INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

FAIR PLAN

REPORT OF THE ANNUAL MEETING

April 22, 2014

Insurance Placement Facility of Pennsylvania

530 Walnut Street, Suite 1650
Philadelphia, PA 19106-3698

Board of Directors

2013- 2014

Ms. Patricia A Quinn, Chairperson	CNA
Ms. Nicole W. Ford, Vice Chairperson	Allstate Insurance Company
Ms. Susan Erney	The Harleysville Insurance Companies
Mr. Kurt Husar	ACE USA
Ms. Marci Thomas	State Farm Insurance Companies
Mr. William W. Martin	The Hartford
Mr. Terry McConnell	Erie Insurance Group

Mr. Daniel M. Taylor, Jr., Esq., General Counsel	Margolis Edelstein, Pittsburgh
Mr. John M. Ogle, President	Insurance Placement Facility of Pennsylvania

AGENDA FOR THE ANNUAL MEETING

INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

April 22, 2014 - 1:30 P.M.

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1. Call to Order - 1:30 P.M. - Ms. Patricia Quinn, Chairperson, presiding
2. Approval of Minutes of Previous Year Annual Meeting - April 25, 2013
3. Ratification of Board Action
4. Report of the Chairman
5. Report of the President
6. Treasurer's Report
7. New Business
8. Election of Board of Directors 2014 - 2015

   Nominations are:

   1) ACE USA
   2) Allstate Insurance Company
   3) CNA
   4) Erie Insurance Group
   5) State Farm Insurance Companies
   6) The Harleysville Insurance Companies
   7) The Hartford
9. Adjournment of Meeting

Insurance Placement Facility of Pennsylvania
Minutes of the Annual Meeting
April 22, 2014
Administrative Offices of the Facility
1:30 p.m.
530 Walnut Street, Suite 1650
Philadelphia, PA

The Annual Meeting of the Insurance Placement Facility of Pennsylvania was called to order with Chairperson Patricia Quinn presiding. President John M. Ogle served as secretary and reported that a quorum was present in person or by proxy. Mr. Ogle reported that attendees represented 218 companies or 68.34% of the membership.

Upon motion duly made, seconded and carried, the Minutes of the April 25, 2013 Annual Meeting were approved as distributed.

A motion to ratify the actions of the Board of Directors for the 2013-2014 term was duly made, seconded and carried.

Motions were made, seconded and carried to waive the reading of the Chairman's report, the President's report and the Treasurer's report, as all three reports will be incorporated into the Annual Report. The reports were accepted as presented.

The President noted the 2013 financial audit report provided by the accounting firm of WeiserMazars as accepted by the Board of Directors will be made part of the Annual Report submitted to Member Companies.

With no new business, Nominating Committee chairman Mr. Kurt Husar, placed into nomination the following Member Companies to serve on the Board of Directors for the 2014-2015 term.

ACE USA
Allstate Insurance Company
CNA
Erie Insurance Group
State Farm Insurance Companies
The Harleysville Insurance Companies
The Hartford

There being no other nominations, it was moved, seconded and carried to close nominations. Chairperson Quinn requested and received confirmation from the secretary that a sufficient amount of ballots had been cast for the nominees. Mr. Ogle reported that 67.5% of the membership representing 209 companies, indicated their intention to cast ballots in person or by proxy in favor of the nominees. Therefore, upon motion duly made seconded and carried, the slate was declared elected.

The next annual meeting was set for April 2015.

There being no further business and upon motion duly made, seconded and carried, the meeting was adjourned.

Respectfully submitted by,

Mr. John M. Ogle
President

Approved by,

Patricia A. Quinn

Ms. Patricia Quinn
Chairperson of the Board

Report of the Chairperson

Ms. Patricia A. Quinn

46th Annual Meeting

Of the Members of the

Insurance Placement Facility of Pennsylvania

April 22, 2014

Good Afternoon. It is my pleasure to welcome you to the 46th annual meeting of the membership of the Insurance Placement Facility of Pennsylvania. I am pleased to report that in 2013 the Facility continued to meet all its obligations and purposes as outlined in the enabling legislation and in Facility's Constitution and By-Laws.

The Pennsylvania FAIR Plan was established in 1968 as the core urban market had become somewhat dysfunctional due to the urban civil unrest of the time. It wasn't until well after inception did the urban market concerns lessen and the Plan see an increase in rural, unprotected business. Now, after two significant weather events impacting the northeast, the concerns of widespread windstorm damages seem to be the current drivers in the local marketplace.

Throughout the years, Pennsylvania has been known to be a predictable insurance market with exposure to severe winter weather as the market's most likely source of large losses. As 2011 and 2012 demonstrated; however, the state also has the potential for serious windstorm loss due to a hurricane. As to how that experience impacts the future Pennsylvania marketplace is anyone's guess, but I am confident that the Insurance Placement Facility of Pennsylvania will continue to meet the property insurance needs of the Commonwealth's property owners.

Although the President's report will provide the 2013 year end details, I can best sum up the year by noting that it could have been worse. Although the year did not include the weather events of 2011 and 2012, the Plan was still tested by the challenges of a considerable increase in serious fire losses. The Facility recorded a better than expected fourth quarter which helped to offset a 22% increase in Loss Incurred and a 7% increase in General Expense. Combined the Plan finished the year with an Underwriting deficit of $894,511.

As I look to the coming year, I presume we will continue to see some instability in the insurance market with limited investment returns and continued uncertainty concerning the economy and the housing market. Regardless of the direction or the circumstance, I am confident the Pennsylvania FAIR Plan will meet whatever challenges lie ahead.

It goes without saying that none of what we do here in the boardroom accomplishes anything without the efforts of the management team that we have in place. I would like to thank President

John Ogle and his staff for all their tireless efforts to ensure that all aspects of the operation go smoothly, no matter the event and no matter the circumstance.

In 2013, the Plan saw the retirement of its most senior tenured IT employee. Like the staff, the Board and the Committees also saw some long time participants' move on to other callings. Although those voids are a difficult reality to any long time organization, it is somehow more challenging in the small circles of this organization. Regardless, I would like to acknowledge and thank everyone who has left over this past year for all of their efforts and wish them all the best in their future endeavors.

I would also like to thank General Counsel Dan Taylor for his years of service to the Plan. Every year seems to bring us something new, or at the very least, different and Dan has helped us navigate those waters. I believe we are a far better organization because of Dan's efforts.

In closing, I would like to acknowledge all of those individuals who routinely assist the Facility in its day to day operations. The Plan's paid vendors are both diligent and professional while our many committee members, insurance department staffers and or committee chairman deliver outstanding service and clear advice when called upon.

Most of all I would like to thank all of my fellow Board members. Your willingness to be actively engaged in the many aspects in the operation makes my job of Chairman of the Board a rewarding experience.

Best Regards

Patricia A. Quinn

Patricia Quinn
Chairman of the Board

Report of the President
John M. Ogle

46th Annual Meeting
Of the Members of the
Insurance Placement Facility of Pennsylvania
April 22, 2014

Good afternoon and welcome to the 46th Annual Meeting of the Insurance Placement Facility of Pennsylvania.

This past year we saw 2013's tranquil weather patterns reflected in lower claim counts. Offsetting the drop in claim volume; however, was a considerable increase in the number of large fire losses which played significant role in the year end results. In addition, 2013 was the first year of revised Federal accounting standards designed to better account for a firm's post retirement liabilities. The two combined to increase expenses and bring the Plan's year end, Net Result of Operations loss of $896,442.94.

The year end result not withstanding, the Plan recorded two very positive developments in 2013. Most notably was the stabilization of Premiums Written. The year ended with Premiums Written up by almost 1% over 2012. The increase ended a nine year decline in premiums. In addition, claim volume fell to the lowest number of reported losses since the very earliest years of the Plan.

Statistically, the Plan saw its New Business grow by just over 9% to 3,411 applications and a 10.4% increase in New Policies Issued. Overall; however, the Pennsylvania FAIR Plan still issued just over 4% fewer policies than it did in 2012, continuing a depopulation trend first established in 2004. Despite the decline in volume, Total Loss Paid rose to $4,251,000 resulting in a 35% increase in the average paid loss.

In 2013 the Plan joined with several other Plans in a combined effort to find replacement software to our legacy policy management and claim programs. The effort grew out a PIPSO sponsored IT steering committee initiative to join together like-minded FAIR Plans into a shared pricing strategy that could make IT purchase more affordable. Since those initial meetings, a group known as PASS was formed and is now well into a process that is hoped to result in affordable, robust policy and claims management software for the six FAIR Plans involved.

As it has done for many years, in 2013 the Pennsylvania FAIR Plan continued to provide services to both the Insurance Placement Facility of Delaware as well as the West Virginia Essential Property Insurance Association. That arrangement continued to serve all three Plans well with a cost effective and efficient use of resources.

As the marketplace again adjusts to the realities of 2014, the Pennsylvania FAIR Plan stands ready to meet the needs of the Commonwealth's property insurance buyers. So as to be accessible to any interested

Pennsylvania property owner, the Plan maintains a website for 24/7 access to information, rates, applications and premium payments. So as to be as streamlined and efficient as possible, the Plan encourages electronic communication with the Pennsylvania producers and/or its insureds for new application submissions, claim reporting, binders and other necessary communications.

As we close the year and look forward to 2014, I would like to thank the members of the Pennsylvania Insurance Department for their support of the operations of the Pennsylvania FAIR Plan.
I believe the excellent working relationship between the Department and the Pennsylvania FAIR Plan, as encouraged by Commissioner Consedine, is a major factor as to why this operation is able to serve the citizens of the Commonwealth and member companies.

I would also like to express my thanks to General Counsel Dan Taylor and his fine staff for all their timely advice and counsel. The Plan is also supported by many talented individuals who offer their expert advice and counsel on a variety of issues. From investment and banking issues to underwriting or claims, the Pennsylvania FAIR Plan has the services of its many committee members and I wish to express my gratitude to each one of them for their efforts.

Everything that is accomplished by this operation is done so because of the employees of the Insurance Placement Facility of Pennsylvania. It is through their efforts that policies are issued and claims are paid. I would be remiss if I did not take this opportunity to thank each employee for their various contributions.
In particular, I would like to thank the senior staff members who see this operation through its day to day challenges. These are the individuals that grease the skids of the operation, always striving to ensure every policyholder or applicant gets timely and accurate service in a fair and respectful manner. I believe we are very fortunate to have such a fine dedicated staff.

Lastly, I would like to thank each member of the Board of Directors. Your dedication to the organization and support of the management is appreciated.

In closing I would also like to thank the many individuals who have left the service to this organization over the past year. Whether through retirement or reorganization, each year we seem to lose the services of some very talented individuals and 2013 was no exception.

Respectively Submitted,

John M. Ogle
President

INSURANCE PLACEMENT FACILITY OF PENNSYLVANIA

PENNSYLVANIA FAIR PLAN

Treasurer's Report

December 31, 2013

ASSETS

Cash in Bank	5,211,559.63
Investments, Short term at cost plus accumulated discount	5,415,031.25
Accrued Investment Income	0.00
Due from Participating Members	0.00
Premiums Receivable	2,835.50
Other Receivables	248,251.39
Equipment *	38,910.73
Total Assets	10,916,588.50

LIABILITIES AND MEMBERS' EQUITY

Unearned Premiums	4,259,400.00
Unearned Advance Premiums	225,095.00
Outstanding Losses	764,109.00
Outstanding Loss Adjustment Expenses	141,534.00
Accrued Expenses	89,950.00
Unpaid Post Retirement Benefits	2,154,422.00
Unpaid Pension	1,526,431.00
Accounts Payable	141,874.71
Claims Checks Payable	361,031.22
Unpaid Premium Tax	0.00
Total Liabilities	9,663,846.93
Members' Equity (Deficit)	1,252,741.57
Total Liabilities and Members' Equity	10,916,588.50

Respectfully Submitted,

RoseMarie McDonald

RoseMarie McDonald
Accounting Manager

* E. D. P. Equipment

Insurance Placement Facility of Pennsylvania

Statutory Financial Statements and Supplemental Schedules
December 31, 2013 and 2012

Insurance Placement Facility of Pennsylvania
Contents
December 31, 2013 and 2012

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Independent Auditors' Report

To the Board of Directors
Insurance Placement Facility of Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Insurance Placement Facility of Pennsylvania, which comprise the statutory statements of admitted assets, liabilities, and members' equity as of December 31, 2013 and 2012, and the related statutory statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and members' equity of the Insurance Placement Facility of Pennsylvania as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania as described in Note 1.

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Basis of Accounting
We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by the Insurance Placement Facility of Pennsylvania in accordance with accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Insurance Department of the Commonwealth of Pennsylvania. Our opinion is not modified with respect to this matter.

Change in Accounting Principle
As discussed in Note 1 to the financial statements, beginning January 1, 2013, the entity adopted Statement of Statutory Accounting Principles No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of Statement of Statutory Accounting Principle No. 14 and No. 102, Accounting for Pensions, A Replacement of Statement of Statutory Accounting Principle No. 89, which establishes statutory accounting principles for other postretirement benefits and pensions, respectively. Our opinion is not modified with respect to this matter.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Investment Risks Interrogatories, Summary Investment Schedule, and Reinsurance Interrogatories are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restriction on Use
Our report is intended solely for the information and use of the board of directors and management of the Insurance Placement Facility of Pennsylvania and the Insurance Department of the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

WeiserMazars LLP

April 16, 2014

Insurance Placement Facility of Pennsylvania

Statutory Statements of Admitted Assets, Liabilities and Members' Equity
December 31, 2013 and 2012

	2013	2012
Admitted Assets		
Cash and cash equivalents	$ 10,626,591	$ 11,822,312
Due from related parties	248,252	94,136
Premiums receivable	2,835	10,052
EDP equipment and software	38,911	52,013
Total admitted assets	$ 10,916,589	$ 11,978,513
Liabilities and Members' Equity		
Liabilities		
Unearned premiums	$ 4,259,400	$ 4,189,241
Unpaid losses and loss adjustment expenses	905,643	1,407,907
Claims and drafts payable	361,031	275,860
Advance premiums	225,095	210,490
Postretirement benefits payable	2,154,422	1,074,237
Pension liability	1,526,431	3,335,989
Other liabilities	231,824	225,121
Total liabilities	9,663,846	10,718,845
Members' equity	1,252,743	1,259,668
Total liabilities and members' equity	$ 10,916,589	$ 11,978,513

The accompanying notes are an integral part of these statutory financial statements.

Insurance Placement Facility of Pennsylvania
Statutory Statements of Operations and Members' Equity
Years Ended December 31, 2013 and 2012

	2013	2012
Underwriting:		
Premiums earned	$ 8,214,277	$ 8,324,000
Losses incurred	3,874,597	3,183,177
Loss adjustment expenses incurred	896,027	972,539
Underwriting and other expenses incurred	4,338,164	4,051,552
	9,108,788	8,207,268
Net underwriting (loss) gain	(894,511)	116,732
Interest income	541	5,252
Other expense:		
Premium receivable charged off	(2,751)	(6,447)
Other income (expense)	279	(468)
Other expense, net	(2,472)	(6,915)
Net (loss) income	(896,442)	115,069
Members' equity, beginning of year	1,259,668	1,467,842
Change in nonadmitted assets	(70,528)	(173,771)
Change in pension liability	1,003,371	(149,375)
Change in accounting principle	(43,326)	-
Assessments charged off	-	(97)
Members' equity, end of year	$ 1,252,743	$ 1,259,668

Insurance Placement Facility of Pennsylvania
Statutory Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Cash from operations		
Premiums collected, net	$ 8,312,673	$ 8,193,602
Benefit and loss related payments	(4,251,103)	(3,863,584)
Commissions, expenses paid and aggregate write-ins for deductions	(5,369,897)	(5,215,580)
Interest income	541	5,252
Other expense	(2,472)	(6,915)
Net cash from operations	(1,310,258)	(887,225)
Cash from financing and miscellaneous sources		
Other cash (applied) provided	114,537	(255,958)
Net decrease in cash and cash equivalents	(1,195,721)	(1,143,183)
Cash and cash equivalents, beginning of year	11,822,312	12,965,495
Cash and cash equivalents, end of year	$ 10,626,591	$ 11,822,312

The accompanying notes are an integral part of these statutory financial statements.

1. Summary of Significant Accounting Policies

The statutory financial statements of Insurance Placement Facility of Pennsylvania (the "Facility") have been prepared, except as to form, in conformity with statutory accounting practices ("SAP") as promulgated by the National Association of Insurance Commissioners ("NAIC") and as prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania (the "Insurance Department"). Such practices differ in certain respects from accounting principles generally accepted in the United States of America ("GAAP"). The more significant accounting policies are as follows:

Premiums
Premiums are recognized as revenues ratably over the terms of the policies. Unearned premiums are computed on the monthly pro rata basis.

Commissions
Commissions and other costs of acquiring business are charged to operations as incurred.

Nonadmitted Assets
Certain assets designated as "nonadmitted" are not reflected in the statutory statements of admitted assets, liabilities, and members' equity. Nonadmitted assets include furniture, fixtures, and leasehold improvements and are charged directly against members' equity.

Unpaid Losses and Loss Adjustment Expenses
Unpaid losses and loss adjustment expenses are estimated based on losses reported and the Facility's past experience for losses incurred but not yet reported. Management believes that such provisions are adequate to cover the ultimate liability. However, such estimates could differ from the amounts ultimately paid when claims are settled. Subsequent changes in estimates are reflected in earnings currently.

Use of Estimates
The preparation of statutory financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand and other highly liquid temporary investments with maturities of one year or less from the acquisition date. The carrying value of cash equivalents approximates fair value. Interest and dividend income from cash and cash equivalents is included in investment income on the statutory statements of operations. Interest earned on cash and equivalents was $541 and $5,252 at December 31, 2013 and 2012.

Pensions Benefits and Other Postretirement Benefits:
The Facility adopted the provisions of SSAP No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14 and SSAP No. 102 Accounting for Pensions, A Replacement of SSAP No. 89, effective January 1, 2013. SSAP No. 92 establishes new statutory accounting principles and related reporting for employers' postretirement plans other than pensions. SSAP No. 102 establishes new statutory accounting principles and related reporting for employers'

pension obligations. As a result of the adoption of SSAP No. 102 and SSAP No. 92, the Facility recorded the following changes to unassigned surplus:

Initial impact on surplus:	
Pension	806,187
Other Postretirement	(849,513)
Net change	(43,326)

Variances from Generally Accepted Accounting Principles
Certain of the prescribed or permitted insurance accounting practices followed by the Facility differ from GAAP. The principal differences are as follows:

- Under GAAP, commissions and other acquisition costs, if recoverable from future operations, would be deferred and charged against operations on the same basis that related premiums are recognized as revenues.
- Under GAAP, certain assets designated as "nonadmitted" would be reflected in the statutory statements of admitted assets, liabilities, and members' equity.
- Under SAP, fixed income securities are carried at amortized cost regardless of their classification.

The effects on the statutory financial statements of these differences have not been determined.

2. General

The Facility was created by an act of the General Assembly of the Commonwealth of Pennsylvania ('The Pennsylvania Fair Plan Act') to make available basic property insurance against fire and other perils for residential and business properties located in the Commonwealth. All insurers ("Member Company") doing any insurance business in Pennsylvania of the kinds covered by the Facility are required to be a member. Each member in the Commonwealth participates in the profits and losses of the Facility in the proportion that certain premiums written in the Commonwealth by each company during the second preceding calendar year bear to the aggregate of such premiums written by all authorized companies and is subject to future cash assessments, if required.

The Facility did not approve any assessments during 2013 and 2012.

The Facility shares office space and the services of certain employees with the Insurance Placement Facility of Delaware and the West Virginia Essential Property Insurance Association, both of which pay the Facility a portion of such joint expenses based on estimates of actual usage.

3. Federal Income Taxes

The Facility files as a partnership for federal income tax purposes. Consequently, the Facility provides each Member Company with an annual statement of its relative share of the Facility's annual results of operations for inclusion in each participating member's tax return.

4. Employee Benefits

The Facility, in conjunction with the Insurance Placement Facility of Delaware and the West Virginia Essential Property Insurance Association and other unaffiliated organizations, is a participant in the Prudential Retirement Insurance and Annuity Company Pension Plan (the "pension plan"), which covers all of its employees. The pension plan qualifies under the provisions of Section 501(a) of the Internal

Revenue Code and is exempt from federal income taxes. The pension plan provides retirement income based upon employee average annual compensation and years of service. The pension plan is funded through the trustee by contributions to group annuity contracts.

The Facility provides life insurance for active employees upon the date of hire. The amount of insurance provided is equal to two times the employee's basic annual salary. For employees who are under age 65 at retirement, the Facility continues to pay the full cost of life insurance until the employee reaches age 65, at which time coverage is reduced to $5,000. For employees who retire at age 65 or older, the Facility pays the full cost of life insurance with coverage limited to $5,000.

Retired employees of the Facility are provided Medicare HMO coverage. The HMO provides coverage for certain hospital, surgical, and medical costs not covered by Medicare. To be eligible for the HMO, a retiree must be 65 years of age or older and have at least five years of service with the Facility.

The Facility uses a December 31 measurement date for its pension and postretirement benefits plan. Assets, liabilities and expenses of the plan are allocated to the Facility based on its underwriting activity. The allocation percentage used for the Facility was 89.50% in 2013 and 89.52% in 2012.

The following table sets forth the year-end status of the plans relating to the employees of the Facility:

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Change in projected benefit obligation:				
Projected benefit obligation at January 1	$ 15,979,195	$ 14,109,112	$ 2,007,698	$ 1,854,697
Service cost	253,789	210,331	21,860	43,161
Interest cost	635,068	657,739	104,557	81,271
Accounting change	41,628	-	551,329	-
Actuarial (gain) loss	(742,093)	1,416,675	(226,639)	77,182
Benefits paid	(446,144)	(414,662)	(51,630)	(48,613)
Projected benefit obligation at December 31	$ 15,721,443	$ 15,979,195	$ 2,407,175	$ 2,007,698

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Change in plan assets:				
Fair value of plan assets at January 1	$ 11,860,500	$ 10,102,486	$ -	$ -
Actual return on plan assets	1,911,673	1,290,196	-	-
Employer contributions	689,904	882,480	51,630	48,613
Benefits paid	(446,144)	(414,662)	(51,630)	(48,613)
Fair value of plan assets at December 31	$ 14,015,933	$ 11,860,500	$ -	$ -
Reconciliation of funded status:				
Funded status	$ (1,705,510)	$ (4,118,695)	$ (2,407,175)	$ (2,007,698)
Unrecognized net actuarial loss	2,798,011	5,169,608	464,957	778,261
Unrecognized non-vested prior service cost	27,752	-	456,108	-
Unrecognized prior service cost	-	-	28,113	29,440
Prepaid assets or (accrued) liabilities	$ 1,120,253	$ 1,050,913	$ (1,457,997)	$ (1,199,997)

The net periodic benefit cost includes the following components:

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Components of net periodic benefit cost:				
Service cost	$ 253,789	$ 210,331	$ 21,860	$ 43,161
Interest cost	635,068	657,739	104,557	81,271
Expected return on plan assets	(861,975)	(746,087)	-	-
Amount of prior service cost recognized	-	-	1,327	1,327
Amount of prior non-vested liability recognized	13,876	-	95,221	-
Amount of loss recognized	579,806	494,491	86,665	23,050
Net periodic benefit cost	$ 620,564	$ 616,474	$ 309,630	$ 148,809

Weighted average assumptions used to determine the net periodic benefit cost:

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Discount rate	4.00%	4.75%	4.00%	4.75%
Weighted average rate of compensation increase	3.00%	3.00%	3.00%	N/A
Expected long-term rate of return	7.25%	7.25%	N/A	N/A

Weighted average assumptions used to determine benefit obligations at December 31:

	Pension Benefits		Postretirement Benefits	
	2013	2012	2013	2012
Discount rate	4.50%	4.00%	4.80%	4.00%
Rate of compensation increase	3.00%	3.00%	3.00%	N/A

The accumulated benefit obligation for the pension plan was $14,492,643 and $14,536,116 at December 31, 2013 and 2012, respectively.

Prepaid pension benefit cost was $1,120,253 and $1,050,913 at December 31, 2013 and 2012, respectively.

The expected long-term rate of return on assets assumption is 7.25%. This assumption represents the rate of return on plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The pension plan's weighted average asset allocations at December 31, 2013 and 2012, by asset category are as follows:

	2013	2012
Asset category:		
Equity securities	63.0%	54.4%
Debt securities	36.5%	43.4%
Cash	0.5%	2.2%

The primary investment objective for the pension plan assets is to achieve maximum rates of return commensurate with safety of principal, given the asset mix, credit quality and diversification guidelines and restrictions approved by the plan administrator's board of directors. The pension asset allocation is reviewed quarterly to determine whether the portfolio mix is within an acceptable range of target allocation. Target asset allocations are based on asset and liability studies with the goal to enhance the expected return of the pension portfolio while maintaining acceptable levels of risk. The target asset allocation is 60% equity securities and 40% debt securities.

The plan's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100, Fair Value Measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under SSAP No. 100 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no significant changes in the methodologies used at December 31, 2013 and 2012.

Individual Separate Account: The value of the separate account is the market value of the assets held in the separate account, less operating expenses accrued but not deducted, if any. If there is no readily available market, the separate account's value is the fair market value of the amounts held in the separate account as determined by Principal using generally accepted accounting practices and applicable law. The valuation of the separate account is determined by Principal on each valuation date. The separate account invests in domestic and foreign corporate bonds and notes, U.S. government securities and commercial mortgage obligations. The fair value of the Plan's investment in the separate account generally represents the amount the Plan would expect to receive if it were to liquidate its investments.

Pooled Separate Accounts: Investments in pooled separate accounts are valued at fair value, based on the applicable percentage of net assets of the pooled separate accounts as of the measurement date, as determined by Principal. In determining fair value, Principal utilizes valuations calculated for the pooled separate accounts. The pooled separate accounts value securities and other financial instruments on a fair value basis of accounting. The pooled separate accounts invest in domestic and foreign stocks, mutual funds, commercial paper and money market funds. The fair values of these investments are based on quoted prices or other observable inputs and are used by Principal in determining the fair value of the pooled separate accounts. The fair value of the Plan's investments in pooled separate accounts generally represents the amount the Plan would expect to receive if it were to liquidate its investments.

Partnerships/Joint Venture Interests: Investments in investment partnerships/joint venture interests are valued at fair value based on the applicable percentage ownership of the investment partnerships'/joint ventures' net assets as of the measurement date, as determined by the Plan. In determining fair value, the Plan utilizes valuations provided by the investment partnerships/joint ventures. The investment partnerships/joint ventures value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the investment partnerships/joint ventures, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective investment partnerships/joint ventures and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Plan's investments in investment partnerships/joint ventures generally represents the amount the Plan would expect to receive if it were to liquidate its investment in the investment partnerships/joint ventures.

Managed Accounts: Managed accounts that hold individual investments are valued at the closing price of shares for domestic and foreign stocks.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes that its valuation method is appropriate and consistent with those of other market participants, the use of a different methodology to determine the fair value could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the gross assets of the plan as of December 31, 2013 and 2012. The Facility, Insurance Placement Facility of Delaware, and West Virginia Essential Property Insurance Association have a total interest in plan assets of approximately 1.34% and 1.31% as of December 31, 2013 and 2012.

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Managed accounts				
Small cap equity	$ 242,179,590	$ -	$ -	$ 242,179,590
Polled separate accounts				
Large cap growth	-	196,338,995	-	196,338,995
Large cap value	-	92,754,605	-	92,754,605
International equity	-	117,357,076	-	117,357,076
Fixed income	-	376,822,509	-	376,822,509
Cash	-	5,122,667	-	5,122,667
Partnerships/Joint venture interests				
Limited partnerships	-	-	1,471,242	1,471,242
Total assets at fair value	$ 242,179,590	$788,395,852	$ 1,471,242	$ 1,032,046,684

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Managed accounts				
Small cap equity	$ 167,708,004	$ -	$ -	$ 167,708,004
Polled separate accounts				
Large cap growth	-	150,514,365	-	150,514,365
Large cap value	-	83,196,334	-	83,196,334
International equity	-	98,434,725	-	98,434,725
Fixed income	-	400,111,839	-	400,111,839
Cash	-	20,407,007	-	20,407,007
Partnerships/Joint venture interests				
Limited partnerships	-	-	2,268,474	2,268,474
Small cap equity	-	-	117,186	117,186
Total assets at fair value	$ 167,708,004	$752,664,270	$ 2,385,660	$ 922,757,934

Contributions to the pension and postretirement benefits plans are expected to be $589,908 and $72,533, respectively, in 2014.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Benefits	Postretirement Benefits
2014	$ 680,519	$ 72,533
2015	768,313	83,322
2016	857,102	96,291
2017	880,212	98,948
2018	894,776	102,062
2019-2023	5,203,964	612,679

For measurement purposes, for participants younger than age 65, healthcare cost trend increases of 8.5% and 9.0% were assumed for 2013 and 2012, respectively. These rate increases were assumed to decrease through 2020 and later when they level off at 5%. The healthcare cost trend rate assumption has an effect on the amounts reported. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1% Point Increase	1% Point Decrease
Effects on total service and interest cost components	$ 23,858	$ (19,067)
Effects on postretirement obligation	395,455	(322,565)

The employees of the Facility are eligible to participate in the Insurance Company Supported Organization 401(k) Savings Plan, a defined contribution plan. The plan is administered by the Prudential Retirement Insurance and Annuity Company. Participation in the plan is voluntary. Employees are vested in employer contributions upon participation. Employees may contribute 1% to 75% of their annual compensation; not to exceed the maximum amount allowed by the Internal Revenue Service each plan year. The Facility matches employee contributions up to a maximum of 6% of an employee's annual compensation. Contributions by the Facility amounted to $96,375 and $91,964 in 2013 and 2012, respectively.

5. Liability for Unpaid Losses and Loss Adjustment Expenses

Activity in the liability for unpaid losses and loss adjustment expenses is summarized as follows:

	2013	2012
Balance, January 1	$1,407,907	$2,281,788
Incurred related to:		
Current year	4,608,302	4,261,237
Prior years	162,322	(105,521)
Total incurred	4,770,624	4,155,716
Paid related to:		
Current year	3,715,104	2,916,810
Prior years	1,557,784	2,112,787
Total paid	5,272,888	5,029,597
Balance, December 31	$ 905,643	$1,407,907

As a result of changes in estimates for anticipated losses and loss adjustment expenses to insured events of prior years, the liability for losses and loss adjustment expenses increased (decreased) by $162,322 and $(105,521) in 2013 and 2012, respectively. Paid amounts above are net of salvage and subrogation recoveries.

6. Lease Commitments

The Facility conducts its operations in leased premises under a lease that will expire April 30, 2015. At December 31, 2013, minimum rental commitments under this noncancelable lease are as follows:

Years Ending December 31,	
2014	$ 337,404
2015	113,180
Total payments	$ 450,584

Total rental expense was $332,449 and $325,672 in 2013 and 2012, respectively.

Rentals included above are net of amounts allocated to the Insurance Placement Facility of Delaware and the West Virginia Essential Property Insurance Association for common facilities.

7. Related Party Transactions

The Facility issues all checks for claims and other payables for the Insurance Placement Facility of Delaware and the West Virginia Essential Property Insurance Association, and is then reimbursed by these facilities. Throughout 2013 and 2012, $1,031,265 and $753,431, respectively, was paid on behalf of the Insurance Placement Facility of Delaware and $259,505 and $338,587, respectively, was paid on behalf of the West Virginia Essential Property Insurance Association. At December 31, 2013 and 2012, $225,552 and $71,022, respectively, is due from the Insurance Placement Facility of Delaware and $22,700 and $23,114, respectively, is due from the West Virginia Essential Property Insurance Association.

8. Annual Statement Reconciliation

There are no material differences between net income and capital and surplus as reported herein and the Annual Statement as previously filed with the Department for the years ended December 31, 2013 and 2012.

9. Subsequent Events

The Facility has evaluated subsequent events through April 16, 2014, the date these financial statements were available for issuance. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Total admitted assets at December 31, 2013	$10,916,589

1. State by investment category the 10 largest exposures to a single issuer/borrower/investment, excluding (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt; (ii) property occupied by the Facility; and (iii) policy loans.

Investment Category	Amount	Percentage of Total Admitted Assets
None	$ -	0.00%

2. State the amount and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

Bonds			Preferred Stocks		
None	$ -	0.00%	None	$ -	0.00%

3. The Facility holds no foreign investments.
4. The Facility holds no Canadian investments.
5. The Facility holds no investments with contractual sales restrictions.
6. State the amounts and percentages of admitted assets held in the largest 10 equity interests (including investments in shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities, and excluding money market and bond mutual funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt or Class 1).

Investment Category	Amount	Percentage of Total Admitted Assets
None	$ -	0.00%

7. The Facility holds no nonaffiliated, privately placed equities.
8. The Facility holds no general partnership interests.
9. The Facility holds no mortgage loans.
10. The Facility holds no real estate.
11. The Facility has no repurchase agreements.
12. The Facility does not hold warrants.
13. The Facility does not have exposure to collars, swaps, or forwards.
14. The Facility does not have exposure for futures contracts.
15. The Facility does not have amounts in the Write-Ins for Invested Assets category on the Summary Investment Schedule.

See accompanying independent auditors' report.

Insurance Placement Facility of Pennsylvania
Summary Investment Schedule
December 31, 2013

Investment Categories	Gross Investment Holdings*		Admitted Assets as Reported in the Annual Statement	
Cash and cash equivalents	$ 10,626,591	100.00%	$ 10,626,591	100.00%
Total invested assets	$ 10,626,591	100.00%	$ 10,626,591	100.00%

*Gross investment holdings as valued in compliance with NAIC Accounting Practices and Procedures Manual.

See accompanying independent auditors' report.

Provided below are management's responses to certain reinsurance interrogatories required by NAIC Statutory Accounting Principles:

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes ( ) No (X)

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) An unconditional or unilateral right by either or both parties to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes ( ) No (X)

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty–five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes ( ) No (X)

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R—Property and Casualty Reinsurance, disclose if the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes ( ) No (X)

Board of Directors
Insurance Placement Facility of Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statutory financial statements of Insurance Placement Facility of Pennsylvania (the "Facility") for the year ended December 31, 2013 and have issued our report thereon dated April 16, 2014. In connection therewith, we advise you as follows:

a. We are independent certified public accountants with respect to the Facility and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants and the Rules of Professional Conduct of the Pennsylvania Board of Public Accountancy.

b. The engagement partner is a certified public accountant and is experienced in auditing insurance entities. Members of the engagement team, most of whom have had experience in auditing insurance entities were assigned to perform tasks commensurate with their training and experience.

c. We understand that the Facility intends to file its audited statutory financial statements and our report thereon with the Insurance Department of the Commonwealth of Pennsylvania and that the insurance commissioner of that state will be relying on that information in monitoring and regulating the statutory financial condition of the Facility.

Although we understand that an objective of issuing a report on the statutory financial statements is to satisfy regulatory requirements, our audit was not planned to satisfy all objectives or responsibilities of insurance regulators. In this context, the Facility and the insurance commissioners should understand that the objective of an audit of statutory financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion and issue a report on whether the statutory financial statements present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus, as well as the results of operations and cash flows in conformity with accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania. Consequently, under auditing standards generally accepted in the United States of America, we have the responsibility, within the inherent limitations of the auditing process, to plan and perform our audit to obtain reasonable assurance about whether the statutory financial statements are free of material misstatement, whether caused by error or fraud, and to exercise due professional care in the conduct of the audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on financial statements. Audit procedures that are effective for detecting errors, if they exist, may be ineffective for detecting misstatement resulting from fraud. Because of the characteristics of fraud, a properly planned and performed audit may not detect a material misstatement resulting from fraud. In addition, an audit does not address the possibility that material misstatements caused by error or fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may exist that would be assessed differently by insurance commissioners.

It is the responsibility of the management of the Facility to adopt sound accounting policies, to maintain an adequate and effective system of accounts and to establish and maintain an internal control structure that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania.

The insurance commissioner should exercise due diligence to obtain whatever other information may be necessary for the purpose of monitoring and regulating the statutory financial position of insurers and should not rely solely upon the independent auditors' report.

d. We will retain the workpapers prepared in the conduct of our audit until the Insurance Department of the Commonwealth of Pennsylvania has filed a Report of Examination covering 2013, but no longer than seven years. After notification to the Facility, we will make the working papers available for review by the Insurance Department of the Commonwealth of Pennsylvania at the offices of the insurer, at our offices, at the insurance department, or any other reasonable place designated by the insurance commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Insurance Department of the Commonwealth of Pennsylvania photocopies of pertinent audit working papers may be made (under the control of the accountant) and such copies may be retained by the Insurance Departments of the Commonwealth of Pennsylvania.

e. The engagement partner has served in that capacity with respect to the Facility since 2012, is licensed by the Pennsylvania Board of Public Accountancy and is a member in good standing of the American Institute of Certified Public Accountants.

f. To the best of our knowledge and belief, we are in compliance with the requirements of section 7 of the NAIC Annual Financial Reporting Model Regulation Mode Rule (Regulation) Requiring Annual Audited Financial Reports regarding qualifications of independent certified public accountants.

This letter is intended solely for the information and use of the Insurance Department of the Commonwealth of Pennsylvania and is not intended to be and should not be used for anyone other than these specified parties.

WeiserMazars LLP

April 16, 2014

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WeiserMazars

Board of Directors
Insurance Placement Facility of Pennsylvania

In planning and performing our audit of the statutory financial statements of the Insurance Placement Facility of Pennsylvania (the "Facility") as of and for the year ended , in accordance with auditing standards generally accepted in the United States of America, we considered the Facility's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Facility's internal control. Accordingly, we do not express an opinion on the effectiveness of the Facility's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider unremediated material weaknesses as previously defined as of December 31, 2013. However, unremediated material weaknesses may exist that were not identified.

This communication is intended solely for the information and use of the audit committee, management, the Board of Directors and the Insurance Department of the Commonwealth of Pennsylvania, and is not intended to be and should not be used by anyone other than these specified parties.

WeiserMazars LLP

April 16, 2014

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