



QUARTERLY STATEMENT

As of June 30, 2015
of the Condition and Affairs of the

STAR CASUALTY INSURANCE COMPANY

NAIC Group Code.....0000, 0000 <small>(Current Period) (Prior Period)</small>	NAIC Company Code..... 32387	Employer's ID Number..... 65-0071432
Organized under the Laws of FLORIDA	State of Domicile or Port of Entry FLORIDA	Country of Domicile US
Incorporated/Organized..... August 20, 1987	Commenced Business..... July 25, 1988	
Statutory Home Office	5539 SW 8 Street..... MIAMI FL US 33134 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	
Main Administrative Office	5539 SW 8 Street..... MIAMI FL US 33134 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	305-442-2276 <small>(Area Code) (Telephone Number)</small>
Mail Address	P.O.BOX 451037..... MIAMI FL US 33245-1037 <small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records	5539 SW 8 Street..... MIAMI FL US 33134 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	305-442-2276 <small>(Area Code) (Telephone Number)</small>
Internet Web Site Address	WWW.STARCASUALTY.COM	
Statutory Statement Contact	ALEJANDRO RUBEN ZAJAC <small>(Name)</small> azajac@starcasualty.com <small>(E-Mail Address)</small>	305-442-2276 <small>(Area Code) (Telephone Number) (Extension)</small> 786-347-5539 <small>(Fax Number)</small>

OFFICERS

Name	Title	Name	Title
1. PAUL GERARD GABE JR.	PRESIDENT/ SECRETARY /CHAIRMAN / C.E.O.	2. ALEJANDRO RUBEN ZAJAC	TREASURER
3.		4.	
JOSE EVELIO ESTRELLA	VICE PRESIDENT	FRANCIS WALTER BRILL	VICE PRESIDENT
RAKESH MISHRA	SENIOR VICE PRESIDENT		

OTHER

DIRECTORS OR TRUSTEES

NICOLAS ESTRELLA SR.	JAMES PAUL KENNEDY	AMANDA JOSEFINA ESTRELLA	NICOLAS ESTRELLA JR.
PAUL GERARD GABE JR	JOSE EVELIO ESTRELLA		

State of..... FLORIDA
County of..... MIAMI DADE

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) PAUL GERARD GABE JR. _____ 1. (Printed Name) PRESIDENT/ SECRETARY /CHAIRMAN / C.E.O. _____ (Title)	_____ (Signature) ALEJANDRO RUBEN ZAJAC _____ 2. (Printed Name) TREASURER _____ (Title)	_____ (Signature) _____ 3. (Printed Name) _____ (Title)
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Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....			.0	
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	2,083,489		2,083,489	2,111,336
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....5,676,137), cash equivalents (\$.....0) and short-term investments (\$.....4,476,804).....	10,152,941		10,152,941	10,096,829
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	12,236,430	.0	12,236,430	12,208,165
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	6,455		6,455	6,058
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	635,875	2,950	632,925	719,968
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	2,126,317		2,126,317	2,624,791
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,146,728		1,146,728	1,024,503
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	24,610
18.2 Net deferred tax asset.....	229,195	58,522	170,673	160,824
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	58,191	56,043	2,148	4,299
21. Furniture and equipment, including health care delivery assets (\$.....0).....	17,752	17,752	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	362,027	114,243	247,784	311,859
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	21,316	9,749	11,567	17,286
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	16,840,286	259,259	16,581,027	17,102,363
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	16,840,286	259,259	16,581,027	17,102,363

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. UNEARNED COMMISSIONS FROM AGENTS.....	15,128	9,259	5,869	7,736
2502. ACCOUNT RECEIVABLE-OTHERS.....	6,188	490	5,698	1,161
2503. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	8,389
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	21,316	9,749	11,567	17,286

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....1,601,046).....	1,978,757	1,934,585
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	540,725	569,508
4. Commissions payable, contingent commissions and other similar charges.....	125,749	155,046
5. Other expenses (excluding taxes, licenses and fees).....	126,922	163,763
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	11,785	414
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	39,306	
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....1,519,454 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	1,860,925	2,033,728
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	1,096,703	1,505,597
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	979,828	1,066,632
19. Payable to parent, subsidiaries and affiliates.....	20,750	27,100
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	6,781,450	7,456,373
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	6,781,450	7,456,373
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,005,000	1,005,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	1,407,325	1,407,325
35. Unassigned funds (surplus).....	7,387,252	7,233,665
36. Less treasury stock, at cost:		
36.10.000 shares common (value included in Line 30 \$.....0).....		
36.20.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	9,799,577	9,645,990
38. Totals (Page 2, Line 28, Col. 3).....	16,581,027	17,102,363

DETAILS OF WRITE-INS

2501. Line 15 from 2000 Annual Statement.....		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

STAR CASUALTY INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....7,286,000).....	7,718,873	10,249,588	19,111,078
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....1,914,206).....	2,072,687	4,609,754	8,716,566
1.4 Net..... (written \$.....5,371,794).....	5,646,186	5,639,834	10,394,512
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....2,670,315):			
2.1 Direct.....	5,059,142	5,014,005	9,513,423
2.2 Assumed.....			
2.3 Ceded.....	2,193,131	2,051,922	4,164,670
2.4 Net.....	2,866,011	2,962,083	5,348,753
3. Loss adjustment expenses incurred.....	1,411,545	1,513,097	2,918,143
4. Other underwriting expenses incurred.....	1,457,106	910,518	1,697,586
5. Aggregate write-ins for underwriting deductions.....	0	56,492	0
6. Total underwriting deductions (Lines 2 through 5).....	5,734,662	5,442,190	9,964,482
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(88,476)	197,644	430,030
INVESTMENT INCOME			
9. Net investment income earned.....	13,937	11,772	25,221
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....			
11. Net investment gain (loss) (Lines 9 + 10).....	13,937	11,772	25,221
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....64,690).....	(64,690)	(89,828)	(177,489)
13. Finance and service charges not included in premiums.....	347,575	497,975	930,032
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	282,885	408,147	752,543
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	208,346	617,563	1,207,794
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	208,346	617,563	1,207,794
19. Federal and foreign income taxes incurred.....	70,916	2,720	11,823
20. Net income (Line 18 minus Line 19) (to Line 22).....	137,430	614,843	1,195,971
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	9,645,990	8,857,533	8,857,533
22. Net income (from Line 20).....	137,430	614,843	1,195,971
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	9,661	(221,426)	(394,354)
27. Change in nonadmitted assets.....	6,496	44,232	(13,160)
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	153,587	437,649	788,457
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	9,799,577	9,295,182	9,645,990
DETAILS OF WRITE-INS			
0501. DEPRECIATION.....		56,492	
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	56,492	0
1401. APPOINTMENT FEES.....			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
3701. Lines 23 and 29 from 2000 Annual Statement.....			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	5,587,297	5,868,103	9,608,913
2. Net investment income.....	13,540	10,771	24,583
3. Miscellaneous income.....	347,575	497,975	930,032
4. Total (Lines 1 through 3).....	5,948,412	6,376,849	10,563,528
5. Benefit and loss related payments.....	3,008,072	3,036,847	5,864,370
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,873,956	2,540,774	4,763,766
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	7,000	31,000	36,000
10. Total (Lines 5 through 9).....	5,889,028	5,608,621	10,664,136
11. Net cash from operations (Line 4 minus Line 10).....	59,384	768,228	(100,608)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....			
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	0
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(3,272)	(451,566)	116,689
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(3,272)	(451,566)	116,689
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	56,112	316,662	16,081
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	10,096,829	10,080,748	10,080,748
19.2 End of period (Line 18 plus Line 19.1).....	10,152,941	10,397,410	10,096,829

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
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NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies**

A. Accounting Practices

	State of Domicile	2015	2014
NET INCOME			
(1) STAR CASUALTY INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 3)	FL	137,430	1,195,971
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 - 2 - 3 = 4)	FL	137,430	1,195,971
SURPLUS			
(5) STAR CASUALTY INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	FL	9,799,577	9,645,990
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 - 6 - 7 = 8)	FL	9,799,577	9,645,990

The financial statements of Star Casualty Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Florida Department of Financial Services. The Florida Department of Financial Services recognizes only statutory accounting practices prescribed or permitted by the state of Florida for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Florida Insurance Law. The National Association of Insurance Commissioners (the "NAIC") Accounting Practices and Procedures Manual version effective January 1, 2001 ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Florida. The Commissioner of Insurance has the right to permit specific practices, which may deviate from prescribed practices. Assets values are generally stated as follows: Investments securities, which consist primarily of US government and corporate obligations, are stated at amortized cost. Amortization of premiums and accretion of discounts are recognized using the constant yield interest method. Realized losses on investments securities are charged to unassigned surplus (deficit). Realized gains and losses are computed using the specific indication method. Depreciation of electronic data processing equipment is computed by the straight-line method over three years. Land, Buildings and improvements are recorded at cost. Depreciation on building and improvements is computed by the straight line method over the estimated useful lives. Maintenance and repairs are charged to operations as incurred. Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Reinsurance recoverables are estimates of paid and unpaid losses collectible from the company's reinsurers.

Note 2- Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Florida. Effective January 1, 2001, the State of Florida required that insurance companies domiciled in the State of Florida prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual-Version effective January 1, 2001 subject to any deviation prescribed or permitted by the State of Florida Insurance Commissioner. Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures Manual-Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment of unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. As a result of these changes, the Company reported in 2001, a change of accounting principles as an adjustment, which increased unassigned funds, of \$513 as of January 1, 2001.

Note 3- Business Combinations and Goodwill

No applicable.

Note 4- Discontinued Operations

No applicable.

Note 5- Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans: N/A
- B. Debt Restructuring: N/A
- C. Reverse Mortgages: N/A
- D. Loan Backed Securities: N/A
- E. Repurchase Agreements and/or Securities Lending Transactions: N/A
- F. Real Estate: N/A
- G. Investments in low-income housing tax credits: N/A
- H. Restricted Assets:
 - 1. Restricted Assets (including Pledged):
 - a. Subject to contractual Obligation for which liability is not shown: N/A
 - b. Collateral held under security lending agreements: N/A
 - c. Subject to repurchase agreements: N/A
 - d. Subject to reverse repurchase agreements: N/A
 - e. Subject to dollar repurchase agreements: N/A
 - f. Subject to dollar reverse repurchase agreements: N/A
 - g. Placed under option contracts: N/A
 - h. Letter stock or securities restricted as to sale: N/A
 - i. On deposit with states:

NOTES TO FINANCIAL STATEMENTS

	Current Year	Prior Year	Current Year Admitted
State of Florida:	\$1,000,000	\$1,000,000	\$1,000,000
State of Georgia:	\$25,000	\$25,000	\$25,000

- j. On deposit with other regulatory bodies: N/A
k. Pledged as collateral not captured in other categories: N/A
l. Other restricted assets: N/A
m. Total Restricted Assets: \$1,025,000 book value (\$1,025,000 Fair Value).

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories: N/A
3. Detail of Other Restricted Assets: N/A

Note 6- Joint Ventures, Partnerships and Limited Liability Companies

No applicable.

Note 7- Investment Income

Premiums and discounts on investment securities are amortized (accrued) using the specific (constant yield) interest method.

Note 8- Derivative Instruments

No applicable.

Note 9- Income Taxes

No material changes from last filing

Note 10- Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company, in the normal course of business, is involved in intercompany transactions with certain affiliates as follows:
- 1) Value Underwriters, Inc, a managing general agent
 - 2) Estrella Insurance, Inc., an insurance agency
 - 3) Estrella General Agency, a general management agency
 - 4) Penta Insurance Adjusters, Inc., an insurance adjusters company
- B. During the course of the current period, Star Casualty was involved in the following transactions (excluding cost allocation transactions):
- 1) A 15% agent commission is paid to the franchisee offices operating under the name of Estrella Insurance, which amounts to \$314,454 at the end of the period.
 - 2) Value Underwriters received, for policies sold through the franchisee offices of Estrella Insurance, a commission of 2.5 % of net written premiums, which amounted to \$52,409 at the end of the period.
 - 3) The total fees (ALAE) incurred during the year as compensation for Penta Insurance Adjusters' services amounted YTD to \$767,550.
- C. The dollar amounts related to the transactions above mentioned are:
- 1) YTD - Commissions paid to Estrella Insurance's franchisee agencies: \$314,454.
 - 2) YTD - Commissions paid to Value Underwriters Inc: \$52,409.
 - 3) YTD - Fees incurred for Penta Insurance Adjusters' services: \$767,550.
- There were no changes in the method of establishing the terms from that used in the preceding period.
- D. At the end of this period, the following balances are due from affiliates, which correspond to cost allocations:
- 1) From Penta Insurance Adjusters, Inc: \$108,590
 - 2) From Value Underwriters Inc.: \$153,040
 - 3) From Estrella General Agency: \$0
- At the end of this period, the following balances are due to affiliates:
- 1) To Estrella General Agency: \$2,165.
 - 2) To Value Underwriters Inc: \$0
- E. There are no guarantees or undertakings, written or otherwise, for the benefit of related parties that result in a material contingent exposure for the Company.
- F. There are no management agreements involving the Company and its affiliates. The Company has a managing general agency agreement with Value Underwriters, Inc, a claims handling agreement with Penta Insurance Adjusters, Inc., and a producers agreement with Estrella Insurance. In addition, the Company has a cost allocation agreement between the Company and its affiliates where the related entities agree to have a quarterly allocation of office and salary expenses in cases where an affiliate paid for expenses that pertain to another affiliate or affiliates.
- G. The relationship between the affiliated entities does not affect the normal course of business of the Company. The financial position of the reporting entity is not significantly different from that that would have been obtained if the referred entities were autonomous.
- H. Star Casualty is not owned directly by any of the above mentioned entities. Star Casualty does not have any ownership in any of the above mentioned entities.
- I. The Company does not have any investments in the above mentioned entities.
- J. The Company does not have any ownership in any of the above mentioned entities. No impairment in investments is applicable.
- K. Investments in Foreign Affiliates: none.
- L. Investments in a Downstream Noninsurance Holding Company: none.

The following is a summary of the cumulative balances pending from affiliates for cost allocations at the end of this period:

To Value Underwriters Inc:	\$ 179,626
To Penta Ins. Adjusters Inc.:	\$ 184,566
To Estrella General Agency, Inc.	\$ (2,165)
Total Reimbursements from affiliates	\$ 362,024

In addition, a total of \$20,750 is payable to Value Underwriters Inc, the MGA, for policy fees collected during the last month of the current quarter.

Note 11 - Debt

On June 26, 1988, the sole shareholder of the Company entered into a Surplus Note Agreement with the Company in the amount of \$1,175,000. This note

NOTES TO FINANCIAL STATEMENTS

was repaid on December 22, 2005. Interest was due at the annual rate of 12%.

On July 31, 2002, the sole shareholder of the Company executed an additional Surplus Note for \$1,000,000. This note was repaid on October 25, 2006. Interest was due at the annual rate of 7%.

Note 12- Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company had adopted a qualified 401 K retirement plan on May 1, 1999 covering substantially all employees of the Company, subject to certain service requirements. No matching contribution were being made by the Company. This plan was terminated effective December 12, 2006. The Company does not have a program for granting agents, brokers, and employees, options, warrants or rights to purchase stock of the Company. Also, the Company does not have any agreement with any person whereby it agrees that for any services rendered he/she shall receive salary or compensation that will extend beyond a period of twelve months from the date of the agreement. At the end of the current period the Company is not offering any postretirement benefit or any other kind of retirement plan to the employees.

Note 13- Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

The Company has 5,000,000 common shares authorized; 750,000 shares are issued and outstanding. The Company has no preferred stock outstanding. Except for the limitations specified by the laws of the State of Florida, there are no restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to stockholders.

Note 14 – Contingencies

Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

Note 15- Leases

On January 30, 2008, Star Casualty entered into a business lease contract with Star Property IV, an LLC owned by Mr. Nicolas Estrella for the headquarters office located at 5539 SW 8 Street, in Miami, Florida. On June 23, 2008, Star Casualty acquired the aforementioned building from Star Property IV, LLC.

Note 16- Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No applicable.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No applicable.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No applicable.

Note 19 – Direct Premium Written/Produced by Managing Agents/Third Party Administrators

Name and address of the Managing General Agent Value Underwriters Inc.

FEIN: 65-0839814, 5539 SW 8 St Street, Miami, Florida, 33134.

Exclusive Contract: Yes

Type of business: Auto liability and physical damage in Florida.

Type of Authority: Underwriting, Binding authority, Premium collection, reinsurance and oversee loss adjustment expenses.

Voluntary Direct Premiums Written (Year-to-Date): \$5,290,931 (Florida).

Note 20 – Fair Value

No applicable.

Note 21 – Agent's Balances:

At the end of the current period the Company reports \$635,875 in uncollected premiums in course of collection as a result of direct billing operations. There are no balances due from controlling persons included at the end of the period.

Agent's Balances or Uncollected Premiums before ceded reinsurance balances	\$635,875	(1)
Premiums collected from 'Controlled' or 'Controlling' persons	\$0	(2)
Premiums collected by 'Controlled' or 'Controlling' person within 15 days preceding reporting period	\$0	(3)
Total of Trust Fund, Letter of Credit or Financial Guaranty Bond	\$0	(4)
(2) minus (3) minus (4); should not exceed zero	\$0	

Note 22 – Events Subsequent

There are no events occurring subsequent to the closing of the books, which have a material effect on the financial condition of the Company.

Note 23 – Reinsurance

Effective April 1, 2009, the company entered into a 40% quota share reinsurance agreement with General Reinsurance Corporation.

Effective June 1, 2008, the company entered into a catastrophe reinsurance treaty with General Reinsurance Corporation.

Effective January 1, 2008, the company entered into an excess of loss reinsurance contract with General Reinsurance Corporation

Effective November 1, 2010 the company entered into a quota share reinsurance contract of Personal Umbrella Businesses with General Reinsurance Corporation.

All of the reinsurance contracts above are in effect during the current period and are being renewed on an annual basis.

The following is the detail of reinsurance companies with an unsecured aggregate recoverable for losses; paid and unpaid including IBNR, loss adjustment expenses and unearned premium that exceeds 3% of the company's policyholder surplus.

Reinsurance's Name	NAIC number	FEIN	Aggregate Total
General Reinsurance Corp	22039	13-2673100	\$3,672,812

NOTES TO FINANCIAL STATEMENTS

Reinsurance Recoverable in dispute: None
Reinsurance Assumed: N/A
Ceded Reinsurance Premiums Payable at period end: \$519,876
Commutation of Ceded Reinsurance: None
Retroactive Reinsurance None

Note 24 – Retrospectively Rated Contracts & Contracts Subjects to Re-determination

No applicable.

Note 25 – Change in Incurred Losses and loss Adjustment Expenses

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, and an amount based on past experience, for losses incurred but not reported. Unpaid losses and loss adjustment expenses are reported net of receivables for salvage and subrogation. Original estimates are increased or decreased, as additional information becomes known regarding individual losses.

Note 26 – Inter-company Pooling Arrangement

No applicable.

Note 27 – Structured Settlements

No applicable.

Note 28 – Health Care Receivables

No applicable.

Note 29 – Participating Policies

No applicable.

Note 30 – Premium Deficiency Reserves

No applicable.

Note 31 – High Deductibles

No applicable.

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No applicable.

Note 33 – Asbestos/Environmental Reserves

No applicable.

Note 34 – Subscriber Savings Accounts

No applicable.

Note 35 – Multiple Peril Crop Insurance

No applicable.

Note 36 – Financial Guaranty Insurance

No applicable.

Note 37 – Others

*The Company elected to use rounding amounts in this statement.
Effective April 30, 2010, the Office of Insurance Regulation granted Star Casualty with authority to write Personal Umbrella coverage.*

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No []
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	0	

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [] No [X] N/A []
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/13/2012
- 6.4 By what department or departments?
FLORIDA DEPARTMENT OF FINANCIAL SERVICES
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with the Department? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0

13. Amount of real estate and mortgages held in short-term investments: \$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

16.3 Total payable for securities lending reported on the liability page: \$ 0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
US BANK	225 WATER ST, JACKSONVILLE, FL 33202
MERRIL LYNCH	2400 N COMMERCE PKY STE 100, WESTON, FL 33326

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Securities Valuation Office* been followed? Yes [X] No []

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

5.1 Operating Percentages:

5.1 A&H loss percent 0.000%

5.2 A&H cost containment percent 0.000%

5.3 A&H expense percent excluding cost containment expenses 0.000%

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 0