

CASTLEPOINT NATIONAL INSURANCE COMPANY

Selected Financial Information and Analysis

As of and for the quarter ended March 31, 2017

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CASTLEPOINT NATIONAL INSURANCE COMPANY

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Overview

Castlepoint National Insurance Company (CNIC or the Company) is the surviving entity from a merger with Tower Insurance Company of New York, CastlePoint Insurance Company, Hermitage Insurance Company, Massachusetts Homeland Insurance Company, North East Insurance Company, Preserver Insurance Company, Tower National Insurance Company, York Insurance Company of Maine and Castlepoint Florida Insurance Company (pre-merger affiliates). All intercompany assets and liabilities arising between the pre-merger affiliates were eliminated. The Company and its pre-merger affiliates were members of Tower Group International Ltd. (Tower) and were ultimately owned by ACP Re, Ltd. (ACPRE). The merger agreement was structured so that CNIC will have responsibility for all of Tower's direct insurance business. CNIC and the pre-merger affiliates (except for Castlepoint Florida Insurance Company) were members of the Tower's US Pool. Subsequent to the completion of the merger, on July 28, 2016, CNIC was placed into conservation by the California Insurance Commissioner, and subject to the oversight of the California Insurance Commissioner.

Pursuant to the July 28, 2016 Order Appointing Insurance Commissioner as Conservator and Restraining Orders (the Conservation Order), the California Insurance Commissioner was appointed as the statutory Conservator of the Company. The Conservation Order authorizes and empowers the Commissioner, through the Conservation & Liquidation Office, to conserve the Company and its assets for the benefit of the Company's claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. The Commissioner has also filed a Conservation and Liquidation Plan for the Company which was approved September 13, 2016. As part of the Conservation and Liquidation Plan, ACP Re commuted its aggregate stop loss reinsurance retrocession agreement with two affiliated companies who in turn provided aggregate stop loss reinsurance protection to Castlepoint Reinsurance Company (CPre), (a Bermuda reinsurance company that was an affiliate of CNIC) and those companies' aggregate stop loss to CPre were also cancelled, terminated and commuted. Concurrent with the execution of these agreements, CPre commuted all of its reinsurance agreements with CNIC and the pre-merged companies, with consideration to CNIC being all of net tangible assets of CPre, such that after the commutation CPre has no further obligation to CNIC. Finally, CNIC received a cash payment of \$200 million from the owners of ACPRe in exchange for their agreement to the commutation agreements. CNIC has been using these funds to pay losses and other expense of the estate while in conservation.

In accordance with the Conservation and Liquidation Plan, two Administrative Services Agreements were executed with AmTrust Financial Services Inc. and with National General Holdings Company for the continuity of claims servicing and payment processing for a period of 24 months. Also, ACP Re has no control over CNIC or ownership of any other of the Tower Group Companies after it transferred its ownership interest in the stock of all of the remaining Tower Group Companies to a trust, pursuant to the Conservation and Liquidation Plan.

On March 30, 2017, the Superior Court of the State of California issued a Liquidation Order (effective April 1, 2017) for Castlepoint National Insurance Company. The Order directs the Liquidator to liquidate and wind up the business of Castlepoint and to act in all ways and exercise all powers necessary for the purpose of carrying out this Order and the Liquidation provision of the California Insurance Co, Insurance Sections 1010 *et seq.*

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Effective April 1, 2017 all direct claims of Castlepoint (and the merged entities) that arose under policies of insurance that are protected by State Guaranty Funds are being transferred to the State Guaranty Funds that have jurisdiction over the claims. All claims issued under policies of insurance that are not protected by State Guaranty Funds are being transferred back to the insureds under the policies, and such insureds are eligible to file a proof of claim with the Liquidator. Such proofs of claim forms are expected to be mailed to insureds and all other potential creditors in the second quarter of 2017. Claims filed by these insureds without Guaranty Fund protection and approved by the Liquidator will receive the same creditor classification as those claims filed by the State Guaranty Funds.

Other creditors, including claims that arose from policies of reinsurance issued by the Company will be subordinated to the claims of the Guaranty Funds and the direct claims of insureds not protected by Guaranty Funds.

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**Statutory Balance Sheets
(Unaudited)**

(\$ in thousands)	31-Mar-17	31-Dec-16	Increase (Decrease)
Admitted Assets			
Cash and invested assets			
Unrestricted assets	\$ 75,878	\$ 130,834	\$ (54,956)
Restricted assets			
Pledged to states	320,689	352,911	(32,222)
Pledged for reinsurance	80,625	84,278	(3,653)
Funds at Lloyds and other invested assets	42,072	41,949	123
Total restricted assets	443,386	479,138	(35,752)
Total cash and invested assets	519,264	609,972	(90,708)
Investment income due and accrued	3,589	4,297	(708)
Uncollected premiums and agents' balances	834	2,565	(1,731)
Amounts recoverable from reinsurers	26,503	26,922	(419)
Funds held by or deposited with reinsured companies	772	1,222	(450)
Miscellaneous assets	52,533	63,450	(10,917)
Total admitted assets	\$ 603,495	\$ 708,428	\$ (104,933)
Liabilities, capital and surplus			
Liabilities			
Reserve for losses and loss adjustment expenses	\$ 829,659	\$ 931,723	\$ (102,064)
Reinsurance payable on paid losses and LAE	10,561	11,425	(864)
Ceded reinsurance premiums payable	1,490	5,770	(4,280)
Funds held by company under reinsurance treaties	21,832	21,662	170
Miscellaneous liabilities	21,313	19,757	1,556
Total liabilities	884,855	990,337	(105,482)
Capital and surplus			
Common capital stock	4,200	4,200	-
Surplus notes	3,000	3,000	-
Gross paid in and contributed surplus	521,742	521,742	-
Unassigned deficit	(810,613)	(811,162)	549
Special surplus funds from retroactive reinsurance	311	311	-
Total capital and surplus	(281,360)	(281,909)	549
Total liabilities, capital and surplus	\$ 603,495	\$ 708,428	\$ (104,933)

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Selected Financial Information and Analysis

Notes to Statutory Balance Sheets

Assets

Total cash and invested assets were \$519.3 million at March 31, 2017 compared to \$610.0 million at December 31, 2016. During the first quarter of 2017, there was a decrease of \$90.7 million as the Company funded direct loss payments of \$125.8 million and this was largely offset by reinsurance proceeds, a distribution from CPRe (as further described below) and net investment income received.

Investment income due and accrued decreased by \$0.7 million, or 16.3%, to \$3.6 million at March 31, 2017 compared to \$4.3 million at December 31, 2016.

Reinsurance recoverable was \$26.5 million at March 31, 2017 compared to \$26.9 million at December 31, 2016. Balances collected during the first quarter 2017 were \$18.3 million, compared to collections of \$13.2 million in the fourth quarter 2016. None of these balances are currently in dispute. Reinsurance contracts do not relieve CNIC from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to CNIC.

Funds held by or deposited with reinsured companies were \$0.8 million at March 31, 2017 compared to \$1.2 million at December 31, 2016.

Miscellaneous assets were \$52.5 million at March 31, 2017 compared to \$63.4 million at December 31, 2016, as shown below. The amounts receivable from CPRe represent CPRe's net tangible assets which are due to CNIC under the terms of the commutation agreement with CPRe. The receivable from CPRe decreased by \$8.8 million in the first quarter of 2017 due to a distribution from CPRe to CNIC which was approved by the Bermuda regulators. There were also decreases in advances to TPAs and in the receivable balance from AmTrust.

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Selected Financial Information and Analysis

Notes to Statutory Balance Sheets, continued

Assets, continued

Miscellaneous Assets (unaudited)

(\$ in thousands)	31-Mar-17	31-Dec-16	Increase (Decrease)
Tangible value of CPRe due to Estate	\$ 10,888	\$ 19,670	\$ (8,782)
Advances to TPA's	9,472	11,101	(1,629)
Involuntary fair plan assumed	9,719	9,719	-
Workers' compensation fund assessment	6,589	7,398	(809)
Loss payment suspense	6,719	4,568	2,151
Receivable from AmTrust	(222)	3,595	(3,817)
Receivable from residual market pools	3,209	3,209	-
Other	6,159	4,190	1,969
Total	\$ 52,533	\$ 63,450	\$ (10,917)

Liabilities

The Company's net losses and LAE reserves were \$829.7 million at March 31, 2017 compared to \$931.7 million at December 31, 2016. The reduction in the March 31, 2017 balance results from first quarter direct losses paid offset by amounts billed to reinsurers.

Reinsurance payable on paid losses and LAE were \$10.6 million at March 31, 2017 compared to \$11.4 million at December 31, 2016. Under the Conservation and Liquidation Plan, the Company is no longer making payments on assumed business and is instead permitting its cedants to draw down collateral, if available.

CASTLEPOINT NATIONAL INSURANCE COMPANY

Selected Financial Information and Analysis

Notes to Statutory Balance Sheets, continued

Liabilities, continued

Ceded reinsurance premiums payable were \$1.5 million at March 31, 2017 compared to \$5.8 million at December 31, 2016. The balance decreased by \$4.3 million between December 2016 and March 2017 primarily due to the reclassification of sliding scale commission payables against reinsurance recoverables.

Funds held by the Company were \$21.8 million at March 31, 2017 compared to \$21.7 million at December 31, 2016.

The Company had no balances payable to parent and affiliates at March 31, 2017 and December 31, 2016.

Miscellaneous liabilities were \$21.3 million at March 31, 2017 compared to \$19.8 million at December 31, 2016. Included in this balance are outstanding checks of \$16.9 million and \$17.1 million at March 31, 2017 and December 31, 2016, respectively.

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Selected Financial Information and Analysis

Notes to Statutory Balance Sheets, continued

Capital and Surplus Accounts

The following table sets forth the changes in policyholders' surplus for the three months ended March 31, 2017 and year ended December 31, 2016:

Changes in Policyholders' Surplus (unaudited)

(\$ in thousands)	Three months ended March 31, 2017	Year ended December 31, 2016	Increase (Decrease)
Policyholders' surplus, beginning period	\$ (281,909)	\$ (311,760)	\$ 29,851
Net (loss)	(532)	(81,078)	80,546
Change in net unrealized capital gains	553	613	(60)
Change in non-admitted assets	458	71,514	(71,056)
Aggregate write-ins for gains and losses in surplus	70	38,802	(38,732)
Policyholders' surplus, ending period	\$ (281,360)	\$ (281,909)	\$ 549

Surplus increased by \$0.6 million in the first quarter 2017 primarily from unrealized capital gains and investment income earned, partially offset by other underwriting expenses.

Changes in Non-Admitted Assets (unaudited)

(\$ in thousands)	Three months ended March 31, 2017	Year ended December 31, 2016	Increase (Decrease)
Other invested assets	\$ -	\$ 9,052	\$ (9,052)
Premium receivable	-	6,256	(6,256)
Other assets	458	3,732	(3,274)
Receivables from parents and affiliates	-	52,474	(52,474)
Total change in non-admitted assets	\$ 458	\$ 71,514	\$ (71,056)

The changes in non-admitted assets during the first quarter of 2017, were primarily due to the advances to TPA's that are no longer non-admitted. During the quarter, the Company wrote off its remaining fixed assets, and this write off was offset by a decrease in non-admitted assets, so surplus was unaffected by this change.

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Selected Financial Information and Analysis

Statements of Operations (Unaudited)

(\$ in thousands)	Three months ended March 31, 2017	Year ended December 31, 2016	Increase (Decrease)
Premium earned	\$ (78)	\$ (4,354)	\$ 4,276
Losses incurred and loss adjustment expenses incurred	(430)	(203,662)	203,232
Other underwriting expenses incurred	(3,284)	(25,359)	22,075
Commutation gain	-	200,000	(200,000)
Affiliated balance (previously non-admitted)	-	(52,474)	52,474
Net underwriting (loss)	(3,792)	(85,849)	82,057
Net investment income earned	2,569	18,817	(16,248)
Net realized capital (loss)	311	(6,968)	7,279
Net investment gain (loss)	2,880	11,849	(8,969)
Other expenses	380	(7,078)	7,458
Net (loss)	\$ (532)	\$ (81,078)	\$ 80,546

Notes to Statements of Operations

Loss and loss adjustment expenses incurred

The Company reported loss and loss adjustment expenses incurred of \$0.4 million.

The Company has ULAE provided to it at no cost under the Administrative Services Agreements that it executed in conjunction with the Conservation and Liquidation Plan on September 14, 2016. During the first quarter of 2017, the Company estimates that it saved approximately \$4.1 million and \$1 million, respectively, by having its ULAE service provided at no charge by AmTrust and National General.

Other underwriting expenses

Other underwriting expenses for the three months ended March 31, 2017 were \$3.3 million compared to \$25.4 million for the year ended December 31, 2016.

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Other Underwriting expenses

(\$ in thousands)	Three months ended March 31, 2017	Year ended December 31, 2016	Increase (Decrease)
Commission and BB&A	\$ 1,730	\$ 4,134	\$ (2,404)
Salaries and employee benefits	1,146	4,975	(3,829)
Rent & depreciation	35	4,071	(4,036)
Professional services	1,334	5,658	(4,324)
Other	(961)	6,521	(7,482)
Total	\$ 3,284	\$ 25,359	\$ (22,075)

Commission and BB&A were \$1.7 million for the period ended March 31, 2017. The balance comprises of \$2.0 of sliding scale ceded commission for the Company's reinsurance covers offset by direct return commission. The decrease in rent & depreciation is due to the write-off of fixed assets noted above. The decrease in other expenses is primarily due to the refund of a 2015 New York state assessment.

Net investment income and net realized capital gains (losses)

Net investment income earned was \$2.6 million for the three months ended March 31, 2017 compared to \$18.8 million for the year ended December 31, 2016.

Net realized capital gains were \$0.3 million for the three months ended March 31, 2017 compared to net capital losses of \$7.0 million for the year ended December 31, 2016.

Other expenses

Other expenses decreased to \$0.4 million (income), at March 31, 2017 compared to \$7.1 million (expense) at December 31, 2016. The change is primarily due to agents' balances write offs at December 31, 2016 and recoveries collected in the first quarter of 2017.

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Statutory Statements of Cash Flows (Unaudited)

(\$ in thousands)	Three months ended March 31, 2017	Year ended December 31, 2016	Increase (Decrease)
Cash from Operations			
Benefit and loss related payments	\$ (90,545)	\$ (255,229)	\$ 164,684
Commutation gain	-	200,000	(200,000)
Commission and other expenses paid	(15,777)	(21,177)	5,400
Premiums collected net of reinsurance	(2,039)	(4,479)	2,440
Net investment income	3,801	23,304	(19,503)
Miscellaneous income	(38)	222	(260)
Federal income taxes recovered	-	1,712	(1,712)
Net cash provided by (used in) operations	(104,598)	(55,647)	(48,951)
Net cash provided by investments	22,380	169,411	(147,031)
Net cash provided by (used in) misc.sources	13,552	(24,932)	38,484
Net change in cash and cash equivalents	(68,666)	88,832	(157,498)
Cash and cash equivalents Beginning of year	179,444	90,612	88,832
Cash and cash equivalents, end of period	\$ 110,778	\$ 179,444	\$ (68,666)

Notes to Statutory Statements of Cash Flows

CNIC had a net cash outflow of \$68.7 million for the three months ended March 31, 2017 compared to \$88.8 million inflow for the year ended December 31, 2016. For the three months ended March 31, 2017, the Company had a net cash outflow of \$90.5 million from benefits and loss related payments and outflow of \$15.8 million from commission and other expenses partially offset by inflows of \$13.6 million from the miscellaneous sources and net proceeds from investments of \$22.4 million. The Company is in run-off, and expects continued outflow of operating cash.

The Cash and cash equivalents of \$110.8 million at March 31, 2017 ties to the amount that would be included in the Company's statutory presentation of assets. A reconciliation to the accompanying balance sheet is presented below (\$000):

Bonds	\$366,414
Cash	110,778
Other Invested assets	42,072
Investment receivable	0
Total	<u>\$519,264</u>

CASTLEPOINT NATIONAL INSURANCE COMPANY

Selected Financial Information and Analysis

Castlepoint National Insurance Company (in Conservation)
 Adjusted Direct Reserves (Loss and ALAE) by State & by Line
 As of February 28, 2017
 (Data Internally prepared and Unaudited)

State Desc	Fire and Allied Lines	Homeowners Multiple Peril	Commercial Multiple Peril (Non-Liab Portion)	Commercial Multiple Peril (liability Portion)	Ocean and Inland Marine	Workers Comp	Other liability - occurrence	Other liability - Claims Made	Excess Workers' Comp	Products liability - Occurrence	Private passenger auto liab	Commercial auto liab	Private Passenger auto physical damage	Commercial Auto physical damage	Fidelity and Surety	Boilers & machinery	Paid
Alabama	-	40,000	240,710	29,765	-	181,886	29,194	-	-	-	-	460,342	-	-	-	-	981,897
Alaska	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arizona	-	-	-	-	-	1,129,754	27,079	-	-	-	-	-	-	-	-	-	1,156,833
Arkansas	-	-	-	-	-	1,636,591	-	-	-	-	-	71,550	-	-	-	-	1,708,141
California	-	190,849	465,814	462,084	301,100	71,611,278	1,274,734	192,856	35,459,058	142,259	54,560	529,940	-	4,900	45,935	-	110,735,366
Colorado	-	-	-	112,330	-	60,281	-	27,864	-	-	-	6,880	-	-	-	-	207,355
Connecticut	-	575,109	45,000	541,602	-	539,324	262,759	-	-	-	883,310	87,652	-	-	-	-	2,934,755
Delaware	-	-	-	-	-	23,560	-	-	-	-	-	-	-	-	-	-	23,560
District of Columbia	-	-	-	15,825	-	10,731	25,000	-	-	-	-	22,304	-	-	-	-	73,861
Florida	-	-	(14,022)	450,656	-	12,191,284	1,647,076	451,000	1,109,355	-	327,500	4,028,382	-	-	17,960	-	20,209,191
Georgia	-	-	-	251,432	-	1,989,402	10,043	25,000	-	-	-	54,554	-	-	2,279	-	2,332,710
Hawaii	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Idaho	-	-	-	-	-	167,456	-	-	-	-	-	-	-	-	-	-	167,456
Illinois	-	-	-	109,701	-	5,725,195	12,368	-	-	-	-	10,700	-	-	-	-	5,857,964
Indiana	-	-	-	-	-	20,845	-	-	-	-	-	5,961	-	-	-	-	26,805
Iowa	-	-	-	-	-	7,700	-	-	-	-	-	-	-	-	-	-	7,700
Kansas	-	-	-	-	-	438,328	-	-	-	-	-	-	-	-	-	-	438,328
Kentucky	-	-	-	-	-	10,626	-	-	-	-	-	1,000,000	-	-	-	-	1,010,626
Louisiana	-	-	2,500	196,184	24,074	952,682	4,400	-	-	15,558	-	1,121,126	-	2,500	-	-	2,319,024
Maine	8,000	95,681	-	15,000	-	-	-	-	-	-	626,188	26,500	-	-	-	-	771,369
Maryland	-	-	-	-	-	5,442,774	-	-	-	-	-	103,717	-	-	-	-	5,546,491
Massachusetts	-	450,038	266,313	294,946	-	(200,810)	49,917	-	-	-	527,174	750	-	-	-	-	1,388,328
Michigan	-	-	-	-	17,390	973,632	-	-	-	-	-	-	-	-	-	-	991,022
Minnesota	-	-	-	-	-	57,424	-	-	-	-	-	24,723	-	-	-	-	82,147
Mississippi	-	-	-	130,142	-	71,907	-	-	-	-	-	-	-	-	-	-	202,049
Missouri	-	-	-	2,501	-	270,950	-	-	-	-	-	-	-	-	3,975	-	277,426
Montana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nebraska	-	-	-	-	-	946,479	-	-	-	-	-	-	-	-	-	-	946,479
Nevada	-	-	-	-	-	13,387,684	-	68,985	-	-	-	95,000	-	-	-	-	13,551,669
New Hampshire	6,453	1,199	-	-	-	220,521	-	-	-	-	15,000	-	-	-	-	-	243,173
New Jersey	-	1,478,751	566,641	2,395,361	-	21,013,205	1,537,140	-	692,055	44,500	1,319,465	760,901	-	3,646	-	-	29,811,665
New Mexico	-	-	-	-	-	114,934	-	-	-	-	-	100,000	-	-	-	-	214,934
New York	-	7,871,992	2,309,553	49,751,441	-	64,979,574	30,519,829	209,027	-	196,806	2	13,047,691	-	321	711,852	27,775	169,625,862
North Carolina	-	-	-	-	-	7,590	-	-	-	-	-	13,121	-	-	-	-	20,711
North Dakota	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ohio	179,735	-	22,924	-	-	268,371	-	-	-	-	-	4,998	-	-	-	-	476,028
Oklahoma	-	-	-	-	-	113,754	-	-	-	-	-	60,121	-	-	-	-	173,875
Oregon	-	-	-	-	-	24,985	500	-	-	-	-	359,774	-	-	(14,303)	-	370,955
Pennsylvania	-	-	15,605	330,207	-	2,480,930	32,503	-	-	-	-	268,324	-	-	3,438	-	3,131,006
Rhode Island	-	-	25,000	-	-	52,419	-	-	-	-	136,000	-	1,300	-	-	-	214,719
South Carolina	-	-	770	30,855	-	639,494	10,000	-	-	-	-	256,150	-	50,000	-	-	987,270
South Dakota	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tennessee	250	-	569	-	-	121,809	5,000	-	-	-	-	134,292	-	-	2,351	-	264,270
Texas	-	(0)	393	443,710	-	3,314,587	147,731	-	-	250	-	2,041,675	-	-	48,665	-	5,997,011
Utah	-	-	-	-	-	45,229	-	-	-	-	-	50,000	-	-	-	-	95,229
Vermont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Virginia	-	-	-	-	-	109,413	-	-	-	-	-	144,471	-	306	-	-	254,190
Washington	-	-	-	1	-	-	750	-	-	-	-	406,008	-	-	-	-	406,759
West Virginia	-	-	-	-	-	173,293	-	-	-	-	-	-	-	-	-	-	173,293
Wisconsin	-	-	-	-	-	-	-	-	-	-	-	14,762	-	-	-	-	14,762
Wyoming	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	194,438	10,703,620	3,947,770	55,563,744	342,564	211,327,068	35,596,021	974,732	37,260,467	399,372	3,889,200	25,262,368	1,300	61,673	872,151	27,775	386,424,264

Note: Claim counts and case reserves are provided by accident state and include surplus lines claims and claims that are only open for the collection of subrogation. These claim counts may differ from the number of claims transferred to the individual state guaranty funds.

CASTLEPOINT NATIONAL INSURANCE COMPANY

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Castlepoint National Insurance Company (in Conservation)
 Adjusted Direct Paid Loss and Paid ALAE by State & by Line
 For the Quarter Ended March 31, 2017
 (Data Internally prepared and Unaudited)

State Desc	Fire and Allied Lines	Homeowners Multiple Peril	Commercial Multiple Peril (Non-Liab Portion)	Commercial Multiple Peril (liability Portion)	Ocean and Inland Marine	Workers Comp	Other liability - occurrence	Other liability - Claims Made	Excess Workers' Comp	Products liability - Occurrence	Private passenger auto liab	Commercial auto liab	Private Passenger auto physical damage	Commercial Auto physical damage	Surety	Boilers & machinery	Paid
Alabama	-	14,768	51,734	47,027	-	31,949	153,820	-	-	16,087	-	22,303	-	-	-	-	337,689
Alaska	-	-	-	-	-	7,169	-	-	-	-	-	-	-	-	-	-	7,169
Arizona	-	-	-	-	-	247,554	15,346	-	-	-	-	50,661	-	-	-	-	313,561
Arkansas	-	-	-	-	-	26,489	-	-	-	-	22,496	2,018	3,090	-	-	-	54,092
California	(7,462)	243,950	68,141	915,535	-	10,842,612	1,298,258	61,326	2,575,763	116,258	110,182	2,386,350	40,245	731	38,313	-	18,690,202
Colorado	-	-	-	39,143	-	8,255	-	9,062	-	-	4,194	23,625	(1,105)	-	-	-	83,174
Connecticut	0	105,861	184,768	1,126,001	(0)	966,870	997,865	-	-	-	1,395,335	-	84,376	-	-	-	4,861,077
Delaware	-	-	-	-	-	12,841	-	-	-	-	17,279	-	17,489	-	-	-	47,609
District of Columbia	-	-	-	10,997	-	-	13,028	3,330	-	-	3,725	-	3,474	-	-	-	34,555
Florida	1,191	2,175	13,566	526,506	16,323	1,603,910	953,067	16,633	65,203	128,000	1,051,146	2,925,721	97,023	13,612	5,766	-	7,419,842
Georgia	-	-	-	4,553	-	444,260	6,811	-	-	-	35,670	308,275	36,091	-	696	-	836,357
Hawaii	-	-	-	-	-	124	-	-	-	-	-	-	-	-	-	-	124
Idaho	-	-	-	-	-	30,112	-	-	-	-	-	-	-	-	-	-	30,112
Illinois	-	-	-	539,563	-	943,926	-	-	-	-	26,911	632,044	803	-	-	-	2,143,247
Indiana	-	-	-	-	-	30,105	-	-	-	-	2,464	171,633	653	-	-	-	204,856
Iowa	-	-	-	-	-	5,309	-	-	-	-	-	-	-	-	-	-	5,309
Kansas	-	-	-	-	-	9,081	-	-	-	-	-	-	-	-	-	-	9,081
Kentucky	-	-	102	840,326	-	10,602	-	-	-	636	1,416	3,650	2,601	-	-	-	859,333
Louisiana	-	-	3,852	788,692	9,827	139,712	158,776	-	-	14,357	228,819	602,687	2,868	-	-	-	1,949,592
Maine	4,952	543	(192)	8,286	(0)	25,319	300,039	-	-	-	858,525	47,651	(2,367)	(400)	-	6,317	1,248,672
Maryland	-	3,050	(750)	209,095	-	883,768	(5,890)	-	-	-	137,114	921	65,855	-	-	-	1,293,163
Massachusetts	67,014	27,469	6,622	206,492	-	781	258,746	-	-	-	638,697	-	12,078	(17)	-	-	1,217,882
Michigan	1,213	-	843	-	728	256,214	-	-	-	-	1,845	33,788	2,274	-	-	-	296,904
Minnesota	-	-	-	-	-	4,418	-	-	-	-	4	5,483	1,667	-	-	-	11,571
Mississippi	-	-	2,270	9,359	-	31,334	1,293	-	-	-	62	1,919	60	-	-	-	46,298
Missouri	-	-	-	113	-	11,571	-	-	-	-	-	25,234	2,322	133	8,000	-	47,373
Montana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nebraska	-	-	-	-	-	31,564	-	-	-	-	-	-	-	-	-	-	31,564
Nevada	-	-	-	0	-	344,105	12,443	-	-	-	258	-	5,375	-	-	-	362,180
New Hampshire	3,247	75,399	-	-	-	91,552	-	-	-	-	126,491	-	6,206	-	-	-	302,895
New Jersey	566,113	(1,532,555)	185,401	1,945,722	872,356	1,764,079	1,586,417	-	1,621	160,846	(3,241,094)	2,200,068	(1,360,647)	3,620	-	19,067	3,171,015
New Mexico	-	-	-	-	-	684	-	-	-	-	-	-	-	-	-	-	684
New York	355,804	(987,472)	395,210	34,123,654	337,825	3,388,672	15,009,538	316,609	-	220,445	7,057	12,550,460	593	3,682	695,836	172,786	66,590,699
North Carolina	-	-	-	-	-	85,301	-	-	-	-	197,717	-	16,897	-	-	-	299,915
North Dakota	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ohio	314,158	-	263,931	(1,871)	-	-	46	-	-	(263,750)	378,843	(1,181)	18,102	0	-	-	708,277
Oklahoma	-	-	-	564,715	-	88,039	-	-	-	-	40	-	-	-	-	-	652,794
Oregon	-	-	-	-	-	1,231	-	-	-	-	614	72,180	-	-	1,315	-	75,340
Pennsylvania	-	1,615	49,874	375,616	-	595,635	(8,403)	-	-	-	0	366,276	710,857	-	-	2,297	2,093,767
Rhode Island	(0)	0	1,594	(515,128)	-	(0)	(2)	-	-	2	692,860	-	30,528	-	-	-	209,853
South Carolina	-	(115,004)	(663)	186,268	-	29,605	(859)	-	-	-	110,948	90	53,556	(5,600)	-	-	258,342
South Dakota	-	-	-	-	-	-	-	-	-	-	-	-	1,820	-	-	-	1,820
Tennessee	-	-	400	-	-	9,214	27,655	-	-	-	921	9,376	5,756	-	4,123	-	57,445
Texas	-	15,772	7,783	693,030	6,041	398,107	66,376	(3,330)	-	-	43,764	1,137,864	20,259	1,646	19,013	-	2,406,325
Utah	-	-	-	-	-	4	-	1,287	-	-	-	-	448	-	-	-	1,739
Vermont	-	-	-	-	-	-	-	-	-	-	5,419	-	35,737	-	-	-	41,155
Virginia	-	-	-	-	-	10,751	-	-	-	-	444,437	196,987	60,638	-	-	-	712,812
Washington	-	-	-	314,034	-	-	-	-	-	-	100,605	47,868	-	-	-	-	462,507
West Virginia	-	-	-	9,435	-	-	-	-	-	-	-	237	468	-	-	-	10,140
Wisconsin	-	-	-	-	-	-	12,381	-	-	-	-	-	-	-	-	-	12,381
Wyoming	-	-	-	-	-	-	-	-	-	-	-	-	4,267	-	-	-	4,267
Total	1,306,229	(2,144,429)	1,234,486	42,967,164	1,243,101	23,412,829	20,856,751	404,917	2,642,588	392,882	3,404,762	23,824,187	(19,643)	23,007	767,462	200,467	120,516,761

Note: Adjusted Direct Paid Loss and Paid ALAE exclude any paid losses associated with the cut through reinsurance provided by Technology Insurance Company and Integon National Insurance Company

CASTLEPOINT NATIONAL INSURANCE COMPANY

Selected Financial Information and Analysis

Tower Group Companies
Ending Reserves by State & by Line
First Quarter 2017

Castlepoint National Insurance Company (in Conservation)
Adjusted Direct Claim Counts by State & by Line
As of February 28, 2017
(Data Internally prepared and Unaudited)

State Desc	Fire and Allied Lines	Homeowners Multiple Peril	Commercial Multiple Peril (Non-Liab Portion)	Commercial Multiple Peril (liability Portion)	Ocean and Inland Marine	Workers Comp	Other liability - occurrence	Other liability - Claims Made	Excess Workers' Comp	Products liability - Occurrence	Private passenger auto liab	Commercial auto liab	Private Passenger auto physical damage	Commercial Auto physical damage	Fidelity and Surety	Boilers & machinery	Open Claims
Alabama	-	2	5	9	-	5	4	-	-	-	-	9	-	-	-	-	34
Alaska	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arizona	-	-	-	-	-	25	1	-	-	-	-	-	-	-	-	-	26
Arkansas	-	-	-	-	-	9	-	-	-	-	-	1	-	-	-	-	10
California	-	6	5	11	2	1,508	69	1	648	9	4	27	-	2	16	-	2,308
Colorado	-	-	-	3	-	5	-	1	-	-	-	1	-	-	-	-	10
Connecticut	-	9	1	12	-	19	9	-	-	-	21	3	-	-	-	-	74
Delaware	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
District of Columbia	-	-	-	1	-	1	1	-	-	-	-	1	-	-	-	-	4
Florida	-	-	3	11	-	116	35	3	16	-	1	66	-	-	2	-	253
Georgia	-	-	-	1	-	45	1	1	-	-	-	4	-	-	1	-	53
Hawaii	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Idaho	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	7
Illinois	-	-	-	5	-	71	1	-	-	-	-	2	-	-	-	-	79
Indiana	-	-	-	-	-	6	-	-	-	-	-	2	-	-	-	-	8
Iowa	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2
Kansas	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	8
Kentucky	-	-	-	-	-	3	-	-	-	-	-	1	-	-	-	-	4
Louisiana	-	-	1	13	7	9	3	-	-	2	-	18	-	1	-	-	54
Maine	1	2	-	1	-	-	-	-	-	-	27	2	-	-	-	-	33
Maryland	-	-	-	-	-	11	-	-	-	-	-	2	-	-	-	-	13
Massachusetts	-	10	3	6	-	7	5	-	-	-	25	1	-	-	-	-	57
Michigan	-	-	-	-	1	31	-	-	-	-	-	-	-	-	-	-	32
Minnesota	-	-	-	-	-	3	-	-	-	-	-	1	-	-	-	-	4
Mississippi	-	-	-	5	-	3	-	-	-	-	-	-	-	-	-	-	8
Missouri	-	-	-	1	-	10	-	-	-	-	-	-	-	-	1	-	12
Montana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nebraska	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	3
Nevada	-	-	-	-	-	50	-	1	-	-	-	1	-	-	-	-	52
New Hampshire	1	2	-	-	-	4	-	-	-	-	1	-	-	-	-	-	8
New Jersey	-	32	19	55	-	217	20	-	6	2	16	37	-	2	-	-	406
New Mexico	-	-	-	-	-	3	-	-	-	-	-	1	-	-	-	-	4
New York	-	211	74	706	-	422	449	3	-	9	1	237	-	1	6	4	2,123
North Carolina	-	-	-	-	-	9	-	-	-	9	-	3	-	-	-	-	12
North Dakota	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ohio	1	-	1	-	-	1	-	-	-	-	-	2	-	-	-	-	5
Oklahoma	-	-	-	-	-	6	-	-	-	-	-	1	-	-	-	-	7
Oregon	-	-	-	-	-	4	2	-	-	-	-	2	-	-	1	-	9
Pennsylvania	-	-	2	8	-	62	3	-	-	-	-	8	-	-	1	-	84
Rhode Island	-	-	1	-	-	1	-	-	-	-	9	-	1	-	-	-	12
South Carolina	-	-	1	2	-	20	1	-	-	-	-	4	-	1	-	-	29
South Dakota	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tennessee	1	-	1	-	-	13	1	-	-	-	-	6	-	-	1	-	23
Texas	-	-	1	4	-	25	7	-	-	1	-	27	-	-	8	-	73
Utah	-	-	-	-	-	3	-	-	-	-	-	-	-	-	1	-	4
Vermont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Virginia	-	-	-	-	-	5	-	-	-	-	-	4	-	2	-	-	11
Washington	-	-	-	1	-	-	1	-	-	-	-	10	-	-	-	-	12
West Virginia	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	3
Wisconsin	-	-	-	-	-	2	-	-	-	-	-	1	-	-	-	-	3
Wyoming	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4	274	118	855	10	2,758	613	10	670	23	105	485	1	9	38	4	5,977

Note: Claim counts and case reserves are provided by accident state and include surplus lines claims and claims that are only open for the collection of subrogation. These claim counts may differ from the number of claims transferred to the individual state guaranty funds.