EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION

OF

PREMIER GROUP INSURANCE COMPANY

(NAIC # 10800)

MURFREESBORO, TENNESSEE

AS OF

DECEMBER 31, 2014

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Murfreesboro, Tennessee
October 28, 2015

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

Dear Commissioner:

Pursuant to your instructions and in accordance with the Tenn. Code Ann. § 56-1-408, regulations, and resolutions adopted by the National Association of Insurance Commissioners (NAIC), a full-scope financial examination and market conduct review as of December 31, 2014, has been made of the conditions and affairs of:

PREMIER GROUP INSURANCE COMPANY
NAIC # 10800
100 East Vine Street
Murfreesboro, Tennessee 37130

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or "Department") under rules promulgated by the NAIC. The examination commenced on June 2, 2015, and was conducted by duly authorized representatives of the TDCI. This examination was called through the NAIC's Financial Examination Electronic Tracking System (FEETS). The Company's ultimate parent is National HealthCare Corporation (NHC). There were no requests from other states to participate on this examination.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2011. This examination covers the period from January 1, 2012, through December 31, 2014, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with the NAIC *Financial Condition Examiners Handbook*, as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company as of December 31, 2014. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with statutory accounting principles and annual statement instructions.

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

The Company's 2014 annual statement was compared with or reconciled to the corresponding general ledger account balances.

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

A separate market conduct review was also performed concurrently with the financial examination.

National HealthCare Corporation (NHC), PGIC's ultimate parent, maintains an Internal Audit Department, which is charged with performing the internal audit function for all companies within PGIC's holding company system. Internal Audit activities focus almost entirely on Sarbanes-Oxley (SOX) compliance testing. The scope of SOX testing included the Company's internal controls over financial reporting. The examiners reviewed the processes tested and requested the work papers for specific processes which had been identified as significant to the key activities and sub-activities being examined. The work papers were provided and were utilized where appropriate.

Independent actuaries, Lewis & Ellis, Inc., were utilized in the review of the company's loss reserves.

The firm of Ernst and Young was the certified public accountant (CPA) and independent auditor for the Company for all years covered by this examination. The CPA's 2014 audit work papers were reviewed and copies were incorporated into the examination, as deemed appropriate.

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

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

The examination included a review to determine the current status of the comments and recommendations included in the previous report on examination, dated May 16, 2013, and which covered the period from January 1, 2007, through December 31, 2011. The previous full-scope examination report, as of December 31, 2011, contained one (1) comment. The Company addressed the prior exam comment during the course of the previous examination. Below is a description of the prior examination report's comment:

Comment:

The Company did not maintain a complaint register as required by Tenn. Code Ann § 56-8-104(11). Prior to completion of the examination, the Company developed a complaint handling system so that each complaint would be recorded and the date that the complaint was resolved would also be logged. Due to remediation action taken, it was determined that the Company was in compliance with Tenn. Code Ann § 56-8-104(11) at the time of issuance of the report on examination.

COMPANY HISTORY

The Company, previously known as NHC Insurance Company, was incorporated on February 15, 1983, as a casualty insurance company under the laws of Tennessee. Initially, the Company was 100% owned by National Health Corporation. On January 6, 1987, the owner of record changed from National Health Corporation to National HealthCorp L.P.

The Company remained dormant until December 31, 1996, at which time it filed for a Certificate of Authority to transact casualty insurance business in Tennessee.

The Company received its Certificate of Authority to transact the business of "Casualty (Workers Compensation Only)" on May 29, 1997. The Company was then capitalized with the sum of $2,700,000. The previously issued stock certificate of 1,000 shares was canceled and a new certificate for 1,000,000 shares of $1 par value common stock was issued in the name of the new shareholder, National HealthCare L.P.

Effective December 31, 1997, National HealthCare L.P. merged into NHC, and the ownership of the Company transferred to NHC/OP, L.P., a 100% owned subsidiary of NHC. On November 25, 1998, the Company requested that the "(Workers Compensation Only)" restriction be removed from its original Certificate of Authority. An amended Certificate of Authority, dated January 25, 1999, was issued, authorizing the Company to transact the business of "Casualty."

Articles of Amendment to the Charter to change the Company's name to Premier Group Insurance Company, Inc. were filed with the Secretary of State's office, on June 19, 2001. Articles of Amendment to the Charter to change the Company's name to Premier Group Insurance Company were filed with the Secretary of State's office, on November 5, 2001. Further Articles of Amendment to the charter were filed with the Secretary of State's office on July 29, 2003, to change the maximum number of shares of stock the Company was authorized to issue from 1,000,000 to 1,500,000 shares. A twenty percent (20%) stock dividend was distributed on July 14, 2003, bringing the number of issued shares to 1,200,000.

The corporation's existence is perpetual and its principal corporate office is established at 100 Vine Street, Suite 1400, Murfreesboro, Tennessee 37130.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Company's Bylaws state that the number of Directors shall be not less than three (3) in number. Directors need not be stockholders. They shall be elected at the annual meeting of the stockholders, and each Director shall be elected to serve for the ensuing year, or until his successor shall be elected and shall qualify.

The following persons were duly elected as Directors by the stockholders on May 30, 2014, and serving as members of the Board of Directors, as of December 31, 2014:

Name	Principal Occupation
Robert Galloway Adams	President and CEO, NHC
David Leon Lassiter	Senior VP Corporate Affairs, NHC
Robert Michael Ussery	Senior VP Operations, NHC

The Company's Bylaws require that an annual meeting of the stockholders be held by May 31 of each year to elect directors and to transact such other business. All meetings of the stockholders shall be held at the principal office of the corporation, or at such other place or places as the Board of Directors may determine, or that may be consented to by the holders of all outstanding stock.

Officers

The Bylaws provide that the officers of the corporation shall consist of a Chairman of the Board, President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as shall from time to time be elected by the Board of Directors.

The following officers were duly elected by the Board of Directors on May 30, 2014, and were serving as officers of the Company, as of December 31, 2014:

Name	Title
Donnie Phil Hester	President
William Porter Nelms, Jr.	Vice-President and Secretary
Charlotte Ann Swafford	Treasurer

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

CONTROL

The Company is wholly-owned by NHC/OP, L.P. (a Delaware Limited Partnership). NHC/OP, L.P. is 100% owned by NHC. A holding company organizational chart is included later within this examination report.

CONFLICTS OF INTEREST AND PECUNIARY INTERESTS

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

DIVIDENDS

During the period under examination, the Company declared and paid two (2) ordinary dividends to its shareholder. The Company complied with the requirements of Tenn. Code Ann. § 56-11-105(e) by notifying the TDCI of declaration of said dividends.

The following lists each dividend amount, whether the dividend was determined to be ordinary or extraordinary, the date the Company notified the TDCI of the dividend, and the date the Company paid the dividend to its shareholders.

Year	Ordinary or Extraordinary	Notification Date	Paid Date	Dividend Amount
2014	None			$ -
2013	Ordinary	06/05/13	07/01/13	1,750,000
2012	Ordinary	05/16/12	06/01/12	1,500,000
Total paid during period of exam				$3,250,000

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board of Directors, and committees were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies.

The review of the minutes indicated the Board of Directors did not approve investment transactions in violation of Tenn. Code Ann. § 56-3-408. Refer to the "Comments and Recommendations" section, later in this report.

Charter

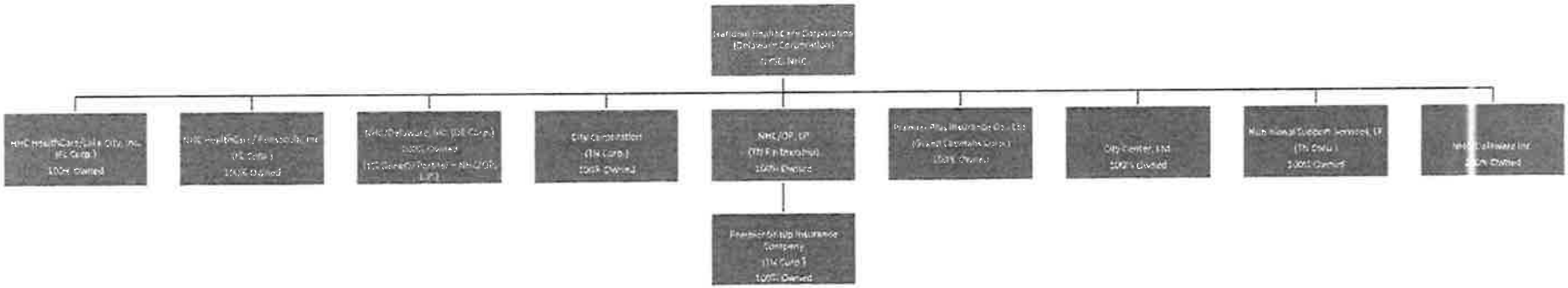
The Charter of the Company, in effect as of December 31, 2014, is the Company's Amended Charter which was filed with the Secretary of State on July 29, 2003. The Charter states the Corporation is for-profit, and organized to conduct business as a casualty insurance company under the laws of the State of Tennessee. The Company had no amendments to its Charter during the period of examination.

Bylaws

The Bylaws of the Company in effect as of December 31, 2014, are the Company's Amended and Restated Bylaws which were adopted by the Board of Directors on May 15, 2007. No amendments or restatements were made to the Company's Bylaws during the period of examination.

The Bylaws are such as are generally found in corporations of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board of Directors, and its shareholders.

ABBREVIATED ORGANIZATIONAL CHART



AGREEMENTS WITH PARENT, SUBSIDIARIES AND AFFILIATES

The Company had two (2) agreements with affiliated companies in effect, as of December 31, 2014. The following are summaries of the agreements:

Administration Agreement with NHC

The Company has an administration agreement with NHC, the ultimate parent. The agreement was made effective on January 1, 2010, and was approved by the TDCI on February 24, 2010. The original term was three (3) years ending December 31, 2012, to be automatically renewed for one (1) year, and to so continually renew each year thereafter on the same terms and conditions. Either party shall have the right to terminate the agreement by giving written notice at least sixty (60) days prior to the end of the then-current contract term.

Excess of Loss Reinsurance Agreement with Premier Plus Insurance Company, Ltd.

The Company has an excess of loss reinsurance agreement with Premier Plus Insurance Company, Ltd., an affiliated company domiciled in the Cayman Islands. Refer to the "Reinsurance" section, later in this report, for further information.

FIDELITY BOND AND OTHER INSURANCE

The Company is a named insured on a fidelity bond issued to its parent, NHC. The Company's fidelity coverage exceeds the suggested minimum amount per the NAIC *Financial Condition Examiners Handbook.*

EMPLOYEE BENEFITS AND PENSION PLANS

As of December 31, 2014, the Company had three (3) employees, all of whom provide claim services in the Company's field offices. Employees of the Company and its parent are eligible to participate in various benefit plans offered, including health, vision and dental insurance, and a matching 401(k) program.

TERRITORY AND PLAN OF OPERATION

TERRITORY

As of December 31, 2014, the Company was licensed to transact business in the following states:

Alabama	Kansas	New Hampshire
Arizona	Kentucky	South Carolina
Florida	Massachusetts	Tennessee
Georgia	Missouri	Virginia

The Certificates of Authority for each jurisdiction were reviewed and found to be in order.

Premium tax records were reviewed for Tennessee, and no exceptions were noted.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

State	Direct Premiums Written	Direct Premium Earned	Direct Losses Paid	Direct Losses Incurred	Direct Losses Unpaid
Alabama	$ 435,835	$ 435,835	$ 14,322	$ 88,121	$ 178,648
Florida	2,989,819	2,989,819	662,564	176,609	1,274,087
Georgia	275,259	275,259	98,250	202,150	391,884
Kansas	(10,593)	(10,593)	(10,566)	(24,588)	257,332
Kentucky	272,767	272,767	35,447	191,103	254,248
Massachusetts	317,306	317,306	669,753	296,298	827,139
Missouri	1,635,006	1,635,006	211,842	435,072	1,369,644
New Hampshire	639,815	639,815	198,168	250,461	382,192
South Carolina	3,435,177	3,442,633	988,746	1,065,334	1,855,701
Tennessee	5,621,533	5,621,533	1,821,882	2,430,887	4,057,504
Virginia	118,398	118,398	12,077	(5,628)	101,360
Totals	$ 15,730,322	$ 15,737,778	$ 4,702,485	$ 5,105,819	$ 10,949,739

The Company was licensed in each state listed.

PLAN OF OPERATION

The Company issues Workers' Compensation and Employers' Liability Policies to healthcare facilities owned or managed by NHC. The Company retains the first $1,000,000 of each occurrence.

GROWTH OF COMPANY

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

Year	Admitted Assets	Liabilities	Capital and Surplus	Net Underwriting Gain
2014	$ 51,523,268	$ 17,920,872	$ 33,602,396	$ 3,785,366
2013	$ 48,962,288	$ 17,995,976	$ 30,966,312	$ 6,283,712
2012	$ 50,205,207	$ 22,647,164	$ 27,558,042	$ 2,904,550

LOSS EXPERIENCE

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

Year	Losses Incurred	LAE Incurred	Premiums Earned	Loss Ratio
2014	$ 5,081,746	$ 2,575,212	$ 15,526,872	49.3%
2013	$ 4,247,034	$ 2,572,663	$ 14,075,520	48.5%
2012	$ 4,629,583	$ 2,983,992	$ 14,655,891	51.9%
Total	$ 13,958,363	$ 8,131,867	$ 44,258,283	49.9%

REINSURANCE

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

Reinsurance Assumed

The Company assumes Workers' Compensation and Employers' Liability policies written by Zurich American Insurance Company. This business was written to cover healthcare facilities owned or managed by NHC in states other than Tennessee, where the Company was not licensed. Beginning in 2005, the Company ceased assuming business from Zurich American Insurance Company and began writing the policies on a direct basis, as it received licenses in these other states. This treaty remained in run-off as of the examination date.

Reinsurance Ceded

The primary intent of the Company's reinsurance agreements is to manage the Company's overall exposure to loss at or below a level that is within the capacity of its capital resources.

The Company carries an excess of loss reinsurance treaty with coverage of $9,000,000 in excess of a retention of $1,000,000 per occurrence. The treaty, originally effective January 1, 2012, indemnifies the Company with respect to the excess liability of any loss which may attach under new or renewal policies in force at the effective date, or issued or renewed on or after that date. This excess policy is written by Premier Plus Insurance Company, Ltd., an affiliated company domiciled in the Cayman Islands and an unauthorized reinsurer.

Premiums payable under this treaty are retained by the Company as collateral for ceded reserves. Total premiums payable were approximately $1,300,000 and ceded loss and loss adjustment expense reserves were approximately $1,200,000, as of December 31, 2014.

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination, and as of December 31, 2014, the Company is a party to various pending legal proceedings arising in the ordinary course of business. Based in part upon the opinion of its counsel as to the ultimate disposition of such

lawsuits and claims, Company management believes that contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the named jurisdictions or custodians as of December 31, 2014. Deposits with said jurisdictions or custodians were verified by direct correspondence with the custodians of such deposits.

SPECIAL DEPOSITS

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Arizona Department of Insurance	REICH & TANG DAILY INCOME US TREASURY MONEY MARKET FUND CUSIP# 23380W54S	$ 190,004	$ 190,004	$ 190,004
Florida Office of Insurance Regulation	Cash	175,000	175,000	175,000
Massachusetts Division of Insurance	US TREASURY NOTE 0.250%, Due 7-31-2015 CUSIP# 912828VN7	1,354,974	1,355,949	1,355,000
New Hampshire Insurance Department	Cash	498,800	498,800	498,800
Virginia - Bureau of Insurance	Cash	225,106	225,106	225,106
Total Special Deposits		$ 2,443,884	$ 2,444,859	$2,443,910

GENERAL DEPOSITS

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Value	Par Value (Dollars)
Tennessee Department of Insurance	US TREASURY NOTE 0.250%, Due 2-29-2016 CUSIP# 912828B82	$ 1,099,046	$1,098,625	$1,100,000
Total General Deposits		$ 1,099,046	$ 1,098,625	$ 1,100,000
Total Special and General Deposits		$ 3,542,930	$ 3,543,484	$ 3,543,910

ACCOUNTS AND RECORDS

Tenn. Comp. R. & Regs. 0780-01-65-.08(4), states that the lead or coordinating audit partner responsible for rendering a report by a certified public accounting firm may not act in that capacity for more than five (5) consecutive years. The Company is audited annually by Ernst and Young, and is in compliance with this regulation.

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

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

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company, as of December 31, 2014, in conjunction with this examination.

The following market conduct areas were reviewed.

Policy Forms and Rates

The Company contracts with the National Council on Compensation Insurance, Inc. to provide its policy forms and to make its rate filings. No exceptions were noted in

the review of the Company's filed policy forms and rates.

Advertising

The Company did not use any advertising to market their products.

Claims Review

A sample of open and closed claim files reviewed during the examination indicated that claims were being paid in accordance with policy provisions, and that settlements were made promptly upon receipt of proper evidence of the Company's liability.

Policyholder Complaints

The Consumer Insurance Services Section of the TDCI indicated no concerns or complaints with the Company during the period under examination. The Company maintains a complaint register as required by Tenn. Code Ann. § 56-8-104(11), but has recorded no complaints during the period under examination.

SUBSEQUENT EVENTS

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

FINANCIAL STATEMENTS

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

ASSETS

	Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$42,342,788	$3,236,196	$39,106,592
Cash and short-term investments	7,719,704	207,775	7,511,929
Investment income due and accrued	172,155		172,155
Uncollected premiums and agents' balances in course of collection	315,239	315,239	0
Deferred premiums, agents' balances and installments booked but deferred and not yet due	58,505		58,505
Current federal income tax recoverable	486,543		486,543
Net deferred tax asset	998,024	109,044	888,980
Guaranty funds receivable or on deposit	325,585		325,585
Electronic data processing equipment and software	1,993		1,993
Aggregate write-ins for other than invested assets	55,115	37,744	17,371
Totals	$52,475,651	$3,905,998	$48,569,653

LIABILITIES, CAPITAL AND SURPLUS

Losses		$ 10,834,058
Loss adjustment expenses		5,073,642
Other expenses (excluding taxes, licenses and fees)		219,088
Taxes, licenses and fees (excluding federal and foreign income tax)		216,885
Unearned premiums		210,938
Ceded Reinsurance premiums payable (net of ceding commissions)		1,334,393
Amounts withheld or retained by company for account of others		8,069
Remittance and items not allocated		3,695
Aggregate write-ins for liabilities:		
Self-Insured Amounts Assumed		20,105
Total Liabilities		17,920,873
Common capital stock	$ 1,200,000	
Gross paid in and contributed surplus	1,700,000	
Unassigned funds (surplus)	27,748,780	
Total Capital and Surplus		30,648,780
Totals		$ 48,569,653

STATEMENT OF INCOME

UNDERWRITING INCOME		
Premiums earned		$ 15,526,872
Deductions: Losses incurred	$ 5,081,746	
Loss expenses incurred	2,575,212	
Other underwriting expenses incurred	4,084,548	
Total underwriting deductions		11,741,506
Net underwriting gain		3,785,366
INVESTMENT INCOME		
Net investment income earned	651,860	
Other professional services	63,226	
Net investment gain		715,086
OTHER INCOME		
Aggregate write-ins for miscellaneous income	29,832	
Total other income		29,832
Net income before federal income taxes		4,530,284
Federal income taxes incurred		1,491,888
Net income		$ 3,038,396

CAPITAL AND SURPLUS ACCOUNT

	2014	2013	2012
Capital and Surplus December 31, previous year	$ 30,966,311	$ 27,558,042	$ 27,362,488
Net income	3,038,396	4,278,122	1,998,536
Change in net unrealized capital gains or (losses	1,077	(1,077)	0
Change in net deferred income tax	66,622	(106,306)	86,870
Change in non-admitted assets	(3,423,626)	987,530	(389,852)
Surplus adjustments:			
Paid in	0	(1,750,000)	(1,500,000)
Net change in capital and surplus for the year	(317,531)	3,408,269	195,554
Capital and Surplus December 31, current year	$ 30,648,780	$ 30,966,311	$ 27,558,042

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Bonds	$39,106,592

The Company reported admitted bond investments in the amount of $40,666,872 in the Annual Statement. Bond investments in the amount of $39,106,592 are admitted for purposes of this report.

Tenn. Code Ann. § 56-3-403 permits an insurance company to invest or otherwise acquire or loan upon, securities and investments in foreign countries, but the aggregate amount of the investments made shall not exceed one percent (1%) of the company's admitted assets. The Company is allowed an additional amount equal to five percent (5%) of admitted assets under Tenn. Code Ann. § 56-3-402. After consideration of amounts allowed under both sections, foreign entity investments exceeded amounts allowed under Tenn. Code Ann. §§ 56-3-403 and 56-3-402 by $2,953,614. The adjustment to the financial statements considering both of these statute sections is calculated as follows:

Foreign investments per Schedule D		$6,045,010
Admitted assets	$51,523,268	
Allowable under TCA §56-3-403 (1% of admitted assets)		515,233
Allowable under TCA §56-3-402 (5% of admitted assets)		2,576,163
Total allowed		3,091,396
Total non-admitted		$2,953,614

SUMMARY SCHEDULE FOR CHANGES IN CAPITAL AND SURPLUS

Analysis of Changes to Capital and Surplus

	Increase/ (Decrease)	
Capital and Surplus at Dec. 31, 2014 Annual Statement		$ 33,602,394
Bonds	$ (2,953,614)	
Net (decrease)		(2,953,614)
Capital and Surplus at Dec. 31, 2014, after adjustment		$ 30,648,780

COMMENTS AND RECOMMENDATIONS

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

Comments

None.

Recommendations

1. As of December 31, 2014, the Company had aggregate bond investments issued by foreign (non-United States) entities in excess of amounts allowed under Tenn. Code Ann. §§ 56-3-403 and 56-3-402. This violation resulted in a $2,953,614 decrease to Bonds. It is recommended that the Company liquidate foreign investments, so that its foreign investment holdings are equal to or less than amounts allowed under Tenn. Code Ann. §§ 56-3-402 and 56-3-403. It is further recommended the Company comply with the statutory investment limitations going forward.

2. The Company's Board of Directors does not approve investment transactions in violation of Tenn. Code Ann. § 56-3-408. It is recommended that the Board of Directors approve investment transactions and document this approval in the minutes to the Board of Director meetings.

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in connection with the verification and valuation of assets and the determination of liabilities of Premier Group Insurance Company of Murfreesboro, Tennessee.

In such manner, it was found that as of December 31, 2014, the Company had admitted assets, after examination adjustments, of $48,569,653 and liabilities, exclusive of capital and surplus, of $17,920,873. Thus, there existed for the additional protection of the policyholders, the amount of $30,648,780 in the form of common capital stock of $1,200,000, gross paid in and contributed surplus of $1,700,000, and unassigned funds of $27,748,780.

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

In addition to the undersigned, Jay Uselton, CFE and Rhonda Bowling-Black, CFE, Insurance Examiners for the State of Tennessee, and Ryan Havick, CFE, Emilie Brady, CFE, and Michael Nadeau, CFE, AES, Insurance Examiners with the firm Eide Bailly LLP, Fargo, North Dakota, representing the State of Tennessee, participated in the work of this examination. An actuarial review was performed by Gregory S. Wilson, FCAS, MAAA, of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas.

Respectfully submitted,

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

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Premier Group Insurance Company located in Murfreesboro, Tennessee, dated October 28, 2015, and made as of December 31, 2014, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information and belief.

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

State Texas

County Tarrant

Subscribed to and sworn before me

this 3rd day of June, 2016

(NOTARY)

My Commission Expires: 10/30/18

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

EXHIBIT B

PGI

Premier Group Insurance

June 7, 2016

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

RE: Report of Examination - **Premier Group Insurance Company**

Dear Ms. Little:

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

Sincerely,

Stephen W. Burns
President

P.O. Box 1122 Murfreesboro, TN 37133 615-278-1225