EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT OF EXAMINATION

OF

PLATEAU INSURANCE COMPANY

(NAIC # 97152)

CROSSVILLE, TENNESSEE

AS OF

DECEMBER 31, 2014

TABLE OF CONTENTS

Crossville, Tennessee
April 13, 2016

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 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, 2014, has been made of the conditions and affairs of:

PLATEAU INSURANCE COMPANY
NAIC # 97152
2701 North Main Street
Crossville, Tennessee 38555-5409

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or "Department"). The examination commenced on October 30, 2015, and was conducted by duly authorized representatives of the TDCI. This examination was called through the NAIC's Financial Examination Electronic Tracking System (FEETS). The Company's ultimate parent is The Plateau Group, Inc. (PGI). There were no requests from other states for a coordinated examination.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2009. This examination covers the period January 1, 2010, through December 31, 2014, 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, 2014. 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; Underwriting; Premiums; Reserving/Claims Handling; Reinsurance Ceded; Related Party; Taxes; Expenses; and Capital & Surplus.

The Company's 2014 annual statement was compared with or reconciled to 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 and change 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.

The Company does not maintain an Internal Audit (IA) Department. The Company also does not perform internal controls testing. As such, while a review of operational and financial processes and procedures was performed during the examination, a substantive test work approach was generally taken to determine completeness and accuracy of annual statement financial reporting.

Independent actuaries, Lewis & Ellis, Inc., were utilized for this examination in the review of the Company's loss reserves.

Johnson Lambert LLP was the certified public accountant (CPA) and independent auditor for the Company for years 2014 and 2013 under examination. Crowe Horwath, LLP was the CPA and independent auditor for the Company for years 2012, 2011, and 2010. The CPA's work papers were reviewed for the 2014 audit and copies were incorporated into 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

The examination included a review to determine the current status of the comments and recommendations included in the previous report on examination, dated May 6, 2011, which covered the period from January 1, 2005, through December 31, 2009. The previous full-scope examination report, as of December 31, 2009, contained two (2) comments. The Company addressed the prior exam comments during the course of the previous examination. Below is a description of the prior examination report's comments:

Comment:

1. During the examination, it was found that the Company had no Anti-Fraud Plan as required by Tenn. Code Ann. § 56-53-111. Prior to completion of the examination, the Company prepared and adopted a plan.

2. Section 13 of the Company's Bylaws states that "The Officers of the Corporation shall be a Chairman of the Board, a President, an Executive Vice President, a Secretary, a Treasurer, and such other officers as may be from time to time elected by the Board of Directors." After review of the examination documents, including corporate minutes, there is no indication that a Chairman of the Board has been elected since 2005. It is suggested that the Company comply with their Bylaws by electing a Chairman of the Board or amend their Bylaws to remove this required position.

   In response, the Company amended its Bylaws on April 27, 2011, to eliminate the position of Chairman of Board of Directors ("Board").

COMPANY HISTORY

The Company was incorporated on July 29, 1980, to engage in the business of credit life insurance and credit accident and health insurance, as a Tennessee domiciled for-profit life insurance company with ten thousand (10,000) shares of $1 par value capital stock.

The Charter of Incorporation was amended and restated effective March 3, 1981, to change the par value of its authorized capital stock from $1 per share to $100 per share. Effective March 23, 1981, the Company was issued a Certificate of Authority by the TDCI to transact the business of credit life insurance and credit accident and health insurance.

On July 15, 1983, Plateau Merger Corporation (PMC) was incorporated to engage in the business of credit life insurance and credit accident and health insurance as a Tennessee domiciled for-profit life insurance company with ten thousand (10,000) shares of $1 par value capital stock. Its Charter of Incorporation was amended effective October 4, 1983, to change the par value of its authorized capital stock from $1 per share to $750 per share. On November 3, 1983, PMC was issued a Certificate of Authority by the TDCI to transact the business of credit life insurance and credit accident and health insurance.

Effective December 28, 1983, Articles of Merger, Plan and Agreement of Merger, and Amendment to Plan and Agreement of Merger were filed and recorded with the Secretary of State of the State of Tennessee, by the Company as originally incorporated and PMC. Such merger occurred in two (2) steps: (1) a merger was completed among MRS Life Insurance Company (Arizona), Allen-Russell Life Insurance Company (Arizona), and PMC, with PMC being the surviving corporation; and (2) a merger by and between the Company as originally incorporated and PMC was completed, with PMC being the surviving corporation, and amending its Charter to change its name to Plateau Insurance Company. The merger plan was adopted by the shareholder of PMC at a meeting on December 22, 1983, and was made effective January 1, 1983, for accounting purposes. Said merger plan was approved by the Arizona Department of Insurance effective May 13, 1983, and was approved by the TDCI effective December 28, 1983. As a result of the merger and company name change, a new Certificate of Authority was issued to the Company by the TDCI and made effective December 29, 1983, to transact the business of credit life insurance and credit accident and health insurance.

On October 29, 1984, Customers Merger Corporation (CMC) was incorporated to engage in the business of credit life insurance and credit accident and health insurance as a Tennessee domiciled for-profit life insurance company with one hundred thousand (100,000) shares of $1 par value capital stock. Its Charter was amended effective November 15, 1984 to change the number of authorized shares of capital stock to seven hundred fifty thousand (750,000) shares of $1 par value capital stock. On November 26, 1984, CMC was issued a Certificate of Authority by the TDCI to transact the business of individual credit life insurance, individual credit accident and health insurance, group credit life insurance, and group credit accident and health insurance.

Effective December 31, 1984, a Plan and Agreement of Mergers was filed and recorded with the Secretary of State of the State of Tennessee. Such mergers occurred in the following steps: (1) Plateau Insurance Company and Customers Life Insurance Corporation (Arizona) merged, with Customers Life Insurance Corporation being the surviving corporation; and (2) a merger between Customers Life and CMC occurred with CMC being the surviving corporation and amending its Charter to change its name to Plateau Insurance Company. The Charter and Bylaws of the Company became the Charter and Bylaws of the surviving corporation after the mergers. The merger plan was made effective as of January 1, 1984, for accounting purposes. The Arizona Department of Insurance approved the merger plan effective December 27, 1984. On December 31, 1984, the merger plan was approved by the TDCI. As a result of the merger and Company name change, a new certificate of authority was issued to the Company by the TDCI, and made effective December 31, 1984, to transact the business of individual credit life insurance, individual credit accident and health insurance, group credit life insurance, and group credit accident and health insurance.

On September 27, 1985, the Company's Charter was amended to authorize ten thousand (10,000) shares of capital stock with a par value of $1,200 per share. All of the outstanding shares of the Company were owned by its parent, PGI, a Tennessee insurance and financial services holding company.

On November 26, 1986, the Company acquired control of Two Rivers Life Insurance Company ("Two Rivers"). On November 28, 1986, the Company merged with Two Rivers, with the Company being the survivor.

On December 28, 1995, Plateau Casualty Insurance Company (PCIC) was organized as a property and casualty insurer under the laws of the State of Tennessee. As of May 1, 1997, PCIC was one hundred percent (100%) owned by PGI.

On March 1, 2001, PGI contributed the common voting stock of PCIC to the Company. The stock, one thousand (1,000) shares at $1,000 par value per share, was contributed at its statutory value at that time of $3,671,593.

On May 16, 2005, PIC contributed $500,000 to the common capital stock of PCIC. In November 2005, PIC paid as a dividend the stock of PCIC to PGI. The amount of the dividend was $5,509,220.

In September, 2006, ownership of PIC was transferred from PGI to PCIC through a non-cash dividend amount of $5,629,032, equal to the capital of PIC on the date of the transfer.

PIC common stock increased in 2011 due to an increase in the par value of the stock, gross paid in increased by $550,000 in 2011 and $450,000 in 2012 and unassigned surplus has increased each year due to positive income.

PIC received a surplus note from PGI for $4,500,000 in 2012. In 2013, principal of $1,488,425 was repaid to PGI. Interest of $111,575 on the surplus note was also paid in 2013. Both the surplus note and the repayment of the interest and principal were approved by the TDCI

At December 31, 2014, the Company had authorized capital stock of ten thousand (10,000) shares of common stock with a par value of $2,000 per share, of which one thousand, two hundred fifty (1,250) shares were issued and outstanding for a capital paid up of $2,500,000. All outstanding shares of the Company are owned by its parent, PCIC.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Company's Bylaws state that the property, affairs, and business of the corporation shall be managed by a Board who are elected at the annual meeting of stockholders. The Bylaws state that the number of directors shall not be less than four (4) nor more than fifteen (15) in number. The following is a listing of persons serving as members of the Board at December 31, 2014:

Name	Principal Occupation
William Dickson Williams	President and CEO, Plateau Group, Inc.
Euretha J. Roberts	SVP and Secretary, Plateau Group, Inc.
D. Michael Graham	SVP, Plateau Group, Inc.
Michael Ramsey	VP and Treasurer, Plateau Group, Inc.

Officers

The Company's Bylaws provide that the officers of the corporation shall be elected by the Board and shall consist of a President, Executive Vice President, Secretary, Treasurer, and such other officers as may be from time to time elected by the Board. One (1) person may hold any two (2) offices except the President may not hold the office of Secretary.

The following is a list of key officers and their respective titles as of December 31, 2014:

Name	Office
William Dickson Williams	President
Euretha J. Roberts	Secretary
D. Michael Graham	Sr. Vice President
Michael Ramsey	Treasurer

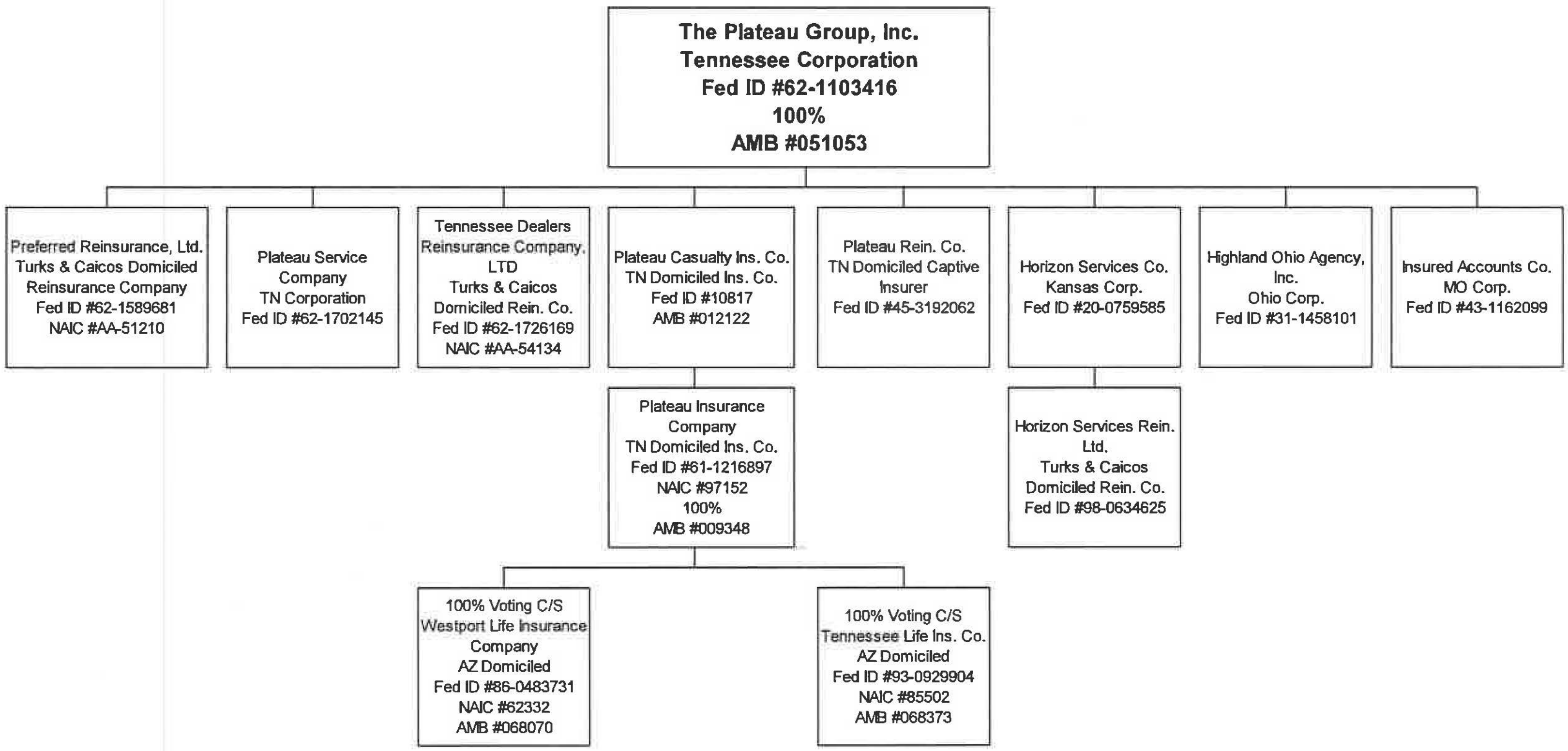
The Company did not elect an Executive Vice President in 2014, as required by its Bylaws. See "Comments and Recommendations" section, later in this report.

The administrative and executive functions of the Company are performed by staff employed through its ultimate parent, PGI, and provided to the Company under the recitals of an Administrative Agreement between the Company and PGI, as described in this report under the heading "Agreements with Parent, Subsidiaries and Affiliates." Certain services are purchased from outside contractors, if needed and not available from in-house personnel. Such services include actuarial analysis and independent audit.

CONTROL

The Company is wholly-owned by PGI. A holding company organizational chart is included on the next page of this examination report.

ORGANIZATIONAL CHART



CONFLICTS OF INTEREST AND PECUNIARY INTERESTS

The Company established a conflict of interest policy for its Directors and Officers to attest to compliance with Tenn. Code Ann. § 56-3-103, prohibiting officers and directors from having pecuniary interest in investment or disposition of Company funds. The Officers and Directors filed annual conflict of interest statements for each year under examination. No conflicts of interest were noted.

DIVIDENDS

During the period of examination, the Company declared and paid one (1) extraordinary dividend to its shareholder. The Company notified the TDCI of the dividend, as required by Tenn. Code Ann. §§ 56-11-105(e) and 56-11-106(b). The TDCI approved the dividend on May 16, 2012.

The following table lists each dividend amount, whether the dividend was determined to be Ordinary (O) or Extraordinary (E), the date the Company notified the TDCI of the dividend, and the date the Company paid the dividend to its shareholders.

Year	Ordinary or Extraordinary	Notification Date	Paid Date	Dividend Amount
2014	None			$ -
2013	None			-
2012	Extraordinary	04/27/12	05/15/12	1,450,000
2011	None			-
2010	None			-
Total paid during period of exam				$ 1,450,000

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board, and committees 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.

Charter

The Charter of the Company, in effect as of December 31, 2014, is the Company's Amended Charter, which was filed with the Secretary of State on May 2, 2011. The Charter was amended to change the authorized shares from two thousand (2,000) to ten thousand (10,000) and increase the par value from $1,000 to $1,250. The Charter states the Corporation is for-profit, organized to conduct business as a casualty insurance company under the laws of the State of Tennessee. The Amended Charter was approved by the TDCI on May 6, 2011.

Bylaws

The Bylaws of the Company, in effect as of December 31, 2014, are the Company's Amended and Restated Bylaws which were adopted by the Board on June 19, 2014. Two (2) amendments were made to the Company's Bylaws during the period of examination. One (1) amendment, dated April 27, 2011, eliminated the position of Chairman of the Board and another amendment dated June 18, 2014, changed the minimum number of directors from five (5) to four (4).

The Bylaws are such as are generally found in corporations 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, SUBSIDIARIES, AND AFFILIATES

The Company had three (3) agreements with affiliated companies in effect as of December 31, 2014. The following are summaries of the agreements in effect:

Management Service Agreement

The Company entered into a management service agreement with PGI effective July 1, 1997. Pursuant to the agreement, PGI agrees to provide the Company with all management, professional, technical, clerical, and other services necessary to operate. In consideration for these services, the Company pays PGI an amount based upon a predetermined percentage of net written premiums.

Effective January 1, 2014, PCIC revised its management agreement with PGI. PGI agrees to provide, as in the earlier agreement, all of the management, professional, technical, clerical, and other services necessary in order to make it feasible for PIC to carry on an insurance business. PGI agrees to accept a service fee based on a predetermined percentage of direct premiums written, plus reinsurance premiums assumed from non-affiliated insurance companies; provided, however, PGI may discount the service fee, if it is believed to be necessary, in order to enhance or retain one (1) or more credit ratings agency characterizations.

The management service agreement does not contain a specific date for amounts owed as required by Statements of Statutory Accounting Principles (SSAP) No. 25. According to the agreement, payment is due upon receipt of reports provided for in the agreement. The reports are to be provided, not less frequently than quarterly, within the forty-five (45) day period next following the period to which such reports pertain. This wording does not meet the requirement of SSAP No. 25 that a specific date by which amounts owed are due be included within the agreement. The Company is aware of this matter and has submitted a revised agreement to the TDCI for approval. See "Comments and Recommendations" section later in this report for additional information.

Tax Allocation Agreement

The Company entered into a tax allocation agreement with its parent, PGI, effective March 26, 2001. The agreement states the Company has elected, through the provisions of the Internal Revenue Code, to be included in a consolidated tax return. The Company agrees to pay, each year, federal income taxes equivalent to the amount it would have paid if it were on a separate return basis with the benefit of exemptions under Internal Revenue Code (IRC) 11(b) and IRC 55(d). Additionally, the Company agrees to allow PGI to use and allocate any applicable sur-tax exemptions under IRC 11(b) and alternative minimum tax exemptions under IRC 55(d) without further consent.

Management Services Agreement

Effective December 1, 1986, the Company entered into a management services agreement with its wholly-owned subsidiary, Tennessee Life Insurance Company (TLIC), an Arizona domiciled insurance company. Pursuant to the terms of the agreement, the Company will provide accounting services, tax services, management support, and marketing support. The Company received fees of $1,829 in 2014.

FIDELITY BOND AND OTHER INSURANCE

The Company is a named insured on a fidelity bond issued to its parent, PGI. The Company's fidelity coverage exceeds the minimum amount suggested in the NAIC Handbook.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has no employees and does not participate in any pension plans.

TERRITORY AND PLAN OF OPERATION

TERRITORY

As of December 31, 2014, the Company was licensed to transact business in the following thirty-eight (38) states and the Northern Mariana Islands:

Alabama	Louisiana	Oregon
Arizona	Maine	Pennsylvania
Arkansas	Maryland	Rhode Island
Colorado	Michigan	South Carolina
Connecticut	Mississippi	Tennessee
Delaware	Missouri	Texas
Florida	Nebraska	Utah
Georgia	Nevada	Vermont
Illinois	New Jersey	Virginia
Indiana	New Mexico	Washington
Iowa	North Carolina	West Virginia
Kansas	Ohio	Wisconsin
Kentucky	Oklahoma	Northern Mariana Islands

The Certificates of Authority for each jurisdiction were reviewed and found to be in order. The Company has been increasing the number of states it is licensed in over the examination period. In 2010, the Company was licensed in nine (9) states compared to thirty-eight (38) and the Northern Mariana Islands as of December 31, 2014. See "Plan of Operation" for additional information.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

State	Life Insurance Premiums	Accident & Health Insurance Premiums	Total
Alabama	$ 993,949	$ 777,387	$ 1,771,336
Arizona	22,830	7,872	30,702
Arkansas	2,055,288	370,677	2,425,965
Colorado	0	0	0
Connecticut	6,623	3,235	9,858
Delaware	0	0	0
Florida	77,802	27,351	105,153
Georgia	1,302,592	5,108,481	6,411,073
Illinois	709,253	903,576	1,612,829
Indiana	321,006	305,543	626,549
Iowa	1,450,756	1,614,437	3,065,193
Kansas	985	8,700	9,685
Kentucky	0	0	0
Louisiana	1,291,890	1,508,646	2,800,536
Maine	0	0	0
Maryland	0	0	0
Michigan	15,215	16,073	31,288
Mississippi	2,540,847	2,624,053	5,164,900
Missouri	418,943	196,940	615,883
Nebraska	0	0	0
Nevada	4,275	12,407	16,682
New Jersey	0	0	0
New Mexico	0	0	0
North Carolina	110,440	133,100	243,540
Ohio	748,436	716,346	1,464,782
Oklahoma	38,451	10,795	49,246
Oregon	38,683	83,560	122,243
Pennyslvania	847,048	640,820	1,487,868
Rhode Island	0	0	0
South Carolina	941,452	565,953	1,507,405
Tennessee	4,551,691	3,838,382	8,390,073
Texas	271,499	106,276	377,775
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	12,649	40,485	53,134
West Virginia	275,526	43,723	319,249
Wisconsin	0	0	0
Northern Mariana Islands	0	0	0
Totals	$ 19,048,129	$ 19,664,818	$ 38,712,947

The Company was licensed in each state listed. Premium tax records were reviewed for Tennessee, and no exceptions were noted.

PLAN OF OPERATION

The Company offers both credit life and credit accident and health insurance through group policies with consumer finance companies, community banks, automobile dealers, and other sales finance entities, collectively the "producers". These producers then issue coverage, conveyed by insurance certificates issued under the group policy, to its customers.

The Company has historically focused on underwriting predominately single premium credit life and credit disability insurance. This business is produced primarily by community banks throughout Tennessee that are also the majority owners of the Company's ultimate parent, PGI. In the past few years, the mix of business has changed with an increase in production by commercial banks. In 2014, commercial banks produced almost forty-eight percent (48%) of the premium, followed by small loan companies and motor vehicle dealers. The increase in premium produced by commercial banks is primarily due to producers acquired in 2012 and 2011.

Prior to September 2011, PIC had concentrated its marketing efforts in the southeast where it had certificates of authority in Alabama, Mississippi, Kentucky, Louisiana, Arizona, Georgia, North Carolina, South Carolina, and Tennessee. In 2011, the Company entered into a reinsurance treaty and assumed the administrative responsibility of a block of credit insurance business from Guarantee Trust Life Insurance Company (GTL), a company with approximately six hundred (600) independent producers. GTL had business located in forty-two (42) states, many of which the Company was not licensed to produce business at the time of acquisition. The Company began to assume one hundred percent (100%) of GTL's credit life and disability insurance business produced September 1, 2011 and thereafter under a reinsurance agreement. The in-force business at that date was retained by GTL. The Company then began the process of applying for licenses in those states where GTL had business and the Company was not currently licensed. The objective was to obtain writing authority in these states, and as policies renew, do so under the Company's name. The Company's reported combined volume of assumed and direct premium for 2014 and 2013 was approximately $12,300,000 and $13,200,000, respectively.

In 2012, the Company acquired in-force and future credit (life) insurance business from Individual Assurance Company, Life, Accident and Health (IAC). As with the GTL transaction, the Company also assumed the administrative responsibility for this business and began assuming the credit business through a reinsurance agreement. The Company's reported premium attributable to IAC acquired agents, for both assumed and direct business, was in excess of $15,000,000 for years 2014 and 2013. The GTL and IAC transactions are discussed further in the "Reinsurance" section.

Many of the producers have organized reinsurance companies to which PIC cedes risks, thus allowing the producers to participate in the profit or loss of the business. These reinsurance companies are known as "producer owned reinsurance companies" (PORCs). PGI and the Company specialize in setting up and managing PORCs as a primary way to add new credit insurance relationships. The services offered include licensing, financial and tax return preparation/filings, and regulatory support. The Treasurer of PGI and the Company is also the Treasurer for each PORC. This provides the Company with authority to move assets at each PORC to ensure collateral is adequate to meet reinsurance reserve credit requirements. These assets are held in domestic banks.

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	Net Income
2014	$26,253,556	$14,204,492	$12,049,064	$ 401,106
2013	$27,851,693	$16,478,269	$11,373,424	$ 835,294
2012	$25,104,173	$13,189,542	$11,914,631	$ 1,359,156
2011	$19,590,739	$ 8,711,449	$10,879,290	$ 1,160,908
2010	$20,854,881	$11,048,154	$ 9,806,727	$ 507,741

LOSS EXPERIENCE

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

Year	Life Premiums	Death Benefits	Loss Ratio	Accident and Health Premiums	Disability Benefits	Loss Ratio
2014	$19,048,129	$ 4,687,285	25%	$ 19,664,818	$ 3,634,866	18%
2013	$15,214,182	$ 3,789,165	25%	$ 16,977,516	$ 2,858,437	17%
2012	$11,921,420	$ 3,092,267	26%	$ 13,108,358	$ 2,344,448	18%
2011	$11,937,708	$ 3,772,346	32%	$ 7,536,881	$ 2,069,202	27%
2010	$11,354,672	$ 3,309,846	29%	$ 6,939,994	$ 2,272,027	33%

REINSURANCE AGREEMENTS

The Company's reinsurance agreements were reviewed and found to contain the standard provisions for arbitration, cancellation, errors and omissions, exclusions, insolvency, offset, settlement, taxes, and termination. The Company's reinsurance agreements did transfer risk in accordance with SSAP No. 62 and NAIC guidelines. The following summary describes the reinsurance agreements in effect as of December 31, 2014:

REINSURANCE ASSUMED

Plateau Casualty Insurance Company (PCIC)

PCIC cedes one hundred percent (100%) of each and every all cause death, disability, and accidental death and dismemberment risk covered under a debt protection (cancellation) program to the Company, effective January 1, 2014. Debt protection coverage involves a risk where a consumer's debt due to a financial institution will be cancelled in the event of certain specified occurrences. To this end, PCIC issues a contractual liability insurance policy to the financial institution. PCIC utilizes the FOURPOINT™ system of software and hardware to underwrite the financial institution's customers, track the loan payments by financial institution, and bill the financial institution monthly for a percentage of the monthly loan payments received by the financial institution. The customer pays the financial institution a fee based on the loan payment each month, in addition to their loan payment for this protection provided by the financial institution.

Guarantee Trust Life Insurance Company

Effective September 1, 2011, PIC acquired under a one hundred percent (100%) coinsurance arrangement the liabilities of Guarantee Trust Life Insurance Company (GTL), covering all policies of credit life and credit accident and health insurance written after that date. Through this transaction, PIC gained access to the credit life and credit disability insurance written by approximately six hundred (600) producers. The assumed premium resulting from this transaction was $3,700,000 and $8,700,000 in 2014 and 2013, respectively. The decrease between years is the result of PIC converting a significant portion of the former GTL customers to PIC direct premium.

Individual Assurance Company

Under an agreement effective September 30, 2012, PIC assumed on a one hundred percent (100%) indemnity basis, the credit insurance business of Individual Assurance Company (IAC). Unlike the GTL transaction where PIC only assumed business on a going-forward basis, this acquisition involved the assumption of all in-force business.

REINSURANCE CEDED

The Company also retrocedes smaller portions of the above described business back to the originating party, as per the original contract requirements. Applicable retrocessions are briefly described below:

Guarantee Trust Life Insurance Company

PIC retroceded back to Guarantee Trust Life Insurance Company certain of the PIC liabilities that PIC assumed from GTL effective September 1, 2011, in order for GTL to meet its continuing obligation to certain reinsurers of GTL under agreements existing at the date the business was acquired.

Individual Assurance Company

The Company retrocedes back to IAC certain of the PIC liabilities arising under certain IAC policies/certificates of credit life and credit accident and health insurance in-force prior to September 30, 2012, and policies issued on IAC paper and effective after September 29, 2012, to the extent necessary to enable IAC to meet its obligations under agreements existing at the date the business was acquired.

Munich American Reassurance Company

Pursuant to an agreement initially effective January 1, 1995, for its credit life and accidental death risks, PIC typically retains $40,000 per insured life and cedes the excess to Munich American Reassurance Company (MARC). The agreement has been amended several times for minor coverage related details. In instances where a PORC retains a per-life risk, the threshold is increased to $55,000 per-life, with the excess being ceded to MARC.

Tennessee Life Insurance Company

PIC has reinsurance in force covering one hundred percent (100%) of each and every life insurance risk, up to the maximum amount of $15,000 for life insurance and $250 per month for accident and health issued by PIC, in respect to debtors of the producers to Tennessee Life Insurance Company, pursuant to an agreement originally effective December 9, 1986.

Westport Life Insurance Company

PIC cedes one hundred percent (100%) of each and every benefit payable by PIC up to the first $25,000 of life coverage and the first $1,000 of monthly disability benefits on the death or disability of any one (1) insured-debtor under any group or individual policies of credit life and credit accident and health insurance issued by PIC, with respect to insured-debtors of the producers as designated by the reinsurer to Westport Life Insurance Company effective February 1, 2013.

Plateau Reinsurance Company

PIC maintains an arrangement whereby it cedes one hundred percent (100%) of its accident and health exposure that is not ceded to a PORC or MARC on a written basis to an affiliate, Plateau Reinsurance Company (PRC), a Tennessee domiciled captive. Business ceded to PRC on a written basis, and subsequently business ultimately ceded to a PORC on an earned basis or subject to a retrocession based on experience, is retroceded back to PIC on an earned basis. Business not subject to a reinsurance treaty with a PORC or a producer retrocession is held at PRC. In the year 2014, this arrangement involves cessions of premium and contract reserves totaling approximately $15,100,000 and $17,000,000, respectively, and the retrocession (assumption to PIC) of premiums and contract reserves totaling approximately $7,400,000 and $-0-, respectively. According to management, the primary purpose of this transaction is to assist the company in maintaining its small life insurance company status. In addition, the nature of the agreement provides surplus relief to PIC.

Subsequent to the examination, in November 2015, PIC entered into a life reinsurance agreement with PRC to include credit life business with one particular producer. This credit life business is retained by PRC and is not subject to a retrocession agreement. According to management, the primary purpose of this transaction is also to provide surplus relief and it segregates the risk written by this particular producer.

Producer Owned Reinsurance Companies (PORCs)

A significant component of Plateau's operations involves the organization and management of numerous PORCs, which are owned by individual credit producers. Plateau provides a comprehensive array of management services to the individual PORCs, including an officer of the Company is named as Treasurer of the PORC, primarily for the purpose of managing the collateral required to obtain credit for unauthorized reinsurance.

For credit life risks, PIC and/or the individual PORC will typically retain the first $55,000 of risk, and cede the excess to MARC via a reinsurance contract described above. In most cases, a PORC will get the first $15,000 of a credit life policy, PIC will take the next $40,000, and the rest will be ceded to MARC. If there is no PORC included, then the excess above $40,000 is ceded directly to MARC.

Most transactions involving accident and health business are initially ceded to the captive company, PRC on a written basis. Business which is contracted to be ceded to a PORC on an earned basis, or if it is subject to a retrocession with the producer, is retroceded back to PIC as it is earned. Business not subject to being ceded to a PORC as earned or a retrocession with a producer is retained by PRC.

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination, and as of December 31, 2014, the Company is a party to various pending legal proceedings arising in the ordinary course of business. In part upon the opinion of its counsel as to the ultimate disposition of such lawsuits and claims, Company management believes that contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the jurisdictions or custodians named below, as of December 31, 2014.

Special Deposits

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Georgia - Department of Insurance	Cash	$ 35,000	$ 35,000	$ 35,000
Louisiana - Department of Insurance	Cash	100,000	100,000	100,000
Massachusetts - Division of Insurance	Medway Mass RFDG 2.0%, Due 2-15-2020 CUSIP #585089LV5	152,194	152,300	150,000
New Mexico - Insurance Department	Bernalillo Cnty NM GO 4.0%, Due 6-15-2023 CUSIP #085275D77	111,680	111,928	100,000
North Carolina - Department of Insurance	Cash	400,000	400,000	400,000
South Carolina - Department of Insurance	FHLMC MTN 1.75%, Due 5-15-2019 CUSIP # 3134G3UY4	170,000	168,732	170,000
Virginia - Bureau of Insurance	Virginia Beach, Virginia GO 5.0%, Due 4-1-2019 CUSIP# 927734WW9	230,402	231,668	200,000
Total		$ 1,199,276	$1,199,628	$ 1,155,000

General Deposits

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Tennessee - Department of Insurance	USTN 0.875% Due 1-31-2017 CUSIP # 912828SC5	$ 350,872	$ 351,012	$ 350,000
Tennessee - Department of Insurance	USTN 2.125% Due 8-15-2021 CUSIP #912828RC6	$ 100,193	$ 101,180	$ 100,000
Tennessee - Department of Insurance	FNMA 1.85%, Due 12-26-2018 CUSIP #3136FTWX4	$ 699,780	$ 669,564	$ 700,000
Tennessee - Department of Insurance	FNMA 1.5% Due 12-24-2020 CUSIP #3136G17L7	$ 275,000	$ 264,597	$ 275,000
Tennessee - Department of Insurance	FHLMC 1.5% Due 9-17-2019 CUSIP # 3134G3L99	$ 300,000	$ 294,306	$ 300,000
Total		**$ 1,725,845**	**$ 1,680,659**	**$1,725,000**
Total Special and General Deposits		**$ 2,925,121**	**$ 2,880,287**	**$2,880,000**

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 was audited by Johnson & Lambert, LLP for 2014 and 2013, and by Crowe Horwath, LLP for 2012, 2011 and 2010. Both firms were 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. Immaterial differences were noted due to rounding. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. All of the Company's investment securities were confirmed with the custodian of such securities as of the date of this examination. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

During the period of examination, the Company had custodial agreements with Raymond James and Regions Bank. These agreements did not meet all requirements of Tenn. Comp. R. & Regs. 0780-01-46, Regulations on Custodial Agreements and the Use of Clearing Corporations. The primary deficiencies related to the lack of custodian requirements to reimburse the company for any lost or stolen securities and requirements for replacement of any securities lost. Also, the agreement wording was less than what is required in regards to simple negligence on the part of the custodian. Subsequent to the completion of examination field work, the Company executed a new custodial agreement with Regions Bank which meets the requirements of the above referenced statute and discontinued the use of services of Raymond James. See "Comments and Recommendations" section later in this report for additional information.

The Company's books and records are located in Crossville, Tennessee.

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company as of December 31, 2014, in conjunction with this examination. The following items were addressed:

Underwriting, Rates and Policy Forms

In the examination of underwriting and rating, Company operations were examined for compliance with their own underwriting guidelines, filed rates and forms, and applicable statutes and rules. In conducting the examination, random samples were selected from open, closed, and declined underwriting files. As a result of examination, no issues or concerns were identified.

Complaint Handling Practices

The Company's complaint handling procedures and complaints received by the Company were examined to ensure that records maintained by the Company were in accordance with applicable statutes, rules, and regulations, and that the time-frame within which the Company responded to complaints was reasonable. As a result of examination, no issues or concerns were identified.

Advertising

All advertising and sales materials used by the Company were examined for compliance with statutory and rule requirements. As a result of examination, no issues or concerns were identified.

Claims Handling Practices

The Company's efficiency of claims handling, accuracy of payment, adherence to contract provisions, and compliance with applicable statutes and rules were examined. In conducting the examination, random samples were selected from claims approved and resisted by the Company. As a result of examination, no issues or concerns were identified.

Antifraud Plan

The Company's antifraud plan was examined to ensure that the plan was updated and included proper guidance for employees in compliance with Tenn. Code Ann. §56-53-111. Company operations were also examined for proper implementation of antifraud measures. As a result of examination, no issues or concerns were identified.

Privacy of Consumer Information:

The Company's policies and procedures for the privacy of consumer information were examined to ensure the Company had developed and implemented written policies and procedures for the management of confidential and personal insurance information. As a result of examination, no issues or concerns were identified.

SUBSEQUENT EVENTS

No events occurring subsequent to December 31, 2014, through the date of the report were identified that merit recognition or disclosure in this report.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a summary of operations as of December 31, 2014, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2014 Annual Statement.

ASSETS

	Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$ 14,224,146	$ 342,082	$ 13,882,064
Common stocks	705,461		705,461
Properties occupied by the company	189,350		189,350
Cash and short-term investments	7,181,042	156,460	7,024,582
Other invested assets	196,183		196,183
Investment income due and accrued	93,231		93,231
Amounts recoverable from reinsurers	2,964,321		2,964,321
Net deferred tax asset	1,297,847	1,069,310	228,537
Guaranty funds receivable or on deposit	74,866		74,866
Electronic data processing equipment and software	345,241		345,241
Furniture and equipment	4,445	4,445	0
Aggregate write-ins for other than invested assets:			
Accounts receivable	549,721		549,721
Prepaid items	110,773	110,773	0
Intangible assets	4,017,564	4,017,564	0
Interest maintenance reserve	1,074	1,074	0
Totals	$ 31,955,265	$5,701,708	$ 26,253,556

LIABILITIES, SURPLUS, AND OTHER FUNDS

Aggregate reserve for life contracts		$ 8,042,654
Aggregate reserve for accident and health contracts		845,346
Contract claims: Life		855,359
Contract claims: Accident and health		119,057
Commissions to agents due or accrued		220,910
General expenses due or accrued		123,935
Taxes, licenses and fees due or accrued		452,655
Current federal and foreign income taxes		50,080
Asset valuation reserve		79,457
Reinsurance in unauthorized companies		225,180
Payable to parent, subsidiaries and affiliates		9,719
Aggregate write-ins for liabilities:		
Payable to reinsurers		2,161,389
Contingencies payable		739,175
Experience refund commission liability		279,576
Total Liabilities		14,204,492
Common capital stock	$ 2,500,000	
Surplus notes	3,011,575	
Gross paid in and contributed surplus	1,000,000	
Unassigned funds (surplus)	5,537,489	
Total Capital and Surplus		12,049,064
Totals		$ 26,253,556

SUMMARY OF OPERATIONS

Premium and annuity considerations for life and accident	
and health contracts	$ 18,425,448
Net investment income	317,878
Amortization of interest maintenance reserve	1,325
Commissions and expense allowances on reinsurance ceded	21,433,607
Totals	40,178,258
Death benefits	5,230,564
Disabiltiy benefits and benefits under accident and health	
contracts	1,350,285
Increase in aggregate reserves for life and accident and health	
contracts	175,901
Totals	6,756,750
Commissions on premiums, annuity considerations and deposit-type	
contract funds	17,920,533
Commissions and expense allowances on reinsurance assumed	9,778,829
General insurance expenses	4,252,872
Insurance, taxes, licenses and fees	921,449
Totals	39,630,433
Net gain from operations before dividends to policyholders and	
federal income taxes	547,846
Federal and foreign income taxes incurred	146,740
Net Income	$ 401,106

CAPITAL AND SURPLUS ACCOUNT

	2014	2013	2012	2011	2010
Capital and Surplus					
December 31, previous year	$ 11,373,424	$ 11,914,631	$ 10,879,290	$ 9,806,727	$ 9,173,619
Net income	401,106	835,294	1,359,156	1,160,908	507,741
Change in net unrealized capital					
gains or (losses)	9,987	8,187	(185,116)	56,783	122,351
Change in net deferred income tax	(927,956)	259,303	1,672,125	(211,391)	7,652
Change in non-admitted assets	1,189,876	106,319	(6,399,238)	74,850	70,038
Change in liability for reinsurance					
in unauthorized and certified					
companies	16,570	(241,750)	0	0	0
Change in asset valuation reserve	(13,942)	(20,136)	67,420	(8,587)	(74,674)
Change in surplus notes		(1,488,424)	4,500,000	0	0
Cumulative effect of changes in					
accounting principles	0	0	20,994	0	0
Capital changes:					
Paid in	0	0	1,450,000	1,000,000	0
Transferred to surplus	0	0	(1,450,000)	0	0
Surplus adjustments:					
Paid in	0	0	450,000	(450,000)	0
Transferred from capital	0	0	1,000,000	0	0
Dividends to stockholders	0	0	(1,450,000)	0	0
Transfer from unassigned surplus					
to contributed surplus	0	0	0	(550,000)	0
Net change in capital and surplus					
for the year	675,641	(541,207)	1,035,341	1,072,563	633,108
Capital and Surplus					
December 31, current year	$ 12,049,065	$ 11,373,424	$ 11,914,631	$ 10,879,290	$ 9,806,727

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

No adjustments were made to surplus as a result of this examination.

SUMMARY SCHEDULE FOR CHANGES IN CAPITAL AND SURPLUS

There were no adjustments to capital and surplus as of December 31, 2014, based on the results of this examination.

COMMENTS AND RECOMMENDATIONS

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

Comments

1. At the date of the examination, the Company's custodial agreements did not meet all requirements of Tenn. Comp. R. & Regs. 0780-01-46, Regulations on Custodial Agreements and the Use of Clearing Corporations. The Company has subsequently executed an agreement that satisfies the requirements of Tenn. Comp. R. & Regs. 0780-01-46.

2. The management service agreement between PGI and the Company does not contain a specific date for amounts owed as required by SSAP No. 25. The Company has submitted a revised agreement to the TDCI for approval.

Recommendations

1. The Company did not elect an Executive Vice President in 2014, as required by its Bylaws.

   It is recommended the Company elect an Executive Vice President in compliance with its Bylaws.

CONCLUSION

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 Plateau Insurance Company of Crossville, Tennessee.

In such manner, it was found that as of December 31, 2014, the Company had admitted assets of $26,253,556 and liabilities, exclusive of capital and surplus, of $14,204,492. Thus, there existed for the additional protection of the policyholders, the amount of $12,049,064 in the form of common capital stock of $2,500,000, surplus notes of $3,011,575, gross paid in and contributed surplus of $1,000,000, and unassigned funds of $5,537,489.

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, Jay Uselton, CFE and Rhonda Bowling-Black, CFE, Insurance Examiners for the State of Tennessee, and Ryan Havick, CFE, James Burch, CFE, and Michael Nadeau, CFE, AES, Insurance Examiners with the firm Eide Bailly LLP, Fargo, North Dakota, representing the State of Tennessee, participated in the work of this examination. An actuarial review was performed by Michael Mayberry, FSA, MAAA, of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas.

Respectfully submitted,

James Menck, CFE
Examiner-in-Charge
Eide Bailly LLP, representing
The State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Plateau Insurance Company located in Crossville, Tennessee, dated April 13, 2016, and made as of December 31, 2014, 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.

James Menck, CFE
Examiner-in-Charge
Eide Bailly LLP, representing
The State of Tennessee

State Texas

County Tarrant

Subscribed to and sworn before me

this 18th day of June, 2016

(NOTARY)

My Commission Expires: 10/30/18

SABRINA E. MENCK
Notary Public, State of Texas
My Commission Expires
October 30, 2018

EXHIBIT B

ThePlateauGroup

Phone: 931-484-8411
Fax: 931-484-0692
Toll-Free: 1-800-752-8328
P.O. Box 7001
Crossville, TN 38557-7001

June 22, 2016

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

RE: Report of Examination – **Plateau Insurance Company**

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for **Plateau Insurance Company**. By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Dick Williams
President

Your first choice.