EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION

OF

OAKWOOD INSURANCE COMPANY

(NAIC # 31208)
(NAIC Group # 4863)

NASHVILLE, TENNESSEE

AS OF

DECEMBER 31, 2016

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Nashville, Tennessee
April 24, 2018

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

Dear Commissioner:

Pursuant to your instructions and in accordance with the Tennessee Code Annotated ("Tenn. Code Ann.") § 56-1-408, regulations, and resolutions adopted by the National Association of Insurance Commissioners (NAIC), a full-scope financial examination and market conduct review as of December 31, 2016, has been made of the condition and affairs of:

OAKWOOD INSURANCE COMPANY
NAIC # 31208
NAIC Group # 4863
628 Hebron Avenue, Suite 106
Glastonbury, Connecticut 06033

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or "Department") under rules and regulations promulgated by the State of Tennessee and as established by the NAIC. The examination commenced on January 4, 2018, and was conducted by duly authorized representatives of the TDCI. This examination was called through the NAIC's Financial Examination Electronic Tracking System (FEETS). This examination was not coordinated with any other states which had domiciled companies within the Sirius International Insurance Group, Ltd. and its subsidiaries ("Sirius Group").

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2011. This examination covers the period January 1, 2012, through December 31, 2016, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with the NAIC *Financial Condition Examiners Handbook* ("Handbook"), as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company as of December 31, 2016. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with statutory accounting principles and annual statement instructions.

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

The Company's 2016 annual statement was compared with the corresponding general ledger account balances.

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

A separate market conduct review was also performed concurrently with the financial examination. See the "Market Conduct Activities" section of this report.

The Company's affiliate, Sirius Global Services, LLC (SGS), maintains an internal audit (IA) Department, which is charged with performing the IA function for all companies within the holding company system. However, due to the Company's size, it was not included in any of IA Department's audits.

The actuarial firm of Lewis & Ellis, Inc. was utilized in the examination review of the Company's loss reserves.

Independent information technology and reinsurance services, provided by Noble Consulting Services, Inc., were utilized in the examination review of the Company's information technology and reinsurance areas.

Johnson Lambert LLP was the certified public accountant (CPA) and independent auditor for the Company for all years under examination. The CPA's workpapers were reviewed for the 2016 audit and utilized in the examination, as deemed appropriate.

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

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

There were no comments or recommendations in the prior report.

COMPANY HISTORY

The Company was incorporated as NPO Insurance Company (NPO), a Tennessee company, on September 24, 1974, to write policies of disability, property, casualty and surety insurance as well as reinsurance. NPO was wholly-owned by NLT Corporation (NLT). Another subsidiary of NLT, Service Casualty Company of New York ("Service Casualty") was incorporated under the laws of New York on August 31, 1945. The name of Service Casualty was changed to The National Property Owners Insurance Company ("National Property Owners") on February 12, 1974. On January 1, 1975, National Property Owners was merged with and into NPO and the name of the surviving corporation was immediately changed to The National Property Owners.

NLT became a wholly-owned subsidiary of American General Corporation (AGC) via an Agreement of Merger, supplemented by an Agreement and Plan of Merger, effective November 4, 1982. Effective January 27, 1984, NLT paid a dividend of the outstanding capital stock of National Property Owners to AGC, and on December 20, 1985, the TDCI approved a petition for the acquisition of National Property Owners by Maryland Casualty Company, a subsidiary of AGC.

On May 15, 1989, Maryland Casualty Company was acquired by Zurich Insurance Company, and National Property Owners was given as a dividend to AGC. National Property Owners changed its name to American General Property Insurance Company

(AGPIC) effective January 1, 1990. On June 30, 1992, the Company merged with Interstate Fire Insurance Company, with the Company being the surviving entity.

The Company's Parent, AGC, completed its acquisition of the Independent Insurance Group, Inc. (IIG), of Jacksonville, Florida, on February 29, 1996. IIG's subsidiaries included four property and casualty insurance companies that write basic needs fire products, primarily in the Southeast. Subject to the terms of an Agreement and Plan of Reorganization, one of IIG's subsidiaries, Independent Fire Insurance Company was merged with the Company effective February 28, 1999. The TDCI approved the transfer and the agreement on May 7, 1999.

On August 29, 2001, AGC was acquired by American International Group (AIG), a Delaware corporation. AIG is a holding company which, through its subsidiaries, is engaged primarily in the broad range of insurance and insurance related activities in the United States and abroad.

In 2000, the Company discontinued writing new direct business, and by 2007, the policies were non-renewed. The Company's remaining operations primarily pertain to the settlement of claims associated with the business in run-off.

On September 11, 2009, the TDCI approved a merger request by the Company to merge its subsidiary, American General Property Insurance Company of Florida, with and into the Company, with the Company being the surviving entity.

On November 30, 2012, the Company was purchased by SGSHC (f/k/a White Mountains Solutions Holding Company) and would continue as a run-off insurer.

On January 17, 2013, the Company changed its name from AGPIC to OIC. On September 13, 2013, the Company was merged with an affiliate, Physicians Insurance Company of Ohio (PICO) with the Company being the surviving company. PICO's business was in run-off.

Effective March 31, 2014, the Company was merged with Central National Insurance Company of Omaha ("Central National"), with the Company being the surviving company. Central National's business was in run-off.

On April 15, 2016, the TDCI approved an acquisition of the Sirius Group by China Minsheng Investment Co., Ltd. (CMI), which is the Company's ultimate controlling person. SGSHC remains the Company's immediate parent, directly owning one hundred percent (100%) of the Company. At December 31, 2016, the Company had authorized capital stock of one million (1,000,000) shares of common stock with a par value of $18.00 per share, of which one hundred seventy-five thousand, seven hundred forty-one (175,741) shares were issued and outstanding, for a capital paid up of $3,163,338.

There are no plans for the Company to commence underwriting new business. The Company will continue to service run-off business.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Company's Bylaws state that the business and affairs of the corporation shall be managed by a Board of Directors ("Board") who shall be elected at the annual meeting of the shareholders. Directors need not be shareholders of the corporation.

The Company's Bylaws state that the number of directors shall consist of five (5) or more directors. A majority of directors constitutes a quorum. Directors serve until the next annual meeting of the shareholders, and thereafter, until a successor has been elected.

The following persons were duly elected by the shareholders on July 15, 2016, and were serving as members of the Board, as of December 31, 2016:

Name	Principal Occupation
W. Neal Wasserman	President and Chief Executive Officer
Jeffrey W. Davis	Chief Actuary
Robert P. Kuehn	Senior Vice President, General Counsel
Michael A. Papamichael	Senior Vice President, Finance & Planning
Michael R. Terelmes	Senior Vice President and Chief Financial Officer

The Company's Bylaws require that an annual meeting of the shareholders be held for the purpose of electing directors and for such other business. The meeting shall be held on or before July 1 of each year. It was noted that in two (2) of the five (5) years under examination, the annual meeting was held after July 1 of that year. See "Comments and Recommendations" section in this report.

The Bylaws allow any action required or permitted to be taken at a meeting of the Board, or of any committee thereof, to be taken without a meeting, if prior to such action, a written consent thereto is signed by all Board or committee members, and such written consent is filed with the minutes of the proceedings. Such consent shall have the same force and effect as a vote at a meeting. Any or all of the directors, or committee members may participate in meetings by means of conference telephone or similar communication.

Officers

The Bylaws provide that the officers of the Company shall be a president, a treasurer, and a secretary, and such other officers as the Board may determine. More than two (2) offices may be held by the same person, except that the president shall not also hold the office of secretary. The following officers were duly elected by the Board on July 20, 2016, and were serving as officers of the Company, as of December 31, 2016:

Name	Title
W. Neal Wasserman	President and Chief Executive Officer
Michael R. Terelmes	Senior Vice President, Chief Financial Officer, and Treasurer
Lori M. Powers	Vice President, Secretary, and Compliance Officer

Subsequent to the examination period, on March 3, 2017, the Board elected Edward J. Park as Senior Vice President and Group Tax Director for the Company, which is a new position.

Committees

The Board may designate, establish, and charter any committees as it deems necessary. During the period under examination, the Company's Board designated an Audit Committee, with W. Neal Wasserman, Chair as its only member, as of December 31, 2016. On March 29, 2017, Michael A. Papamichael was named as the second member of the Audit Committee.

CONTROL

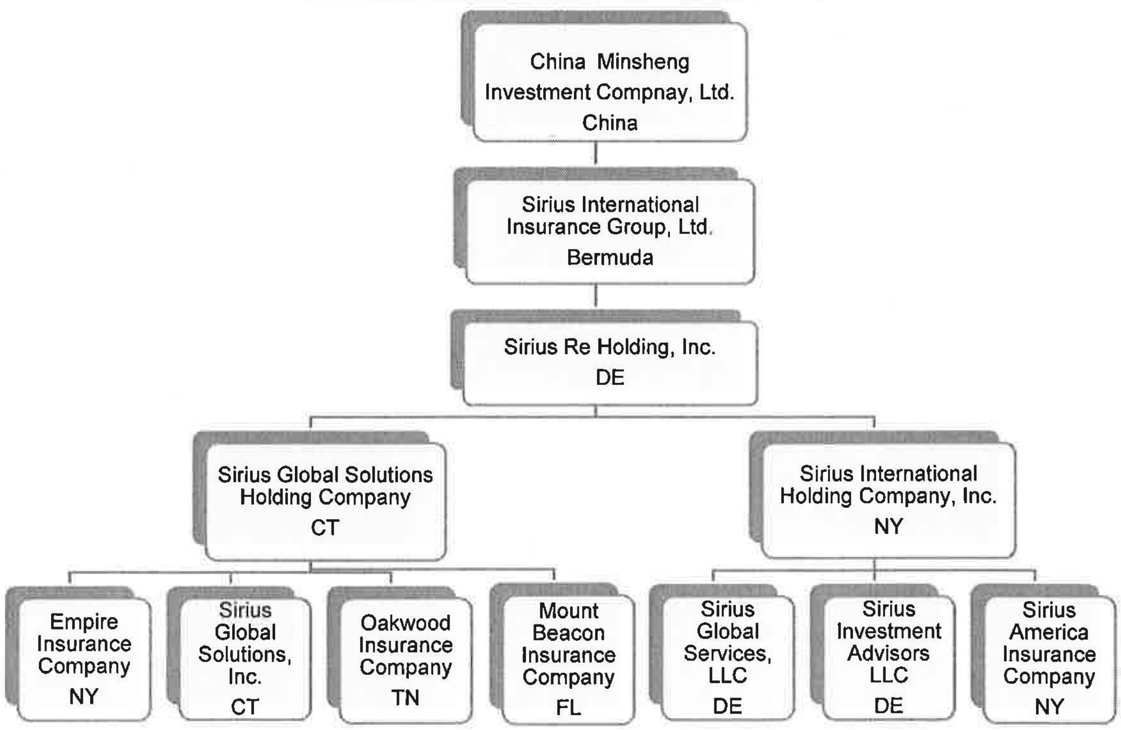
The Company is a member of an insurance holding company system as defined by Tenn. Code Ann. § 56-11-101(7), and as such, is subject to the Insurance Holding Company System Act of 1986, set forth in Tenn. Code Ann. §§ 56-11-101, *et seq*. One hundred percent (100%) of the Company's stock is owned by SGSHC. CMI is the ultimate parent of the Company. As required by Tenn. Code Ann. § 56-11-105, SGSHC files a holding company registration statement annually.

The Company is a member of the Sirius Group. The following are the other insurance companies and their respective domiciliary states within the group as of December 31, 2016:

Sirius America Insurance Company (New York);
Empire Insurance Company (New York); and
Mount Beacon Insurance Company (Florida).

The following abbreviated organizational chart shows the insurance companies and their respective domiciliary states within the Sirius Group:

Abbreviated Organizational Chart



CONFLICTS OF INTEREST AND PECUNIARY INTERESTS

The Company is required to comply with Tenn. Code Ann. § 56-3-103 prohibiting officers and directors of insurance companies from having a pecuniary interest in the investment or disposition of funds of a domestic insurance company. The Sirius Group has adopted a Code of Conduct Policy which requires compliance with laws and regulations applicable to its business. The policy requires all directors and employees to conduct business of the Company on the highest standards of ethics and personal conduct and to be free from both real and perceived conflicting interests and relationships. The policy further requires that all directors and management employees annually report all information required to be reported therein and such other information as may be relevant to determine the existence or likely development of a significant conflict of interest.

The annual conflict of interest disclosure statements filed by the Company's directors, officers, and responsible employees in each year of the examination period were reviewed. No conflicts were noted.

DIVIDENDS

During the period under examination, the Company declared and paid an ordinary dividend in the amount of $3,029,221 to its shareholder, on December 23, 2016. The Company complied with the requirements of Tenn. Code Ann. §§ 56-11-105(e) and 56-11-106(b) by notifying the TDCI of the declaration of the dividend. The TDCI was notified, on December 23, 2016.

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board, and committee were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board, pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

Charter

The original Charter of the Company was filed with the Tennessee Secretary of State on September 23, 1974. The Company's Amended and Restated Charter was adopted by the Board on November 8, 1989, filed with the Tennessee Secretary of State and with the TDCI on November 22, 1989.

An amendment of the Charter adopted by the Board on December 2, 2012, and approved by the TDCI on December 21, 2012, changed the par value of the Company's one million (1,000,000) shares of capital common stock from a par value of one hundred dollars ($100) per share to a par value of ten dollars ($10) per share.

An amendment of the Charter adopted by the Board on January 17, 2013, and approved by the TDCI on February 4, 2013, changed the name of the Company from AGPIC to OIC.

An amendment of the Charter adopted by the Board on February 14, 2013, and approved by the TDCI on April 4, 2013, changed the home address to be located and maintained in Nashville, Davidson County, Tennessee.

An amendment of the Charter adopted by the Board on October 3, 2013, and approved by the TDCI on November 15, 2013, changed the par value of the one million (1,000,000) shares of capital common stock from a par value of ten dollars ($10) per share to a par value of eighteen dollars ($18) a share.

Bylaws

The Bylaws of the Company in effect at December 31, 2016, are the Company's Amended and Restated Bylaws that were adopted by the Board on November 8, 2004, and went into effect April 27, 2005. There were only minor changes made to the Company's Bylaws from the version previously in effect, since February 11, 1991.

The Bylaws provide for an annual shareholders' meeting at which a Board is elected. Officers are elected by the Board. The Bylaws are such as generally found in companies of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board, and its shareholders.

AGREEMENTS WITH PARENT AND AFFILIATES

The Company had three (3) agreements with its parent and affiliated companies in effect, as of December 31, 2016. The following are summaries of the agreements:

Investment Management Agreement with White Mountain Advisors

Effective October 1, 2010, the Company had an investment management agreement with White Mountain Advisors (WMA). According to the terms and provisions of the agreement, WMA agreed to provide investment management services to the Company. WMA was paid a quarterly management fee for services provided and provided services until the agreement terminated, on September 30, 2016. There are no amounts due to WMA as of December 31, 2016.

Investment Management Agreement with Sirius Investment Advisors LLC

Effective September 26, 2016, Sirius Investment Advisors, LLC (SIA) began providing investment services to OIC. SIA will be paid a quarterly management fee for services provided.

Expense Allocation Agreement

The Company has no employees. All administrative and executive functions are performed by staff employed through an affiliate, Sirius Global Solutions, Inc. and provided to the Company under an expense allocation agreement between the Company and Sirius International Holding Company, Inc (SIHC). Effective February 23, 2015, Sirius Re Holdings, Inc., SIHC, Sirius America Insurance Company ("Sirius America"), OIC, and various other affiliates entered into an Expense Allocation Agreement. Sirius America will provide the services of certain personnel, office space, the use of equipment and other services to the companies as long as such arrangement does not interfere with Sirius America's business operations. Sirius America will determine the costs and expenses of providing the services on a quarterly basis. Expenses shall be billed thirty (30) days after the last day of each quarter.

Tax Allocation Agreement with Sirius Re Holdings, Inc.

Effective December 1, 2004, the Company and other subsidiaries entered into a Tax Allocation Agreement with Fund American Enterprises Holdings, Inc. and White Mountains Re Holdings, Inc. (d/b/a Sirius Re Holdings, Inc.) (SRH). The Company files a consolidated federal income tax return with SRH and its subsidiaries. The method of allocation among companies is made primarily on a separate return basis with a current credit for net losses. Each participant per return is liable for its proportionate share of the tax assessments in accordance with the Tax Allocation Agreement.

FIDELITY BOND AND OTHER INSURANCE

OIC is listed as a named insured on a financial institution bond carried by its parent. Other insurance policies were reviewed and OIC is listed as a named insured on the following insurance coverages maintained by the Company, as of December 31, 2016:

Directors & Officers	Workers Compensation
Employment Practices	Cyber Coverage

The Company's fidelity coverage exceeds the minimum amount suggested in the NAIC Handbook. The bonds and policy coverages were inspected and appear to be in-force as of the date of this examination. All of the above policies were issued by companies licensed to transact business in the State of Tennessee or by authorized surplus lines insurers.

TERRITORY AND PLAN OF OPERATIONS

Territory

The Company is a stock for-profit insurance company domiciled in Tennessee and licensed to transact property and casualty business in forty-three (43) states and the District of Columbia. Certificates of Authority granted by the licensed states were reviewed and found to be in force at December 31, 2016.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

State or District	Direct Premiums Earned	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid
Alabama	$0	$12,971	$2,974	$4,601
Arizona	0	2,850	2,850	0
California	0	1,170,923	(58,757)	13,968,978
Connecticut	0	0	1,540	1,540
Florida	0	73,554	114,159	225,777
Illinois	9,262	688	(864.337)	1,434,601
Louisiana	0	0	(396,800	0
New York	0	0	2,333	2,333
Ohio	0	347	201,099	199,169
Rhode Island	0	0	43,790	93,790
Texas	0	38,153	(486,859	1,114,679
Virginia	0	0-	79,536	179,536
Totals	$9,262	$1,299,486	($1,359,372)	$17,225,004

The Company was licensed in each state listed above, except New York.

Plan of Operations

The Company ceased writing new property and casualty business in 2000 and by 2007 had no remaining in-force policies. The Company's core activity has been the administration and management of numerous old assumed and ceded reinsurance agreements which were acquired through various acquisitions. The Company's remaining operations primarily pertain to the settlement of claims associated with this assumed business. The Company will continue to service run-off business and there are no plans to commence underwriting new business.

GROWTH OF COMPANY

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

Year	Admitted Assets	Liabilities	Capital and Surplus	Premiums Earned *
2016	$61,758,012	$33,777,290	$27,980,723	$12,419
2015	$67,935,939	$37,643,730	$30,292,209	$11,252
2014	$71,215,274	$42,182,693	$29,032,580	$10,825
2013	$50,700,576	$20,690,504	$30,010,072	$12,893
2012	$43,413,504	$12,122,329	$31,291,175	$0

*While Oakwood is in run-off, there is a small amount of earned premiums related to 1) reinstatement premiums found in excess of loss reinsurance contracts and 2) multi-year Accidental Death and Dismemberment policies written in the 1980s.

LOSS EXPERIENCE

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

Year	Losses Incurred	LAE Incurred	Premiums Earned	Net Loss Ratio
2016	$0	$0	$12,419	0.0%
2015	($1,208,868)	$1,208,868	$11,252	0.0%
2014	$0	$0	$10,825	0.0%
2013	($612,675)	$450,635	$12,893	(1,256.8%)
2012	($2,140,846)	($1,451,013)	$0	N/A

REINSURANCE AGREEMENTS

Due to the nature of the Company's operations as an entity used to run-off blocks of old business, no new reinsurance agreements were entered into during this examination period. Financially significant contracts are summarized below.

Assumed Reinsurance

During the current examination period of 2012 through 2016, the most significant assumed transaction involved a Transfer and Assumption agreement which was executed between OIC and Ashmere Insurance Company ("Ashmere") with an effective date of December 16, 2014. The agreement was submitted and approved by the TDCI prior to its effective date. The agreement was initiated by OIC's immediate parent company, SGSHC, to transfer of all of the obligations and liabilities of Ashmere to the Company. This was done to facilitate a "clean shell," so that Ashmere could be sold to an independent third-party by SGSHC. The transaction involved the assumption of a block of assets and liabilities by OIC with an initial value of approximately $22.6 million.

The largest reinsurance assumed relationship in effect at the examination date, involves the reinsurance of a block of business originally written by The Lumberman's Insurance Group from 1982 to 1990. This block of business, which is assumed from Swiss Reinsurance America ("Swiss Re"), comprises seventy-two percent (72%) of OIC's total assumed loss and loss expense reserves as of December 31, 2016. As of December 31, 2016, the block of business accounted for assumed case loss and loss expense reserves totaling $8.1 million. Pursuant to the terms of the underlying reinsurance agreement, these balances are secured through a Funds Held account held by the cedant, Swiss Re, totaling $8.3 million at the examination date.

The remainder of the Company's assumed business involves smaller run-off blocks of business and no single assumed reinsurance contract accounts for more than five percent (5%) of the Company's total assumed loss and loss expense reserves at the examination date. These remaining arrangements are regarded as being individually financially insignificant.

Ceded Reinsurance

The most significant ceded reinsurance recoverable involves $11.2 million due from General Reinsurance Corp. This balance represents ninety-one percent (91%) of OIC's total reinsurance recoverables as of the examination date. This ceded reinsurance arrangement was in place at the time the business was acquired by OIC, as part of a transaction involving Citation Insurance Company ("Citation"). It primarily involves the reinsurance of a block of business written directly by Citation covering workers' compensation contracts written from 1986 to 1997.

There are no other financially significant individual reinsurance recoverables reported as of December 31, 2016.

Other Considerations

All agreements appear to effectuate proper transfer of risk in accordance with Statement of Statutory Accounting Principles (SSAP) No. 62R – *Property and Casualty Reinsurance* and NAIC guidelines.

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination, and as of December 31, 2016, the Company is party to various pending legal proceedings arising in the ordinary course of business. Based upon the opinion of its counsel as to the ultimate disposition of such lawsuits and claims, Company management believes that the liability, if any, resulting from the disposition of such proceedings will not be material to the Company's financial condition or results of operations.

During the period of examination and as of December 31, 2016, the Company did not enter into any contingent commitments and guarantees. The Company's 2016 annual statement, Notes to Financial Statements, Notes 14, 15, and 21(C) provide a description of any contingent commitments and guarantees the Company has entered into as of December 31, 2016. A review of these notes did not disclose anything that would have an adverse effect upon the Company.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the jurisdictions named below as of December 31, 2016.

The following are deposits with states where special deposits are for the benefit of all policyholders, claimants, and creditors of the Company:

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Florida Department of Insurance	US TREASURY NOTE 0.875% Due 10/15/2018 CUSIP 912828L81	$487,387	$487,628	$490,000
Tennessee Department of Insurance	US TREASURY BOND 5.250% Due 11/15/2028 CUSIP 912810FF0	132,125	140,035	110,000
	US TREASURY NOTE 4.500% DUE 05/15/2017 CUSIP 912828GS3	129,868	131,817	130,000
	US TREASURY NOTE 1.000% Due 03/15/2018 CUSIP 912828J68	520,282	520,244	520,000
	US TREASURY NOTE 0.875% Due 10/15/2018 CUSIP 912828L81	1,690,936	1,691,765	1,700,000
Subtotal		$2,960,598	$2,971,489	$2,950,000

The following are deposits with jurisdictions where special deposits are **not** for the benefit of all policyholders, claimants, and creditors of the Company:

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
California Department of Insurance	US TREASURY NOTE 0.500% Due 01/31/2017 CUSIP 912828H78	$6,699,657	$6,700,764	$6,700,000
	US Treasury Note 1.125% Due 08/15/2016 CUSIP 912828XF2	110,100	110,107	110,000
Georgia Department of Insurance	US TRESURY BOND 5.375% Due 02/15/2031 CUSIP 912810FP8	34,773	46,616	35,000

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
	US TREASURY NOTE 1.250% Due 04/30/2019 CUSIP 912828ST8	50,325	49,971	50,000
New Mexico Department of Insurance	US TREASURY NOTE 0.875% Due 10/15/2018 CUSIP 912828LB1	49,733	49,758	50,000
	US TREASURY NOTE 1.250% Due 04/30/2019 CUSIP 912828ST8	201,298	199,883	200,000
	US TREASURY BOND 5.250% Due 02/15/2029 CUSIP 912810FG8	49,750	63,910	50,000
North Carolina Department of Insurance	US TREASURY NOTE 1.000% Due 03/15/2018 CUSIP 912828J68	300,163	300,141	300,000
Oregon Department of Insurance	US TREAURY NOTE 1.000% Due 03/15/2018 CUSIP 912828J68	410,223	410,192	410,000
South Carolina Department of Insurance	US TREASURY NOTE 1.000% Due 03/15/2018 CUSIP 912828J68	250,136	250,117	250,000
Virginia Department of Insurance	US TREASURY NOTE 1.000% Due 03/15/2018 CUSIP 912828J68	215,117	215,101	215,000
Subtotal		8,371,275	8,396,560	8,370,000
Grand Total		$11,331,873	$11,368,048	$11,320,000

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

ACCOUNTS AND RECORDS

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

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

The Company's books and records are located in Glastonbury, Connecticut.

MARKET CONDUCT ACTIVITIES

A limited market conduct review was made of the Company, as of December 31, 2016, in conjunction with this examination. As the Company's business is in run-off, certain standards are not applicable: marketing and sales; producer licensing; and underwriting and rating. No complaints were filed in Tennessee. The following market conduct areas were reviewed:

Operations and Management Standards

The Company's anti-fraud initiatives were examined to determine if they are reasonably calculated to prevent, detect, or mitigate fraudulent insurance acts. Company procedures and policies relating to privacy were reviewed to determine compliance with applicable statutes, rules, and regulations. No issues were noted.

Claims Review

The Company decided not to write new direct business in 2000, which has been in run-off since 2007. It does not write any new business and is only in the process of closing out old claims. The Company has no claims in Tennessee.

The Company uses two (2) third-party administrators (TPA) to handle California workers' compensation (WC) claims: InterCare and Berkley. As of December 31, 2016, Berkley had no open claims, and InterCare had seventy-nine (79) claims, of which thirty-one (31) were new during the examination period. The Company determined that InterCare's adjusters handled the claims according to the guidelines established by the

California WC statutes. The adjusters were required to obtain pre-approval for all payments in excess of $25,000 and reserve increases in excess of $50,000. The Company reviewed the monthly reports from InterCare to verify adherence to the pre-approval process.

The Company processes Texas WC claims and asbestos and environmental claims from Alabama, California, Connecticut, Florida, Illinois, Ohio, and Texas. As of December 31, 2016, the Company had nineteen (19) open claims, of which five (5) were opened during the examination period. Due to the nature and age of the policies covering workers compensation or asbestos/environmental, any claim submitted at this point is a unique case and not submitted via a standard claim form. It is not unusual for the Company to be notified of claims via lawsuits.

SUBSEQUENT EVENTS

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in this examination report. Our review confirmed the Company's disclosures in its 2016 annual statement and in its Letter of Representation. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2016, that could have a material effect on the Company's financial condition.

On July 31, 2017, the Company finalized the merger with sister company, Mount Beacon Insurance Company ("Mount Beacon"). The Company was the surviving entity. Mount Beacon was also a run-off company, so the merger did not impact the Company's business model. The Company's remaining operations primarily pertain to the settlement of claims associated with old assumed reinsurance business.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a summary of operations as of December 31, 2016, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2016 annual statement.

ASSETS

	Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$47,730,020		$47,730,020
Cash and short-term investments	4,610,603		4,610,603
Investment income due or accrued	186,407		186,407
Amounts recoverable from reinsurers	181,190		181,190
Funds held by or deposited with reinsured companies	8,336,924		8,336,924
Net deferred tax asset	1,670,358	$1,342,512	327,846
Aggregate write-ins for other assets	435,022	50,000	385,022
Totals	$63,150,524	$1,392,512	$61,758,012

LIABILITIES, SURPLUS, AND OTHER FUNDS

Losses		$30,098,657
Reinsurance payable on paid losses and loss adjustment expenses		288,850
Loss adjustment expenses		2,422,848
Other expenses		206,276
Current federal and foreign income taxes		400,701
Unearned premiums		46,699
Funds held by company under reinsurance treaties		144,291
Provision for reinsurance		94,343
Payable to parent, subsidiaries and affiliates		10,322
Payable for securities		64,303
Total Liabilities		$33,777,290
Common capital stock	$3,163,338	
Gross paid in and contributed surplus	23,096,936	
Unassigned funds (surplus)	1,720,449	
Surplus as regards policyholder		27,980,723
Totals *		$61,758,012

*The numbers do not total due to rounding.

STATEMENT OF INCOME

Premiums earned		$12,419
Deductions:		
Losses incurred	$0	
Loss adjustment expenses incurred	0	
Other underwriting expenses incurred	806,125	
Total underwriting deductions		806,125
Net underwriting gain (loss)		($793,706)
INVESTMENT INCOME		
Net investment income earned	$802,352	
Net realized capital gains (losses)	(1,224,727)	
Net investment gain (loss)		($422,375)
OTHER INCOME		
Finance and service charges not included in premiums	$0	
Aggregate write-ins for miscellaneous income	309,557	
Total other income		$309,557
Net income before dividends to policyholders and federal income taxes		(906,524)
Dividends to policyholders		0
Net income before federal income taxes		(906,524)
Federal income taxes incurred		(9,453)
Net income		($897,071)

CAPITAL AND SURPLUS ACCOUNT

	2016	2015	2014	2013*	2012*
Capital and Surplus December 31, previous year	$30,292,209	$29,032,580	$30,010,073	$42,479,540	$51,976,091
Net income or (loss)	(897,071)	712,773	(1,113,747)	(1,402,838)	8,452,824
Change in net unrealized capital gains or (losses)			(64,870)	12,610	(1,558,036)
Change in net unrealized foreign exchange capital gain (loss)					(482,305)
Change in net deferred income tax	(1,091,200)	(569,604)	927,022	661,806	(2,112,758)
Change in non-admitted assets	2,709,120	1,111,417	(679,996)	(342,950)	15,348
Change in provision for reinsurance	(3,113)	5,043	(45,901)	41,905	
Capital changes: Transferred to surplus			(2,500,000)	(15,410,762)	
Surplus adjustments paid in			2,500,000	5,410,762	(4,297,712)
Dividends to stockholders	(3,029,221)			(1,440,000)	(20,702,288)
Change as regards policyholders for the year	(2,311,486)	1,259,628	(977,492)	(12,469,467)	(20,684,918)
Surplus as regards policyholders, December 31, current year	$27,980,723	$30,292,209	$29,032,580	$30,010,073	$31,291,174

*Due to the acquisition of the Company by the Sirius Group at the end of 2012 and the merger of PICO into the Company in 2013, the TDCI did not request the Company to amend the 2012 annual statement when TDCI reviewed the 2013 quarterly statements. When the Company filed its 2013 annual statement, the 2012 financial information was restated to reflect the combined financial position. Later the 2013 annual statement was restated to reflect further changes in the Company par value and contributed income.

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus	$27,980,723

There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2016. Total capital and surplus, as established by this examination, is the same as what was reported by the Company in its 2016 annual statement.

COMMENTS AND RECOMMENDATIONS

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

Comments

As noted under "Management and Control", the Company was not in compliance with its Bylaws when it held some of its annual shareholder meetings after July 1.

The Company should hold the annual shareholders meetings according to its Bylaws or amend the Bylaws accordingly.

Recommendations

There were no recommendations noted during the completion of this examination:

CONCLUSION

Rules and procedures as prescribed by the statutes of the State of Tennessee and the customary insurance examination practices and procedures, as promulgated by the NAIC, have been followed in connection with the verification and valuation of assets and the determination of liabilities of Oakwood Insurance Company.

In such manner, it was found that, as of December 31, 2016, the Company had admitted assets of $61,758,012 and liabilities, exclusive of capital and surplus, of $33,777,290. Thus, there existed for the additional protection of the policyholders, the amount of $27,980,723 in the form of common capital stock, aggregate write-ins for other than special surplus funds, gross paid in and contributed surplus, and unassigned funds. Tenn. Code Ann. §§ 56-2-114 and 56-2-115 require an insurer of this Company's type to maintain a surplus of $2,000,000. For this examination, as of December 31, 2016, the Company maintains capital and surplus sufficient to satisfy the requirements of Tenn. Code Ann. §§ 56-2-114 and 56-2-115.

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

In addition to the undersigned; Greg Wilson, FSA, MAAA, of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas; Jim Ryan, CFE, CPA, ARA, Are; Julie Smith and Natalie Cunningham, of the contracting firm Noble Consulting Services, Inc., Indianapolis, Indiana participated in the work of this examination.

Respectfully submitted,

Mary B. Packard

Mary B. Packard, CFE
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee

Bryant Cummings, CFE, MCM
Assistant Chief Examiner
Tennessee Department of Commerce and Insurance

AFFIDAVIT

The undersigned deposes and says that she has duly executed the attached examination report of Oakwood Insurance Company located in Nashville, Tennessee, dated April 24, 2018, and made as of December 31, 2016, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information, and belief.

Mary B Packard

Mary B. Packard, CFE
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee

State Alabama

County Jefferson

Subscribed to and sworn before me

this 22nd day of June, 2018

Crystal D Calhoun
(NOTARY)

My Commission Expires: 06/01/2021

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Oakwood Insurance Company located in Nashville, Tennessee, dated April 24, 2018, and made as of December 31, 2016, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.

Bryant Cummings, CFE, MCM
Assistant Chief Examiner
State of Tennessee

State Tennessee

County Davidson

Subscribed to and sworn before me

this 25th day of June, 2018

Mindy C. Walker
(NOTARY)

MINDY C WALKER
STATE OF TENNESSEE
NOTARY
PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 7-6-2020

My Commission Expires: 7-6-2020

EXHIBIT B

Oakwood Insurance Company
628 Hebron Ave. Suite 106 | Glastonbury, CT 06033
860.368.2000

June 25, 2018

Via email

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243-1135

RE: Report of Examination – Oakwood Insurance Company

Dear Ms. Little:

We hereby acknowledge receipt of the Final Report of Examination for **Oakwood Insurance Company.**

By signing below, we indicate acceptance of the report as transmitted, and without rebuttal.

Sincerely,

W. Neal Wasserman
President