

Applicant: **Modern USA Insurance Company**

FEIN#:

NAIC#:

PART I. BASIC INFORMATION

Attached are the Contact Information, Surplus Note Requested and Financial Information of Modern USA Insurance Company.

Applicant: **Modern USA Insurance Company**

FEIN#:
NAIC#:

CONTACT INFORMATION

Application Date: **May 24, 2007**

Insurer's* Name ("Applicant"): **Modern USA Insurance Company** NAIC#: **Not Applicable**

Group Name, if applicable: **Not Applicable** Group NAIC#: **Not Applicable**

Address of Administrative Office: **1528 Lakeview Road, Clearwater, FL 33756**

Contact Name and Title: **Raymond M. Blacklidge General Counsel**

Telephone Number: **(727) 561-0013 ext. 142** Fax Number: **(727) 507-7596**

Email Address: **rayb@westpointuw.com**

State of Domicile: **Florida**

SURPLUS NOTE* REQUESTED

Principle Amount of Surplus Note Requested: **7 million**

Date Funds are desired: **June 1, 2007**

Amount of New Capital* contributed: **7 million**

Anticipated date New Capital infused: **June 1, 2007**

Will the New Capital be encumbered? **No** If yes, describe: _____

Address for the source of New Capital: **1528 Lakeview Road, Clearwater, FL 33756**

Contact Name for the source of New Capital: **Raymond M. Blacklidge**

Telephone Number for the source of New Capital: **(727) 561-0013 ext. 142**

Fax Number for the source of New Capital: **(727) 507-7596**

Name of depository of New Capital: **SunTrust Bank**

Address of depository of New Capital: **Mail Code FL SP 3023, 300 1st Avenue South, St. Petersburg, FL 33701**

Contact Name for depository and Title: **Janis Albritton, CFP Client Advisor, Sr. Vice President**

Private Wealth Management

Telephone Number for the depository: **(727) 892-3925**

Fax Number for the depository: **(727) 892-4796**

Email Address for the Contact at the depository: **Janis.albritton@suntrust.com**

FINANCIAL INFORMATION

Current Surplus* amounts as of the latest month end: _____

Surplus as of the most recent filed financial statement with the Office*: _____

Annualized Net Written Premium* as of the latest month end: _____

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Annualized Net Written Premium as of the most recently filed financial statement with the Office: _____

Current ratio of Net Written Premium to Surplus as of the latest month end: _____

Date Applicant estimates reaching the Minimum Writing Ratio*, if not already obtained: _____

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PART II. BUSINESS PLAN

Attached is an executive summary of the Applicant's business plan including the number of new policies the Applicant intends to write as a result of this Program and time frames for writing such policies. Also included is the target area of the state where the Applicant plans to write new policies

Modern USA Insurance Company

**1528 Lakeview Rd.
Clearwater, FL 33756
(727) 561-0013**

A Business Plan

Business Plan

Executive Summary

The property insurance market in Florida (as reported by the Office of Insurance Regulation, is \$5.6 billion) has been in a state of turmoil with back-to-back record hurricane seasons in 2004 and 2005. Property insurance risk assessment and pricing throughout the world has evolved over the past decade as reinsurers, intermediaries and direct insurance carriers have modified their approach to marketing and underwriting property risks using sophisticated models. In states, such as Florida, where risk concentrations exposed to hurricanes influence carrier and reinsurer risk appetites, pricing and revenue opportunities arise and can be capitalized upon. While many insurers, particularly large national insurers, seek to reduce their exposure in Florida (as well as other catastrophe-exposed states), and non-domestic insurers avoid Florida altogether, some insurers use their detailed knowledge of Florida policyholders, territorial pricing, highly automated systems, spread of risk approach, regulatory and legislative matters, agency relationships and technical capabilities to grow a profitable book of property insurance policies. This is the opportunity we have with Modern USA Insurance Company ("MUSA"), a company with a mixture of old time values and experience with a new dynamic progressive approach.

The management team is in the process of filing an application for admission to write both homeowners and mobile homeowners insurance in the State of Florida. Management estimates that it should take a very short time to complete the licensing process.

What makes this new opportunity so appealing is the States matching surplus note program. Management worked to gain support from legislatures in an effort to reduce the current rules from a total capital of 50 million after matching funds 14 million for a mobile home writer. The proposal passed the legislature in its 2007 Legislative Session. The surplus note must be paid back over 20 years at an interest rate equivalent to approx. 4%. As part of the requirements Modern USA Insurance Company will write well over the ratio provisions provided in **Section 624.4095** as demonstrated in the pro forma.

No guarantees are expressed or implied regarding the success of the venture described in this business plan.

Mission Statement

Modern, Unified, Superior, Artful (MUSA). Increase the value of MUSA for our investors by use of strong business sense and by providing the prudent agent and insured with security and protection through our professional insurance services.

Policy Growth

Policy counts planned for MUSA in its first five years of operations is as follows:

Year One	30,900
Year Two	47,033

Year Three	59,964
Year Four	69,951
Year Five	79,367

Management considers these policy goals to be easily attainable, and in fact, can achieve even more aggressive growth rates if the combination of surplus capacity, reinsurance catastrophe cost and adequacy of underlying policy premium are more favorable than projected. Existence of an available market at reasonable prices and access to customers via agents is not a material challenge, nor a major risk factor, in this Business Plan and Business Model. Reinsurance Catastrophe markets and catastrophe pricing offer the greatest challenge to a high growth model. The challenge can be overcome by careful spreading of risks through the state of Florida, intelligent pricing in certain territories that allow for higher premium rates while the catastrophe risk exposure does not add significantly to the probable maximum loss levels for that territory in the model, and diversification into other similarly processed niche products or additional states.

An experienced management team will lead both MUSA and West Point Underwriters.

Thomas J. Jerger

EXPERIENCE

Mr. Jerger has over thirty-five years of executive experience in property and casualty insurance specializing in homeowner and mobile homeowners products.

RESPONSIBILITIES

Tom Jerger currently serves, as Chairman of the Board of **Modern USA Insurance Company** and formerly served as president of Mobile Homeowners Insurance Agencies, Inc., and Chairman of Mobile USA Insurance Company, he was responsible for the overall operations of the managing general agency. His responsibilities included recruiting new companies, negotiating contracts and reinsurance and oversaw the company filings with the Department of Insurance. Provided direction to management and marketing staff on implementation of new product development. Designed policy issuance and rating system that contained an extensive data bank for reporting purposes. Data system also included a comprehensive park file, which held data for over 9,000 mobile home parks in Florida. Provided leadership by maximizing opportunities to insure success beyond the year 2000.

CHRONOLOGY

2007-Present	Modern USA Insurance Company Chairman and CEO
1998-2000	Arx Holding Corporation Board Member

1999	Philadelphia Consolidated Holding Corp. Board Member
1993-1999	The Jerger Company, Inc. Chairman of the Board
1993-1999	Mobile USA Insurance Company, Inc. Chairman of the Board
1988-1999	MHIA Premium Finance President
1988-1999	Mobile Adjustment Company, Inc. Executive Vice President
1971-1999	Mobile Homeowners Insurance Agencies, Inc. Executive Vice President President
1971-1999	Jerger & Sons, Inc. Executive Vice President

EDUCATION

1971	University of Florida, Gainesville, Florida Bachelor of Science – Insurance
1968	St. Petersburg Junior College

T. John Jerger, Jr.

EXPERIENCE

Modern USA Insurance Company

2007 – Present

President

- Mr. Jerger used his knowledge to create a Florida Domiciled Insurance Company dedicated to writing Mobile Home and Homeowner products in the State of Florida. He is responsible for placing reinsurance, setting risk tolerance/goals, day-to-day operations, as well as, the overall profitability of the Company.

West Point Underwriters, LLC

2000 – Present

Chief Operating Officer and Co-Founder

- Mr. Jerger used his knowledge to design and build an on-line quoting, rating, policy issuance and inquiry system through a Web Browser. The system utilizes “artificial

intelligence” to prevent data entry errors and incompleteness on the electronic application. As of date of issuance of this Business Plan, fully 95% of the homeowners policies issued by the system required no human intervention at West Point Underwriters.

The Jerger Companies

1998-2000

Director of Marketing and Assistant Vice President

- Responsible for overall production and profitability of the Company. Aided in growing the Jerger Company, Inc. from \$65,000,000 in overall production in 1998 to just over \$82,000,000 in 1999. Instrumental in the development of new programs in California, Nevada, Colorado and New Jersey. Worked hand and hand with the President to control the spread risk and help develop rates, as well as, responsible for setting and attaining goals for my Marketing Team. Other duties included identifying production trends and analyzing reinsurance reports.

1996-1998

Marketing Representative

- Responsible for 175 agents in 4 counties. Other duties included training agents on new products, increasing overall production in my territory by 20%, and controlling the agency production, loss ratios and overall attrition through reporting.

1994-1996

Personal Lines Underwriter

- Duties included Underwriting New Business, processing endorsement request, cancellation request. Also charged with answering phone calls from agents related to Billing and Underwriting.

1991-1994

Operations Manager

- Duties included nightly processing of business, running and verifying accuracy of month end reports, developing and running reports for the reinsurance marketplace, as well as verifying their accuracy. Other responsibilities included acting as the liaison between all team leaders and IT programmers to develop new reports and developing report routines for Companies and State Agencies representatives.

1987-1991

Various Duties as Assigned

EDUCATION

1997-1998

University of Phoenix -- Online Campus

1994-1997

University of South Florida

1993-1994

Central Insurance School

1991-1993

St. Petersburg Junior College

RAYMOND M. BLACKLIDGE, JD, FIC

Mr. Blacklidge has been a practicing attorney since 1986. He is licensed in both Florida and Illinois. He currently has a sole proprietorship in Wesley Chapel, Florida and currently serves as Sr. Vice President and Secretary for **Modern USA Insurance Company**. Ray worked closely with the Florida Office of Insurance Regulation in the application and licensing of American Traditions and has on many occasions worked with and is well respected by the department's staff. In addition, Mr. Blacklidge serves as General Counsel for the following companies: West Point Underwriters, LLC; Inter-Coastal Security and Holdings Insurance Group, LLC; Access – P.T., Inc.; US First Holding Company; USF Delta Chi Housing Corporation; Sentinel Surveillance Technology, Inc.; Biotechnical Writing Services, Inc.; The Smart Group, Inc. He also has represented American Strategic Insurance Corporation; ASI Lloyds of Texas and other insurance companies.

Mr. Blacklidge also currently serves as Corporate Secretary for Jerger Holding Corporation, T.J. Jerger, MGA, LLC and Storm King Claims Services, LLC. He has served as Director, Senior Vice President, General Counsel and Corporate Secretary of Liberty American Insurance Group, Inc. (Formerly **JERGER COMPANY, INC.** an insurance holding company,).

He also served as Board Member, Senior Vice President, General Counsel, Corporate Secretary and Registered Agent for each of its subsidiaries. Consisting two property and casualty insurance companies, an independent insurance agency, a managing general agent, a premium finance company and a claims handling company.

Ray has served as head of Philadelphia Insurance Companies' legal department for this A.M. Best A+ rated, \$600 million, 500 plus employee company.

Mr. Blacklidge was employed as a Regional Manager and Counsel for the Alliance of American Insurers a national association of more than 270 property and casualty insurance companies. Ray is a National expert on no-fault automobile insurance and other automobile related issues. Mr. Blacklidge managed all the legislative, regulatory, public affairs and membership activities in the Southeast and has lobbied in over 30 states. He was commended for helping bring together, legislators, the Department of Insurance and the Florida insurance industry regarding legislation resolving problems with the Florida Hurricane Catastrophe Fund, Joint Underwriting Association and excess profits laws. Following hurricane Andrew, legislators and regulators reacted to deteriorating insurance marketplace in Florida with highly controversial responses, and Ray helped prepare a pro-active, pro-competition strategy that helped shape the economic and political debate taking place. His leadership was recognized by the six new member companies from Florida that joined the Alliance of American Insurers that year. In addition, he helped pass major workers compensation reform in Tennessee and Georgia. Ray also performed statutory and regulatory analysis, drafted comments, and made oral presentations to state regulators and legislators.

PROFESSIONAL: Florida Bar # 0546240, Licensed Florida Health, Life and Variable Annuity Agent, License Number D073580 April 2001-Present, Florida authorized House Counsel 1996-2000, ID# 0051492; Illinois Bar 1986-Present, ID#06192106, U.S. District Court Northern District, Eastern Division, Trial Bar; U.S. District Court Middle District Florida, Fraternal Insurance Counselor, Florida Title Insurance Agent, Illinois Title Insurance Agent Notary Public; and former: Executive Board Member and Property Committee Chairman of the Florida Insurance Council and member of their Automobile, Fraud and Managed Care for Automobile committees, the Workers Compensation committee and its Anti Fraud Committee; Member of the Alliance of American Insurers Government Affairs Committee; Member of the Alliance of American Insurers Southern Regional Advisory Committee; Registered Florida Lobbyist and Formerly Registered Lobbyist in numerous States.

Mr. Blacklidge also served as a member of the Tennessee Anti-Car Theft Committee; a member of the Florida Anti-Car Theft Committee and chairman of its government relations committee; a member of the Georgia Anti-Car Theft Committee and member of its government relations committee. Ray also served as a member of the Executive Committee of Project Safe Georgia,

EDUCATION: Southern Illinois University, Carbondale, IL, B.A. Political Science, May 1982 The John Marshall Law School, Chicago, Illinois, Juris Doctor, August 1985.

BRIAN J. ADAMSKI, CPA

EDUCATIONAL AND PROFESSIONAL DESIGNATION

BBA, Accounting, Loyola College
Certified Public Accountant, State of Maryland
Certified Public Accountant, State of Florida

EXPERIENCE

Modern USA Insurance Company – Clearwater, Florida
April 2006 to Present – Chief Financial Officer

Primarily responsible for the monthly, quarterly and annual reporting of the insurance company's results of operations and financial position. Reporting responsibilities also include related entities. Preparation of quarterly and annual statements filed with the NAIC and FL Office of Insurance Regulation. Management of investment portfolio to maximize return while maintaining compliance with statutory requirements.

Baumann, Raymondo & Company, PA – Tampa, Florida
2003 to 2006 – Sr. Manager

Insurance Clients Served: American Superior Insurance Co., Vesta Insurance Group, Select Insurance Group, ZC Sterling, Risk Enterprise Management.

Certegy, Inc. – St. Petersburg, Florida
2002 to 2003 – Director, Financial Audit

Ernst & Young LLP – Tampa, Florida
1998 to 2002 – Sr. Manager

Advised the Florida Residential Property and Casualty Joint Underwriting Association in the development of an audit approach to evaluate compliance with the “take out” programs implemented as a result of hurricane Andrew in 1992.

Insurance Clients Served: American Summit Insurance Co., American Superior Insurance Co., Argus Fire Insurance Co., Companion Property and Casualty, Fortis, Inc., ING, New Hampshire Insurance Co. (AIG), Provident Indemnity Life Insurance Co., Select Insurance Group, Sunshine State Insurance Co., Universal Property and Casualty, Vesta Insurance Group.

USF&G Corporation (St. Paul Companies) – Baltimore, Maryland
1997 to 1998 – Security Auditor

Responsible for the identification, analysis and reporting of agent, employee and policyholder fraud. Additional responsibility included the comprehensive analysis and recovery of erroneous legal fees associated with the litigation of claims for which the company was potentially liable.

Alexander & Alexander (AON) – Baltimore, Maryland
1994 to 1997 – Business Analyst

Designed, implemented and oversaw the Business Analysis Group. The group served as an internal audit and quality assurance group serving the North American offices of Alexander and Alexander, Inc. The function reviewed local offices for potential errors and omissions exposure, performed financial reviews, analyzed local profitability and staffing and performed audits of internal controls.

Schiller, Holinsky & Gardner P.A. – Baltimore, Maryland
1993 to 1994 - Senior Associate

Grant Thornton LLP – Baltimore, Maryland
1990 to 1993 – Staff Auditor

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants

Maryland Association of Certified Public Accountants

- Former Chairman, Young Members Committee
- Former Member, Litigation Support Committee

Recent Litigation Involvement

Vesta Fire v Insurance Ventures

Provident Indemnity Life v Reinsurance Group of America

SPEAKER

Sarbanes-Oxley Act of 2002

Internal Audit Best Practices

Managing the Relationship Between Accounting and Information Technology

Forward-Looking Information

This release may contain forward-looking statements that are based on management's estimates, assumptions and projections. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties that may affect the operations, performance, development, results of the Company's business, and the other matters referred to above include, but are not limited to: (i) changes in the business environment in which the Company operates, including inflation and interest rates; (ii) changes in taxes, governmental laws, and regulations; (iii) competitive product and pricing activity; (iv) difficulties of managing growth profitably; (v) claims development and the adequacy of the Company's liability for unpaid loss and loss adjustment expenses; (vi) severity of natural disasters and other catastrophe losses; (vii) adequacy of reinsurance coverage which may be obtained by the Company; (viii) ability and willingness of the Company's reinsurers to pay; (ix) future terrorist attacks; (x) the outcome of the Securities and Exchange Commission's industry-wide investigation relating to the use of non-traditional insurance products, including finite risk reinsurance arrangements; and (xi) the outcome of industry-wide investigations being conducted by various insurance departments, attorneys-general and other authorities relating to the use of contingent commission arrangements. The Company does not intend to publicly update any forward-looking statement, except as may be required by law.

Homeowners County Projections thru 2008

<u>County</u>	<u>Count</u>	<u>Aggregate</u>	<u>Premium</u>
Alachua	534	\$ 169,767,924	\$ 529,538
Brevard	276	\$ 94,907,197	\$ 468,917
Broward	92	\$ 38,083,388	\$ 240,000
Charlotte	57	\$ 20,649,214	\$ 136,496
Citrus	108	\$ 38,303,333	\$ 157,503
Clay	346	\$ 126,747,121	\$ 324,221
Collier	95	\$ 36,647,584	\$ 239,760
Columbia	13	\$ 3,509,783	\$ 15,765
Duval	739	\$ 243,988,876	\$ 757,255
Flagler	134	\$ 51,103,522	\$ 133,252
Gadsden	49	\$ 12,659,485	\$ 41,990
Gilchrist	1	\$ 412,300	\$ 1,147
Glades	1	\$ 177,072	\$ 1,706
Hardee	13	\$ 2,819,388	\$ 12,801
Hendry	18	\$ 4,670,683	\$ 17,483
Highlands	335	\$ 89,270,514	\$ 352,584
Hillsborough	1087	\$ 454,007,400	\$ 1,948,568
Lake	996	\$ 351,969,958	\$ 974,611
Lee	137	\$ 48,357,066	\$ 268,797
Leon	293	\$ 82,531,492	\$ 263,865
Levy	14	\$ 4,339,008	\$ 27,614
Manatee	125	\$ 49,024,056	\$ 243,655
Marion	1019	\$ 300,242,446	\$ 883,793
Martin	1	\$ 150,660	\$ 1,286
Miami-Dade	180	\$ 58,900,000	\$ 540,000
Nassau	88	\$ 33,562,609	\$ 99,266
Okeechobee	15	\$ 3,736,331	\$ 18,125
Orange	2062	\$ 797,373,430	\$ 2,398,688
Osceola	873	\$ 316,642,922	\$ 1,067,533
Palm Beach	300	\$ 99,200,000	\$ 780,000
Pasco	1	\$ 249,810	\$ 2,267
Pinellas	243	\$ 100,996,698	\$ 633,071
Polk	1000	\$ 338,460,063	\$ 1,449,584
Putnam	51	\$ 13,146,589	\$ 62,575
Saint Johns	222	\$ 102,897,340	\$ 372,140
Saint Lucie	50	\$ 16,620,804	\$ 119,102
Sarasota	115	\$ 42,359,200	\$ 248,063
Seminole	837	\$ 319,635,141	\$ 1,216,241
Sumter	425	\$ 135,251,689	\$ 386,504
Suwannee	2	\$ 650,764	\$ 2,352
Volusia	552	\$ 179,399,153	\$ 741,999

Mobilehome County Projections thru 2008

<u>County</u>	<u>Count</u>	<u>Aggregate</u>	<u>Premium</u>
Alachua	29	\$ 2,549,660	\$ 33,879
Baker	1	\$ 70,875	\$ 721
Bay	1	\$ 25,200	\$ 485
Brevard	319	\$ 33,642,576	\$ 417,799
Broward	300	\$ 36,540,000	\$ 450,000
Charlotte	331	\$ 36,445,040	\$ 427,417
Citrus	349	\$ 24,257,860	\$ 258,205
Clay	28	\$ 2,800,526	\$ 34,407
Collier	50	\$ 4,991,680	\$ 70,196
Columbia	2	\$ 161,595	\$ 2,057
Desoto	56	\$ 4,191,236	\$ 59,481
Duval	61	\$ 4,105,108	\$ 59,860
Flagler	35	\$ 2,440,856	\$ 36,241
Gadsden	2	\$ 241,605	\$ 3,265
Glades	2	\$ 146,412	\$ 2,741
Hardee	67	\$ 5,033,975	\$ 74,323
Hendry	8	\$ 695,363	\$ 10,210
Hernando	754	\$ 75,167,783	\$ 666,682
Highlands	1401	\$ 88,719,069	\$ 952,469
Hillsborough	1249	\$ 103,320,000	\$ 1,347,914
Indian River	65	\$ 5,370,561	\$ 78,865
Lake	1822	\$ 135,491,403	\$ 1,400,840
Lee	464	\$ 41,550,054	\$ 548,637
Leon	67	\$ 6,082,549	\$ 80,435
Levy	28	\$ 2,861,340	\$ 37,000
Manatee	396	\$ 33,167,534	\$ 426,836
Marion	870	\$ 56,361,345	\$ 603,336
Martin	68	\$ 6,207,233	\$ 85,183
Miami-Dade	240	\$ 28,980,000	\$ 453,000
Nassau	1	\$ 59,850	\$ 1,036
Okeechobee	36	\$ 2,792,721	\$ 45,450
Orange	1333	\$ 111,566,229	\$ 1,095,137
Osceola	384	\$ 34,010,834	\$ 356,761
Palm Beach	360	\$ 44,131,500	\$ 720,000
Pasco	1948	\$ 157,225,493	\$ 1,592,250
Pinellas	651	\$ 50,548,945	\$ 689,515
Polk	2332	\$ 169,626,781	\$ 1,719,733
Putnam	160	\$ 13,805,505	\$ 173,272
Saint Johns	26	\$ 1,994,832	\$ 30,944
Saint Lucie	137	\$ 14,074,351	\$ 185,414
Sarasota	298	\$ 23,542,887	\$ 328,712
Seminole	348	\$ 29,782,061	\$ 303,282
Sumter	184	\$ 12,663,227	\$ 137,672
Volusia	1353	\$ 114,318,149	\$ 1,114,673

Discussion of Catastrophe Reinsurance Protection

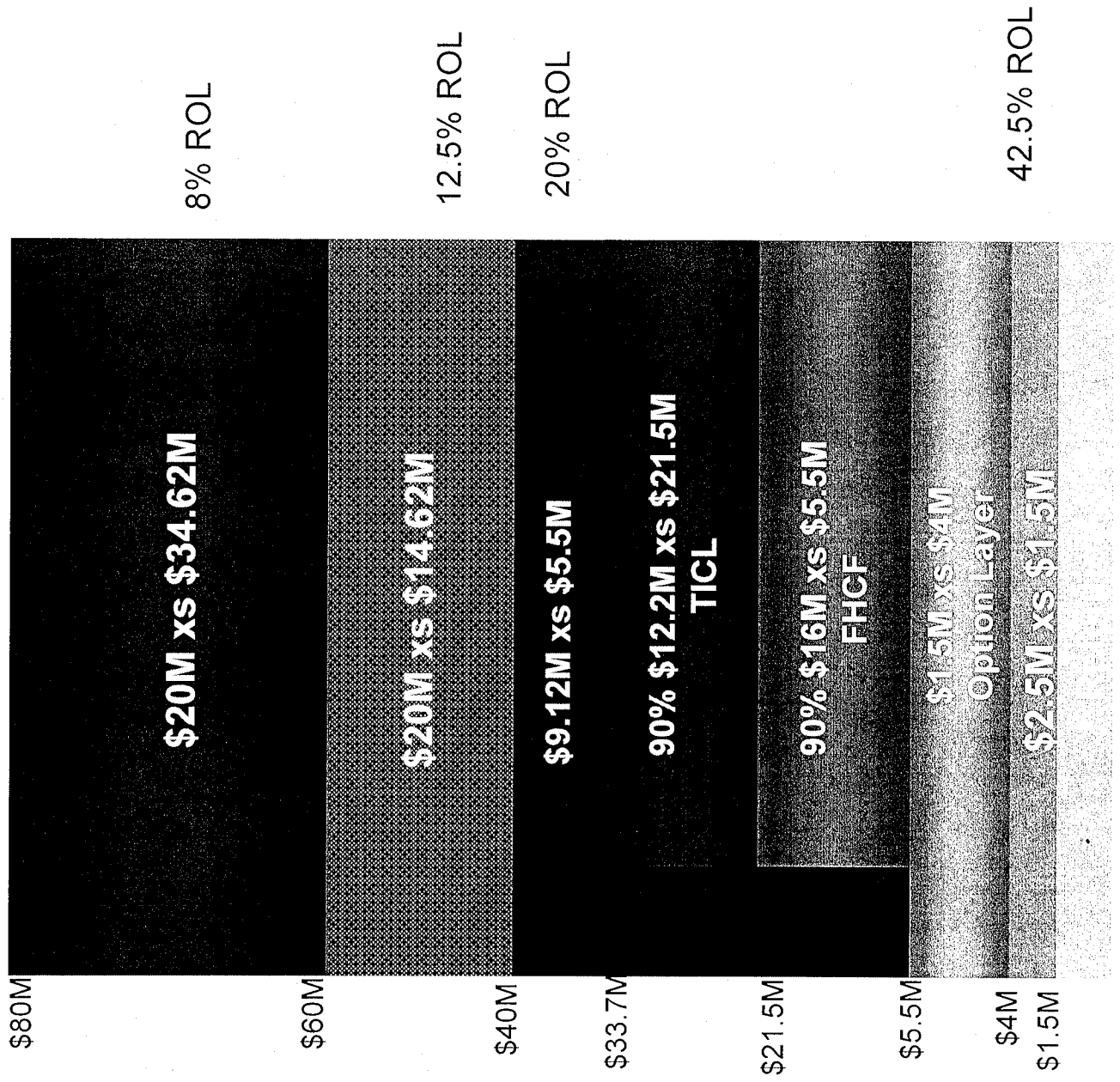
Reinsurance agreements are intended to provide the Company with the ability to maintain its exposure to loss within its capital resources. During its first twelve months of operation, the Company will implement a catastrophe reinsurance program, which is intended to respond to catastrophic losses incurred as a result of hurricanes, tornados and hailstorms. In addition to the catastrophe reinsurance program, the **MUSA** will likely explore the option of a quota share arrangement that will also serve to reduce its catastrophic exposure as well as provide the necessary surplus relief during the first several years of the Company's operation.

In addition to traditional catastrophe excess reinsurance being purchased, **MUSA** will also incorporate the mandatory coverage afforded by the Florida Hurricane Catastrophe Fund (FHCF) utilizing the 90% coverage level. The FHCF provides reinsurance protection for Hurricane events from each June 1 thru May 31, respectively. During each 'Contract Year', **MUSA's** FHCF premium and coverage will be calculated by the Cat Fund based on the Company's in force exposures at each June 30. Further, the FHCF protection will be 'dove tailed' into the Company's traditional Quota Share and Catastrophe Reinsurance Programs to provide Modern USA Insurance Company with protection to the State mandated 100 Year PML event.

The following is a graphical illustration that provides a summary of Modern USA Insurance Company's anticipated first year reinsurance structure. Based on current pro forma information, Modern America's projected catastrophe retention in Year one will be \$1,500,000 - \$2,500,000. Over the course of time, the attachment point of the traditional reinsurance program will increase as the Company's financial resources grow. Additionally, as the Company's book of business (and thus its exposure) grows, the attachment point of the FHCF (along with the overall limit provided) will move up over the course of time.

Modern USA Insurance Company

2008 Wind



Instrat® Analysis

GUY CARPENTER

Modern USA Insurance Company

Insurance in Force as of December 31, 2008 (Projection)

RiskLink v6.0 Hurricane Analysis

STOCHASTIC EVENT RATES - INCLUDING LOSS AMPLIFICATION¹

Single Occurrence Losses

Modern USA Ins. Co.

Return Period	Jun 30, 2008 ³	Dec 31, 2008 ³
10,000	\$229,114,825	\$400,950,943
5,000	\$192,715,131	\$337,251,480
1,000	\$116,698,288	\$204,222,004
500	\$89,533,128	\$156,682,974
250	\$66,687,730	\$116,703,527
200	\$60,175,222	\$105,306,639
100	\$42,500,083	\$74,375,145
50	\$28,626,610	\$50,096,568
25	\$17,443,304	\$30,525,782
20	\$14,306,753	\$25,036,817
10	\$6,455,756	\$11,297,574
5	\$1,799,833	\$3,149,708

Annual Aggregate Losses

Modern USA Ins. Co.

Return Period	Jun 30, 2008 ³	Dec 31, 2008 ³
10,000	\$233,160,488	\$408,030,854
5,000	\$196,663,892	\$344,161,811
1,000	\$120,382,390	\$210,669,183
500	\$93,015,477	\$162,777,085
250	\$69,835,529	\$122,212,175
200	\$63,195,227	\$110,591,647
100	\$45,027,745	\$78,798,554
50	\$30,494,910	\$53,366,092
25	\$18,697,497	\$32,720,619
20	\$15,378,182	\$26,911,818
10	\$6,988,242	\$12,229,423
5	\$1,946,404	\$3,406,207

Pure Premium	\$2,824,437	\$5,641,812
Standard Deviation	\$10,037,900	\$20,050,705
Coefficient of Variation	3.5539	3.4916

- 1) Pre-1994 mobile homes modeled excluding loss amplification.
- 2) December 31, 2007 projected exposure provided by ATIC and modeled according to assumptions regarding risk characteristics, deductibles, etc. June 30, 2007 projection based on a pro-rata portion of the December 31, 2007 exposure needed to develop an estimated FHCF retention of \$11M.
- 3) June 30, 2008 and December 31, 2008 projections are pro-rata values based on projected premium amounts.

Instrat® Analysis

GUY CARPENTER

Modern USA Insurance Company

Insurance in Force as of December 31, 2008 (Projection)

CLASIC/2 v8.5 Hurricane Analysis

NEAR TERM EVENT RATES - INCLUDING AGGREGATE DEMAND SURGE¹

Single Occurrence Losses

Modern USA Ins. Co.

Return Period	Jun 30, 2008 ³	Dec 31, 2008 ³
10,000	\$247,406,224	\$432,960,893
5,000	\$212,369,642	\$371,646,873
1,000	\$131,563,697	\$230,236,469
500	\$105,548,654	\$184,710,144
250	\$77,467,650	\$135,568,388
200	\$69,148,918	\$121,010,606
100	\$47,407,158	\$82,962,527
50	\$31,222,658	\$54,639,651
25	\$18,614,020	\$32,574,536
20	\$15,487,511	\$27,103,144
10	\$7,120,806	\$12,461,411
5	\$2,160,018	\$3,780,032

Annual Aggregate Losses

Modern USA Ins. Co.

Return Period	Jun 30, 2008 ³	Dec 31, 2008 ³
10,000	\$247,406,224	\$432,960,893
5,000	\$229,306,960	\$401,287,181
1,000	\$141,246,926	\$247,182,120
500	\$108,886,416	\$190,551,229
250	\$80,735,100	\$141,286,424
200	\$72,428,377	\$126,749,660
100	\$52,313,706	\$91,548,985
50	\$33,377,922	\$58,411,363
25	\$20,305,200	\$35,534,100
20	\$16,603,340	\$29,055,845
10	\$7,635,949	\$13,362,911
5	\$2,347,307	\$4,107,788

Pure Premium	\$3,180,842	\$5,641,812
Standard Deviation	\$11,051,951	\$20,050,705
Coefficient of Variation	3.4745	3.4916

- 1) Pre-1994 mobile homes modeled excluding demand surge.
- 2) December 31, 2007 projected exposure provided by ATIC and modeled according to assumptions regarding risk characteristics, deductibles, etc. June 30, 2007 projection based on a pro-rata portion of the December 31, 2007 exposure needed to develop an estimated FHCF retention of \$11M.
- 3) June 30, 2008 and December 31, 2008 projections are pro-rata values based on projected premium amounts.

Applicant: **Modern USA Insurance Company**

FEIN#:

NAIC#:

PART III. INTEROGATORRIES

Attached are the Applicant's responses to the Interrogatories from the Program application.

PART III: Interrogatories

1. Will the New Capital contribution be in excess of the Minimum Contribution*?
No.
2. Have profits been retained to grow Surplus over the last five years? If yes, how much has been retained or contributed to Surplus each year?
Not Applicable.
3. Will profits be retained to grow Surplus should the Applicant be granted the Surplus Note proceeds associated with this Program?
Yes.
4. Does the Applicant have a related company or other person or entity that is willing to guarantee the Applicant's Surplus Note under this Program? If yes, provide details.
Yes, the Jerger Insurance Holding Company, Applicant's parent company, is willing to guarantee Applicant's Surplus Note under this Program.
5. Although not required, is the Applicant willing to commit collateral for the purpose of securing the state's interest in the proceeds of the Surplus Note?
No.
6. Although not required, is the Applicant willing to deposit 10% or more of the proceeds derived from the Surplus Note in an account managed by the state?
No.
7. Although not required, is the Applicant willing to prepay interest and principal for one year in advance?
No.
8. Are there any commitments that the Applicant is willing to make as a condition of issuing the Surplus Note that would lessen the risk of default?
No.
9. Has the Applicant fully placed its 2006 hurricane season reinsurance program for the current or upcoming hurricane season?
Not Applicable.
10. If the 2006 current or upcoming hurricane season reinsurance program has been fully placed, can the Insurer withstand a 1 in 100-year event?
Not Applicable.
11. What is the Applicant's current writing ratio?
Not Applicable.

12. What was the Applicant's writing ratio for the last five years?
Not Applicable.
13. Is the Applicant willing to commit to a writing ratio in excess of the minimum for the duration of the Surplus Note? If so, note any adverse impact upon policyholder security.
Yes; no adverse impact on policyholder security.
14. Does the Applicant have a rating from a rating agency? If so, indicate the agency and the rating, how long the rating has been in effect, and whether or not the Applicant has ever been downgraded by a rating agency and the circumstances.
Not Applicable.
15. Is the Applicant currently being investigated by any federal or state regulatory authority?
No.
16. Is the Applicant under any type of regulatory control or order?
No.

PART IV. DOCUMENTS

1. A detailed business plan, which includes:

- a. A written description of the Applicant's current level of policy coverage for residential property in Florida covering the peril of wind.

SEE EXHIBIT A.

- b. Pro forma statements which outline the policy writings for the next three years and that distinguish between wind and ex-wind policy writings.

SEE EXHIBIT B

- c. If the Applicant's ratio of Net Written Premium to Surplus does not equal or exceed 2:1, or, for newly formed Insurers writing only manufactured housing policies, the ratio provisions provided in Section 624.4095, F.S., include a written strategy for increasing the ratio within sixty days of receiving the proceeds derived from the Surplus Note.

SEE EXHIBIT C

- d. A description of the Applicant's strategy to maintain or increase the Minimum Writing Ratio within 60 days of receiving the proceeds derived from the Surplus Note and to maintain such ratio for the duration of the Surplus Note.

SEE EXHIBIT D

2. A copy of the Applicant's most recent audited financial statement and copies of the audited financial statements for the prior two years.

SEE EXHIBIT E

3. A copy of the Applicant's most recent annual statement of the National Association of Insurance Commissioners required to be filed by authorized insurers pursuant to Section 624.424, F.S.

SEE EXHIBIT F

4. A resolution from the Applicant's governing board which contains the following:

- a. A statement clearly authorizing the Applicant to participate in the Program;

SEE EXHIBIT G

- b. A statement that the Applicant's governing board has reviewed the Surplus Note, Form SBA 15-2, which is available on the Board's website, www.sbafla.com, under "Insurance Capital Build-Up Incentive Program" then "Surplus Note," and that the Applicant is able to comply and intends to comply with the requirements of the Surplus Note including the requirement that the New Capital be unencumbered;

SEE EXHIBIT G

- c. A statement that the Applicant, if selected, intends to meet all the requirements of the Program including but not limited to meeting the Surplus and writing ratios.

SEE EXHIBIT G

5. Provide a list of all officers and board members.

SEE EXHIBIT H

6. Provide biographical information on the executive officers (e.g., CEO, CFO, COO).

SEE EXHIBIT I

7. A signed copy of the attestation in Part IX of this application.

SEE EXHIBIT J

8. If any items listed in this Application are not provided, please identify the item and provide an explanation as to why it was not provided.

SEE EXHIBIT K

9. Provide a current statement of investment policy and guidelines.

SEE EXHIBIT L

10. Provide a copy of any existing Surplus Notes and information on any Surplus Note being considered by the applicant, other than the Surplus Note currently being sought under this Program.

Not Applicable

EXHIBIT A

Modern USA Insurance Company

**1528 Lakeview Rd.
Clearwater, FL 33756
(727) 561-0013**

A Business Plan

Business Plan

Executive Summary

The property insurance market in Florida (as reported by the Office of Insurance Regulation, is \$5.6 billion) has been in a state of turmoil with back-to-back record hurricane seasons in 2004 and 2005. Property insurance risk assessment and pricing throughout the world has evolved over the past decade as reinsurers, intermediaries and direct insurance carriers have modified their approach to marketing and underwriting property risks using sophisticated models. In states, such as Florida, where risk concentrations exposed to hurricanes influence carrier and reinsurer risk appetites, pricing and revenue opportunities arise and can be capitalized upon. While many insurers, particularly large national insurers, seek to reduce their exposure in Florida (as well as other catastrophe-exposed states), and non-domestic insurers avoid Florida altogether, some insurers use their detailed knowledge of Florida policyholders, territorial pricing, highly automated systems, spread of risk approach, regulatory and legislative matters, agency relationships and technical capabilities to grow a profitable book of property insurance policies. This is the opportunity we have with Modern USA Insurance Company ("MUSA"), a company with a mixture of old time values and experience with a new dynamic progressive approach.

The management team is in the process of filing an application for admission to write both homeowners and mobile homeowners insurance in the State of Florida. Management estimates that it should take a very short time to complete the licensing process.

What makes this new opportunity so appealing is the States matching surplus note program. Management worked to gain support from legislatures in an effort to reduce the current rules from a total capital of 50 million after matching funds 14 million for a mobile home writer. The proposal passed the legislature in its 2007 Legislative Session. The surplus note must be paid back over 20 years at an interest rate equivalent to approx. 4%. As part of the requirements Modern USA Insurance Company will write well over the ratio provisions provided in **Section 624.4095** as demonstrated in the pro forma.

No guarantees are expressed or implied regarding the success of the venture described in this business plan.

Mission Statement

Modern, Unified, Superior, Artful (MUSA). Increase the value of MUSA for our investors by use of strong business sense and by providing the prudent agent and insured with security and protection through our professional insurance services.

Policy Growth

Policy counts planned for MUSA in its first five years of operations is as follows:

Year One	30,900
Year Two	47,033

Year Three	59,964
Year Four	69,951
Year Five	79,367

Management considers these policy goals to be easily attainable, and in fact, can achieve even more aggressive growth rates if the combination of surplus capacity, reinsurance catastrophe cost and adequacy of underlying policy premium are more favorable than projected. Existence of an available market at reasonable prices and access to customers via agents is not a material challenge, nor a major risk factor, in this Business Plan and Business Model. Reinsurance Catastrophe markets and catastrophe pricing offer the greatest challenge to a high growth model. The challenge can be overcome by careful spreading of risks through the state of Florida, intelligent pricing in certain territories that allow for higher premium rates while the catastrophe risk exposure does not add significantly to the probable maximum loss levels for that territory in the model, and diversification into other similarly processed niche products or additional states.

An experienced management team will lead both MUSA and West Point Underwriters.

Thomas J. Jerger

EXPERIENCE

Mr. Jerger has over thirty-five years of executive experience in property and casualty insurance specializing in homeowner and mobile homeowners products.

RESPONSIBILITIES

Tom Jerger currently serves, as Chairman of the Board of **Modern USA Insurance Company** and formerly served as president of Mobile Homeowners Insurance Agencies, Inc., and Chairman of Mobile USA Insurance Company, he was responsible for the overall operations of the managing general agency. His responsibilities included recruiting new companies, negotiating contracts and reinsurance and oversaw the company filings with the Department of Insurance. Provided direction to management and marketing staff on implementation of new product development. Designed policy issuance and rating system that contained an extensive data bank for reporting purposes. Data system also included a comprehensive park file, which held data for over 9,000 mobile home parks in Florida. Provided leadership by maximizing opportunities to insure success beyond the year 2000.

CHRONOLOGY

2007-Present	Modern USA Insurance Company Chairman and CEO
1998-2000	Arx Holding Corporation Board Member

1999	Philadelphia Consolidated Holding Corp. Board Member
1993-1999	The Jerger Company, Inc. Chairman of the Board
1993-1999	Mobile USA Insurance Company, Inc. Chairman of the Board
1988-1999	MHIA Premium Finance President
1988-1999	Mobile Adjustment Company, Inc. Executive Vice President
1971-1999	Mobile Homeowners Insurance Agencies, Inc. Executive Vice President President
1971-1999	Jerger & Sons, Inc. Executive Vice President

EDUCATION

1971	University of Florida, Gainesville, Florida Bachelor of Science – Insurance
1968	St. Petersburg Junior College

T. John Jerger, Jr.

EXPERIENCE

Modern USA Insurance Company

2007 – Present

President

- Mr. Jerger used his knowledge to create a Florida Domiciled Insurance Company dedicated to writing Mobile Home and Homeowner products in the State of Florida. He is responsible for placing reinsurance, setting risk tolerance/goals, day-to-day operations, as well as, the overall profitability of the Company.

West Point Underwriters, LLC

2000 – Present

Chief Operating Officer and Co-Founder

- Mr. Jerger used his knowledge to design and build an on-line quoting, rating, policy issuance and inquiry system through a Web Browser. The system utilizes “artificial

intelligence” to prevent data entry errors and incompleteness on the electronic application. As of date of issuance of this Business Plan, fully 95% of the homeowners policies issued by the system required no human intervention at West Point Underwriters.

The Jerger Companies

1998-2000

Director of Marketing and Assistant Vice President

- Responsible for overall production and profitability of the Company. Aided in growing the Jerger Company, Inc. from \$65,000,000 in overall production in 1998 to just over \$82,000,000 in 1999. Instrumental in the development of new programs in California, Nevada, Colorado and New Jersey. Worked hand and hand with the President to control the spread risk and help develop rates, as well as, responsible for setting and attaining goals for my Marketing Team. Other duties included identifying production trends and analyzing reinsurance reports.

1996-1998

Marketing Representative

- Responsible for 175 agents in 4 counties. Other duties included training agents on new products, increasing overall production in my territory by 20%, and controlling the agency production, loss ratios and overall attrition through reporting.

1994-1996

Personal Lines Underwriter

- Duties included Underwriting New Business, processing endorsement request, cancellation request. Also charged with answering phone calls from agents related to Billing and Underwriting.

1991-1994

Operations Manager

- Duties included nightly processing of business, running and verifying accuracy of month end reports, developing and running reports for the reinsurance marketplace, as well as verifying their accuracy. Other responsibilities included acting as the liaison between all team leaders and IT programmers to develop new reports and developing report routines for Companies and State Agencies representatives.

1987-1991

Various Duties as Assigned

EDUCATION

1997-1998

University of Phoenix – Online Campus

1994-1997

University of South Florida

1993-1994

Central Insurance School

1991-1993

St. Petersburg Junior College

RAYMOND M. BLACKLIDGE, JD, FIC

Mr. Blacklidge has been a practicing attorney since 1986. He is licensed in both Florida and Illinois. He currently has a sole proprietorship in Wesley Chapel, Florida and currently serves as Sr. Vice President and Secretary for **Modern USA Insurance Company**. Ray worked closely with the Florida Office of Insurance Regulation in the application and licensing of American Traditions and has on many occasions worked with and is well respected by the department's staff. In addition, Mr. Blacklidge serves as General Counsel for the following companies: West Point Underwriters, LLC; Inter-Coastal Security and Holdings Insurance Group, LLC; Access – P.T., Inc.; US First Holding Company; USF Delta Chi Housing Corporation; Sentinel Surveillance Technology, Inc.; Biotechnical Writing Services, Inc.; The Smart Group, Inc. He also has represented American Strategic Insurance Corporation; ASI Lloyds of Texas and other insurance companies.

Mr. Blacklidge also currently serves as Corporate Secretary for Jerger Holding Corporation, T.J. Jerger, MGA, LLC and Storm King Claims Services, LLC. He has served as Director, Senior Vice President, General Counsel and Corporate Secretary of Liberty American Insurance Group, Inc. (Formerly **JERGER COMPANY, INC.** an insurance holding company,).

He also served as Board Member, Senior Vice President, General Counsel, Corporate Secretary and Registered Agent for each of its subsidiaries. Consisting two property and casualty insurance companies, an independent insurance agency, a managing general agent, a premium finance company and a claims handling company.

Ray has served a head of Philadelphia Insurance Companies' legal department for this A.M. Best A+ rated, \$600 million, 500 plus employee company.

Mr. Blacklidge was employed as a Regional Manager and Counsel for the Alliance of American Insurers a national association of more than 270 property and casualty insurance companies. Ray is a National expert on no-fault automobile insurance and other automobile related issues. Mr. Blacklidge managed all the legislative, regulatory, public affairs and membership activities in the Southeast and has lobbied in over 30 states. He was commended for helping bring together, legislators, the Department of Insurance and the Florida insurance industry regarding legislation resolving problems with the Florida Hurricane Catastrophe Fund, Joint Underwriting Association and excess profits laws. Following hurricane Andrew, legislators and regulators reacted to deteriorating insurance marketplace in Florida with highly controversial responses, and Ray helped prepare a pro-active, pro-competition strategy that helped shape the economic and political debate taking place. His leadership was recognized by the six new member companies from Florida that joined the Alliance of American Insurers that year. In addition, he helped pass major workers compensation reform in Tennessee and Georgia. Ray also performed statutory and regulatory analysis, drafted comments, and made oral presentations to state regulators and legislators.

PROFESSIONAL: Florida Bar # 0546240, Licensed Florida Health, Life and Variable Annuity Agent, License Number D073580 April 2001-Present, Florida authorized House Counsel 1996-2000, ID# 0051492; Illinois Bar 1986-Present, ID#06192106, U.S. District Court Northern District, Eastern Division, Trial Bar; U.S. District Court Middle District Florida, Fraternal Insurance Counselor, Florida Title Insurance Agent, Illinois Title Insurance Agent Notary Public; and former: Executive Board Member and Property Committee Chairman of the Florida Insurance Council and member of their Automobile, Fraud and Managed Care for Automobile committees, the Workers Compensation committee and its Anti Fraud Committee; Member of the Alliance of American Insurers Government Affairs Committee; Member of the Alliance of American Insurers Southern Regional Advisory Committee; Registered Florida Lobbyist and Formerly Registered Lobbyist in numerous States.

Mr. Blacklidge also served as a member of the Tennessee Anti-Car Theft Committee; a member of the Florida Anti-Car Theft Committee and chairman of its government relations committee; a member of the Georgia Anti-Car Theft Committee and member of its government relations committee. Ray also served as a member of the Executive Committee of Project Safe Georgia,

EDUCATION: Southern Illinois University, Carbondale, IL, B.A. Political Science, May 1982 The John Marshall Law School, Chicago, Illinois, Juris Doctor, August 1985.

BRIAN J. ADAMSKI, CPA

EDUCATIONAL AND PROFESSIONAL DESIGNATION

BBA, Accounting, Loyola College
Certified Public Accountant, State of Maryland
Certified Public Accountant, State of Florida

EXPERIENCE

Modern USA Insurance Company – Clearwater, Florida
April 2006 to Present – Chief Financial Officer

Primarily responsible for the monthly, quarterly and annual reporting of the insurance company's results of operations and financial position. Reporting responsibilities also include related entities. Preparation of quarterly and annual statements filed with the NAIC and FL Office of Insurance Regulation. Management of investment portfolio to maximize return while maintaining compliance with statutory requirements.

Baumann, Raymondo & Company, PA – Tampa, Florida
2003 to 2006 – Sr. Manager

Insurance Clients Served: American Superior Insurance Co., Vesta Insurance Group, Select Insurance Group, ZC Sterling, Risk Enterprise Management.

Certegy, Inc. – St. Petersburg, Florida
2002 to 2003 – Director, Financial Audit

Ernst & Young LLP – Tampa, Florida
1998 to 2002 – Sr. Manager

Advised the Florida Residential Property and Casualty Joint Underwriting Association in the development of an audit approach to evaluate compliance with the “take out” programs implemented as a result of hurricane Andrew in 1992.

Insurance Clients Served: American Summit Insurance Co., American Superior Insurance Co., Argus Fire Insurance Co., Companion Property and Casualty, Fortis, Inc., ING, New Hampshire Insurance Co. (AIG), Provident Indemnity Life Insurance Co., Select Insurance Group, Sunshine State Insurance Co., Universal Property and Casualty, Vesta Insurance Group.

USF&G Corporation (St. Paul Companies) – Baltimore, Maryland
1997 to 1998 – Security Auditor

Responsible for the identification, analysis and reporting of agent, employee and policyholder fraud. Additional responsibility included the comprehensive analysis and recovery of erroneous legal fees associated with the litigation of claims for which the company was potentially liable.

Alexander & Alexander (AON) – Baltimore, Maryland
1994 to 1997 – Business Analyst

Designed, implemented and oversaw the Business Analysis Group. The group served as an internal audit and quality assurance group serving the North American offices of Alexander and Alexander, Inc. The function reviewed local offices for potential errors and omissions exposure, performed financial reviews, analyzed local profitability and staffing and performed audits of internal controls.

Schiller, Holinsky & Gardner P.A. – Baltimore, Maryland
1993 to 1994 - Senior Associate

Grant Thornton LLP – Baltimore, Maryland
1990 to 1993 – Staff Auditor

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants

Maryland Association of Certified Public Accountants

- Former Chairman, Young Members Committee
- Former Member, Litigation Support Committee

Recent Litigation Involvement

Vesta Fire v Insurance Ventures

Provident Indemnity Life v Reinsurance Group of America

SPEAKER

Sarbanes-Oxley Act of 2002

Internal Audit Best Practices

Managing the Relationship Between Accounting and Information Technology

Forward-Looking Information

This release may contain forward-looking statements that are based on management's estimates, assumptions and projections. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties that may affect the operations, performance, development, results of the Company's business, and the other matters referred to above include, but are not limited to: (i) changes in the business environment in which the Company operates, including inflation and interest rates; (ii) changes in taxes, governmental laws, and regulations; (iii) competitive product and pricing activity; (iv) difficulties of managing growth profitably; (v) claims development and the adequacy of the Company's liability for unpaid loss and loss adjustment expenses; (vi) severity of natural disasters and other catastrophe losses; (vii) adequacy of reinsurance coverage which may be obtained by the Company; (viii) ability and willingness of the Company's reinsurers to pay; (ix) future terrorist attacks; (x) the outcome of the Securities and Exchange Commission's industry-wide investigation relating to the use of non-traditional insurance products, including finite risk reinsurance arrangements; and (xi) the outcome of industry-wide investigations being conducted by various insurance departments, attorneys-general and other authorities relating to the use of contingent commission arrangements. The Company does not intend to publicly update any forward-looking statement, except as may be required by law.

EXHIBIT B

UCAA Proforma Financial Statements Property and Casualty Insurance Company

Instructions

1. Enter the Company Name below
2. Enter the first year of the proformas (ie. 2006).
3. Select the states to be completed for proformas by clicking the check boxes on the right and then click on the "Create Selected State Worksheets" button below.
4. Complete all sections of the proforma statements contained on each tab below.
5. Note that several tabs contain worksheets for 3 years of data. Be sure to complete all years of data.
6. Do not "Cut" and "Paste" cells in the worksheets. Use "Copy" and "Paste" instead.

Enter the Company Name:

Modern USA Insurance Company

Year 1:

2007

Year 2:

2008

Year 3:

2009

If states were added to this spreadsheet in error:

1. Select the states to be deleted by clicking the check boxes on the right.
2. Click on the "Delete Selected State Worksheets" button above.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

<input type="checkbox"/> AK	<input type="checkbox"/> Alaska	<input type="checkbox"/> MT	<input type="checkbox"/> Montana
<input type="checkbox"/> AL	<input type="checkbox"/> Alabama	<input type="checkbox"/> NC	<input type="checkbox"/> North Carolina
<input type="checkbox"/> AR	<input type="checkbox"/> Arkansas	<input type="checkbox"/> ND	<input type="checkbox"/> North Dakota
<input type="checkbox"/> AS	<input type="checkbox"/> American Samoa	<input type="checkbox"/> NE	<input type="checkbox"/> Nebraska
<input type="checkbox"/> AZ	<input type="checkbox"/> Arizona	<input type="checkbox"/> NH	<input type="checkbox"/> New Hampshire
<input type="checkbox"/> CA	<input type="checkbox"/> California	<input type="checkbox"/> NJ	<input type="checkbox"/> New Jersey
<input type="checkbox"/> CO	<input type="checkbox"/> Colorado	<input type="checkbox"/> NM	<input type="checkbox"/> New Mexico
<input type="checkbox"/> CT	<input type="checkbox"/> Connecticut	<input type="checkbox"/> NV	<input type="checkbox"/> Nevada
<input type="checkbox"/> DC	<input type="checkbox"/> District Of Columbia	<input type="checkbox"/> NY	<input type="checkbox"/> New York
<input type="checkbox"/> DE	<input type="checkbox"/> Delaware	<input type="checkbox"/> OH	<input type="checkbox"/> Ohio
<input checked="" type="checkbox"/> FL	<input type="checkbox"/> Florida	<input type="checkbox"/> OK	<input type="checkbox"/> Oklahoma
<input type="checkbox"/> GA	<input type="checkbox"/> Georgia	<input type="checkbox"/> OR	<input type="checkbox"/> Oregon
<input type="checkbox"/> GU	<input type="checkbox"/> Guam	<input type="checkbox"/> PA	<input type="checkbox"/> Pennsylvania
<input type="checkbox"/> HI	<input type="checkbox"/> Hawaii	<input type="checkbox"/> PR	<input type="checkbox"/> Puerto Rico
<input type="checkbox"/> IA	<input type="checkbox"/> Iowa	<input type="checkbox"/> RI	<input type="checkbox"/> Rhode Island
<input type="checkbox"/> ID	<input type="checkbox"/> Idaho	<input type="checkbox"/> SC	<input type="checkbox"/> South Carolina
<input type="checkbox"/> IL	<input type="checkbox"/> Illinois	<input type="checkbox"/> SD	<input type="checkbox"/> South Dakota
<input type="checkbox"/> IN	<input type="checkbox"/> Indiana	<input type="checkbox"/> TN	<input type="checkbox"/> Tennessee
<input type="checkbox"/> KS	<input type="checkbox"/> Kansas	<input type="checkbox"/> TX	<input type="checkbox"/> Texas
<input type="checkbox"/> KY	<input type="checkbox"/> Kentucky	<input type="checkbox"/> UT	<input type="checkbox"/> Utah
<input type="checkbox"/> LA	<input type="checkbox"/> Louisiana	<input type="checkbox"/> VA	<input type="checkbox"/> Virginia
<input type="checkbox"/> MA	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> VI	<input type="checkbox"/> U.S. Virgin Islands
<input type="checkbox"/> MD	<input type="checkbox"/> Maryland	<input type="checkbox"/> VT	<input type="checkbox"/> Vermont
<input type="checkbox"/> ME	<input type="checkbox"/> Maine	<input type="checkbox"/> WA	<input type="checkbox"/> Washington
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<input type="checkbox"/> MN	<input type="checkbox"/> Minnesota	<input type="checkbox"/> WV	<input type="checkbox"/> West Virginia
<input type="checkbox"/> MO	<input type="checkbox"/> Missouri	<input type="checkbox"/> WY	<input type="checkbox"/> Wyoming
<input type="checkbox"/> MS	<input type="checkbox"/> Mississippi		

Go to FL

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Pro Forma Statutory Balance Sheet
(in Thousands)

	2007	2008	2009
Admitted Assets			
1. Invested Assets(non-affiliated)	20,774	29,530	37,042
2. Investments in Subs and Affiliates	-	-	-
3. All assets other than investments	651	895	1,070
4. Total Admitted Assets(1+2+3)	21,425	30,425	38,112
Liabilities			
5. Losses (Case & IBNR)	1,568	1,891	2,301
6. Loss Adjustment Expenses	89	100	121
7. Unearned Premiums	11,368	16,921	19,859
8. Ceded Reinsurance Payable	-	-	-
9. Payable to Parents, Subsidiaries & Affiliates	131	168	197
10. All Other Liabilities	31	273	299
11. Total Liabilities(5+6+7+8+9+10)	13,187	19,353	22,777
Capital and Surplus			
12. Common Stock	1	1	1
13. Preferred Stock	-	-	-
14. Gross Paid In and Contributed Surplus	6,999	6,999	6,999
15. Surplus Notes	7,000	7,000	7,000
16. Unassigned Surplus	(5,762)	(2,928)	1,335
17. Other Items(elaborate)	-	-	-
18. Total Capital and Surplus(12+13+14+15+16+17)	8,238	11,072	15,335
19. Total Liabilities, Capital and Surplus(11+18)	21,425	30,425	38,112
Risk-Based Capital Analysis			
20. Total Adjusted Capital			
21. Authorized Control Level Risk-Based Capital	0%	0%	0%
22. Calculated Risk-Based Capital (20/21)			

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Pro Forma Statutory Profit & Loss Statement
(In Thousands)

	2007	2008	2009
1. Net Premiums Earned	11,192	27,215	36,952
2. Net Losses Incurred (Case & IBNR)	6,577	14,614	18,291
3. Net Loss Adjustment Expenses Incurred	448	779	975
4. Direct Commissions & Brokerage	8,854	7,268	9,217
5. Reinsurance Ceding Commissions	-	-	-
6. Net Commissions Incurred (4-5)	8,854	7,268	9,217
7. Other Contractual Agreements*	-	-	-
8. Other Underwriting Expenses Incurred	1,477	1,825	2,161
9. Underwriting Gain (Loss) (1-(2+3+6+7+8))	(6,164)	2,729	6,308
10. Net Investment Income	684	1,001	1,334
11. Other Income	-	-	-
12. Net Operating Income (Loss) Before Taxes (9+10+11)	(5,480)	3,730	7,642
13. Income Taxes Incurred	-	3,207	4,844
14. Net Operating Income (Loss) After Taxes (12-13)	(5,480)	523	2,798
15. Stockholder Dividends	-	-	-
Operating Percentages:			
Net Premiums Earned	100.00%	100.00%	100.00%
16. Net Losses Incurred to Net Premiums Earned(2/1)	58.77%	53.70%	49.50%
17. Net Loss Adjustment Expenses Incurred to Net Premiums Earned(3/1)	4.00%	2.86%	2.64%
18. Other Underwriting Expenses to Net Premiums Earned ((6+7+8)/1)	92.31%	33.41%	30.79%
19. Net Underwriting Gain Or (Loss) (9/1)	-55.06%	10.03%	17.07%
Other Percentages:			
20. Other Underwriting Expenses to Net Premiums Written ((5+7+8)/Total Net Premiums Written)	45.79%	27.75%	25.52%
21. Net Loss and Loss Adjustment Expenses Incurred to Net Premiums Earned ((2+3)/1)	62.77%	56.56%	52.14%

*ie... MGA(excluding amounts included above as agents commissions), service contracts, claims payment contracts

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Pro Forma Statutory Cash Flow Statement
(in Thousands)

	2007	2008	2009
Cash From Operations			
1. Premiums Collected Net of Reinsurance	15,259	14,563	15,536
2. Loss and Loss Adjustments Expenses Paid (Net of S&S)	1,557	824	1,207
3. Underwriting Expenses Paid	4,290	8,055	8,363
4. Other Underwriting Income(expenses)	1,349	1,532	1,815
5. Total Cash From Underwriting(1-2-3+4)	10,661	7,216	7,781
6. Net Investment Income	684	1,001	1,334
7. Other Income	-	-	-
8. Dividends to Policyholders	-	-	-
9. Federal and Foreign Income Taxes (Paid) Recovered	-	245	29
10. Net Cash From Operations(G+6+7-8+9)	11,345	8,462	9,144
Cash From Investments			
11. Net Cash from Investments	(9)	(3)	(3)
Cash From Financing and Misc Sources			
12. Total Other Cash Provided	14,000	-	-
13. Total Other Cash applied	14,000	-	-
14. Net Cash from Financing and Misc Sources(12-13)	-	-	-
15. Net Change in Cash, Cash Equivalents and Short-Term Investments(10+11+14)	25,337	8,459	9,141

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Premiums Written to Surplus Ratios
Amounts in Whole Dollars

Nationwide

Year	Direct Premiums Written	Assumed Premiums Written	Gross Premiums Written	Ceded Premiums Written	Net Premiums Written	Gross Written Premiums to Surplus	Net Written Premiums to Surplus
2007	35,415,000	-	35,415,000	12,854,133	22,560,867	429.9%	273.9%
2008	48,452,745	-	48,452,745	15,685,727	32,767,018	437.6%	295.9%
2009	61,448,007	-	61,448,007	21,557,144	39,890,863	400.7%	260.1%

No data entry is required on this page.

Nationwide
Year 1 **2007**
Company Name: **Modern USA Insurance Company**
(Property & Casualty Insurance Company)
Planned Premium Volume By Line of Business
Amounts in Whole Dollars

Annual Statement Line	Description	Direct Premiums Written	Assumed Premiums Written	Ceded Premiums Written	Net Premiums Written	Direct Premiums Earned	Assumed Premiums Earned	Ceded Premiums Earned	Net Premiums Earned
1.0	Fire	24,791		8,998	15,793	12,012		4,177	7,835
2.1	Allied Lines	24,791		8,998	15,793	12,012		4,177	7,835
2.2	Multiple Peril Crop								
2.3	Federal Flood								
3.0	Farmowners Multiple Peril								
4.0	Homeowners Multiple Peril								
5.1	Commercial Multiple Peril (Non-Liability Portion)	21,702,312		7,877,013	13,825,299	10,515,648		3,656,599	6,858,949
5.2	Commercial Multiple Peril (Liability Portion)								
6.0	Mortgage Guaranty								
8.0	Ocean Marine								
9.0	Inland Marine	24,791		8,998	15,793	12,012		4,177	7,835
10.0	Financial Guaranty								
11.1	Medical Malpractice - Occurrence								
11.2	Medical Malpractice - Claims Made								
12.0	Earthquake								
13.0	Group A&H								
14.0	Credit A&H (Group & Individual)								
15.1	Collectively Renewable A&H								
15.2	Non-Cancellable A&H								
15.3	Guaranteed Renewable A&H								
15.4	Non-Renew-Related Reasons Only A&H								
15.5	Other Accident Only								
15.6	All Other A&H								
15.7	Federal Employees Health Benefits Program								
16.0	Workers' Compensation								
17.1	Other Liability - Occurrence	42,498		15,425	27,073	20,592		7,161	13,431
17.2	Other Liability - Claims Made								
18.1	Products Liability - Occurrence								
18.2	Products Liability - Claims Made								
19.1	Private Passenger Auto No-Fault (PIP)								
19.2	Other Private Passenger Auto Liability								
19.3	Commercial Auto No-Fault (PIP)								
19.4	Other Commercial Auto Liability								
21.1	Private Passenger Auto Phys Damage								
21.2	Commercial Auto Physical Damage								
22.0	Aircraft (All Perils)								
23.0	Fidelity								
24.0	Surety								
26.0	Burglary and Theft								
27.0	Boiler and Machinery								
28.0	Credit								
28.0	Credit Disability								
31.0	Auto Warranties								
31.0	Prepaid Legal								
31.0	Bail Bonds								
31.0	Glass								
31.0	Title								
31.0	Livestock								
31.0	Industrial Extended Coverage								
31.0	Mobile Home Multiple Peril	13,542,694		4,915,420	8,627,274	6,561,984		2,281,857	4,280,127
31.0	Mobile Home Physical Damage	53,123		19,281	33,842	25,740		8,951	16,789
31.0	Home Warranties								
31.0	Service Warranties								
31.0	Reinsurance								
31.0	Other - Property								
31.0	Other - Casualty								
31.0	Other								
	Total	35,415,000	-	12,854,133	22,560,867	17,160,000	-	5,967,199	11,182,801

Nationwide
Year 2 **2008**
Company Name: **Modern USA Insurance Company**
(Property & Casualty Insurance Company)
Planned Premium Volume By Line of Business
Amounts in Whole Dollars

Annual Statement Line	Description	Direct Premiums Written	Assumed Premiums Written	Ceded Premiums Written	Net Premiums Written	Direct Premiums Earned	Assumed Premiums Earned	Ceded Premiums Earned	Net Premiums Earned
1.0	Fire	33,917		10,980	22,937	29,075		10,024	19,051
2.1	Allied Lines	33,917		10,980	22,937	29,075		10,024	19,051
2.2	Multiple Peril Crop								
2.3	Federal Flood								
3.0	Farmowners Multiple Peril								
4.0	Homeowners Multiple Peril								
5.1	Commercial Multiple Peril (Non-Liability Portion)	29,691,842		9,612,213	20,079,629	25,452,683		8,775,818	16,677,865
5.2	Commercial Multiple Peril (Liability Portion)								
6.0	Mortgage Guaranty								
8.0	Ocean Marine								
9.0	Inland Marine	33,917		10,980	22,937	29,075		10,024	19,051
10.0	Financial Guaranty								
11.1	Medical Malpractice - Occurrence								
11.2	Medical Malpractice - Claims Made								
12.0	Earthquake								
13.0	Group A&H								
14.0	Credit A&H (Group & Individual)								
15.1	Collectively Renewable A&H								
15.2	Non-Cancellable A&H								
15.3	Guaranteed Renewable A&H								
15.4	Non-Renew-Related Reasons Only A&H								
15.5	Other Accident Only								
15.6	All Other A&H								
15.7	Federal Employees Health Benefits Program								
16.0	Workers' Compensation	58,143		18,823	39,320	49,842		17,185	32,657
17.1	Other Liability - Occurrence								
17.2	Other Liability - Claims Made								
18.1	Products Liability - Occurrence								
18.2	Products Liability - Claims Made								
19.1	Private Passenger Auto No-Fault (PIP)								
19.2	Other Private Passenger Auto Liability								
19.3	Commercial Auto No-Fault (PIP)								
19.4	Other Commercial Auto Liability								
21.1	Private Passenger Auto Phys Damage								
21.2	Commercial Auto Physical Damage								
22.0	Aircraft (All Perils)								
23.0	Fidelity								
24.0	Surety								
26.0	Burglary and Theft								
27.0	Boiler and Machinery								
28.0	Credit								
28.0	Credit Disability								
31.0	Auto Warranties								
31.0	Prepaid Legal								
31.0	Bail Bonds								
31.0	Glass								
31.0	Title								
31.0	Livestock								
31.0	Industrial Extended Coverage								
31.0	Mobile Home Multiple Peril	18,528,330		5,998,222	12,530,108	15,883,007		5,476,169	10,406,838
31.0	Mobile Home Physical Damage	72,679		23,529	49,150	62,303		21,481	40,822
31.0	Home Warranties								
31.0	Service Warranties								
31.0	Reinsurance								
31.0	Other - Property								
31.0	Other - Casualty								
31.0	Other								
	Total	48,452,745	-	15,685,727	32,767,018	41,535,060	-	14,320,525	27,214,535

Nationwide
Year 3 2009

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Planned Premium Volume By Line of Business
Amounts in Whole Dollars

Annual Statement Line	Description	Direct Premiums Written	Assumed Premiums Written	Ceded Premiums Written	Net Premiums Written	Direct Premiums Earned	Assumed Premiums Earned	Ceded Premiums Earned	Net Premiums Earned
1.0	Fire	43,014		15,090	27,924	39,030		13,163	25,867
2.1	Allied Lines	43,014		15,090	27,924	39,030		13,163	25,867
2.2	Multiple Peril Crop								
2.3	Federal Flood								
3.0	Farmowners Multiple Peril								
4.0	Homeowners Multiple Peril								
5.1	Commercial Multiple Peril (Non-Liability Portion)	37,655,337		13,210,217	24,445,120	34,167,899		11,523,445	22,644,254
5.2	Commercial Multiple Peril (Liability Portion)								
6.0	Mortgage Guaranty								
8.0	Ocean Marine								
9.0	Inland Marine								
10.0	Financial Guaranty	43,014		15,090	27,924	39,030		13,163	25,867
11.1	Medical Malpractice - Occurrence								
11.2	Medical Malpractice - Claims Made								
12.0	Earthquake								
13.0	Group A&H								
14.0	Credit A&H (Group & Individual)								
15.1	Collectively Renewable A&H								
15.2	Non-Cancelable A&H								
15.3	Guaranteed Renewable A&H								
15.4	Non-Renew-Related Reasons Only A&H								
15.5	Other Accident Only								
15.6	All Other A&H								
15.7	Federal Employees Health Benefits Program								
16.0	Workers' Compensation								
17.1	Other Liability - Occurrence	73,738		25,669	47,869	66,908		22,565	44,343
17.2	Other Liability - Claims Made								
18.1	Products Liability - Occurrence								
18.2	Products Liability - Claims Made								
19.1	Private Passenger Auto No-Fault (PIP)								
19.2	Other Private Passenger Auto Liability								
19.3	Commercial Auto No-Fault (PIP)								
19.4	Other Commercial Auto Liability								
21.1	Private Passenger Auto Phys Damage								
21.2	Commercial Auto Physical Damage								
22.0	Aircraft (All Perils)								
23.0	Fidelity								
24.0	Surety								
26.0	Burglary and Theft								
27.0	Boiler and Machinery								
28.0	Credit								
28.0	Credit Disability								
31.0	Auto Warranties								
31.0	Prepaid Legal								
31.0	Bail Bonds								
31.0	Glass								
31.0	Title								
31.0	Livestock								
31.0	Industrial Extended Coverage								
31.0	Mobile Home Multiple Peril	23,497,718		8,243,452	15,254,266	21,321,359		7,150,869	14,130,490
31.0	Mobile Home Physical Damage	92,172		32,335	59,836	63,635		28,207	55,428
31.0	Home Warranties								
31.0	Service Warranties								
31.0	Reinsurance								
31.0	Other - Property								
31.0	Other - Casualty								
31.0	Other								
	Total	61,448,007	-	21,557,144	39,890,863	55,766,691	-	18,804,575	36,952,116

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Incurred Loss Summary By Line of Business
Amounts in Whole Dollars

Nationwide
Year 1 2007

Annual Statement Line	Description	Direct Losses Incurred*	Assumed Losses Incurred*	Ceded Losses Incurred*	Net Losses Incurred*
1.0	Fire	6,577			6,577
2.0	Allied Lines	6,577			6,577
2.2	Multiple Peril Crop				
2.3	Federal Flood				
3.0	Farmowners Multiple Peril				
4.0	Homeowners Multiple Peril				
5.1	Commercial Multiple Peril (Non-Liability Portion)	4,697,323			4,697,323
5.2	Commercial Multiple Peril (Liability Portion)				
6.0	Mortgage Guaranty				
8.0	Ocean Marine				
9.0	Inland Marine	6,577			6,577
10.0	Financial Guaranty				
11.1	Medical Malpractice - Occurrence				
11.2	Medical Malpractice - Claims Made				
12.0	Earthquake				
13.0	Group A&H				
14.0	Credit A&H (Group & Individual)				
15.1	Collectively Renewable A&H				
15.2	Non-Cancellable A&H				
15.3	Guaranteed Renewable A&H				
15.4	Non-Renew - Stated Reasons Only A&H				
15.5	Other Accident Only				
15.6	All Other A&H				
15.7	Federal Employees Health Benefits Program				
16.0	Workers' Compensation				
17.1	Other Liability - Occurrence	11,181			11,181
17.2	Other Liability - Claims Made				
18.1	Products Liability - Occurrence				
18.2	Products Liability - Claims Made				
19.1	Private Passenger Auto No-Fault (PIP)				
19.2	Other Private Passenger Auto Liability				
19.3	Commercial Auto No-Fault (PIP)				
19.4	Other Commercial Auto Liability				
21.1	Private Passenger Auto Phys Damage				
21.2	Commercial Auto Physical Damage				
22.0	Aircraft (All Perils)				
23.0	Fidelity				
24.0	Surety				
26.0	Burglary and Theft				
27.0	Boiler and Machinery				
28.0	Credit				
28.0	Credit Disability				
31.0	Auto Warranties				
31.0	Prepaid Legal				
31.0	Bail Bonds				
31.0	Glass				
31.0	Title				
31.0	Livestock				
31.0	Industrial Extended Coverage	1,935,611			1,935,611
31.0	Mobile Home Multiple Peril	13,154			13,154
31.0	Mobile Home Physical Damage				
31.0	Home Warranties				
31.0	Service Warranties				
31.0	Reinsurance				
31.0	Other				
31.0	Other				
31.0	Other				
	Total	6,577,000	-	-	6,577,000
	Verification from P & L	=====	=====	=====	7,025,000

* Include loss adjustment expenses.

Nationwide
Year 2 2008
Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Incurred Loss Summary By Line of Business
Amounts in Whole Dollars

Annual Statement Line	Description	Direct Losses Incurred*	Assumed Losses Incurred*	Ceded Losses Incurred*	Net Losses Incurred*
1.0	Fire	14,614			14,614
2.0	Allied Lines	14,614			14,614
2.2	Multiple Peril Crop				
2.3	Federal Flood				
3.0	Farmowners Multiple Peril				
4.0	Homeowners Multiple Peril				
5.1	Commercial Multiple Peril (Non-Liability Portion)	10,215,512			10,215,512
5.2	Commercial Multiple Peril (Liability Portion)				
6.0	Mortgage Guaranty				
8.0	Ocean Marine				
9.0	Inland Marine	14,614			14,614
10.0	Financial Guaranty				
11.1	Medical Malpractice - Occurrence				
11.2	Medical Malpractice - Claims Made				
12.0	Earthquake				
13.0	Group A&H				
14.0	Credit A&H (Group & Individual)				
15.1	Collectively Renewable A&H				
15.2	Non-Cancellable A&H				
15.3	Guaranteed Renewable A&H				
15.4	Non-Renew - Stated Reasons Only A&H				
15.5	Other Accident Only				
15.6	All Other A&H				
15.7	Federal Employees Health Benefits Program				
16.0	Workers' Compensation	24,845			24,845
17.1	Other Liability - Occurrence				
17.2	Other Liability - Claims Made				
18.1	Products Liability - Occurrence				
18.2	Products Liability - Claims Made				
19.1	Private Passenger Auto No-Fault (PIP)				
19.2	Other Private Passenger Auto Liability				
19.3	Commercial Auto No-Fault (PIP)				
19.4	Other Commercial Auto Liability				
21.1	Private Passenger Auto Phys Damage				
21.2	Commercial Auto Physical Damage				
22.0	Aircraft (All Perils)				
23.0	Fidelity				
24.0	Surety				
26.0	Burglary and Theft				
27.0	Boiler and Machinery				
28.0	Credit				
28.0	Credit Disability				
31.0	Auto Warranties				
31.0	Prepaid Legal				
31.0	Bail Bonds				
31.0	Glass				
31.0	Title				
31.0	Livestock				
31.0	Industrial Extended Coverage				
31.0	Mobile Home Multiple Peril	4,301,038			4,301,038
31.0	Mobile Home Physical Damage	29,229			29,229
31.0	Home Warranties				
31.0	Service Warranties				
31.0	Renewance				
31.0	Other				
31.0	Other				
31.0	Other				
	Total	14,614,466			14,614,466
	Verification from P & L				15,393,000

* Include loss adjustment expenses.

Nationwide
Year 3 2009

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Incurred Loss Summary By Line of Business
Amounts in Whole Dollars

Annual Statement Line	Description	Direct Losses Incurred*	Assumed Losses Incurred*	Ceded Losses Incurred*	Net Losses Incurred*
1.0	Fire	18,291	-	-	18,291
2.0	Allied Lines	18,291	-	-	18,291
2.2	Multiple Peril Crop	-	-	-	-
2.3	Federal Flood	-	-	-	-
3.0	Farmowners Multiple Peril	-	-	-	-
4.0	Homeowners Multiple Peril	-	-	-	-
5.1	Commercial Multiple Peril (Non-Liability Portion)	12,785,218	-	-	12,785,218
5.2	Commercial Multiple Peril (Liability Portion)	-	-	-	-
6.0	Mortgage Guaranty	-	-	-	-
8.0	Ocean Marine	-	-	-	-
9.0	Inland Marine	18,291	-	-	18,291
10.0	Financial Guaranty	-	-	-	-
11.1	Medical Malpractice - Occurrence	-	-	-	-
11.2	Medical Malpractice - Claims Made	-	-	-	-
12.0	Earthquake	-	-	-	-
13.0	Group A&H	-	-	-	-
14.0	Credit A&H (Group & Individual)	-	-	-	-
15.1	Collectively Renewable A&H	-	-	-	-
15.2	Non-Cancellable A&H	-	-	-	-
15.3	Guaranteed Renewable A&H	-	-	-	-
15.4	Non-Renew - Stated Reasons Only A&H	-	-	-	-
15.5	Other Accident Only	-	-	-	-
15.6	All Other A&H	-	-	-	-
15.7	Federal Employees Health Benefits Program	-	-	-	-
16.0	Workers' Compensation	-	-	-	-
17.1	Other Liability - Occurrence	31,094	-	-	31,094
17.2	Other Liability - Claims Made	-	-	-	-
18.1	Products Liability - Occurrence	-	-	-	-
18.2	Products Liability - Claims Made	-	-	-	-
19.1	Private Passenger Auto No-Fault (PIP)	-	-	-	-
19.2	Other Private Passenger Auto Liability	-	-	-	-
19.3	Commercial Auto No-Fault (PIP)	-	-	-	-
19.4	Other Commercial Auto Liability	-	-	-	-
21.1	Private Passenger Auto Phys Damage	-	-	-	-
21.2	Commercial Auto Physical Damage	-	-	-	-
22.0	Aircraft (All Perils)	-	-	-	-
23.0	Fidelity	-	-	-	-
24.0	Surety	-	-	-	-
26.0	Burglary and Theft	-	-	-	-
27.0	Boiler and Machinery	-	-	-	-
28.0	Credit	-	-	-	-
28.0	Credit Disability	-	-	-	-
31.0	Auto Warranties	-	-	-	-
31.0	Prepaid Legal	-	-	-	-
31.0	Bail Bonds	-	-	-	-
31.0	Glass	-	-	-	-
31.0	Title	-	-	-	-
31.0	Livestock	-	-	-	-
31.0	Industrial Extended Coverage	-	-	-	-
31.0	Mobile Home Multiple Peril	-	-	-	-
31.0	Mobile Home Physical Damage	5,362,961	-	-	5,362,961
31.0	Home Warranties	36,581	-	-	36,581
31.0	Service Warranties	-	-	-	-
31.0	Renewance	-	-	-	-
31.0	Other	-	-	-	-
31.0	Other	-	-	-	-
31.0	Other	-	-	-	-
Total		18,290,727	-	-	18,290,727
Verification from P & L		=====	=====	=====	19,286,000

* Include loss adjustment expenses.

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Net Premium and Loss Developments By Line of Business
Amounts in Whole Dollars

Nationwide

Annual Statement Line	Description	2007 Premiums Earned	2007 Losses Incurred*	2007 Loss Ratio	2008 Premiums Earned	2008 Losses Incurred*	2008 Loss Ratio	2009 Premiums Earned	2009 Losses Incurred*	2009 Loss Ratio
1.0	Fire	7,835	6,577	84%	19,051	14,614	77%	25,867	18,291	71%
2.1	Allied Lines	7,835	6,577	84%	19,051	14,614	77%	25,867	18,291	71%
2.2	Multiple Peril Crop	-	-	-	-	-	-	-	-	-
2.3	Federal Flood	-	-	-	-	-	-	-	-	-
3.0	Farmowners Multiple Peril	-	-	-	-	-	-	-	-	-
3.0	Homeowners Multiple Peril	6,868,949	4,597,323	67%	18,677,065	10,215,512	61%	22,644,254	12,785,218	56%
4.0	Commercial Multiple Peril (Non-Liability Portion)	-	-	-	-	-	-	-	-	-
5.1	Commercial Multiple Peril (Liability Portion)	-	-	-	-	-	-	-	-	-
5.2	Mortgage Guaranty	-	-	-	-	-	-	-	-	-
6.0	Ocean Marine	-	-	-	-	-	-	-	-	-
8.0	Inland Marine	7,835	6,577	84%	19,051	14,614	77%	25,867	18,291	71%
9.0	Financial Guaranty	-	-	-	-	-	-	-	-	-
10.0	Medical Malpractice - Occurrence	-	-	-	-	-	-	-	-	-
11.1	Medical Malpractice - Claims Made	-	-	-	-	-	-	-	-	-
11.2	Earthquake	-	-	-	-	-	-	-	-	-
12.0	Group A&H	-	-	-	-	-	-	-	-	-
13.0	Credit A&H (Group & Individual)	-	-	-	-	-	-	-	-	-
14.0	Collectively Renewable A&H	-	-	-	-	-	-	-	-	-
15.1	Non-Cancellable A&H	-	-	-	-	-	-	-	-	-
15.2	Guaranteed Renewable A&H	-	-	-	-	-	-	-	-	-
15.3	Non-Renew-Related Reasons Only A&H	-	-	-	-	-	-	-	-	-
15.4	Other Accident Only	-	-	-	-	-	-	-	-	-
15.5	All Other A&H	-	-	-	-	-	-	-	-	-
15.6	Federal Employees Health Benefits Program	-	-	-	-	-	-	-	-	-
15.7	Workers' Compensation	13,431	11,181	83%	32,657	24,845	76%	44,343	31,094	70%
16.0	Other Liability - Occurrence	-	-	-	-	-	-	-	-	-
17.1	Other Liability - Claims Made	-	-	-	-	-	-	-	-	-
17.2	Products Liability - Occurrence	-	-	-	-	-	-	-	-	-
18.1	Products Liability - Claims Made	-	-	-	-	-	-	-	-	-
18.2	Private Passenger Auto No-Fault (PIP)	-	-	-	-	-	-	-	-	-
19.1	Other Private Passenger Auto Liability	-	-	-	-	-	-	-	-	-
19.2	Commercial Auto No-Fault (PIP)	-	-	-	-	-	-	-	-	-
19.3	Other Commercial Auto Liability	-	-	-	-	-	-	-	-	-
19.4	Other Commercial Auto Phys Damage	-	-	-	-	-	-	-	-	-
21.1	Commercial Auto Physical Damage	4,280,127	1,935,611	45%	10,406,838	4,301,038	41%	14,130,490	5,382,961	38%
21.2	Aircraft (All Perils)	16,789	13,154	78%	40,822	29,229	72%	55,428	36,581	66%
22.0	Fidelity	-	-	-	-	-	-	-	-	-
23.0	Surety	-	-	-	-	-	-	-	-	-
24.0	Burglary and Theft	-	-	-	-	-	-	-	-	-
26.0	Boiler and Machinery	-	-	-	-	-	-	-	-	-
27.0	Credit	-	-	-	-	-	-	-	-	-
28.0	Credit Disability	-	-	-	-	-	-	-	-	-
31.0	Auto Warranties	-	-	-	-	-	-	-	-	-
31.0	Prepaid Legal	-	-	-	-	-	-	-	-	-
31.0	Bail Bonds	-	-	-	-	-	-	-	-	-
31.0	Glass	-	-	-	-	-	-	-	-	-
31.0	Tile	-	-	-	-	-	-	-	-	-
31.0	Livestock	-	-	-	-	-	-	-	-	-
31.0	Industrial Extended Coverage	-	-	-	-	-	-	-	-	-
31.0	Mobile Home Multiple Peril	-	-	-	-	-	-	-	-	-
31.0	Mobile Home Physical Damage	-	-	-	-	-	-	-	-	-
31.0	Home Warranties	-	-	-	-	-	-	-	-	-
31.0	Service Warranties	-	-	-	-	-	-	-	-	-
31.0	Reinsurance	-	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-	-
Total		11,192,801	6,577,000	59%	27,214,535	14,614,466	54%	36,952,116	18,290,727	49%
Verification from P & L - should equal line above.		11,192,000	7,025,000		27,215,000	15,393,000		36,952,000	18,286,000	

* Include loss adjustment expenses.

UCAA Proforma Financial Statements Assumptions

List all of the relevant assumptions used to create the proformas.
Note, assumptions enclosed within the Plan of Operation need not be disclosed again here.

- 1 Balance Sheet Assumption All assets other than investments include accounts receivables less than 90 days and Fixed assets (Computers).

[illegible]

Florida
Year 2

2008

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Expense Allocation to Lines of Business Net of Reinsurance
Amounts in Whole Dollars

Annual Statement Line	Premiums, Losses, Expenses and Percentages To Premiums Earned for Business Net of Reinsurance	Net Premiums Written	Net Premiums Earned	Net Losses Incurred	Loss Adjustment Expenses Incurred	Commission & Brokerage Expenses Incurred	Taxes, Licenses, & Fees Incurred	Other Acquisition Expenses Incurred	All Other Expenses Incurred
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1.0	Fire	22,937	29,075	14,614	50%	545	19%	1,029	197
2.1	Allied Lines	22,937	29,075	14,614	50%	545	19%	1,029	197
2.2	Multiple Peril Crop	-	-	-	-	-	-	-	-
2.3	Federal Flood	-	-	-	-	-	-	-	-
3.0	Farmowners Multiple Peril	-	-	-	-	-	-	-	-
4.0	Homeowners Multiple Peril	20,079,629	11,132,158	10,215,512	92%	477,115	44%	900,367	172,810
5.1	Commercial Multiple Peril (Non-Liability Portion)	-	-	-	-	-	-	-	-
5.2	Commercial Multiple Peril (Liability Portion)	-	-	-	-	-	-	-	-
6.0	Mortgage Guaranty	-	-	-	-	-	-	-	-
8.0	Ocean Marine	-	-	-	-	-	-	-	-
9.0	Inland Marine	22,937	29,075	14,614	50%	545	19%	1,029	197
10.0	Financial Guaranty	-	-	-	-	-	-	-	-
11.1	Medical Malpractice - Occurrence	-	-	-	-	-	-	-	-
11.2	Medical Malpractice - Claims Made	-	-	-	-	-	-	-	-
12.0	Earthquake	-	-	-	-	-	-	-	-
13.0	Group A&H	-	-	-	-	-	-	-	-
14.0	Credit A&H (Group & Individual)	-	-	-	-	-	-	-	-
15.1	Collectively Renewable A&H	-	-	-	-	-	-	-	-
15.2	Non-Cancellable A&H	-	-	-	-	-	-	-	-
15.3	Guaranteed Renewable A&H	-	-	-	-	-	-	-	-
15.4	Non-Renew-Related Reasons Only A&H	-	-	-	-	-	-	-	-
15.5	Other Accident Only	-	-	-	-	-	-	-	-
15.6	All Other A&H	-	-	-	-	-	-	-	-
15.7	Federal Employees Health Benefits Program	-	-	-	-	-	-	-	-
16.0	Workers' Compensation	39,320	49,842	24,845	50%	934	19%	1,763	338
17.1	Other Liability - Occurrence	-	-	-	-	-	-	-	-
17.2	Other Liability - Claims Made	-	-	-	-	-	-	-	-
18.1	Products Liability - Occurrence	-	-	-	-	-	-	-	-
18.2	Products Liability - Claims Made	-	-	-	-	-	-	-	-
19.1	Private Passenger Auto No-Fault (PIP)	-	-	-	-	-	-	-	-
19.2	Other Private Passenger Auto Liability	-	-	-	-	-	-	-	-
19.3	Commercial Auto No-Fault (PIP)	-	-	-	-	-	-	-	-
19.4	Other Commercial Auto Liability	-	-	-	-	-	-	-	-
21.1	Private Passenger Auto Phys Damage	-	-	-	-	-	-	-	-
21.2	Commercial Auto Physical Damage	-	-	-	-	-	-	-	-
22.0	Fidelity	-	-	-	-	-	-	-	-
23.0	Aircraft (All Perils)	-	-	-	-	-	-	-	-
24.0	Surety	-	-	-	-	-	-	-	-
26.0	Burglary and Theft	-	-	-	-	-	-	-	-
27.0	Boiler and Machinery	-	-	-	-	-	-	-	-
28.0	Credit	-	-	-	-	-	-	-	-
28.0	Credit Disability	-	-	-	-	-	-	-	-
31.0	Auto Warranties	-	-	-	-	-	-	-	-
31.0	Prepaid Legal	-	-	-	-	-	-	-	-
31.0	Bail Bonds	-	-	-	-	-	-	-	-
31.0	Glass	-	-	-	-	-	-	-	-
31.0	Tile	-	-	-	-	-	-	-	-
31.0	Livestock	-	-	-	-	-	-	-	-
31.0	Industrial Extended Coverage	12,530,108	15,883,007	4,301,038	27%	297,727	19%	581,848	107,837
31.0	Mobile Home Multiple Peril	49,150	62,303	29,229	47%	1,168	19%	2,204	423
31.0	Mobile Home Physical Damage	-	-	-	-	-	-	-	-
31.0	Home Warranties	-	-	-	-	-	-	-	-
31.0	Service Warranties	-	-	-	-	-	-	-	-
31.0	Reinsurance	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-
Total		32,787,018	27,214,535	14,614,466	54%	778,579	30%	1,469,269	281,993

Company Name: Modern USA Insurance Company
(Property & Casualty Insurance Company)
Expense Allocation to Lines of Business Net of Reinsurance
Amounts in Whole Dollars

Annual Statement Line	Premiums, Losses, Expenses and Percentages To Premiums Earned for Business Net of Reinsurance	Net Premiums Written	Net Premiums Earned	Net Losses Incurred	Loss Adjustment Expenses Incurred	Commission & Brokerage Expenses Incurred	Taxes, Licenses, & Fees Incurred	Other Acquisition Expenses Incurred	All Other Expenses Incurred
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1.0	Fire	27,924	25,867	18,291	682	5,855	2,926	754	198
2.1	Allied Lines	27,924	25,867	18,291	682	5,855	2,926	754	198
2.2	Multiple Peril Crop	-	-	-	-	-	-	-	-
2.3	Federal Flood	-	-	-	-	-	-	-	-
3.0	Farmowners Multiple Peril	-	-	-	-	-	-	-	-
4.0	Homeowners Multiple Peril	24,445,120	22,644,254	12,785,218	597,473	5,125,155	2,551,817	650,414	173,331
5.1	Commercial Multiple Peril (Non-Liability Portion)	-	-	-	-	-	-	-	-
5.2	Commercial Multiple Peril (Liability Portion)	-	-	-	-	-	-	-	-
6.0	Mortgage Guaranty	-	-	-	-	-	-	-	-
6.0	Ocean Marine	-	-	-	-	-	-	-	-
9.0	Inland Marine	27,924	25,867	18,291	682	5,855	2,926	754	198
10.0	Financial Guaranty	-	-	-	-	-	-	-	-
11.1	Medical Malpractice - Occurrence	-	-	-	-	-	-	-	-
11.2	Medical Malpractice - Claims Made	-	-	-	-	-	-	-	-
12.0	Earthquake	-	-	-	-	-	-	-	-
13.0	Group A&H	-	-	-	-	-	-	-	-
14.0	Credit A&H (Group & Individual)	-	-	-	-	-	-	-	-
15.1	Collectively Renewable A&H	-	-	-	-	-	-	-	-
15.2	Non-Cancelable A&H	-	-	-	-	-	-	-	-
15.3	Guaranteed Renewable A&H	-	-	-	-	-	-	-	-
15.4	Non-Renew-Related Reasons Only A&H	-	-	-	-	-	-	-	-
15.5	Other Accident Only	-	-	-	-	-	-	-	-
15.6	All Other A&H	-	-	-	-	-	-	-	-
15.7	Federal Employees Health Benefits Program	-	-	-	-	-	-	-	-
16.0	Workers' Compensation	-	-	-	-	-	-	-	-
17.1	Other Liability - Occurrence	47,869	44,343	31,094	1,170	10,036	5,017	1,293	339
17.2	Other Liability - Claims Made	-	-	-	-	-	-	-	-
18.1	Products Liability - Occurrence	-	-	-	-	-	-	-	-
18.2	Products Liability - Claims Made	-	-	-	-	-	-	-	-
19.1	Private Passenger Auto No-Fault (PIP)	-	-	-	-	-	-	-	-
19.2	Other Private Passenger Auto Liability	-	-	-	-	-	-	-	-
19.3	Commercial Auto No-Fault (PIP)	-	-	-	-	-	-	-	-
19.4	Other Commercial Auto Liability	-	-	-	-	-	-	-	-
21.1	Private Passenger Auto Phys Damage	-	-	-	-	-	-	-	-
21.2	Commercial Auto Physical Damage	-	-	-	-	-	-	-	-
22.0	Aircraft (All Perils)	-	-	-	-	-	-	-	-
23.0	Fidelity	-	-	-	-	-	-	-	-
24.0	Surety	-	-	-	-	-	-	-	-
26.0	Burglary and Theft	-	-	-	-	-	-	-	-
27.0	Boiler and Machinery	-	-	-	-	-	-	-	-
28.0	Credit	-	-	-	-	-	-	-	-
28.0	Credit Disability	-	-	-	-	-	-	-	-
31.0	Auto Warranties	-	-	-	-	-	-	-	-
31.0	Prepaid Legal	-	-	-	-	-	-	-	-
31.0	Bail Bonds	-	-	-	-	-	-	-	-
31.0	Glass	-	-	-	-	-	-	-	-
31.0	Title	-	-	-	-	-	-	-	-
31.0	Livestock	-	-	-	-	-	-	-	-
31.0	Industrial Extended Coverage	-	-	-	-	-	-	-	-
31.0	Mobile Home Multiple Peril	15,254,266	14,130,490	5,382,961	372,835	3,198,204	1,598,624	412,110	108,161
31.0	Mobile Home Physical Damage	59,836	55,428	36,581	1,462	12,545	6,271	1,617	424
31.0	Home Warranties	-	-	-	-	-	-	-	-
31.0	Service Warranties	-	-	-	-	-	-	-	-
31.0	Reinsurance	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-
31.0	Other	-	-	-	-	-	-	-	-
Total		39,890,663	36,952,116	18,290,727	974,987	8,363,505	4,190,507	1,077,696	282,849

Mobilehome County Projections thru 2008

<u>County</u>	<u>Count</u>	<u>Aggregate</u>	<u>Premium</u>
Alachua	29	\$ 2,549,660	\$ 33,879
Baker	1	\$ 70,875	\$ 721
Bay	1	\$ 25,200	\$ 485
Brevard	319	\$ 33,642,576	\$ 417,799
Broward	300	\$ 36,540,000	\$ 450,000
Charlotte	331	\$ 36,445,040	\$ 427,417
Citrus	349	\$ 24,257,860	\$ 258,205
Clay	28	\$ 2,800,526	\$ 34,407
Collier	50	\$ 4,991,680	\$ 70,196
Columbia	2	\$ 161,595	\$ 2,057
Desoto	56	\$ 4,191,236	\$ 59,481
Duval	61	\$ 4,105,108	\$ 59,860
Flagler	35	\$ 2,440,856	\$ 36,241
Gadsden	2	\$ 241,605	\$ 3,265
Glades	2	\$ 146,412	\$ 2,741
Hardee	67	\$ 5,033,975	\$ 74,323
Hendry	8	\$ 695,363	\$ 10,210
Hernando	754	\$ 75,167,783	\$ 666,682
Highlands	1401	\$ 88,719,069	\$ 952,469
Hillsborough	1249	\$ 103,320,000	\$ 1,347,914
Indian River	65	\$ 5,370,561	\$ 78,865
Lake	1822	\$ 135,491,403	\$ 1,400,840
Lee	464	\$ 41,550,054	\$ 548,637
Leon	67	\$ 6,082,549	\$ 80,435
Levy	28	\$ 2,861,340	\$ 37,000
Manatee	396	\$ 33,167,534	\$ 426,836
Marion	870	\$ 56,361,345	\$ 603,336
Martin	68	\$ 6,207,233	\$ 85,183
Miami-Dade	240	\$ 28,980,000	\$ 453,000
Nassau	1	\$ 59,850	\$ 1,036
Okeechobee	36	\$ 2,792,721	\$ 45,450
Orange	1333	\$ 111,566,229	\$ 1,095,137
Osceola	384	\$ 34,010,834	\$ 356,761
Palm Beach	360	\$ 44,131,500	\$ 720,000
Pasco	1948	\$ 157,225,493	\$ 1,592,250
Pinellas	651	\$ 50,548,945	\$ 689,515
Polk	2332	\$ 169,626,781	\$ 1,719,733
Putnam	160	\$ 13,805,505	\$ 173,272
Saint Johns	26	\$ 1,994,832	\$ 30,944
Saint Lucie	137	\$ 14,074,351	\$ 185,414
Sarasota	298	\$ 23,542,887	\$ 328,712
Seminole	348	\$ 29,782,061	\$ 303,282
Sumter	184	\$ 12,663,227	\$ 137,672
Volusia	1353	\$ 114,318,149	\$ 1,114,673

Homeowners County Projections thru 2008

<u>County</u>	<u>Count</u>	<u>Aggregate</u>	<u>Premium</u>
Alachua	534	\$ 169,767,924	\$ 529,538
Brevard	276	\$ 94,907,197	\$ 468,917
Broward	92	\$ 38,083,388	\$ 240,000
Charlotte	57	\$ 20,649,214	\$ 136,496
Citrus	108	\$ 38,303,333	\$ 157,503
Clay	346	\$ 126,747,121	\$ 324,221
Collier	95	\$ 36,647,584	\$ 239,760
Columbia	13	\$ 3,509,783	\$ 15,765
Duval	739	\$ 243,988,876	\$ 757,255
Flagler	134	\$ 51,103,522	\$ 133,252
Gadsden	49	\$ 12,659,485	\$ 41,990
Gilchrist	1	\$ 412,300	\$ 1,147
Glades	1	\$ 177,072	\$ 1,706
Hardee	13	\$ 2,819,388	\$ 12,801
Hendry	18	\$ 4,670,683	\$ 17,483
Highlands	335	\$ 89,270,514	\$ 352,584
Hillsborough	1087	\$ 454,007,400	\$ 1,948,568
Lake	996	\$ 351,969,958	\$ 974,611
Lee	137	\$ 48,357,066	\$ 268,797
Leon	293	\$ 82,531,492	\$ 263,865
Levy	14	\$ 4,339,008	\$ 27,614
Manatee	125	\$ 49,024,056	\$ 243,655
Marion	1019	\$ 300,242,446	\$ 883,793
Martin	1	\$ 150,660	\$ 1,286
Miami-Dade	180	\$ 58,900,000	\$ 540,000
Nassau	88	\$ 33,562,609	\$ 99,266
Okeechobee	15	\$ 3,736,331	\$ 18,125
Orange	2062	\$ 797,373,430	\$ 2,398,688
Osceola	873	\$ 316,642,922	\$ 1,067,533
Palm Beach	300	\$ 99,200,000	\$ 780,000
Pasco	1	\$ 249,810	\$ 2,267
Pinellas	243	\$ 100,996,698	\$ 633,071
Polk	1000	\$ 338,460,063	\$ 1,449,584
Putnam	51	\$ 13,146,589	\$ 62,575
Saint Johns	222	\$ 102,897,340	\$ 372,140
Saint Lucie	50	\$ 16,620,804	\$ 119,102
Sarasota	115	\$ 42,359,200	\$ 248,063
Seminole	837	\$ 319,635,141	\$ 1,216,241
Sumter	425	\$ 135,251,689	\$ 386,504
Suwannee	2	\$ 650,764	\$ 2,352
Volusia	552	\$ 179,399,153	\$ 741,999

EXHIBIT C

Part IV- Documents which must be provided with this Application

1. c. If the Applicant's ratio of Net Written Premium to Surplus does not equal or exceed 2:1, or, for newly formed Insurers writing only manufactured housing policies, the ratio provisions provided in Section 624.4095, F.S., include a written strategy for increasing the ratio within sixty days of receiving the proceeds derived from the Surplus Note.

Modern USA Insurance Company is a newly formed Insurer writing manufactured housing policies, which policies will comprise at least 40% of all policies written.

It intends to meet the ratio provisions provided in Section 624.4095, F.S., as demonstrated in the pro forma provided herein outlining its policy writings for the next three years.

EXHIBIT D

Part IV- Documents which must be provided with this Application

1. d. A description of the Applicant's strategy to maintain or increase the Minimum Writing Ratio within 60 days of receiving the proceeds derived from the Surplus Note and to maintain such ratio for the duration of the Surplus Note.

Modern USA Insurance Company intends to meet the ratio provisions provided in Section 624.4095, F.S., within 60 days, and maintain said ratio for the duration of the Surplus Note, as demonstrated in the pro forma provided herein outlining its policy writings for the next three years.

EXHIBIT E

Part IV- Documents which must be provided with this Application

2. A copy of the Applicant's most recent audited financial statement and copies of the audited financial statements for the prior two years.

Applicant, as a newly-formed Florida insurer, does not have audited financial statements to provide.

EXHIBIT F

Part IV- Documents which must be provided with this Application

3. A copy of the Applicant's most recent annual statement of the National Association of Insurance Commissioners required to be filed by authorized insurers pursuant to Section 624.424, F.S.

Applicant, as a newly-formed Florida insurer, does not have such an annual statement to provide.

EXHIBIT G

**UNANIMOUS WRITTEN CONSENT OF THE
BOARD OF DIRECTORS
OF
MODERN USA INSURANCE COMPANY**

The undersigned, being all of the Directors of Modern USA Insurance Company (the "Corporation"), in accordance with and pursuant to section 607.0821 of the Florida Statutes and the bylaws of the Corporation, do hereby unanimously authorize and adopt the following resolution(s):

WHEREAS, the Board has determined that it is desirable and in the best interest of the Corporation to increase the surplus of the Corporation by participating in the Insurance Capital Build-Up Incentive Program to expand the Corporation's capacity to write homeowners insurance in the State of Florida in 2007 and subsequent years; and

WHEREAS, the Board has reviewed the following material concerning the Insurance Capital Build-Up Incentive Program: Sections 215.5595, 625.012 and 624.405 of the Florida Statutes; Rule 19-15.001, F.A.C.; the application for the Insurance Capital Build-Up Incentive Program including its attachments; and the Surplus Note as proposed to be adopted; and

WHEREAS, the Board has reviewed the form Surplus Note, Form SBA 15-2, and believes the Corporation can comply and intends to comply with the requirements of the Surplus Note as amended, including the requirement that the New Capital received by the Corporation will be unencumbered; and

WHEREAS, the Board acknowledges and intends to meet all of the requirements of the Program including but not limited to meeting the Surplus and writing ratios to the best of the Corporation's ability while rapidly expanding the capacity within the State of Florida.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors authorizes the Corporation to participate in the Insurance Capital Build-Up Incentive Program.
2. After review of the Surplus Note, Form SBA 15-2, the Corporation is able to and intends to comply with the requirements of the Surplus Note as amended, including the requirement that the New Capital received by the Corporation will be unencumbered.
3. The Corporation, if selected, intends to meet all of the requirements of the Program including, but not limited to, meeting the Surplus and writing ratios to the best of the Corporation's ability.

4. The Board of Directors authorizes and directs the officers of the Corporation to perform any acts and execute any documents necessary or appropriate to effectuate these resolutions.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Company, do hereby execute this Unanimous Written Consent of the Directors in Lieu of Special Meeting as of the 22nd day of May 2007, for the purposes herein contained.

This Unanimous Written Consent is executed in lieu of holding a Special Meeting of the Directors and shall have the same effect as action taken at a duly called Special Meeting of the Board of Directors at which all Directors were present and voting. This Consent may be executed in counterparts.

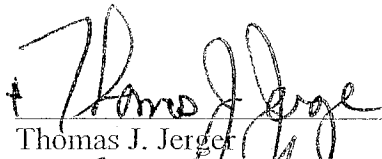
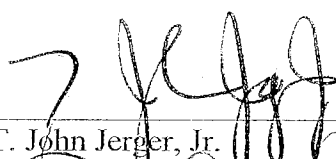


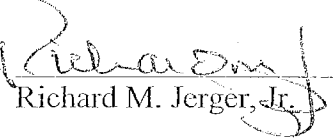
 _____, Chairman Thomas J. Jerger	 _____, Director T. John Jerger, Jr.
 _____, Director Brian Adamski	 _____, Director Raymond M. Blacklidge
 _____, Director Richard M. Jerger, Jr.	

EXHIBIT H

Part IV- Documents which must be provided with this Application

5. Provide a list of all officers and board members.

Modern USA Insurance Company

Thomas J. Jerger	Chairman and CEO
T. John Jerger, Jr.	President and Director
Brian Adamski, CPA	Treasurer, CFO and Director
Raymond M. Blacklidge, JD	Sr. Vice President, General Counsel, Secretary and Director
Richard M. Jerger, Jr.	Director

EXHIBIT I

Part IV- Documents which must be provided with this Application

6. Provide biographical information on the executive officers.

Thomas J. Jerger

EXPERIENCE

Mr. Jerger has over thirty-five years of executive experience in property and casualty insurance specializing in homeowner and mobile homeowners products.

RESPONSIBILITIES

Tom Jerger currently serves, as Chairman of the Board of **American Traditions Insurance Company** and formerly served as president of Mobile Homeowners Insurance Agencies, Inc., and Chairman of Mobile USA Insurance Company, he was responsible for the overall operations of the managing general agency. His responsibilities included recruiting new companies, negotiating contracts and reinsurance and oversaw the company filings with the Department of Insurance. Provided direction to management and marketing staff on implementation of new product development. Designed policy issuance and rating system that contained an extensive data bank for reporting purposes. Data system also included a comprehensive park file, which held data for over 9,000 mobile home parks in Florida. Provided leadership by maximizing opportunities to insure success beyond the year 2000.

CHRONOLOGY

2006-Present	American Traditions Insurance Company Chairman and CEO
1998-2000	Arx Holding Corporation Board Member
1999	<u>Philadelphia Consolidated Holding Corp.</u> Board Member
1993-1999	The Jerger Company, Inc. Chairman of the Board
1993-1999	Mobile USA Insurance Company, Inc. Chairman of the Board
1988-1999	MHIA Premium Finance President
1988-1999	Mobile Adjustment Company, Inc. Executive Vice President

1971-1999 Mobile Homeowners Insurance Agencies, Inc.
Executive Vice President
President

1971-1999 Jerger & Sons, Inc.
Executive Vice President

EDUCATION

1971 University of Florida, Gainesville, Florida
Bachelor of Science – Insurance

1968 St. Petersburg Junior College

T. John Jerger, Jr.

EXPERIENCE

American Traditions Insurance Company

2006 – Present

President

- Mr. Jerger used his knowledge to create a Florida Domiciled Insurance Company dedicated to writing Mobile Home and Homeowner products in the State of Florida. He is responsible for placing reinsurance, setting risk tolerance/goals, day-to-day operations, as well as, the overall profitability of the Company.

West Point Underwriters, LLC

2000 – Present

Chief Operating Officer and Co-Founder

- Mr. Jerger used his knowledge to design and build an on-line quoting, rating, policy issuance and inquiry system through a Web Browser. The system utilizes “artificial intelligence” to prevent data entry errors and incompleteness on the electronic application. As of date of issuance of this Business Plan, fully 95% of the homeowners policies issued by the system required no human intervention at West Point Underwriters.

The Jerger Companies

1998-2000

Director of Marketing and Assistant Vice President

- Responsible for overall production and profitability of the Company. Aided in growing the Jerger Company, Inc. from \$65,000,000 in overall production in 1998 to just over \$82,000,000 in 1999. Instrumental in the development of new programs in California, Nevada, Colorado and New Jersey. Worked hand and hand with the President to control the spread risk and help develop rates, as well as, responsible for setting and attaining goals for my Marketing Team. Other duties included identifying production trends and analyzing reinsurance reports.

1996-1998

Marketing Representative

- Responsible for 175 agents in 4 counties. Other duties included training agents on new products, increasing overall production in my territory by 20%, and controlling the agency production, loss ratios and overall attrition through reporting.

1994-1996

Personal Lines Underwriter

- Duties included Underwriting New Business, processing endorsement request, cancellation request. Also charged with answering phone calls from agents related to Billing and Underwriting.

1991-1994

Operations Manager

- Duties included nightly processing of business, running and verifying accuracy of month end reports, developing and running reports for the reinsurance marketplace, as well as verifying their accuracy. Other responsibilities included acting as the liaison between all team leaders and IT programmers to develop new reports and developing report routines for Companies and State Agencies representatives.

1987-1991

Various Duties as Assigned

EDUCATION

1997-1998

University of Phoenix – Online Campus

1994-1997

University of South Florida

1993-1994

Central Insurance School

1991-1993

St. Petersburg Junior College

BRIAN J. ADAMSKI, CPA

EDUCATIONAL AND PROFESSIONAL DESIGNATION

BBA, Accounting, Loyola College

Certified Public Accountant, State of Maryland

Certified Public Accountant, State of Florida

EXPERIENCE

American Traditions Insurance Company – Clearwater, Florida
April 2006 to Present – Chief Financial Officer

Primarily responsible for the monthly, quarterly and annual reporting of the insurance company's results of operations and financial position. Reporting responsibilities also include related entities. Preparation of quarterly and annual statements filed with the NAIC and FL Office of Insurance Regulation. Management of investment portfolio to maximize return while maintaining compliance with statutory requirements.

Baumann, Raymondo & Company, PA – Tampa, Florida
2003 to 2006 – Sr. Manager

Insurance Clients Served: American Superior Insurance Co., Vesta Insurance Group, Select Insurance Group, ZC Sterling, Risk Enterprise Management.

Certegy, Inc. – St. Petersburg, Florida
2002 to 2003 – Director, Financial Audit

Ernst & Young LLP – Tampa, Florida
1998 to 2002 – Sr. Manager

Advised the Florida Residential Property and Casualty Joint Underwriting Association in the development of an audit approach to evaluate compliance with the "take out" programs implemented as a result of hurricane Andrew in 1992.

Insurance Clients Served: American Summit Insurance Co., American Superior Insurance Co., Argus Fire Insurance Co., Companion Property and Casualty, Fortis, Inc., ING, New Hampshire Insurance Co. (AIG), Provident Indemnity Life Insurance Co., Select Insurance Group, Sunshine State Insurance Co., Universal Property and Casualty, Vesta Insurance Group.

USF&G Corporation (St. Paul Companies) – Baltimore, Maryland
1997 to 1998 – Security Auditor

Responsible for the identification, analysis and reporting of agent, employee and policyholder fraud. Additional responsibility included the comprehensive analysis and recovery of erroneous legal fees associated with the litigation of claims for which the company was potentially liable.

Alexander & Alexander (AON) – Baltimore, Maryland
1994 to 1997 – Business Analyst

Designed, implemented and oversaw the Business Analysis Group. The group served as an internal audit and quality assurance group serving the North American offices of Alexander and Alexander, Inc. The function reviewed local offices for potential errors and omissions exposure, performed financial reviews, analyzed local profitability and staffing and performed audits of internal controls.

Schiller, Holinsky & Gardner P.A. – Baltimore, Maryland
1993 to 1994 - Senior Associate

Grant Thornton LLP – Baltimore, Maryland
1990 to 1993 – Staff Auditor

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants

Maryland Association of Certified Public Accountants

- Former Chairman, Young Members Committee
- Former Member, Litigation Support Committee

Recent Litigation Involvement

Vesta Fire v Insurance Ventures

Provident Indemnity Life v Reinsurance Group of America

SPEAKER

Sarbanes-Oxley Act of 2002

Internal Audit Best Practices

Managing the Relationship Between Accounting and Information Technology

RAYMOND M. BLACKLIDGE, JD, FIC

Mr. Blacklidge has been a practicing attorney since 1986. He is licensed in both Florida and Illinois. He currently has a sole proprietorship in Wesley Chapel, Florida and currently serves as Sr. Vice President, General Counsel and Secretary for **American Traditions Insurance Company**. Ray worked closely with the Florida Office of Insurance Regulation in the application and licensing of American Traditions and has on many occasions worked with and is well respected by the department's staff. In addition, Mr. Blacklidge serves as General Counsel for the following companies: West Point Underwriters, LLC; Inter-Coastal Security and Holdings Insurance Group, LLC; Access – P.T., Inc.; US First Holding Company; USF Delta Chi Housing Corporation; Sentinel Surveillance Technology, Inc.; Biotechnical Writing Services, Inc.; The Smart Group, Inc. He also has represented American Strategic Insurance Corporation; ASI Lloyds of Texas and other insurance companies.

Mr. Blacklidge also currently serves as Corporate Secretary for Jerger Holding Corporation, T.J. Jerger, MGA, LLC and Storm King Claims Services, LLC. He has served as Director, Senior Vice President, General Counsel and Corporate Secretary of Liberty American Insurance Group, Inc. (Formerly **JERGER COMPANY, INC.** an insurance holding company,).

He also served as Board Member, Senior Vice President, General Counsel, Corporate Secretary and Registered Agent for each of its subsidiaries. Consisting two property and casualty insurance companies, an independent insurance agency, a managing general agent, a premium finance company and a claims handling company.

Ray has served as head of Philadelphia Insurance Companies' legal department for this A.M. Best A+ rated, \$600 million, 500 plus employee company.

Mr. Blacklidge was employed as a Regional Manager and Counsel for the Alliance of American Insurers a national association of more than 270 property and casualty

insurance companies. Ray is a National expert on no-fault automobile insurance and other automobile related issues. Mr. Blacklidge managed all the legislative, regulatory, public affairs and membership activities in the Southeast and has lobbied in over 30 states. He was commended for helping bring together, legislators, the Department of Insurance and the Florida insurance industry regarding legislation resolving problems with the Florida Hurricane Catastrophe Fund, Joint Underwriting Association and excess profits laws. Following hurricane Andrew, legislators and regulators reacted to deteriorating insurance marketplace in Florida with highly controversial responses, and Ray helped prepare a pro-active, pro-competition strategy that helped shape the economic and political debate taking place. His leadership was recognized by the six new member companies from Florida that joined the Alliance of American Insurers that year. In addition, he helped pass major workers compensation reform in Tennessee and Georgia. Ray also performed statutory and regulatory analysis, drafted comments, and made oral presentations to state regulators and legislators.

PROFESSIONAL: Florida Bar # 0546240, Licensed Florida Health, Life and Variable Annuity Agent, License Number D073580 April 2001-Present, Florida authorized House Counsel 1996-2000, ID# 0051492; Illinois Bar 1986-Present, ID#06192106, U.S. District Court Northern District, Eastern Division, Trial Bar; U.S. District Court Middle District Florida, Fraternal Insurance Counselor, Florida Title Insurance Agent, Illinois Title Insurance Agent Notary Public; and former: Executive Board Member and Property Committee Chairman of the Florida Insurance Council and member of their Automobile, Fraud and Managed Care for Automobile committees, the Workers Compensation committee and its Anti Fraud Committee; Member of the Alliance of American Insurers Government Affairs Committee; Member of the Alliance of American Insurers Southern Regional Advisory Committee; Registered Florida Lobbyist and Formerly Registered Lobbyist in numerous States.

Mr. Blacklidge also served as a member of the Tennessee Anti-Car Theft Committee; a member of the Florida Anti-Car Theft Committee and chairman of its government relations committee; a member of the Georgia Anti-Car Theft Committee and member of its government relations committee. Ray also served as a member of the Executive Committee of Project Safe Georgia,

EDUCATION: Southern Illinois University, Carbondale, IL, B.A. Political Science, May 1982 The John Marshall Law School, Chicago, Illinois, Juris Doctor, August 1985.

EXHIBIT J

Applicant: **Modern USA Insurance Company**

FEIN#:
NAIC#:

Part IV- Documents which must be provided with this Application

7. A signed copy of the attestation in Part IX of this application.

Please see attached.

**STATE BOARD OF ADMINISTRATION OF FLORIDA
INSURANCE CAPITAL BUILD-UP INCENTIVE PROGRAM ("PROGRAM")
APPLICATION**

Part IX: Attestation

To be eligible and to be considered for participation in the Program, Applicants must meet each of the statutory requirements listed below. To certify that the Applicant meets each requirement, check each of the boxes which follow the list of requirements.

1. The Surplus Note amount sought by the Applicant, an Insurer writing manufactured housing policies, does not exceed \$7 million.
2. The Applicant, prior to the execution of the Surplus Note, will show that the New Capital contributed equals the amount of the approved Surplus Note. The New Capital contributed will be in the form of Cash* or Cash Equivalents* as defined in Rule 19-15.001, F.A.C.
3. Applicant's Surplus, New Capital contributions, and the Surplus Note must total at least \$14 million, as an Insurer writing manufactured housing policies.

Applicant is willing to commit to meeting a Minimum Writing Ratio of Gross Written Premium provided in Section 624.4095, F.S., for the 20-year term of the Surplus Note.

- ☒ Affirms Applicant meets minimum qualifications.
- ☒ Affirms Surplus Note, Form SBA 15-2, has been reviewed and terms and conditions contained therein can be met by Applicant.
- ☒ Acknowledges and accepts all terms and conditions of Surplus Note. We are each, respectively, executive officers of the Insurer making this application, acting within our authority in making the declarations listed in this application.

BY: _____

TYPED NAME: T. John Jerger

TITLE: President

DATE: May 22, 2007

BY: _____

TYPED NAME: Raymond M. Blackledge

TITLE: Secretary

DATE: May 22, 2007

EXHIBIT K

Part IV- Documents which must be provided with this Application

8. If any items listed in this Application are not provided, please identify the item and provide an explanation as to why it was not provided.

Modern USA Insurance Company is a newly-formed Florida insurer and, accordingly, is unable to provide audited financial statements for the past three years, an NAIC financial statement for the past year, or information regarding its 2006 reinsurance placements.

EXHIBIT L

Modern USA Insurance Company

INVESTMENT POLICY

1.0 Policy

It is the policy of Modern USA Insurance Company (MUSA) to invest available funds not required to pay short term obligations in a manner consistent with the greatest safety and protection of assets. The two primary objectives of the investment policy include:

1. Adherence to guidelines and requirements stipulated by the NAIC and the Florida Office of Insurance Regulation.
2. Maximize investment rate of return while considering potential cash flow requirements.

2.0 Scope

This investment policy applies to all financial assets of MUSA. These funds are reported monthly in MUSA's internally prepared financial statements as well as quarterly and annual statements provided to external regulatory, state and industry bodies.

3.0 Objective

Funds will be invested in accordance with the NAIC, applicable statutes, Board of Director resolutions, and the direction of the MUSA Investment Committee. Direction of the investment portfolio will be supplemented by MUSA senior management including but not limited to the CEO, President and CFO. The objectives below are listed in order of importance.

1. **Surplus Preservation** - Preservation of policyholder surplus is the primary objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. **Liquidity** - The investment portfolio will remain sufficiently liquid to enable MUSA to meet all operating and capital requirements which might reasonably be anticipated.
3. **Return on Investment** - The investment portfolio shall be designed with the goal of attaining a market rate of return, taking into account MUSA's tolerable investment risk constraints and the cash flow characteristics of the portfolio.

4.0 Delegation of Authority

The Investment Committee will annually review the Investment Policy as it relates to MUSA's financial objectives and make any necessary modifications to the Policy.

The membership of the Investment Committee shall include:

Brian Adamski – CFO
Tom Jerger – CEO
Christopher Morson – Director

The Committee shall meet quarterly to review current investments and agree on current investment strategies and decisions. The Investment Committee shall include in its deliberations such topics as: economic outlook; portfolio diversification and maturity structure; potential risks to MUSA funds; authorized brokers and dealers; and the target rate of return on the investment portfolio.

5.0 Authorized Investments

The CFO is authorized on behalf of MUSA and in accordance with investment decisions of the Investment Committee to invest monies which, in the judgment of the CFO, are in excess of current cash needs. These excess funds can be invested in the following instruments:

1. Commercial Paper
2. Certificates of Deposit
3. Corporate Notes
4. Collateralized Mortgage Obligations
5. Bonds

Investments will generally be made with securities having an investment grade as determined by independent rating organizations such as Moodys and Standard and Poor. As required by Florida Statute, funds invested in non investment grade securities may not exceed 5% of admitted assets. For reporting purposes, investment ratings will be determined by the NAIC's Securities Valuation Office (SVO).

6.0 Diversification

The CFO and the Investment Committee will diversify investments in order to stagger maturity dates thus allowing for available cash and the redirection of funds based on current market conditions.

It is MUSA's policy to maintain balances in its operating checking accounts to cover outstanding checks as well as anticipated loss and loss adjustment expenses. Because actual balances within these accounts are constantly fluctuating and are used for short-term cash-flow purposes, MUSA's operating accounts will not be considered as part of the portfolio diversification.

7.0 Annual Review

MUSA's investments are reviewed on an annual basis by an independent accountant as part of the audit of MUSA's financial statements. The objective of the independent audit will be to ensure that the value of the securities reported by MUSA are in compliance with statutory accounting principals.

8.0 Reporting

The CFO is responsible for the monthly, quarter and annual reporting on the investment portfolio. The CFO will report the results and nature of the investment portfolio to the Investment Committee on a quarterly basis.

Part V: False or Misleading Statements

Any application or any documents provided with the application which contain false or misleading statements, will, if discovered prior to the execution of a Surplus Note, cause the application to be rejected, and if discovered after the execution of a Surplus Note, will cause the Surplus Note to be in default.

The Applicant understands the above clause and has not knowingly provided any false or misleading statements.

Applicant: **Modern USA Insurance Company**

FEIN#:

NAIC#:

Part VI: Limitations

The Insurer is limited in how funds from the Surplus Note can be used. Funds received from this Surplus Note cannot be invested in any items not authorized under Part II of Section 625, F.S. The Board reserves the right to confirm the use of the funds at any time during the duration of the Surplus Note.

The Applicant understands the above limitations.

Part VII: Selection Period

The Applicant and its agents, officers, principals, and employees will not engage in any written or verbal communication regarding its application or its participation in this Program during the "selection period" (defined below) with the Office or the Board or any employee thereof, whether or not such individual or employee is assisting in the evaluation of applications. Any unauthorized contact may disqualify the Applicant from further consideration. Normal business communications not related to the processing of the Surplus Note are allowed.

The Applicant will not engage in any lobbying efforts or other attempts to influence the Office, the Board, or any financial or insurance consultant employed by the Board in an effort to influence the Board's decision with respect to executing the Surplus Note with a particular Insurer or Insurers under the Program. Any and all such efforts made by the Applicant or its agents, officers, principals, employees, or lobbyists will be disclosed to the Executive Director of the Board within five calendar days of its becoming known.

The "Selection Period" for this application begins on the date the application is submitted and continues until the Applicant is notified that it was or was not selected to participate in the Program.

The Applicant understands the above statements and will adhere to the Selection Period Rules as defined.

Part VIII: Delivery Address; Number of Copies; Format; Costs

The Board shall not be liable or responsible for any costs incurred by any Applicant filing this application.

Submit ten (10) bound copies of the application and all accompanying documentation, an unbound original document, and an electronic copy of the responses on a CD in PDF format. All materials shall be in the order set forth in the application, identified, and divided by part. Responses to each part should be kept together and include a divider page between each part.

The application, along with all the required documentation shall be sent to the Board at the following address:

State Board of Administration of Florida
c/o The Florida Hurricane Catastrophe Fund
P.O. Box 13300
Tallahassee, FL 32317-3300

**STATE BOARD OF ADMINISTRATION OF FLORIDA
INSURANCE CAPITAL BUILD-UP INCENTIVE PROGRAM ("PROGRAM")
APPLICATION**

Part IX: Attestation

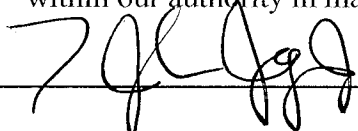
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Applicant is willing to commit to meeting a Minimum Writing Ratio of Gross Written Premium provided in Section 624.4095, F.S., for the 20-year term of the Surplus Note.

- ☒ Affirms Applicant meets minimum qualifications.
- ☒ Affirms Surplus Note, Form SBA 15-2, has been reviewed and terms and conditions contained therein can be met by Applicant.
- ☒ Acknowledges and accepts all terms and conditions of Surplus Note. We are each, respectively, executive officers of the Insurer making this application, acting within our authority in making the declarations listed in this application.

BY: _____

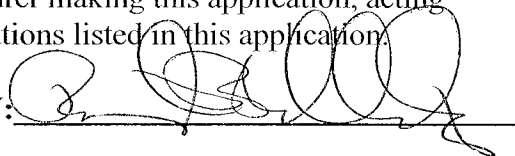


TYPED NAME: T. John Jerger

TITLE: President

DATE: May 22, 2007

BY: _____



TYPED NAME: Raymond M. Blackledge

TITLE: Secretary

DATE: May 22, 2007