Change
- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Did the reporting entity write accident and health insurance premiums that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? NO
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities, and Revenue for the Current Year - None
- (3) Rollforward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reason for any adjustments to prior year balance. – None

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2016 were \$8,497,162. As of June 30, 2017, \$3,020,164 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$6,279,376 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$802,378 unfavorable prior-year development since December 31, 2016 to June 30, 2017. The difference is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

No material change

27. Structured Settlements

No material change

28. Health Care Receivables

No material change

29. Participating Policies

No material change

30. Premium Deficiency Reserves

- 1. Liability carried for premium deficiency reserves
- 2. Date of the most recent evaluation of this liability
- 3. Was anticipated investment income utilized in the calculation? (Yes / No)

	(1)
\$	0
	06/30/2017
	Yes

31. High Deductibles

No material change

Notes to Financial Statement

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No material change

33. Asbestos/Environmental Reserves

No material change

34. Subscriber Savings Accounts

No material change

35. Multiple Peril Crop Insurance

No material change

36. Financial Guaranty Insurance

No material change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]
 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
 2.2 If yes, date of change:
 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an Insurer? Yes[X] No[]
 If yes, complete Schedule Y, Parts 1 and 1A.
 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
 3.3 If the response to 3.2 is yes, provide a brief description of those changes:
 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes[] No[X] N/A[]
 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 09/30/2014
 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 09/12/2015
 6.4 By what department or departments? District of Columbia Department of Securities and Banking
 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
 7.2 If yes, give full information
 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes[X] No[]
 9.11 If the response to 9.1 is No, please explain:
 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[X] No[]
 11.2 If yes, give full and complete information relating thereto:
 The amount of \$2,500,064 of Fidelity Trust Market Cap Reserve has been placed as collateral in support of an outstanding claim judgement and is therefore not available as a liquid asset currently
 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

13. Amount of real estate and mortgages held in short-term investments:

\$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock		
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other		
14.27 Total Investment In Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)		
14.28 Total Investment In Parent Included In Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.Yes ☐ No ☐ N/A ☒

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.3 Total payable for securities lending reported on the liability page

\$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☒ No ☐

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
UBS Financial Services Inc.	1000 Harbor Boulevard, Weehawken, NJ 07086

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes ☐ No ☒

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [* that have access to the investment accounts; * handle securities]

1 Name of Firm or Individual	2 Affiliation
David Thorson	
Brian Bashner MD	

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes ☐ No ☒

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes ☐ No ☒

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[]

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation. Yes[] No[X] N/A[X]
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation. Yes[] No[X]
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?
3.2 If yes, give full and complete information thereto. Yes[] No[X]
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes[] No[X]
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
04.2999 Total										

5. Operating Percentages:
 5.1 A&H loss percent 0.000%
 5.2 A&H cost containment percent 0.000%
 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes[] No[X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes[] No[X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

SCHEDULE F - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domestic Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
			NONE			

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**Current Year to Date - Allocated by States and Territories**

	States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
			Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1.	Alabama (AL)	N						
2.	Alaska (AK)	N						
3.	Arizona (AZ)	R	117,489	174,199			32,757	52,828
4.	Arkansas (AR)	N						
5.	California (CA)	R	1,943,570	5,714,646	689,093	2,485,634	3,421,092	3,972,089
6.	Colorado (CO)	R	36,728	45,794			10,097	39,302
7.	Connecticut (CT)	N						
8.	Delaware (DE)	N						
9.	Disirict of Columbia (DC)	L						
10.	Florida (FL)	N						
11.	Georgia (GA)	R	64,553	45,414		785,000	1,062,536	12,636
12.	Hawaii (HI)	N						
13.	Idaho (ID)	R	17,479	13,707			1,771	1,802
14.	Illinois (IL)	N						
15.	Indiana (IN)	N						
16.	Iowa (IA)	N						
17.	Kansas (KS)	N						
18.	Kentucky (KY)	N						
19.	Louisiana (LA)	N						
20.	Maine (ME)	N						
21.	Maryland (MD)	R	23,311	30,022			4,858	257,240
22.	Massachusetts (MA)	N						
23.	Michigan (MI)	R	65,720	51,492			12,973	12,576
24.	Minnesota (MN)	N						
25.	Mississippi (MS)	N						
26.	Missouri (MO)	N						
27.	Montana (MT)	N						
28.	Nebraska (NE)	N						
29.	Nevada (NV)	N						
30.	New Hampshire (NH)	N						
31.	New Jersey (NJ)	N					100,000	32,247
32.	New Mexico (NM)	R	247,253	217,425	30,000		79,729	299,473
33.	New York (NY)	R	661,357	1,584,632	375,000		956,290	595,657
34.	North Carolina (NC)	R	31,141	27,448			4,238	5,747
35.	North Dakota (ND)	N						
36.	Ohio (OH)	R	52,100	46,039			10,167	12,586
37.	Oklahoma (OK)	N						
38.	Oregon (OR)	R	4,046	3,229			421	413
39.	Pennsylvania (PA)	N						
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	N						
42.	South Dakota (SD)	N						
43.	Tennessee (TN)	N						
44.	Texas (TX)	N						
45.	Utah (UT)	N						
46.	Vermont (VT)	N						
47.	Virginia (VA)	N						
48.	Washington (WA)	R	8,752	10,641			2,447	3,475
49.	West Virginia (WV)	N						
50.	Wisconsin (WI)	N						
51.	Wyoming (WY)	N						
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	N						
55.	U.S. Virgln Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CAN)	N						
58.	Aggregate other alien (OT)	XXX						
59.	Totals	(a) 1	3,273,499	7,964,688	1,094,093	3,270,634	5,699,376	5,298,071
DETAILS OF WRITE-INS								
58001.		XXX						
58002.		XXX						
58003.		XXX						
58998	Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX						

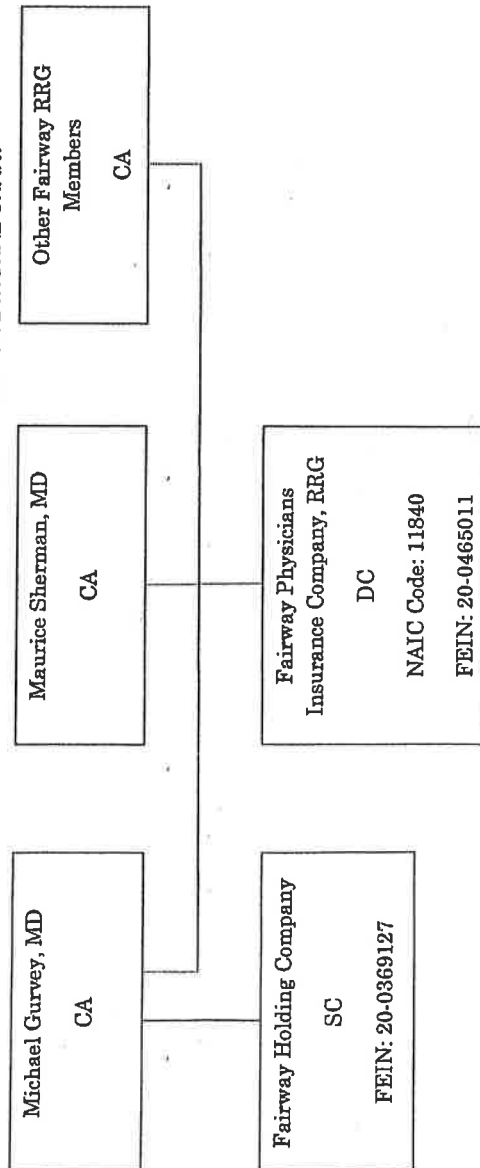
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of D and L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Firm(s)	Is an SCA Filing Required? (Y/N)	
0		00000	20-0369127				Fairway Holding	SC	NIA	Michael Guvey, MD	Ownership	100.0	Michael Guvey, MD	N	00000001
0		00000					Michael Guvey, MD	CA	UDP	Michael Guvey, MD			Michael Guvey, MD	N	
0		00000					Maurice Sherman, MD	CA	UDP	Maurice Sherman, MD			Maurice Sherman, MD	N	
0		00000					Other Members	CA	UDP				none	N	
0		11840	20-0465011				Fairway Physicians Insurance Co	DC	RE	Michael Guvey, MD	Ownership, Board of Directors	26.6	Michael Guvey, MD	N	
0		11840	20-0465011				Fairway Physicians Insurance Co	DC	RE	Maurice Sherman, MD	Ownership	5.0	Michael Guvey, MD	N	
0		11840	20-0465011				Fairway Physicians Insurance Co	DE	RE	Other Members	Ownership	68.4	Michael Guvey, MD	N	
Explanation															
00000001	Michael Guvey, MD is the ultimate controlling person of Fairway RRG and is the direct controlling person of Fairway Holding Company.														

STATEMENT AS OF June 30, 2017 OF THE Fairway Physicians Insurance Company, A Risk Retention Group

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
7. Ocean marine				
8. Inland marine				
9. Financial guaranty				
10. Medical professional liability - occurrence	692,724	(34,895)	(5.038)	(8.641)
11.1 Medical professional liability - claims made	4,848,337	823,969	16.995	42.669
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
20. Auto physical damage				
21. Aircraft (all perils)				
22. Fidelity				
23. Surety				
24. Burglary and theft				
25. Boiler and machinery				
26. Credit				
27. International				
28. Warranty				
29. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
30. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
31. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
32. Aggregate write-ins for other lines of business				
33. TOTALS	5,541,061	789,073	14.241	38.002
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
7. Ocean marine			
8. Inland marine			
9. Financial guaranty			
10. Medical professional liability - occurrence	28,150	231,645	203,087
11.1 Medical professional liability - claims made	1,690,914	3,041,854	7,761,621
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability - occurrence			
17.2 Other liability - claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability - occurrence			
18.2 Products liability - claims made			
19.1 19.2 Private passenger auto liability			
19.3 19.4 Commercial auto liability			
20. Auto physical damage			
21. Aircraft (all perils)			
22. Fidelity			
23. Surety			
24. Burglary and theft			
25. Boiler and machinery			
26. Credit			
27. International			
28. Warranty			
29. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
30. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
31. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
32. Aggregate write-ins for other lines of business			
33. TOTALS	1,719,064	3,273,499	7,964,688
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)			

PART 3 (000 omitted) **LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2014 + Prior	1,965	168	2,133	1,332	1,332	1,332	2,557		126	2,683	1,924	(42)	1,882
2. 2015	829	1,396	2,225	939	939	939	1,594		136	1,732	1,704	(1,258)	446
3. Subtotals 2015 + Prior	2,794	1,564	4,358	2,271	2,271	2,271	4,151		264	4,415	3,628	(1,300)	2,328
4. 2016	1,505	2,634	4,139	749	749	749	1,482		382	1,864	726	(2,252)	(1,526)
5. Subtotals 2016 + Prior	4,299	4,198	8,497	3,020	3,020	3,020	5,633		646	6,279	4,354	(3,552)	802
6. 2017	XXX	XXX	XXX	XXX	164	164	XXX	185	213	398	XXX	XXX	XXX
7. Totals	4,299	4,198	8,497	3,020	3,184	3,184	5,633	185	859	6,677	4,354	(3,552)	802
											Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
8. Prior Year-End Surplus As Regards Policyholders	3,182										101,279	(84,612)	9,439
													Col. 13, Line 7 Line 8
													4. 25,204

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific Interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the Interrogatory questions.

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSES

No
Yes
No
No

Explanations:

Bar Codes:

Trusteed Surplus Statement



Medicare Part D Coverage Supplement



Director and Officer Supplement



OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196)				
2504. Deferred Acquisition Costs	73,005		73,005	141,467
2505. Prepaid TPA Fees	100,929		100,929	188,324
2506. Prepaid Administration Expenses	145,574		145,574	261,674
2507. Deductible Receivable	870,908	870,908		518,026
2508. Commutation Bonus Receivable	226,638	226,638		226,638
2509. Miscellaneous	5,177		5,177	2,542
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)	1,422,231	1,097,546	324,685	1,338,671

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest point		
9. Total foreign exchange change in book value/recorded investment		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	7,366,624	9,036,510
2. Cost of bonds and stocks acquired		115,744
3. Accrual of discount	2,207	7,043
4. Unrealized valuation increase (decrease)	(184,735)	139,357
5. Total gain (loss) on disposals	192,221	27,480
6. Deduct consideration for bonds and stocks disposed of	7,008,504	1,894,094
7. Deduct amortization of premium	24,170	65,416
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	343,643	7,366,624
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	343,643	7,366,624

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	1,904,511		1,724,923	(63,844)	1,904,511	115,744		2,450,941
2. NAIC 2 (a)	3,371,360		3,064,837	(78,625)	3,371,360	227,898		4,393,181
3. NAIC 3 (a)								251,375
4. NAIC 4 (a)								268,125
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	5,275,871		4,789,760	(142,469)	5,275,871	343,642		7,366,622
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	5,275,871		4,789,760	(142,469)	5,275,871	343,642		7,366,622
(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$								0;
NAIC 3 \$								0;
NAIC 4 \$								0;
NAIC 5 \$								0;
NAIC 6 \$								0;

SI03 Schedule DA Part 1 NONE

SI03 Schedule DA Verification NONE

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SCHEDULE E - Verification

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	346,706	1,567,190
2. Cost of cash equivalents acquired	4,525,109	4,548,085
3. Accrual of discount		42
4. Unrealized valuation increase (decrease)		3
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	2,371,478	5,768,614
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,500,337	346,706
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,500,337	346,706

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

E04 Schedule D Part 3 NONE

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B.A.C.V. (11-12-13)	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Dividends Received During Year	Sold/Contractual Maturity Date	NAC Designation or Market Indicator (a)		
007242AB1	Adco Systems Inc 4.75% Sen 3/1/2020	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
002068B41	AT&T Inc 3.25% Sen 12/1/2022	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
057226B00	Baker Hughes Inc 3.2% Sen 5/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
142226AC5	Blackrock Inc 4.25% Sen 9/1/2017	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
180524A98	Comcast Corp 5.5% Sen 11/15/2016	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
191219A04	Costco Wholesale Corp 5.5% Sen 7/1/2022	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
241029A04	Duke Energy Corp 4.125% Sen 4/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
254585C09	Duke Energy Corp 4.125% Sen 4/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
310524A00	First Energy Capital Corp 5.5% Sen 11/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
343027W65	Ford Motor Co LLC 4.25% Sen 9/20/2022	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
343027W65	Ford Motor Co LLC 4.25% Sen 9/20/2022	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
418515A71	General Fin Ser G 5.375% Sen 3/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
418515A71	General Fin Ser G 5.375% Sen 3/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
487836B02	Home Depot Inc 3.25% Sen 12/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
500134E03	Johnson & Johnson 3.5% Sen 10/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
555664A95	Merck & Co Inc 3.5% Sen 10/1/2021	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services	XXX	257,598	250,000	279,150	266,610	(1,429)	(1,740)		(1,740)	266,610		7,153	7,153	1,153	10/1/2020	IFE		
724710A02	Netflix Inc 4.25% Sen 5/1/2018	06/15/2017	UBS Financial Services																		

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9
						6 First Month	7 Second Month	8 Third Month	
open depositories									
Wells Fargo (acct 3827430210)	California					(518,069)	(37,902)	(137,536)	XXX
Wells Fargo (acct 3827430202)	California					(4,407)	(14,938)	(67,395)	XXX
Wells Fargo (acct 1054150857)	California					687,750	445,184	1,942,447	XXX
0199998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories		XXX	XXX						XXX
0199999 Totals - Open Depositories		XXX	XXX			165,274	392,344	1,737,516	XXX
suspended depositories									
0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories		XXX	XXX						XXX
0299999 Totals - Suspended Depositories		XXX	XXX						XXX
0399999 Total Cash On Deposit		XXX	XXX			165,274	392,344	1,737,516	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX	XXX				XXX
0599999 Total Cash		XXX	XXX			165,274	392,344	1,737,516	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
7799999 Subtotals - Bonds - Total Bonds - Issuer Obligations							
7899999 Subtotals - Bonds - Total Bonds - Residential Mortgage-Backed Securities							
7999999 Subtotals - Bonds - Total Bonds - Commercial Mortgage-Backed Securities							
8099999 Subtotals - Bonds - Total Bonds - Other Loan-Backed and Structured Securities							
8199999 Subtotals - Bonds - SVO Identified Funds							
8399999 Subtotals - Bonds - Total Bonds							
Sweep Accounts							
UBS Gov't Select Capital Fund		06/30/2017	0.370	07/31/2017	274		454
Fidelity Treasury MMKT Capital Reserve		06/30/2017	0.010	07/31/2017	2,500,064		9
8499999 Sweep Accounts					2,500,338		463
8599999 Other Cash Equivalents							
8699999 Total - Cash Equivalents					2,500,338		463

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PETITION
EXHIBIT B

Transmitted by Email only to sean.o'donnell@dc.gov

August 17, 2017

Mr. Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau
District of Columbia Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, D.C. 20002

Subject: Fairway Physicians Insurance Company, A Risk Retention Group
NAIC Company Code 11840
Voluntary Cession of All Business


Dear Mr. O'Donnell:

Fairway Physicians Insurance Company, A Risk Retention Group ("Fairway") filed its statutory statement for the quarter ended June 30, 2017 on August 15, 2017. That statement reported a surplus as regards policyholders of \$11,031. The Department has requested that Fairway confirm that it is no longer writing any business.

This letter will confirm that effective August 17, 2017, Fairway has voluntarily and immediately ceased and is no longer writing any business, including endorsements, renewals, and tail policies. This letter will further confirm that Fairway has advised its program manager, Thorson Specialty Insurance Services, Inc. ("TSIS") of the voluntary cease and desist undertaking that Fairway has agreed to with the Department. TSIS has advised and confirmed to Fairway that it understands the cease and desist that Fairway has agreed to and that TSIS has agreed not to bind any business to Fairway.

Very truly yours,

FAIRWAY PHYSICIANS INSURANCE COMPANY,
A RISK RETENTION GROUP


Brian C. Bashner, M.D.
Its President and Treasurer

cc: David Thorson, Thorson Specialty Insurance Services, Inc.
Robert P. Barbarowicz, Michelman & Robinson, LLP
Robert L. Myers, Jr., Morris, Manning & Martin, LLP

FAIRWAY PHYSICIANS INSURANCE COMPANY, A RISK RETENTION GROUP

CERTIFICATE OF SECRETARY

I, MUHAMMED ANWAR, M.D., due hereby certify that I am the duly elected and acting Secretary of FAIRWAY PHYSICIANS INSURANCE COMPANY, A RISK RETENTION GROUP, a captive insurance company organized under the laws of the District of Columbia (the "Company") and I do hereby further certify that the following is a true, correct and complete copy of the resolutions adopted by Board of Directors of the Company, at a special meeting of the Board of Directors, duly called and held on September 8, 2017; and I do hereby further certify that such resolutions are in full force and effect as of the date hereof:

WHEREAS, the financial condition of the Company is impaired and it lacks assets for the payment of its ordinary expenses necessary to conduct its business and affairs;

WHEREAS, the financial condition of the Company indicates that its liabilities may exceed its assets, thereby rendering the Company insolvent;


WHEREAS, the Board of Directors has concluded that the financial condition of the Company and its inability to pay claims and loss adjustment expenses, require that it is necessary and desirable for the Company to voluntarily consent to the liquidation of the Company by the Insurance Commissioner of the District of Columbia for the protection of the policyholders of the Company, in proceedings that the Commissioner may bring pursuant to the provisions of D.C. Official Code relating to liquidations;

NOW THEREFORE, BE IT RESOLVED, that the Company by its Board of Directors does hereby consent to the liquidation of the Company by the Insurance Commissioner of the District of Columbia pursuant to the provisions of the D.C. Official Code, including, without limitation the provisions of Sections 31-1315 and 31-1316;

RESOLVED FURTHER, that the Board of Directors agrees that it will not oppose or take any action in opposition to the actions that the Commissioner may take to place the Company into liquidation;

RESOLVED FURTHER, that the Board of Directors further consents to and requests that the Commissioner make application for an Expedited Order of Liquidation before the Superior Court of the District of Columbia.

EXECUTED September 8, 2017.



Muhammed Anwar, M.D.
Secretary

Fairway Physicians Insurance Company, A Risk Retention Group

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

<div>DISTRICT OF COLUMBIA Department of Insurance, Securities and Banking</div> <div style="text-align:right">Petitioner,</div> <div>v.</div> <div>Fairway Physicians Insurance Company, A Risk Retention Group</div> <div style="text-align:right">Respondent.</div>	<div>Civil Action No.</div> <div>Judge:</div>
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ORDER OF LIQUIDATION

Upon consideration of the Emergency Consent Petition for an Order Authorizing the Commissioner of Insurance to Liquidate Fairway Physicians Insurance Company, A Risk Retention Group, pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316 and 31-3931.01 *et seq.* (2012 Repl.), the Memorandum of Points and Authorities in support thereof, and the entire record herein, it is by this Court, this ____ day of _____, 2017,

ORDERED, that the Petition is hereby GRANTED; and it is

FURTHER ORDERED, that the Commissioner and his successors in office, are hereby appointed Liquidator of Fairway Physicians Insurance Company, A Risk Retention Group (Fairway) pursuant to D.C. Official Code § 31-1316 (2012 Repl.); and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall take possession of the assets of Fairway and shall administer them under the supervision of this Court; and it is

FURTHER ORDERED, that all litigation pending against Fairway, is hereby stayed until further order of this Court, pursuant to D.C. Official Code § 31-1322 (2012 Repl.); and it is

FURTHER ORDERED, that all persons and entities are hereby enjoined until further order of this Court from commencing or continuing any litigation against Fairway or against the Commissioner as Liquidator, pursuant to D.C. Official Code §§ 31-1322 and 31-1304 (2012 Repl.); and it is

FURTHER ORDERED, that all litigation pending against any Fairway policyholder is hereby stayed and that all persons and entities are enjoined from commencing or continuing any litigation against a Fairway policyholder until further order of this Court, pursuant to D.C. Official Code § 31-1304 (2012 Repl.); and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall be vested with the title to all property, contracts, and rights of actions, and all of the books and records, wherever located, of Fairway Physicians Insurance Company, A Risk Retention Group; and it is

FURTHER ORDERED, that the Commissioner as Liquidator shall conduct the liquidation proceedings consistent with D.C. Official Code § 31-1316 (2012

Repl.) and shall be vested with the powers identified at D.C. Official Code § 31-1319 (2012 Repl.); and it is

FURTHER ORDERED, that for the purpose of 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 (2012 Repl.); and it is

FURTHER ORDERED, that a status hearing in this matter shall be set for _____ 201__, at _____ a.m./p.m., at which time the parties shall report to Courtroom _____ of the Superior Court of the District of Columbia, 500 Indiana Avenue, N.W., Washington, D.C.

SO ORDERED.

Judge

Copies, via CaseFileXpress or first class mail, to:

Fernando Rivero, AAG
Jessica Krupke, AAG
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Office of the General Counsel
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