JOHNSON
LAMBERT LLP

Idaho Counties Risk Management Program

Audited Financial Statements - Statutory-Basis
and Other Financial Information

Years Ended December 31, 2015 and 2014
with Report of Independent Auditors

Idaho Counties Risk Management Program

Audited Financial Statements - Statutory-Basis and Other Financial Information

Years Ended December 31, 2015 and 2014

Report of Independent Auditors

The Board of Trustees
Idaho Counties Risk Management Program

We have audited the accompanying statutory-basis financial statements of Idaho Counties Risk Management Program (the Program), which comprise the statutory-basis balance sheets as of December 31, 2015 and 2014, and the related statutory-basis statements of income and changes in policyholders' surplus, and cash flows for the years then ended and the related notes to the statutory-basis financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these statutory-basis financial statements in accordance with the accounting practices prescribed or permitted by the Insurance Department of the State of Idaho. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A to the statutory-basis financial statements, the Program prepared these financial statements using accounting practices prescribed or permitted by the Insurance Department of the State of Idaho, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the statutory-basis financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Idaho Counties Risk Management Program as of December 31, 2015 and 2014, or the results of its operations or its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and policyholders' surplus of Idaho Counties Risk Management Program as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note A.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Reinsurance Interrogatories, Supplemental Investment Risks Interrogatories and Summary Investment Schedule of the Program as of December 31, 2015, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Insurance Department of the State of Idaho. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statutory-basis financial statements. The information has been subjected to the auditing procedures applied in the audits of the statutory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory-basis financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such schedules are fairly stated in all material respects in relation to the statutory-basis financial statements as a whole.

Johnson Lambert LLP

Arlington Heights, Illinois
April 14, 2016

Idaho Counties Risk Management Program

Balance Sheets - Statutory-Basis

	As of December 31, 2015	As of December 31, 2014
Admitted Assets		
Bonds, at amortized cost	$ 49,316,382	$ 48,896,503
Equities, at fair value	2,453,696	-
Buildings, net of depreciation	4,128,219	3,314,252
Cash and short-term investments	5,109,016	6,690,094
Total cash and invested assets	61,007,313	58,900,849
Investment income due and accrued	401,725	414,444
Premiums and considerations		
Uncollected premiums	532,204	441,050
Deferred premiums	8,493,072	8,362,115
Amounts recoverable from reinsurers	2,853,093	331,296
Furniture and equipment, net of depreciation	33,831	58,833
Total Admitted Assets	$ 73,321,238	$ 68,508,587
Liabilities and Policyholders' Surplus		
Liabilities		
Losses, net of reinsurance	$ 19,971,879	$ 16,239,644
Loss adjustment expenses, net of reinsurance	7,209,269	7,587,453
Commissions payable, contingent commissions and other similar charges	829,454	833,207
Other expenses payable	189,553	124,342
Unearned premiums, net of reinsurance	16,332,952	15,902,787
Provision for reinsurance	236,000	64,000
Total Liabilities	44,769,107	40,751,433
Policyholders' Surplus		
Unassigned surplus	28,552,131	27,757,154
Total Liabilities and Policyholders' Surplus	$ 73,321,238	$ 68,508,587

See accompanying notes to the financial statements - statutory-basis

Idaho Counties Risk Management Program

Statements of Income - Statutory-Basis

	Years Ended December 31, 2015	2014
Underwriting income		
Premiums earned, net	$ 23,228,325	$ 19,825,126
Underwriting Expenses		
Losses incurred, net	11,476,171	8,693,016
Loss adjustment expenses incurred, net	5,111,289	4,886,905
Other underwriting expenses incurred	6,490,398	5,763,719
Total underwriting expenses	23,077,858	19,343,640
Net underwriting gain	150,467	481,486
Investment Income		
Net investment income earned	1,091,437	1,074,575
Net realized capital (losses) gains	(36,438)	1,265
Net investment gain	1,054,999	1,075,840
Other Income		
Aggregate write-ins for miscellaneous income	223	-
Net income before dividends to policyholders	1,205,689	1,557,326
Dividends to policyholders	(300,000)	-
Net Income	$ 905,689	$ 1,557,326

See accompanying notes to the financial statements - statutory-basis

Idaho Counties Risk Management Program

Statements of Changes in Policyholders' Surplus - Statutory-Basis

	Years Ended December 31, 2015	2014
Total Policyholders' Surplus, Beginning of Year	$ 27,757,154	$ 25,822,700
Net income	905,689	1,557,326
Change in unrealized capital gains and losses	59,128	455
Change in nonadmitted assets	2,160	(8,327)
Change in provision for reinsurance	(172,000)	385,000
Change in policyholders' surplus	794,977	1,934,454
Total Policyholders' Surplus, End of Year	$ 28,552,131	$ 27,757,154

See accompanying notes to the financial statements - statutory-basis

Idaho Counties Risk Management Program

Statements of Cash Flows - Statutory-Basis

	Years Ended December 31, 2015	2014
Operating activities		
Premiums collected, net	$ 23,436,378	$ 23,779,625
Losses paid, net of reinsurance and salvage and subrogation	(10,265,734)	(7,676,763)
Underwriting expenses paid	(11,918,415)	(9,915,765)
Net investment income	1,494,320	1,415,988
Miscellaneous income, net	223	-
Dividends paid	(300,000)	-
Net cash from operations	2,446,772	7,603,085
Investing activities		
Proceeds from bonds sold, matured, or repaid	13,402,077	6,422,740
Miscellaneous proceeds	195,577	165,849
Total investment proceeds	13,597,654	6,588,589
Cost of bonds acquired (long-term only)	(14,246,343)	(13,788,350)
Cost of common stocks acquired	(2,394,569)	-
Cost of real estate and improvements	(1,009,545)	(733,227)
Miscellaneous applications	(49)	(1)
Total investments acquired	(17,650,506)	(14,521,578)
Net cash from investing activities	(4,052,852)	(7,932,989)
Financing activities and other miscellaneous sources		
Other cash provided (applied)	25,002	16,333
Net cash from financing activities	25,002	16,333
Net change in cash and short-term investments	(1,581,078)	(313,271)
Cash and short-term investments, beginning of year	6,690,094	7,003,365
Cash and short-term investments, end of year	$ 5,109,016	$ 6,690,094

See accompanying notes to the financial statements - statutory-basis

Note A - Nature of Operations and Significant Accounting Policies

Organization and Operations
Idaho Counties Risk Management Program (the Program) is domiciled in the State of Idaho. The Program writes commercial multi-peril in the State of Idaho. The Program is a cooperative agency voluntarily established by contracting political subdivisions to act as a local government risk management pool as defined by applicable Idaho law.

Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Basis of Presentation
The accompanying statutory-basis financial statements have been prepared in conformity with statutory accounting principles (SAP) prescribed or permitted by the Insurance Department of the State of Idaho (the Department). These principles are designed primarily to demonstrate the ability to meet obligations to policyholders and, consequently, differ in some respects from accounting principles generally accepted in the United States of America (GAAP) commonly followed by other types of enterprises in the preparation of financial statements.

The Department has adopted certain prescribed accounting practices that differ from those found in the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC AP&P). Specifically, furniture and equipment can be admitted up to 1% of total admitted assets by Idaho domiciled companies, while the NAIC AP&P does not admit such assets. The effect of this prescribed accounting practice is an increase to statutory surplus of $33,831 and $58,833 as of December 31, 2015 and 2014, respectively.

The more significant differences between SAP and GAAP as they apply to the Program are as follows:

Investments
Investments in bonds are reported at amortized cost or fair value based on their NAIC rating; for GAAP, such fixed-maturity investments would be designated at purchase as held-to-maturity, trading, or available-for-sale. Held-to-maturity fixed-maturity investments would be reported at amortized cost, and the remaining fixed-maturity investments would be reported at fair value with unrealized holding gains and losses reported in operations for those designated as trading and as a separate component of policyholders' surplus for those designated as available-for-sale. Fair values for bonds are based on NAIC prices as determined by the Securities Valuation Office (SVO), where available. Fair values for those bonds for which the SVO does not provide a fair value are based on quoted market prices.

Note A - Nature of Operations and Significant Accounting Policies (Continued)

Changes between cost and admitted asset investment amounts are credited or charged directly to policyholders' surplus rather than to comprehensive income, as would be required under GAAP.

Policy Acquisition Costs
The costs of acquiring and renewing business are expensed when incurred. Under GAAP, such costs, to the extent recoverable, would be deferred and amortized over the effective period of the related insurance policies.

Nonadmitted Assets
The assets in the accompanying statutory-basis financial statements are stated at admitted asset values. The term "admitted asset values" means the assets are stated at values permitted to be reported to the Department for financial statement purposes in accordance with the rules and regulations of the Department. The term "nonadmitted assets" means assets other than those assets which are so permitted to be reported. Such nonadmitted assets include prepaid expenses. These nonadmitted assets are excluded from the accompanying balance sheets and are charged directly to policyholders' surplus.

Reinsurance
A liability for reinsurance balances has been provided for unsecured unearned premiums and unpaid losses and loss adjustment expenses ceded to reinsurers unauthorized by license to assume such business and for certain overdue reinsurance balances. Changes to those amounts are credited or charged directly to policyholders' surplus. Under GAAP, an allowance for amounts deemed uncollectible would be established through a charge to income.

Reserves for losses, loss adjustment expenses (LAE), and unearned premiums ceded to reinsurers have been reported as reductions of the related reserve liabilities rather than as assets, as would be required under GAAP.

Commissions allowed by reinsurers on business ceded are reported as income when received rather than being deferred and amortized with deferred policy acquisition costs, as required under GAAP.

Statements of Cash Flows
Cash and short-term investments in the accompanying statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents would include cash balances and investments with initial maturities of three months or less.

The effects of the foregoing variances from GAAP on the accompanying statutory-basis financial statements have not been determined but are presumed to be material.

Note A - Nature of Operations and Significant Accounting Policies (Continued)

Other significant accounting practices are as follows:

Investments
Bonds are valued on the basis prescribed by the NAIC as follows: qualified bonds are reflected at their amortized cost; all other bonds are reflected at valuation rates (lower of amortized cost or fair value) prescribed or permitted by the NAIC. Discount or premium on bonds is amortized using the effective-interest method. NAIC fair values are based upon market prices published by the NAIC's Securities Valuation Office (SVO), or other acceptable market pricing sources.

Common stocks are reported at fair value as determined by the SVO, or other acceptable market pricing sources, and the related unrealized capital gains and losses are reported in unassigned surplus.

Realized investment gains and losses are determined using the specific-identification method.

Short-term investments are investments with original maturities of one year or less and are principally stated at amortized cost and are included in cash and short-term investments on the balance sheets.

If it is determined that a decline in fair value of a security is other than temporary, the cost basis of the security is written down to its fair value, with a charge to net income.

Credit risk resides in the fact that the Program invests cash balances in money market mutual funds which are not insured by the Federal Deposit Insurance Corporation. Additionally, the Program maintains cash in demand deposit accounts with federally insured banks, where at times the balances in these accounts may be in excess of the insured limits. Further, the Program holds bonds with investment companies where, at times, the account balances may be in excess of the Securities Investor Protection Corporation insured limits.

The buildings and property owned by the Program are classified as real estate held for the production of income. Rental income and expenses are included in investment income.

Electronic Data Processing (EDP) Equipment and Furniture and Equipment
The Program's EDP equipment is reported at cost, less accumulated depreciation. The Program's EDP equipment was fully depreciated as of December 31, 2015 and 2014. EDP equipment is depreciated on a straight-line basis over the lesser of its useful lives or three years. The Progam did not record any depreciation expense for the years ended December 31, 2015 and 2014.

The Program's furniture and equipment is reported at cost, less accumulated depreciation of $113,424 and $88,422 at December 31, 2015 and 2014, respectively. Furniture and equipment is depreciated on a straight-line basis over three to seven years. Depreciation expense for the years ended December 31, 2015 and 2014 was $25,002 and $27,649, respectively.

Note A - Nature of Operations and Significant Accounting Policies (Continued)

Premiums

Premiums are earned pro rata over the terms of the policies. The reserve for unearned premiums is determined on a daily pro rata basis and is shown net of prepaid reinsurance.

The Program does not anticipate investment income as a factor in any premium deficiency reserve calculation in accordance with Statement of Statutory Accounting Principle (SSAP) No. 53, *Property Casualty-Contract Premiums*. The Program has no premium deficiency as of December 31, 2015 and 2014.

Net Loss and LAE Reserves

Net loss and LAE reserves represent management's best estimate of the ultimate net cost of all reported and unreported losses incurred and unpaid through December 31, 2015 and 2014. The Program does not discount loss and LAE reserves. The reserves for net unpaid losses and LAE's are estimated using individual case-basis valuations and statistical analyses. The Program engages an independent consulting actuary to assist management in determining appropriate net loss and LAE reserves. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for losses and LAE's are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operating results. Because of the nature of the business written over the years, management believes that the Program has limited exposure, if any, to environmental claim liabilities.

Salvage and Subrogation

Salvage and subrogation recoverables are estimated using the case-basis method for large recoverables and historical statistics for smaller recoverables. Recoverable amounts deducted from the loss and LAE reserves were $512,405 and $365,602, at December 31, 2015 and 2014, respectively.

Reinsurance

Reinsurance premiums, losses, and LAE's are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts.

The Program participates in various reinsurance agreements, including facultative and excess-of-loss agreements to spread the risk of loss and limit its exposure from losses on any one occurrence. Such arrangements serve to limit the Program's potential loss from any one risk or total losses in the aggregate. The Program remains liable to its policyholders with respect to reinsurance ceded in the event that the reinsurers do not meet their obligations. In preparing financial statements, management makes estimates of the amounts recoverable from reinsurers, which includes consideration of amounts estimated to be uncollectible based on assessment of factors including management's assessment of the creditworthiness of the reinsurers. Management has determined that no specific valuation allowance was required at December 31, 2015 and 2014.

Note A - Nature of Operations and Significant Accounting Policies (Continued)

A liability is recorded for uncollateralized amounts due from reinsurers not authorized to do business in the State of Idaho. A liability is also recorded for the amount of reinsurance recoverable on paid loss and loss adjustment expenses which are over 90 days overdue. Changes in the liabilities are charged directly to unassigned surplus. The Program recorded a provision for unauthorized reinsurers of $236,000 and $64,000 as of December 31, 2015 and 2014, respectively.

Fair Value of Financial Instruments
Financial instruments include bonds, stocks, cash and short-term investments. The fair value of bonds is presented in Note C. The carrying values of stock, cash and short-term investments reported in the statutory balance sheet approximate fair value.

Income Taxes
The Program is considered a governmental entity, therefore it is exempt from Federal and State Income Taxes under Section 115 of the Internal Revenue Code.

Note B - Investments

The cost or amortized cost, gross unrealized gains and losses, and the fair value of investments are summarized as follow:

At December 31, 2015	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bonds				
U.S. Government, states and territories general obligations	$ 3,415,232	$ 37,513	$ (10,753)	$ 3,441,992
Political subdivisions of states, territories, and possessions	7,111,983	129,281	(34,423)	7,206,841
Special revenue	11,987,247	147,246	(102,058)	12,032,435
Residential mortgage-backed	4,405,423	-	(26,860)	4,378,563
Industrial and miscellaneous	19,445,711	331,695	(62,370)	19,715,036
Bond ETF	2,950,786	-	(32,116)	2,918,670
Total bonds	49,316,382	645,735	(268,580)	49,693,537
Equities				
Equity ETF and mutual funds	2,394,569	66,584	(7,457)	2,453,696
Total	$ 51,710,951	$ 712,319	$ 276,037	$ 52,147,233

Note B - Investments (Continued)

At December 31, 2014	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bonds				
U.S. Government, States & territories general obligations	$ 6,283,430	$ 54,458	$ (25,472)	$ 6,312,416
Political subdivisions of states, territories, and possessions	5,859,433	203,051	(19,712)	6,042,772
Special revenue	4,544,855	160,914	(32,064)	4,673,705
Industrial and miscellaneous	25,240,266	686,668	(94,001)	25,832,933
Bond ETF	6,968,519	30,080	(4,369)	6,994,230
Total bonds	$ 48,896,503	$ 1,135,171	$ (175,618)	$ 49,856,056

A summary of the cost or amortized cost and fair value of investments in bonds on December 31, 2015 by contractual maturity, is as follows:

	Cost or Amortized Cost	Fair Value
Maturity:		
In 2016	$ 7,793,827	$ 7,798,058
In 2017-2020	20,943,754	21,296,902
In 2021-2025	9,450,828	9,526,747
Due after 2025	6,722,550	6,693,268
Mortgage-backed securities	4,405,423	4,378,562
Total bonds	$ 49,316,382	$ 49,693,537

The expected maturities may differ from contractual maturities in the foregoing table because certain borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Note B - Investments (Continued)

A summary of investments with unrealized losses, along with related fair value, aggregated by the length of time that investments have been in a continuous unrealized loss position, is as follows:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
At December 31, 2015						
Bonds						
U.S. Government, states & territories general obligations	$ 797,038	$ (799)	$ 816,708	$ (9,954)	$ 1,613,746	$ (10,753)
Political subdivisions of states, territories, and possessions	1,292,483	(19,332)	669,495	(15,091)	1,961,978	(34,423)
Special revenue	6,977,455	(75,164)	1,211,788	(26,894)	8,189,243	(102,058)
Residential mortgage-backed	4,378,562	(26,860)	-	-	4,378,562	(26,860)
Industrial and miscellaneous	1,166,078	(4,674)	4,270,577	(57,696)	5,436,655	(62,370)
Bond ETF	2,918,670	(32,116)	-	-	2,918,670	(32,116)
Total bonds	17,530,286	(158,945)	6,968,568	(109,635)	24,498,854	(268,580)
Equities						
Equity ETF and mutual funds	478,197	(7,457)	-	-	478,197	(7,457)
Total	$18,008,483	$ (166,402)	$ 6,968,568	$ (109,635)	$24,977,051	$ (276,037)

Note B - Investments (Continued)

At December 31, 2014

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Bonds						
U.S. Government, states & territories general obligations	$ 1,328,080	$ (6,700)	$ 695,565	$ (18,772)	$ 2,023,645	$ (25,472)
Political subdivisions of states, territories, and possessions	-	-	1,026,567	(19,712)	1,026,567	(19,712)
Special revenue	-	-	1,530,461	(32,064)	1,530,461	(32,064)
Industrial and miscellaneous	-	-	6,857,912	(94,001)	6,857,912	(94,001)
Bond ETF	1,367,340	(4,369)	-	-	1,367,340	(4,369)
Total	$ 2,695,420	$ (11,069)	$10,110,505	$ (164,549)	$12,805,925	$ (175,618)

The Program's portfolio is sensitive to interest rate fluctuations, which impact the fair value of individual securities. The Program does not believe the unrealized losses represent an other-than-temporary impairment as of December 31, 2015 or 2014, and believes it has the intent and ability to hold the securities until maturity or recovery.

Through the Program's investing activities, it is exposed to financial market risks, including those resulting from changes in interest rates. The Program's primary objective is the preservation of the asset base and the maximization of portfolio income given an acceptable level of risk. The Program manages the market risks through its investment policy, which establishes credit quality limits and limits of investments in individual issuers. If the Program is unable to effectively manage these risks, it could have an impact on the Program's future income and financial position.

Proceeds from the sales and maturities of bonds and the related gross realized gains and losses during 2015 and 2014 were as follows:

	2015	2014
Proceeds	$ 13,402,077	$ 6,422,740
Gross realized gains	70,677	12,484
Gross realized losses	(107,115)	(11,219)

No equity funds were sold during 2015.

Note B - Investments (Continued)

Investment income due and accrued with amounts that are over 90 days past due are nonadmitted for statutory purposes. No such overdue balances existed as of December 31, 2015 and 2014.

Net investment income includes investment expense, including allocated expenses, of $560,004 and $477,721 in 2015 and 2014, respectively.

Short-Term Investments

The Program's short-term investments include investments in the Idaho State Treasurer Local Government Investment Pool (LGIP). The LGIP consists of a pooled investment account administered by the State of Idaho and participants include local governments and subdivisions thereof. The LGIP is carried at amortized cost. The Program's investment in the LGIP had a carrying value of $3,041,745 and $3,036,029 as of December 31, 2015 and 2014, respectively. These balances are included in cash and short-term investments on the balance sheet.

Note C - Fair Value Measurements

SAP define fair value, establish a framework and hierarchy for measuring fair value, and expand disclosures about fair value measurements. For assets required to be recognized at fair value, SAP establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and the reliability and transparency of the assumptions used to determine fair value.

The Program has categorized its assets that are measured at fair value in the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined.

The three levels are broadly defined:

> Level 1 – Inputs based on the quoted market price in an active market for items measured at fair value on a recurring basis;
>
> Level 2 – Observable inputs based on corroboration with available market data for items measured at fair value on a recurring basis that includes bonds and preferred stocks which are not exchange-traded; and
>
> Level 3 – Unobservable inputs based on uncorroborated market data or a reporting entity's own assumptions

Note C - Fair Value Measurements (Continued)

Fair values are based on quoted market prices when available (Level 1). When market prices are not available, fair value is generally estimated using current market inputs for similar financial instruments with comparable terms and credit quality, commonly referred to as matrix pricing (Level 2). In instances where there is little or no market activity for the same or similar instruments, the Program estimates fair value using methods, models and assumptions that management believes are relevant to the particular asset or liability. This process may include discounted cash flow analysis or other income based approaches (Level 3). These valuation techniques involve some level of management estimation and judgment.

The following tables present the categorization of the Program's financial assets and fair value measurements at December 31, 2015 and 2014 by input level:

As of December 31, 2015	Level 1	Level 2	Level 3	Total Fair Value	Cost or Amortized Cost
Bonds					
U.S. Government, states and territories general obligations	$ 842,060	$ 2,599,932	$ -	$ 3,441,992	$ 3,415,232
Political subdivisions of states, territories, and possessions	-	7,206,841	-	7,206,841	7,111,983
Special revenue	-	12,032,435	-	12,032,435	11,987,247
Residential mortgage-backed	-	4,378,563	-	4,378,563	4,405,423
Industrial and miscellaneous	-	19,715,036	-	19,715,036	19,445,711
Bond ETF	2,918,670	-	-	2,918,670	2,950,786
Total bonds	3,760,730	45,932,807	-	49,693,537	49,316,382
Equities					
Equity ETF and mutual funds	2,453,696	-	-	2,453,696	2,394,569
Total	$ 6,214,426	$ 45,932,807	$ -	$ 52,147,233	$ 51,710,951

Note C - Fair Value Measurements (Continued)

As of December 31, 2014	Level 1	Level 2	Level 3	Total Fair Value	Cost or Amortized Cost
Bonds					
U.S. Government, states and territories general obligations	$ 1,089,939	$ 5,222,477	$ -	$ 6,312,416	$ 6,283,430
Political subdivisions of states, territories, and possessions	-	6,042,772	-	6,042,772	5,859,433
Special revenue	-	4,673,705	-	4,673,705	4,544,855
Residential mortgage-backed	-	-	-	-	-
Industrial and miscellaneous	-	25,832,933	-	25,832,933	25,240,266
Bond ETF	6,994,230	-	-	6,994,230	6,968,519
Total	$ 8,084,169	$ 41,771,887	$ -	$ 49,856,056	$ 48,896,503

At the end of each reporting period, the Program evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated below. During 2015 and 2014, the Program did not have any transfers between levels.

Note D - Reinsurance

Certain premiums and claims are ceded to other insurance and reinsurance companies under various reinsurance agreements. The ceded reinsurance agreements provide the Program with increased capacity to write larger risks and maintain its exposure to loss within its capital resources. The Program has purchased aggregate excess reinsurance for protection against large losses.

The effects of reinsurance on premiums written and earned are as follows:

	2015		2014	
	Written	Earned	Written	Earned
Direct	$ 28,791,042	$ 28,421,945	$ 28,055,651	$ 23,901,378
Ceded	(5,132,552)	(5,193,620)	(4,974,490)	(4,076,252)
Net	$ 23,658,490	$ 23,228,325	$ 23,081,161	$ 19,825,126

The Program's ceded reinsurance arrangements reduced certain other items in the accompanying financial statements as follows:

	2015	2014
Losses and loss adjustment expenses incurred	$ 3,461,234	$ 1,307,213
Losses and loss adjustment expense reserves	1,046,365	2,078,779
Unearned premium reserves	(3,182,046)	(3,243,114)

As of December 31, the Program had net unsecured ceded reinsurance recoverables, including unearned premiums, exceeding 3% of surplus as regards policyholders from the following companies:

	2015	2014
General Reinsurance Corporation	$ 4,843,000	$ 2,918,000
National Union Fire Insurance Company	1,636,000	1,998,000
Total	$ 6,479,000	$ 4,916,000

The Program had outstanding reinsurance recoverables of $2,853,093 and $331,296 at December 31, 2015 and 2014, respectively.

In 2015 and 2014, the Program did not commute any ceded reinsurance nor did it enter into or engage in any loss portfolio transfer for any lines of business. The Program remains obligated for amounts ceded in the event that the reinsurers do not meet their obligations.

Note E - Loss and Loss Adjustment Expense Reserves

The following table provides a reconciliation of the beginning and ending reserve balances for losses and LAE, net of reinsurance recoverables, for the years ended December 31, 2015 and 2014:

	2015	2014
Reserve for loss and LAE, at beginning of year	$ 23,827,097	$ 21,650,080
Plus:		
Provision for losses and LAE for claims occurring in the current year	16,017,000	17,181,000
Increase (decrease) in estimated losses and LAE for claims occurring in prior years	570,460	(3,601,079)
Total incurred losses and LAE during the current year	16,587,460	13,579,921
Less:		
Losses and LAE payments for claims occurring in the current year	(4,427,097)	(5,377,678)
Losses and LAE payments for claims occurring in prior years	(8,806,312)	(6,025,226)
Total payments during the current year	(13,233,409)	(11,402,904)
Reserve for losses and LAE, at end of year	$ 27,181,148	$ 23,827,097

The foregoing reconciliation shows that a deficiency of $570,460 in the December 31, 2014 reserve emerged in 2015 and a redundancy of $3,601,079 in the December 31, 2013 reserve emerged in 2014. The deficiencies reported in 2015 primarily resulted from the unfavorable development of claims in the 2013 and 2014 accident years. The redundancies reported in 2014 primarily resulted from the favorable development of estimates in the 2013 and 2011 accident years.

The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and LAE. While anticipated price increases due to inflation are considered in estimating the ultimate claim costs, the increase in average severity of claims is caused by a number of factors that vary with the individual type of policy written. Future average severities are projected based on historical trends adjusted for implemented changes in underwriting standards, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified as necessary.

Note F - Other Underwriting Expenses

The significant components of other underwriting expenses incurred during 2015 and 2014 are as follows:

	2015	2014
Policy acquisition costs	$ 3,192,019	$ 3,424,267
Salary and employee benefits	1,291,187	1,128,501
Legal and professional fees	410,790	580,876
Advertising	59,236	49,645
Directors fees	47,340	43,994
Travel and travel items	26,370	28,878
Rent and rent items	42,750	42,750
Equipment and software	231,075	122,956
Other miscellaneous expenses	1,189,631	341,852
Other underwriting expenses	$ 6,490,398	$ 5,763,719

Note G - Leases

The Program leases space in its home office building to related and unrelated parties. Real estate owned and leased is stated at cost less accumulated depreciation and encumbrances, if any. The typical lease period is between three and five years with renewal options. Rental income, which is included as a component of net investment income on the statement of income, for the years ended December 31, 2015 and 2014 was $155,929 and $179,739, respectively.

Future minimum lease payment receivables under non-cancelable leasing arrangements as of December 31, 2015 are as follows:

Year	Amount
2016	$ 153,924
2017	146,263
2018	117,869
2019	44,771
2020	27,376
Total	$ 490,203

Note H - Restricted Assets

The only restricted assets held by the Program are those on deposit with the State of Idaho to satisfy regulatory requirements. The Program does not have any separate accounts, but rather the restricted assets are part of the general assets of the Program. Assets on deposit with the State of Idaho for the years ended December 31, 2015 and 2014 were $1,118,958 and $1,098,347, respectively. Restricted assets constituted 1.5% and 1.6% of total admitted assets for the years ending December 31, 2015 and 2014, respectively.

Note I - Service Agreements and Other Transactions with Related Parties

The Program has entered into an agreement with the Association of Idaho Cities (AIC), whereby AIC provides a variety of management and administrative support services to the Program. AIC has also agreed to recognize the Program as the exclusive recommended insurer for Idaho cities. In return for these services, AIC received a fee of $175,000 and $115,000 annually for the years ended 2015 and 2014, respectively. The Program has no payables with AIC as of December 31, 2015 and 2014.

The Program has entered into an agreement with Idaho Association of Counties (IAC), whereby IAC provides a variety of management and administrative support services to the Program. IAC has also agreed to recognize the Program as the exclusive recommended insurer for Idaho counties. In return for these services, IAC received a fee of $175,000 and $150,000 annually for the years ended 2015 and 2014, respectively. The Program has no payables with IAC as of December 31, 2015 and 2014.

The Program has entered into an agreement with Idaho Association of Highways Division (IAHD), whereby IAHD agreed to recognize the Program as the exclusive recommended insurer for Idaho highway divisions. In return for these services, IAHD received a fee of $22,500 for the years ended 2015 and 2014. The Program has no payables with IAHD as of December 31, 2015 and 2014.

On November 12, 2014, the Program entered into a Real Estate Purchase and Sale Agreement with Idaho Association of Counties (IAC), whereby the Program agreed to purchase from IAC land and buildings for a purchase price of $525,000 payable at the time of closing. The Agreement was contingent upon the parties entering into a lease, with annual options to renew, to be executed concurrent with the closing of the sale of the property, which provided for IAC to lease from the Program the land and building acquired by the Program pursuant to the agreement. The lease was executed on November 12, 2014 and is effective through October 1, 2024 with automatic renewals and initial base rent of $1 per year.

The Program paid to the Idaho School Board's Association (ISBA) ordinary cash dividends of $300,000 on July 31, 2015, pursuant to the ISBA Dividend Plan.

Note J - Employee Benefits

The Program makes retirement plan benefit contributions to the Public Employee Retirement System of Idaho (PERSI) in which certain full time employees participate. PERSI is a defined benefit retirement plan designed to provide pension benefits to career public employees after their retirement. It is a multi-employer plan available to governmental units within the State of Idaho.

Note J - Employee Benefits (Continued)

Participating employers are required by statute to make contributions at actuarial determined rates. The Program is only responsible for making monthly contributions; they are not liable for benefit payments after employees retire. The Program accounts for PERSI pursuant to SSAP 102, *Accounting for Pensions*, which became effective January 1, 2013. As a multi-employer plan, the Program only records as pension expense for the amount contributed to the plan, and any amounts due but unpaid at year-end. Accordingly, a liability for any unfunded pension obligation has not been recorded. PERSI's funded ratio was 91.38% and 95.0% as of December 31, 2015 and 2014 respectively. From July 1, 2013 through December 31, 2015, employers contributed 11.32% of gross payroll while employees contributed 6.79%. The Program's contributions to PERSI were approximately $168,449 and $155,105 in 2015 and 2014, respectively. Total Program contributions were less than 5% of total contributions to the plan in 2015 and 2014. The Program also participates in a 401K plan, called PERSI Choice, for which only employees make contributions to the plan.

Note K - Real Estate and Other Fixed Assets

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Depreciable lives are as follows:

	Years
Equipment & Furnishings	3 to 7
Building	31
Building improvements	5 to 25

The carrying value of major classes of property and equipment and land and buildings as of December 31 is as follows:

	2015	2014
Equipment & Furnishings	$ 147,255	$ 147,255
Less: accumulated depreciation	(113,424)	(88,422)
Total Property and Equipment, Net of Accumulated Depreciation	$ 33,831	$ 58,833
Land	$ 650,193	$ 650,193
Buildings	4,203,570	4,203,570
Building improvements	1,732,205	722,660
Total land and buildings at cost	6,585,968	5,576,423
Less: accumulated depreciation	(2,457,749)	(2,262,171)
Total Land and Buildings, Net of Accumulated Depreciation	$ 4,128,219	$ 3,314,252

Note K - Real Estate and Other Fixed Assets (Continued)

As discussed at Note A, real estate is an admitted asset only to the extent it does not exceed certain percentages of total admitted assets under applicable Idaho law. Under this law, the Program's real estate holdings are nonadmitted assets to the extent they exceed 10% of total admitted assets. The Program's real estate holdings are less than the maximum percentage allowed by Idaho law; therefore, all such amounts are admitted.

Note L - Nonadmitted Assets

Components of nonadmitted assets as of December 31, were as follows:

	2015	2014	Change
Prepaid expenses	$ 8,611	$ 10,771	$ (2,160)
Total	$ 8,611	$ 10,771	$ (2,160)

Note M - Commitments and Contingencies

The Program is subject to claims, disputes and litigation arising in the normal course of business activities. It is management’s opinion that any such actions can be defended with no material adverse effect on the Program or are adequately covered by insurance.

Note N - Regulatory Matters

Pursuant to the capital and surplus requirements of the State of Idaho, the Company is required to maintain a minimum unimpaired policyholders' surplus in the amount of $2,000,000.

Idaho statutes provide that dividends may be paid only out of that part of its surplus funds which represents net realized savings, net realized earnings, and net realized capital gains, all in excess of the surplus required by law to be maintained by the insurer. Dividends paid were $300,000 and $0 for the years ended December 31, 2015 and 2014, respectively.

Note O - Concentrations

The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits prescribed by law. The Program holds funds with financial institutions in excess of the FDIC insured amount, however, the Program has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Note P - Subsequent Events

The Program evaluated its statutory-basis financial statements for subsequent events through April 14, 2016, the date the statutory-basis financial statements were available to be issued. The Program is not aware of any subsequent events which would require recognition or disclosure in the statutory financial statements. In addition, the Program did not identify any subsequent events that occurred subsequent to the filing of its annual statement.

Idaho Counties Risk Management Program

Supplemental Reinsurance Interrogatories

December 31, 2015

Required disclosures per SSAP 62R are as follows:

Paragraphs 92 - 97 required disclosures:

Not applicable

36480201528500100 2015 Document Code: 285

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended DECEMBER 31, 2015

(To Be Filed by April 1)

Of The IDAHO COUNTIES RISK MANAGEMENT PROGRAM

Address (City, State, Zip Code) Boise, ID, 83705

NAIC Group Code 0000 NAIC Company Code 36480 Employer's ID Number 82-0410321

The Investment Risk Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.
Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. $ 73,321,238

1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01 Ishares Trust	Bonds, Equity	5,404,482	7.371
2.02 Federal National Mortgage Assoc	MBS, Bonds	4,941,663	6.740
2.03 Federal Home Loan Banks Office of Finance	Bonds	1,719,988	2.346
2.04 Federal Farm Credit Banks	Bonds	1,669,225	2.277
2.05 Federal Home Loan Mortgage Corp	MBS, Bonds	1,369,757	1.868
2.06 Wells Fargo & Company	Bonds	782,917	1.068
2.07 Money Market Obligations Trust	MM Fund	704,946	0.961
2.08 Oregon School Boards Association	Municipal	672,505	0.917
2.09 Oregon, State of	Municipal	551,101	0.752
2.10 Connecticut, State of	Municipal	542,099	0.739

NAIC Designation	1 Amount	2 Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.		
Bonds		
3.01 NAIC 1	47,857,830	65.271
3.02 NAIC 2	2,163,498	2.951
3.03 NAIC 3		
3.04 NAIC 4		
3.05 NAIC 5		
3.06 NAIC 6		
Preferred Stocks		
3.07 P/RP-1		
3.08 P/RP-2		
3.09 P/RP-3		
3.10 P/RP-4		
3.11 P/RP-5		
3.12 P/RP-6		

4. Assets held in foreign investments:
   4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes[ ] No[X]
   If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

	1 Amount	2 Percent
4.02 TOTAL admitted assets held in foreign investments	2,241,861	3.058
4.03 Foreign-currency-denominated investments		
4.04 Insurance liabilities denominated in that same foreign currency		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

NAIC Sovereign Designation	1 Amount	2 Percent
5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:		
5.01 Countries designated NAIC 1	2,241,861	3.058
5.02 Countries designated NAIC 2		
5.03 Countries designated NAIC 3 or below		

NAIC Sovereign Designation	1 Amount	2 Percent
6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
6.01 United Kingdom	771,483	1.052
6.02 Netherlands	399,241	0.545
Countries designated NAIC 2:		
6.03		
6.04		
Countries designated NAIC 3 or below:		
6.05		
6.06		

Description	1 Amount	2 Percent
7. Aggregate unhedged foreign currency exposure		

NAIC Sovereign Designation	1 Amount	2 Percent
8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:		
8.01 Countries designated NAIC 1		
8.02 Countries designated NAIC 2		
8.03 Countries designated NAIC 3 or below		

NAIC Sovereign Designation	1 Amount	2 Percent
9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
9.01		
9.02		
Countries designated NAIC 2:		
9.03		
9.04		
Countries designated NAIC 3 or below:		
9.05		
9.06		

1 Issuer	2 NAIC Designation	3 Amount	4 Percent
10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:			
10.01 Unilever Capital Corporation	1FE	399,241	0.545
10.02 Allergan, Inc	2FE	324,527	0.443
10.03 Shell International Finance B.V.	1FE	306,449	0.418
10.04 Statoil ASA	1FE	306,097	0.417
10.05 Novartis Securities Investment Ltd	1FE	252,587	0.344
10.06 AstraZeneca PLC	1FE	251,179	0.343
10.07 Anheuser-Busch Inbev Finance Inc	1FE	247,927	0.338
10.08 HSBC Finance Corporation	1FE	153,855	0.210
10.09			
10.10			

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:
    11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

	Description	1 Amount	2 Percent
11.02	TOTAL admitted assets held in Canadian Investments		
11.03	Canadian-currency-denominated investments		
11.04	Canadian-denominated insurance liabilities		
11.05	Unhedged Canadian currency exposure		

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.
    12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1 Contractual Sales Restrictions	2 Amount	3 Percent
12.02	Aggregate statement value of investments with contractual sales restrictions		
	Largest 3 investments with contractual sales restrictions:		
12.03			
12.04			
12.05			

13. Amounts and percentages of admitted assets held in the ten largest equity interests:
    13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? Yes[ ] No[X]
    If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer	2 Amount	3 Percent
	Assets held in equity interests:		
13.02	iShares Trust	2,453,697	3.347
13.03			
13.04			
13.05			
13.06			
13.07			
13.08			
13.09			
13.10			
13.11			

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:
    14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

	1 Investment Category	2 Amount	3 Percent
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities		
	Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03			
14.04			
14.05			

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:
    15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1 Investments in General Partnerships	2 Amount	3 Percent
15.02	Aggregate statement value of investments held in general partnership interests		
	Largest 3 investments in general partnership interests:		
15.03			
15.04			
15.05			

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:
    16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
    If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1 Type (Residential, Commercial, Agricultural)	2 Amount	3 Percent
	TOTAL admitted assets held in Mortgage Loans		
16.02			
16.03			
16.04			
16.05			
16.06			
16.07			
16.08			
16.09			
16.10			
16.11			

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	Loans 2 Amount	3 Percent
Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:		
16.12 Construction loans		
16.13 Mortgage loans over 90 days past due		
16.14 Mortgage loans in the process of foreclosure		
16.15 Mortgage loans foreclosed		
16.16 Restructured mortgage loans		

	Residential		Commercial		Agricultural	
Loan-to-Value	1 Amount	2 Percent	3 Amount	4 Percent	5 Amount	6 Percent
17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:						
17.01 Above 95%						
17.02 91% to 95%						
17.03 81% to 90%						
17.04 71% to 80%						
17.05 Below 70%						

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:
 18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes[ ] No[X]
 If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

1 Description	2 Amount	3 Percent
Largest 5 investments in any one parcel or group of contiguous parcels of real estate:		
18.02 Home Office - 3100 Vista Ave, Boise, ID 83705	3,952,333	5.390
18.03 700 W Washington, Boise, ID	535,886	0.731
18.04		
18.05		
18.06		

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:
 19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]
 If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

1 Description	2 Amount	3 Percent
19.02 Aggregate statement value of investments held in mezzanine real estate loans		
Largest three investments held in mezzanine real estate loans:		
19.03		
19.04		
19.05		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	At Year-End Amount 1	At Year-End Percent 2	Amount at End of Each Quarter 1st Qtr 3	Amount at End of Each Quarter 2nd Qtr 4	Amount at End of Each Quarter 3rd Qtr 5
20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:					
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)					
20.02 Repurchase agreements					
20.03 Reverse repurchase agreements					
20.04 Dollar repurchase agreements					
20.05 Dollar reverse repurchase agreements					

Description	Owned 1 Amount	Owned 2 Percent	Written 3 Amount	Written 4 Percent
21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:				
21.01 Hedging				
21.02 Income generation				
21.03 Other				

Description	At Year-End Amount 1	At Year-End Percent 2	Amount at End of Each Quarter 1st Qtr 3	Amount at End of Each Quarter 2nd Qtr 4	Amount at End of Each Quarter 3rd Qtr 5
22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:					
22.01 Hedging					
22.02 Income generation					
22.03 Replications					
22.04 Other					

Description	At Year-End Amount 1	At Year-End Percent 2	Amount at End of Each Quarter 1st Qtr 3	Amount at End of Each Quarter 2nd Qtr 4	Amount at End of Each Quarter 3rd Qtr 5
23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:					
23.01 Hedging					
23.02 Income generation					
23.03 Replications					
23.04 Other					

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities	849,569	1.393	849,569		849,569	1.393
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies	6,791,267	11.132	6,791,267		6,791,267	11.132
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations	2,565,663	4.205	2,565,663		2,565,663	4.205
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	7,111,983	11.658	7,111,983		7,111,983	11.658
1.43 Revenue and assessment obligations	4,010,724	6.574	4,010,724		4,010,724	6.574
1.44 Industrial development and similar obligations	1,185,256	1.943	1,185,256		1,185,256	1.943
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA	1,496,056	2.452	1,496,056		1,496,056	2.452
1.512 Issued or Guaranteed by FNMA and FHLMC	2,909,367	4.769	2,909,367		2,909,367	4.769
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	19,904,349	32.626	19,904,349		19,904,349	32.626
2.2 Unaffiliated Non-U.S. securities (including Canada)	2,492,149	4.085	2,492,149		2,492,149	4.085
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds	2,453,697	4.022	2,453,697		2,453,697	4.022
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including $..............0 of property acquired in satisfaction of debt)	4,128,218	6.767	4,128,218		4,128,218	6.767
5.3 Property held for sale (including $..............0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities	52	0.000	52		52	0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral)				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	5,109,016	8.374	5,109,016		5,109,016	8.374
11. Other invested assets						
12. TOTAL Invested assets	61,007,364	100.000	61,007,364		61,007,364	100.000