

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
**Commercial Casualty Insurance Company** )  
**5814 Reed Road** )  
**Fort Wayne, IN 46835** )

Examination of: **Commercial Casualty Insurance Company**


**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Commercial Casualty Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on June 6, 2018, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Commercial Casualty Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 27, 2018  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7005 3110 0002 4443 9865**

STATE OF INDIANA ) BEFORE THE INDIANA  
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COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
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**Commercial Casualty Insurance Company** )  
**5814 Reed Road** )  
**Fort Wayne, IN 46835** )

Examination of: **Commercial Casualty Insurance Company**

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Commercial Casualty Insurance Company (hereinafter "Company") for the time period January 1, 2012 through December 31, 2016.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on April 20, 2018.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 6, 2018 and was received by the Company on June 13, 2018.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Commercial Casualty Insurance Company as of December 31, 2016.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Commercial Casualty Insurance Company to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 27 day of  
June, 2018.

  
Stephen W. Robertson  
Insurance Commissioner  
Indiana Department of Insurance

## ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

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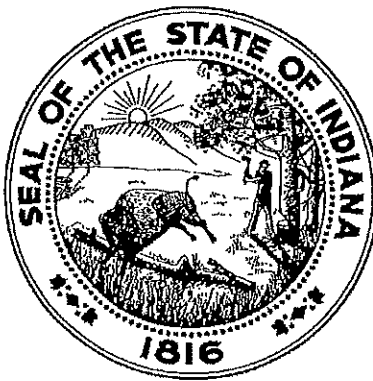
**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**COMMERCIAL CASUALTY INSURANCE COMPANY**

NAIC Co. CODE 32280  
NAIC GROUP CODE 0031

As of

December 31, 2016



## TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	2
HISTORY.....	2
CAPITAL AND SURPLUS.....	3
DIVIDENDS TO STOCKHOLDERS .....	3
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	4
MANAGEMENT AND CONTROL.....	4
Directors.....	4
Officers.....	5
CONFLICT OF INTEREST .....	5
OATH OF OFFICE.....	5
CORPORATE RECORDS.....	5
Articles of Incorporation .....	5
Bylaws.....	5
Minutes.....	5
AFFILIATED COMPANIES.....	6
Organizational Structure .....	6
Affiliated Agreements.....	6
FIDELITY BOND AND OTHER INSURANCE.....	7
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS.....	7
REINSURANCE.....	7
SPECIAL AND STATUTORY DEPOSITS.....	8
ACCOUNTS AND RECORDS .....	8
FINANCIAL STATEMENTS .....	9
Assets .....	9
Liabilities, Surplus and Other Funds.....	10
Statement of Income.....	11
Capital and Surplus Account Reconciliation.....	12
COMMENTS ON THE FINANCIAL STATEMENTS .....	13
OTHER SIGNIFICANT ISSUES .....	13
SUBSEQUENT EVENTS.....	13
AFFIDAVIT.....	14



# STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

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## Indiana Department of Insurance

Stephen W. Robertson, Commissioner  
311 W. Washington Street, Suite 103  
Indianapolis, Indiana 46204-2787  
Telephone: 317-232-2385  
Fax: 317-232-5251  
Website: [in.gov/idoi](http://in.gov/idoi)

April 20, 2018

Honorable Stephen W. Robertson, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3944, an examination has been made of the affairs and financial condition of:

**Commercial Casualty Insurance Company**  
**5814 Reed Road**  
**Fort Wayne, Indiana 46835**

hereinafter referred to as the "Company", or "CCIC", an Indiana domestic stock, property and casualty insurance company. The examination was conducted at the corporate offices of the Company in Fort Wayne, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2016, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2413    COMPANY COMPLIANCE 317-232-3495    CONSUMER SERVICES 317-232-2395/1-800-622-4461    FINANCIAL SERVICES 317-232-2390    MEDICAL MALPRACTICE 317-232-2402    COMPANY RECORDS 317-232-5692    STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the California Department of Insurance and covered the period from January 1, 2009 through December 31, 2011. The present risk-focused examination was conducted by Noble Consulting Services, Inc., representing the Indiana Department of Insurance (INDOI), and covered the period from January 1, 2012 through December 31, 2016, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as in the Indiana Code (IC) 27-1-3.1-10, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## HISTORY

The Company was incorporated on March 21, 1986, under the laws of California and the present title was adopted on January 31, 1991. The Company has been in runoff since 2004. Prior to the runoff, the Company had written workers' compensation insurance with a majority of business derived from the California market. On October 30, 2008, the Company became a wholly-owned subsidiary of Railsplitter Holdings Corporation (Railsplitter), a wholly-owned subsidiary of White Mountains Insurance Group, Ltd. (White Mountains), an exempted Bermuda limited liability company. Effective October 31, 2008, Railsplitter became an indirect subsidiary of Berkshire Hathaway Inc., (BHI), a Delaware corporation, pursuant to an exchange agreement by and among BHI, White Mountains.

Effective September 20, 2016, the Company redomesticated from California to Indiana with an intention to start writing new business. As part of this, effective July 1, 2016, through a quota share reinsurance agreement with Finial Reinsurance Company (Finial), a Connecticut affiliate, the Company retroceded its gross policy liabilities for policies incepting prior to the effective date, and simultaneously assigned the rights to its reinsurance to Finial. On October 1, 2016, the Company was acquired by Columbia Insurance Company (CIC), an insurance company domiciled in the state of Nebraska, from Railsplitter through a stock purchase agreement. Upon the acquisition, CIC contributed all the issued and outstanding shares of the Company to its wholly-owned subsidiary, MedPro Group Inc. (MPG), an Indiana Corporation.



## CAPITAL AND SURPLUS

All shares of the Company are owned by MPG. MPG is 100% owned by CIC. CIC is 100% owned by BH Columbia Inc., a Nebraska corporation, which is a direct, wholly-owned subsidiary of BHI. The Company has 10,000 shares of common capital stocks authorized, issued, and outstanding at a par value of \$300.00 per share.

## DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends, to its parent company during the examination period:

Year	Total	Ordinary Dividends	Extraordinary Dividends
2016	\$ -	\$ -	\$ -
2015	-	-	-
2014	-	-	-
2013	6,900,000	6,900,000	-
2012	7,500,000	7,500,000	-
Total	<u>\$ 14,400,000</u>	<u>\$ 14,400,000</u>	<u>\$ -</u>

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

## TERRITORY AND PLAN OF OPERATION

In 2016, the Company was redomiciled to Indiana with the purpose of becoming a vehicle for accident & health and workers' compensation business for MPG. The Company plans to start writing new business in 2018. The Company plans to write blanket accident and student health plans through its affiliate, Consolidated Health Plans, Inc. The Company also plans to offer workers' compensation business through a web-based platform.

As of September 30, 2017, CCIC is licensed to sell its products in forty-four (44) states and the District of Columbia. As of the examination date, the Company was not licensed in Louisiana, Minnesota, New Hampshire, New York, North Dakota, and Wyoming. The Company is currently in the process of expanding its Certificate of Authority and its lines of authority sufficient to underwrite accident & health risks in the additional six (6) mentioned states.

## GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, of the Company during the examination period:

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Premiums Earned	Net Income
2016	\$ 67,580,891	\$ 4,940,636	\$ 62,640,255	\$ (54,997,024)	\$ 2,161,102
2015	116,069,282	57,058,930	59,010,352	35	(4,276,062)
2014	117,210,651	62,880,063	54,330,588	(1)	371,210
2013	119,802,029	56,473,653	63,328,376	11,361	929,991
2012	129,658,225	60,656,620	69,001,605	521	3,526,358

During the examination period the Company primarily managed a runoff block of workers' compensation business. Additionally, the Company made dividend contributions of \$7.5 and \$6.9 million in 2012 and 2013, respectively, which contributed to decreases in assets and surplus. The fluctuations in net income are primarily attributed to the fluctuation in investment income throughout the years, as well as an additional loss adjustment reserve that was set up in the amount of \$7.9 million during 2015.

During 2016, the Company entered into a reinsurance agreement with Finial to cede its run-off block of business. As part of the agreement, the Company paid Finial a premium of \$55 million, which was equal to the net loss and loss adjustment expense reserves it retroceded, accounting for the effect of the retroactive reinsurance. This reinsurance transaction drove changes to balances presented above for 2016.

## MANAGEMENT AND CONTROL

### Directors

The Bylaws provide that the number of directors of the Company shall be not less than five (5) directors, provided that at least two (2) directors shall constitute a quorum at any meeting of the directors. At least one (1) of the directors shall reside in Indiana. The directors shall be elected at each annual meeting of shareholders, but if any such annual meeting is not held or the directors are not elected, thereat, the directors may be elected at any special meeting of shareholders held for that purpose. The following is a listing of persons serving as directors as of December 31, 2016, and their principal occupations as of that date:

Name and Address	Principal Occupation
Bruce John Byrnes New City, New York	Vice President Berkshire Hathaway Reinsurance Division
Dale David Geistkemper Omaha, Nebraska	Treasurer National Indemnity Company
Carmel Mary O'Sullivan New York, New York	Vice President Controller Resolute Management Inc.
Brian Gerard Snover Stamford, Connecticut	Senior Vice President and General Counsel Berkshire Hathaway Reinsurance Division
Trent Charles Heinemeyer Fort Wayne, Indiana	Senior Vice President, General Counsel, and Secretary MedPro Group, Inc.

## Officers

The Bylaws state that the principal corporate and executive officers of the Company shall be a President, a Vice President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors (Board), a Chairman of the Board and such other officers, with such titles and duties as may be determined by the Board. One (1) person may hold two (2) or more offices, except that the offices of President and Secretary shall not be held by the same person. The officers of the corporation, except those appointed by delegated authority, shall be elected annually by the Board, and each such officer shall hold office after the expiration of his term until a successor is chosen or until his resignation or removal before the expiration of his term.

The following is a list of key officers and their respective titles as of December 31, 2016:

<u>Name</u>	<u>Office</u>
Brian Gerard Snover	President
Bruce John Byrnes	Secretary
Dale David Geistkemper	Treasurer
Carmel Mary O'Sullivan	Controller

## CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2016.

## OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2016.

## CORPORATE RECORDS

### Articles of Incorporation

The Articles of Incorporation were amended on April 1, 2016. The amendment was the result of the Company's redomestication from California to Indiana.

### Bylaws

The Company filed Restated Bylaws with Indiana on April 1, 2016, in conjunction with the redomestication from California to Indiana. The Bylaws were restated to ensure compliance with Indiana statutes.

### Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. Article II, Section 2 of the Restated Bylaws state that the annual meeting of shareholders shall be held within five (5) months of the close of the fiscal year. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year.

The Company’s committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Executive Committee, and Investment Review Committee.

**AFFILIATED COMPANIES**

Organizational Structure

The following abbreviated organizational chart shows the upstream parent companies and the BHI affiliates with which the Company had related party transactions as of December 31, 2016:

	<u>NAIC Co.</u>	<u>Domiciliary</u>
	<u>Code</u>	<u>State</u>
Berkshire Hathaway Incorporated		
National Liability & Fire Insurance Company	20052	CT
National Indemnity Company	20087	NE
Finial Holdings, Inc.		DE
Finial Reinsurance Company	39136	CT
BH Columbia Inc.		NE
Columbia Insurance Company	27812	NE
BHG Structured Settlements, Inc.		MO
Resolute Management Inc.		DE
Consolidated Health Plans, Inc.		MA
<b>MedPro Group Inc.</b>		<b>IN</b>
AttPro RRG Reciprocal Risk Ret. Group	13795	DC
<b>Commercial Casualty Insurance Company</b>	<b>32280</b>	<b>IN</b>
MedPro RRG Risk Retention Group	13589	DC
PLICO, Inc.	39594	OK
Princeton Insurance Company	42226	NJ
<b>The Medical Protective Company</b>	<b>11843</b>	<b>IN</b>

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

*Intercompany Services Agreements*

The Company has an Intercompany Service Agreement with Resolute Management Inc. (RMI), effective November 1, 2008. Pursuant to this agreement, RMI provides certain administrative and special services for the Company and makes available certain property, equipment, and facilities. This agreement allows RMI to continue to service past workers’ compensation business written by the Company that is now in run-off.

The Company has an Intercompany Service Agreement with National Liability & Fire Insurance Company (NLF) and National Indemnity Company (NICO), effective November 1, 2008. Pursuant to the agreement, NLF and NICO provide certain administrative and special services for the Company and make available certain property, equipment, and facilities. This agreement allows NLF and NICO to continue to service past workers' compensation business written by the Company that is now in run-off.

*Investment Services Agreement*

The Company had an investment services agreement with NICO, effective November 1, 2008. Pursuant to the agreement, NICO provided investment services to the Company. The agreement was terminated, effective December 31, 2016, and was replaced with the Amended and Restated Cost Sharing Agreement between MPG and the Company.

**FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Continental Insurance Company. The bond has a single loss coverage limit of \$5,000,000 each with an aggregate limit of \$5,000,000 and a deductible of \$75,000. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2016, including but not limited to agents' coverage, central handling of securities, computer systems fraud, extortion-persons, extortions-threats to property, fidelity, forgery or alteration, premises, securities, trading loss, and transit.

**PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS**

The Company has no defined benefit plans, defined contribution plans, and multiemployer plans. The Company does not participate in a consolidated/holding company plan. The Company has no unaccrued obligation for postemployment benefits. The provisions of the Medicare Modernization Act on postretirement benefits have no impact on the Company.

**REINSURANCE**

The Company entered into a Quota Share Reinsurance Agreement with Finial effective July 1, 2016. Through the agreement, the Company retroceded all of its gross policy liabilities for policies incepting prior to the effective date to Finial and simultaneously assigned the rights to its reinsurance to Finial. Under the agreement, Finial assumed ultimate responsibility for claims handling, oversight, and collection from third-party reinsurance with respect to the Company's ceded liabilities. The Company paid Finial a premium of \$54,997,040 which was equal to the net loss and loss adjustment expense reserves it retroceded, accounting for the effect of the retroactive reinsurance, all determined as of June 30, 2016.

### SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits as of December 31, 2016:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
California	\$ 4,622,566	\$ 4,603,869
Indiana	2,751,497	2,751,293
All Other Special Deposits:		
Arkansas	220,600	219,707
California	139,043	139,043
Delaware	110,300	109,854
Georgia	75,204	74,900
Idaho	305,831	304,594
Illinois	50,136	49,934
Kansas	875,858	875,096
Kentucky	120,327	119,840
Maryland	100,273	99,867
Massachusetts	155,423	154,794
Nebraska	411,116	409,455
Nevada	705,384	705,331
New Mexico	110,300	109,854
North Carolina	220,600	219,707
Oregon	120,327	119,840
Texas	100,273	99,867
Virginia	310,845	309,588
Total Deposits	<u>\$11,505,903</u>	<u>\$11,476,433</u>

### ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2015 and December 31, 2016, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2012 through December 31, 2016, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

## FINANCIAL STATEMENTS

### COMMERCIAL CASUALTY INSURANCE COMPANY

#### Assets

As of December 31, 2016

	<u>Per Examination*</u>
Bonds	\$ 42,013,041
Stocks:	
Common stocks	10,470,900
Cash, cash equivalents and short-term investments	10,169,308
Receivables for securities	374
Subtotals, cash and invested assets	<u>62,653,623</u>
Investment income due and accrued	85,948
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	14
Reinsurance:	
Amounts recoverable from reinsurers	4,419,929
Funds held by or deposited with reinsured companies	210,419
Current federal and foreign income tax recoverable and interest thereon	<u>210,958</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>67,580,891</u>
Total	<u>\$ 67,580,891</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

COMMERCIAL CASUALTY INSURANCE COMPANY  
 Liabilities, Surplus and Other Funds  
 As of December 31, 2016

	Per Examination*
Remittances and items not allocated	\$ 2,502,585
Provision for reinsurance	12,497
Payable to parent, subsidiaries and affiliates	2,425,554
Total liabilities excluding protected cell liabilities	4,940,636
Total liabilities	4,940,636
Aggregate write-ins for special surplus funds	2,456,740
Common capital stock	3,000,000
Gross paid in and contributed surplus	53,253,594
Unassigned funds (surplus)	3,929,921
Surplus as regards policyholders	62,640,255
Totals	\$ 67,580,891

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\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



COMMERCIAL CASUALTY INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2016

	<u>Per Examination*</u>
<b>UNDERWRITING INCOME</b>	
Premiums earned	\$ (54,997,024)
DEDUCTIONS:	
Losses incurred	(47,097,573)
Loss adjustment expenses incurred	(10,504,049)
Other underwriting expenses incurred	(321,722)
Total underwriting deductions	<u>(57,923,344)</u>
Net underwriting gain (loss)	2,926,320
<b>INVESTMENT INCOME</b>	
Net investment income earned	763,445
Net realized capital gains (losses) less capital gains tax	(11,511)
Net investment gain (loss)	<u>751,934</u>
<b>OTHER INCOME</b>	
Aggregate write-ins for miscellaneous income	(1,721,359)
Total other income	<u>(1,721,359)</u>
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>1,956,895</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	1,956,895
Federal and foreign income taxes incurred	(204,207)
Net income	<u>\$ 2,161,102</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

COMMERCIAL CASUALTY INSURANCE COMPANY  
Capital and Surplus Account Reconciliation

	2016	2015	2014	2013	2012
Surplus as regards policyholders, December 31 prior year	\$ 59,010,352	\$54,330,588	\$63,328,376	\$69,001,605	\$75,474,752
Net income	2,161,102	(4,276,062)	371,210	929,991	3,526,358
Change in net unrealized capital gains or (losses) less capital gains tax	92,625	245,851	-	-	(1,118,776)
Change in net deferred income tax	(1,299,413)	(100,389)	(333,956)	(821,430)	(750,646)
Change in nonadmitted assets	2,680,868	(132,415)	(85,430)	1,118,595	(1,322,655)
Change in provision for reinsurance	(5,279)	8,942,779	(8,949,612)	(385)	9,364
Cumulative effect of changes in accounting principles					683,208
Dividends to stockholders	-	-	-	(6,900,000)	(7,500,000)
Change in surplus as regards policyholders for the year	3,629,903	4,679,764	(8,997,788)	(5,673,229)	(6,473,147)
Surplus as regards policyholders, December 31 current year	<u>\$ 62,640,255</u>	<u>\$ 59,010,352</u>	<u>\$ 54,330,588</u>	<u>\$ 63,328,376</u>	<u>\$ 69,001,605</u>

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2016, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

There were no other significant issues as of December 31, 2016, based on the results of this examination.

### SUBSEQUENT EVENTS

The directors and officers of the Company changed subsequent to year-end 2016, in accordance with the change in ownership.



**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., performed an examination of Commercial Casualty Insurance Company, as of December 31, 2016.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

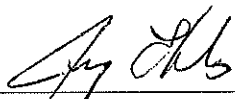
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of Commercial Casualty Insurance Company as of December 31, 2016, as determined by the undersigned.



\_\_\_\_\_  
Vitaliy Kyryk, CFE  
Noble Consulting Services, Inc.

Under the Supervision of:

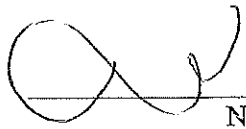


\_\_\_\_\_  
Jerry Ehlers, CFE  
Examinations Manager  
Indiana Department of Insurance

State of: Indiana  
County of: Marion

On this 20 day of April, 2018, before me personally appeared, Vitaliy Kyryk and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 4, 2019  \_\_\_\_\_  
Notary Public

