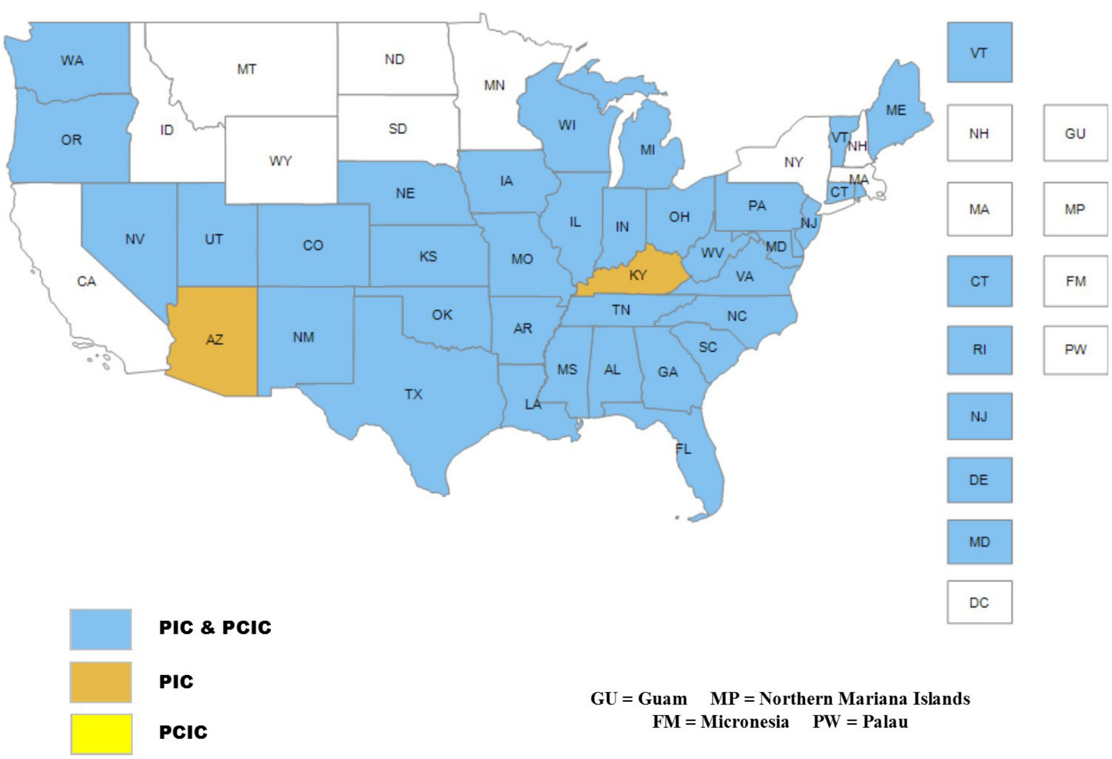
The Plateau Group

ANNUAL REPORT 2014

Company Profile

Founded in 1981 in Crossville, Tennessee, The Plateau Group, Inc. is an underwriter of payment protection products and a distributor of related financial products and services throughout the United States and South Pacific Islands. Plateau serves clients in the banking, consumer finance, automotive, credit union and retail industries. The company is considered one of the premier providers of products and services to financial institutions. Plateau also holds a national reputation as a provider of reinsurance and reinsurance accounting.

Authorized States



GU = Guam MP = Northern Mariana Islands
FM = Micronesia PW = Palau

Financial Highlights

For the Year	2014	2013
Total Insurance Premium	$93,035,201	$87,570,371
Total Revenue	$63,345,694	$59,407,491
Net Income	$1,818,509	$ 1,208,306
Net Income Per Share	$1.60	$1.08
At Year End		
Cash & Invested Assets	$60,568,849	$52,691,015
Shareholders' Equity	$21,807,300	$19,678,980

Year	Total Premiums (000)
2010	35,748
2011	44,505
2012	85,015
2013	87,570
2014	93,035

Year	Net Income (000)
2010	835
2011	1,183
2012	329
2013	1,208
2014	1,819

Year	Equity at Year-end (000)
2010	18,442
2011	19,471
2012	19,410
2013	19,679
2014	21,807

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Letter to Shareholders

Dick Williams
President

To Our Shareholders

2014 was a good year for The Plateau Group, Inc. on all major financial fronts. I am pleased to report a fifty percent increase in net income to $1,818,509 for 2014 compared to $1,208,306 for 2013. Our net worth jumped 10.8% to $21.8 million. Our premium production of $93 million more than tripled our production of five years ago.

Our Shareholders and Management are aware of Plateau's growth over the past decade. But for those who are not aware, and for those who are looking at Plateau as a potential business partner, a review of our significant accomplishments over the years is appropriate. Founded thirty-four years ago in 1981, Plateau's stock was owned by thirty eight Tennessee community banks which collectively held eighty-five percent of the total outstanding shares. The premiums produced in the early years came primarily from our owner banks. In 1983 we entered the automobile dealer market by purchasing two credit insurance companies owned by dealers, and, as a condition of the transactions, those dealers agreed to produce credit insurance with Plateau. We continued as a single state, two market (community bank and automobile dealer) company underwriting credit life and credit disability insurance during the 1980's and 1990's.

Our product offerings in the early years included products brokered from other insurance carriers and products that were not insurance but provided fee income or protection for our bank and automobile dealer clients. One of our brokered products was an "Extended Service Contract", marketed to

Financial Performance Results for 2014 Include:

- Net after tax income of $1,818,509 compared to $1,208,306 for 2013; an increase of 50.5%.
- Net income per share of $1.60 compared to $1.08 for 2013; an increase of 48.2%.
- Collected insurance premium of $93,035,201 compared to $87,570,371 for 2013; an increase of 6.2%.
- Cash and Invested Assets at year-end were $60,568,849 compared to $52,691,015 at 2013; an increase of 14.6%.
- Investment Income of $2,149,733* compared to $1,197,822 for 2013; an increase of 79.5%.
- Commissions and Fee Income of $4,715,758 compared to $4,496,086 for 2013; an increase of 4.9%.
- Shareholder equity at year-end 2014 of $21,807,300 ($19.14 per share) compared to $19,678,980 at year-end 2013 ($17.50 per share); an increase of 10.8%.

** Includes a one time gain of $1,049,589 on the sale of an asset.*

NOTE: ***Total revenues, cash and invested assets and investment income used in this presentation do not coincide with the enclosed balance sheet and income statement because certain components are reclassified for GAAP presentation. The numbers discussed in the Letter to Shareholders and in the Analysis of Premium Section are used consistently for planning and comparison.***

Due to an adjustment in the life company's deferred tax rate, the 2013 consolidated audited financial statements reflected a reduction in deferred tax assets as compared to what was reported in the 2013 Annual Report. The net effect of the audit adjustment reduced the previously reported net income by $(158,837)from $1,367,143 to $1,208,306. Total shareholders' equity was reduced by $(369,817) from $20,048,797 to $19,678,980, a 1.8% reduction in equity. This adjustment to the deferred tax rate more accurately reflects future timing differences between current and deferred taxes for a company taxed as a small life insurance company.

our automobile dealer customers in the late 80's and early 90's. We could not find in the marketplace an available vendor-partner that would build a partnership and value with our clients like we wanted. Thus, with ten years of experience in marketing extended service contracts, we felt we could become an underwriter of the product and offer a complete package to our existing dealer clients. Also at this time we had a few consumer finance company clients selling Plateau's credit life and disability insurance, but for the property products those clients needed, we were forced to broker these needs with other carriers.

Plateau's capital and surplus grew to a level that we were able to provide the initial capital and surplus required to form a property and casualty insurance company. In 1997 Plateau Casualty Insurance Company was founded with initial product offerings of extended service contracts and the necessary property products needed to round out our offerings to our existing consumer finance clients. We were successful in moving our clients, in both the consumer finance and auto dealer markets, to sell our underwritten products.

As we entered the extended service contract market we had very limited data about claims and their frequency. We did not have actuarial expertise for that product therefore we relied on rates produced by our broker vendors. Four years into the product, in 2001, we realized the company was under reserved by approximately $2.5 million. We took that hit to earnings and still eked a small profit of $66,000 for 2001. We had collected enough data by that time to re-price our product and maintain our existing clients. We currently have an outside actuarial firm review our product coverages and pricing and as a result the product line has fared very well in the fourteen years since that learning experience.

Prior to 2003, we had written very little premium in other states and held fewer than five certificates of authority (CofA's) to do business in other states. In 2004, a competitor with a large piece of business in the Southeast decided to exit the consumer finance business. Plateau decided to actively pursue that business, so we obtained CofA's in Louisiana, Georgia, South Carolina, and Mississippi. The end result was contracting with consumer finance companies producing about $5 million in new premium which increased our book of business by about twenty-five percent. This effort effectively expanded our geographic territory to cover the Southeast with Plateau Insurance Company holding licenses in nine states and Plateau Casualty Insurance Company holding licenses in seven states by the end of 2008.

For at least four decades, nationwide sales of credit insurance continually increased, reaching a total of $5 billion by 1999. Suddenly, following the federal implementation of the Homeowners Equity Protection Act (HOEPA) prohibiting the sale of single premium credit insurance on loans secured by a

David Hardegree
Chief Financial Officer

primary dwelling, sales declined. Since then credit insurance sales have plummeted to about $1.75 billion per year for the years 2009-2013. Plateau experienced a slight decline in the period 2007-2009, but not nearly as drastic as the national decline.

Growth became very difficult to realize in our existing Southeast footprint. The acquisition of business from Guarantee Trust Life (GTL) and Individual Assurance Company (IAC) during 2011-2013 led Plateau to pursue CofA's and policy form approvals in many new states. As of year-end 2014, Plateau Insurance Company holds CofA's in thirty-eight states and Plateau Casualty Insurance Company holds thirty-seven. We anticipate each company will apply for four additional certificates of authority during 2015. Reed Gass, recently named Plateau's Chief Marketing Officer, has led a product committee over the past three years, working to obtain policy form approvals in as many states as possible. The agreements we made with GTL and IAC provide for Plateau to use their forms, for a fee, until we receive approval of Plateau forms and get them installed in the accounts. It certainly is in our interest to move the accounts as quickly as possible, but the process does take time. We have now moved 77% of the original GTL production to Plateau forms at the three and one-half year mark. As you would expect, since it has been a year less in time, the original IAC production move to Plateau paper is only 35% completed. Our plan is to have more than ninety percent of both blocks of business converted by year-end 2015.

Underwriting income on Plateau's underwritten earned premium provides the largest revenue stream for the company. Earned premium for 2014 was $86 million, slightly less than reported written premium of $93 million. Our 2014 underwriting income was $9.7 million, with a margin of 11.3% which is approaching our goal of 11.5%. A look back

Marketing/Sales Development

Reed Gass
Chief Marketing Officer

Thom Hagan
Middle Tennessee

David Greene
West Tennessee

Cameron Rogers
East Tennessee

Doyle Kelly
Southeast

Bob Joyce
Northeast

Greg Janssen
Indiana

Joe Elms
Mid/Southwest

Chris Bryan
Kansas

Andrea Bower
Kansas

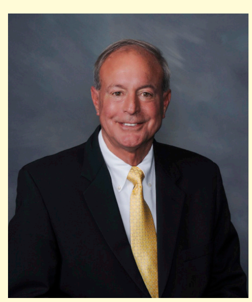
Tony Snow
Indiana

Fred Antley
South Carolina

Saying Good-bye

Pat Lewis
Sr. V.P. - Operations
Retired - April 2014

Charlie Smith
East Tennessee Marketing
Retiring April 2015



Woody Moody
Georgia Marketing
Retiring June 2015

over five years shows our written premium has tripled 2009's numbers of $30.5 million and its underwriting income of $3.3 million. The margin of 11.3% for 2014 is 28% greater than the 8.8% margin for 2009.

As we have grown we have aggressively pursued products offered by other vendors which offer fee income or commissions and are marketed to our commercial banks, automobile dealers, and consumer finance companies. These products are marketed to existing credit insurance clients as well as creditors who may not produce credit insurance for Plateau. The commissions and fee income from those products and services for 2014 increased to $4.7 million from $4.5 million in 2013. Over time we have added new products and services to the menu offered while some have been discontinued. In comparison to our underwriting income this revenue stream produces fifty percent of the amount that our underwriting income produces, and thus contributes a great deal to our success.

We offer more than a dozen products to our community bank market. Mortgage fire has been our top fee income product. This product allows creditors to place insurance on a structure when the borrower fails to provide such insurance. Also for mortgage lending, Plateau offers a very attractive title insurance program, flood zone determinations, and flood insurance. Deposit account products have long been a valuable source of income to Plateau and have proven to provide significant income for our banks. We see opportunities for growth in the sales of these products as many banks move from free checking to fee-based checking. Two of our product offerings, extended service contracts and debt protection, provide both underwriting income on the insurance component and fee income for providing the necessary administrative functions in the delivery of these products.

With the acquisition of the IAC business, Plateau's commercial bank client total has reached almost five hundred banks. It is our plan to expand usage of our current menu of products to many of these new clients. To date, efforts have been to make sure we do all we can to maintain these new banks as satisfied clients and to transition them to Plateau forms. During the next couple of years we hope to broaden these relationships by improving the banks' fee income as well as ours.

Plateau's third major revenue stream is our investment income. Our investment base consists of paid in capital plus accumulated earnings, and the cash flow on insurance premiums that are collected and unearned. Invested assets at year-end 2014 were $60.6 million, of which $21.8 million was year-end equity, and the cash from unearned premiums was almost $40 million. Yields remain at historical lows resulting in our average yield for 2014 falling to 2% from 2.39% for 2013. Bonds issued by the United States government and its agencies comprise more than eighty-five percent of the company's total investments, with eighty percent of those having a stated maturity of less than six years. Bonds with a stated maturity of greater than six years are callable and are expected to be called prior to the stated maturity. Yields are projected to remain flat over the next year. However, if our average yield increased one point, investment income would increase by $600,000 on our investment base.

In mid-2014 we reached an agreement to sell our stake in Triad Partners, LLC, which owns the software named BNControl®, to the other partner, who developed the software. At the time of the sale, more than fifty banks had licensed the product and were using it to help analyze their banking operations and, in most cases, improved their performance. The transaction resulted in a net gain of approximately a half million dollars after associated expenses and taxes.

Plateau continues to pursue the filing of new policy forms and absorbing the expenses involved with programming loan platform systems with approved forms. This initiative has kept our overall expenses at a higher level than anticipated for the past two years and we now expect this to continue over the next couple of years. Other expenses new to Plateau as a result of the three acquisitions are 1) interest on indebtedness, 2) amortization of the acquisition costs, and 3) the fees paid to the sellers during the transition to Plateau forms. The final repayment date on the total indebtedness is 2018, which we anticipate to complete as scheduled. Amortization of the acquisition costs will continue for about ten more years. We expect the fees paid to the sellers for using their forms until Plateau's are available, currently about $20,000 per month, to be reduced to less than $5,000 per month by the end of 2015.

Plateau currently employs ninety-three full-time employees, ten of which are considered full time marketing representatives. Additionally, more than fifty general agents are contracted with Plateau to market our products across the United States. These general agents have existing relationships with the various creditors in all four of our major market segments. These creditor relationships have been developed over many years as these agents have consistently offered the same or similar products that Plateau offers. In many instances, Plateau has replaced previous providers, and for others, Plateau has offered new products not previously available to those agents. We now operate from two facilities - our home office in Crossville, Tennessee and a satellite office in Overland Park, Kansas, where we have six employees serving the accounts we acquired from IAC.

The Consumer Financial Protection Bureau (CFPB) continues to be our "Number One" concern. There have been enforcement actions and settlements with several creditors involving the marketing tactics utilized by those creditors where the allegations have been primarily directed to the telemarketing of debt protection products. To date there have been no allegations about our products or their pricing, and Plateau has no clients who offer our products through telemarketing.

Euretha Roberts
Sr. Vice President
Operations

Mike Graham
Sr. Vice President
Accounting/Reinsurance

Eric Shaver
Sr. Vice President
Information Technology

Skip Davis
Sr. Vice President
Products/Marketing

The Consumer Credit Industry Association (CCIA), our national trade association, has arranged for members to meet with senior officials of the CFPB three times since December 2012 to describe our products and to communicate their value in credit transactions, and also to establish the CCIA as a trusted resource for our industry. CCIA has included officials from the CFPB as a part of its last two annual meeting programs. Following her appearance at the 2014 annual meeting of the CCIA, Plateau hosted the Ombudsman for the CFPB, at our offices to see first-hand the operations of the company, to get a more in-depth look at the products we offer, and an understanding for how these products are offered. The Ombudsman's role is to be a liaison between the CFPB staff and industry. She invested a full day listening and asking questions as a very engaged guest. The CCIA is planning to arrange more meetings in the next few months with select officials of the CFPB, many at the suggestion of the Ombudsman.

In July of 2012 the CFPB published a bulletin titled "Marketing of Credit Card Add-On Products". Within the bulletin, the CFPB outlined its expectations for supervised institutions and steps they should take to limit the potential for statutory or regulatory violations and related consumer harm when marketing add-on products. It stated in a footnote that institutions should take this guidance into consideration when offering similar products with other forms of credit. We have responded to this bulletin with enhanced training materials and by offering in person and web training for lending personnel. It is our belief that the features of this training will improve product sales as lending personnel improve their knowledge of the product features.

Included in the Dodd Frank Act of 2010 are requirements for regulated financial institutions to perform very detailed vendor management. As guidance, the CFPB published a bulletin in April of 2012 addressing what supervised banks and nonbanks are expected to oversee in their business relationships with service providers. Those institutions are required, among other things, to obtain financial information from their vendors, to review certain policies of their vendors, to review the vendors' IT security and capability, and to review materials provided by the vendors for compliance. As a result of the requirement of regulatory scrutiny placed on vendors, Plateau completed an SSAE16 exam during 2013 and is undergoing a Service Organization Control (SOC) 2, Type II review during 2015. These reviews are expensive and now fall into the category of "the cost of doing business".

It is with a heavy heart that I mention the loss of Tommy Williams in June of 2014. Thirty-five years ago, I met Tommy to discuss developing a software operating system for our proposed insurance company. We had reviewed all the systems that had been developed for credit insurance companies and determined that we were not satisfied with the total product of any of those providers. I showed Tommy the basic data to be collected and then showed him the management reports that we liked best from each of the providers. It did not take him long to say "I can do that". We contracted with his firm to provide to us the operating system. What he developed was outstanding! Tommy supported the system until 1983 when he came with Plateau full time as an actuary and IT support and development. I could not have asked for a better business partner and friend for the entire duration of our relationship. Unexpected at the time he joined us was his ability to manage all of our operations. His effectiveness was a result of the respect he had from each of his co-workers. It was a respect that was earned. That same level of respect came his way from other leaders in our industry when he became involved with the CCIA where he served as Chairman of the Actuarial Committee multiple times. Tommy had the ability to analyze situations and to offer solutions for a wide range of needs including IT, operations, personnel and management.

Tommy earned the respect of Plateau's Board of Directors and Executive Committee from the beginning. It was easy to see the capabilities he had and the value he provided the company. Without Tommy, this company would not have been able to expand and grow as we have during the last three years in acquiring the GTL and IAC business and absorbing it into our operations. It seems almost daily that one of us asks questions like "what would Tommy do here?" or "what did Tommy

Elaine Pelletier, FSA, MAAA
Sr. Vice President
Actuary

Steve Douglas
Vice President
General Counsel

Michael Ramsey, CPA
Vice President
Treasurer

Terri Hammons
Vice President
Agent Services

do here?". Replacing Tommy is impossible. Many of our coworkers have had to step up and absorb as much of what he provided as well as they possibly can.

David Hardegree joined Plateau as a consultant in September 2014 and became a member of the management team officially in January 2015 as Chief Financial Officer (CFO). David was the only person I knew who had experience in Senior Management of a credit insurance company and who happened to be available. He had served for twenty years as CFO of Life of the South of Jacksonville, Florida until 2008 when he officially retired. During his tenure with Life of the South, there were several acquisitions and growth much like we have recently experienced. Like Plateau, Life of the South remained exclusively in the financial insurance business.

Initially helping the accounting staff to produce timely financials, David turned his energies to developing a budget model to give us a view of what we may expect for 2015 and in the next two to three years. This exercise of going line by line to develop a forecast turned into an excellent learning experience for David, allowing him to see exactly how the company is structured and reviewing our total operations. A review of the results of the budget model for 2015 suggests we can expect increased underwriting earnings compared to 2014. Considering our 2014 results included the sale of Plateau's stake in Triad Partners, LLC, which contributed approximately $500,000 in after tax earnings, this is encouraging. I hope you get to know David and can appreciate his contributions to our future growth and stability.

Pat Lewis retired in April 2014 with almost thirty years at Plateau in various roles. Pat came to work for Plateau in 1985, working with Mike Miller in the Benefits Department. She then took over the Uniguard and Underwriting departments, and from there began supervising the Operations Department after Michele Simcox retired in 2008. Pat, always with a smile on her face, is greatly missed. We wish her much happiness in the coming years as she begins to enjoy all the things that one never has time for when working a full time job.

Ten years ago Charlie Smith joined the Plateau marketing staff to take over the territory that had been developed by Lauren Kardatzke who was then retiring. Charlie came to us from Cherokee National Life of Macon, Georgia where he began his credit insurance career on April 1, 1981, the very same day Plateau sold its first insurance policy. He was the first of five marketing representatives to join Plateau during 2005 and 2006 from Cherokee which had been sold. Charlie has announced his pending retirement in April 2015. We wish Charlie the very best in his new life and certainly appreciate his tenure. Cameron Rogers, who has been an employee with Plateau's Agent Services department for four years, will assume the marketing and service role on Charlie's existing accounts. Cameron has been an outstanding employee and we anticipate that the accounts she serves will very quickly see the capabilities of this young lady.

Woody Moody joined Plateau's marketing staff in 2006 from Cherokee and very quickly created a South Georgia bank market presence for Plateau as he transferred virtually all of the accounts he previously served over to Plateau. Woody is also retiring this year in June and we wish him well in his new endeavors and appreciate the job he has done for Plateau. This block of business will be serviced by Doyle and John Kelly who both live in Macon, Georgia. Doyle, another former Cherokee employee, has been an agent for Plateau since 2005 and has primarily pursued the consumer finance business in Georgia and South Carolina. Doyle and John will attempt to grow the credit insurance business and cross sell other Plateau products. Doyle still knows some of those bankers and some bankers who are not currently Plateau clients. I believe Doyle and John will do an excellent job cross-selling and diversifying their income stream.

I want to emphasize my appreciation of the effort and accomplishments of Plateau's senior staff, department managers and employees as we have grown threefold in five years. It has been incredibly satisfying to me to witness the positive "can do" attitude the entire team has demonstrated. The consistent thing I hear from clients is how our staff has exceeded their expectations both in service and their willingness to help. In Plateau's daily operations, most of our employees engage in discussion with clients, creating an opportunity to build our good-will with them. I appreciate the comments from clients when I receive them.

Our efforts during 2015 will continue to be focused on the following areas:

- Close the sale with some very attractive prospects we have identified;
- Obtain Certificates of Authority in approximately four more states;
- Obtain approval of necessary policy forms to transition IAC and GTL business and to attract new clients;
- Provide training and encourage utilization of a menu to offer products;
- Cross-sell Plateau's ancillary products in the financial institution and automobile dealer markets; and
- Improve margins on existing business with certain underwriting adjustments and moving from unprofitable products to alternative products such as Debt Protection.

I extend a very sincere thanks to Plateau's Board of Directors and its Executive Committee for their support and direction through the challenging years of the recession and then during the geographic and business expansion of the last three years. We have asked them to review and make some difficult decisions about moving forward. Plateau's management intends to do everything we possibly can to make this group feel they have made the right decisions during these times.

Thank you,

Dick Williams
President

Sharon Tabor,
Vice President
Property & Casualty

Shelia Newberry
Vice President
Title Insurance

Deedy Adams
Vice President
Compliance

Judy Hicks
Vice President
Accounting

Sissie Turner
Vice President
Premium Accounting

Performance Measures

For several years Plateau has utilized Performance Measures to review historical trends and to set our goals for the future. We did not utilize a line-by-line budget review but have instead relied on the performance measures for comparisons. David Hardegree has been working to develop a line-by-line budget for each operating subsidiary of Plateau and, ultimately, a consolidated budget. The development of these budgets has stretched into the first quarter of 2015 as it is our first time in several years to utilize this approach. In future years, once the model is customized for each subsidiary, we expect to produce a budget for each approaching year prior to the end of the then current year. In transitioning to a detailed budget, these Performance Measures will no longer be utilized.

The Performance Measures have included seven measures, five of which have already been addressed in the Letter to Shareholders. The remaining two measures are the ratio of total expenses to revenue and taxes, both federal and state. The revenue in the ratio includes underwriting revenue, commission and fee income, and investment income. Operating expenses are divided by the revenue to determine the comparing ratio. Our revenue for 2014 was $16.8 million compared to $14.3 million for 2013. Our operating expenses for 2014 were $13.7 million compared to $12.9 million for 2013. The resulting ratio of operating expenses to revenue for 2014 was 81.9% compared to 89.9% for 2013. Recognizing that there was a non-recurring million dollar gain from the sale of Plateau's share in Triad Partners, LLC, included in revenue for 2014, the ratio excluding this gain was 87.3%, still an improvement over 2013's 89.9%.

As a life insurance company, Plateau Insurance Company (PIC) qualifies under statutory definitions for a small life insurance deduction as long as its total assets (including all affiliated companies) are less than $500 million and the pre-tax net income of PIC alone is less than $3 million. By falling within both these requirements, PIC receives the benefit of a 60% deduction from its net income before tax, calculated separately and prior to consolidation. The greater the proportion of pre-tax net income contributed by PIC in the consolidation calculation, the less the overall tax rate will be. If we are successful in increasing the margins on the business produced by PIC, we can expect to reduce the consolidated effective tax rate. The effective tax rates for 2014 and 2013 were both anomalies for comparison purposes. The actual calculation for 2014 produces a 40.1% effective rate while the 2013 effective tax rate was 15.8%. The 2014 tax rate was unusually high as it included the federal and state taxes on the Triad gain at full tax rates plus a true-up from 2013. Looking forward, if PIC produces a larger portion of pre-tax profits, as it historically has, we can expect an effective tax rate of less than 30% in the aggregate.

Sandy Whitson
Vice President
Premium Processing

Erin Young
Asst. Vice President
Premium Processing

Doris Davis
Vice President
Credit Claims

April Fagan
Asst. Vice President
Credit Claims

Review of Premium

Net written premium for all of Plateau's insurance subsidiaries, including direct premiums written on Plateau forms plus reinsurance assumed from other underwriters, was $93,035,201, an increase of 6.2% compared to 2013's $87,570,371. The reinsurance assumed is primarily from Individual Assurance Company (IAC) and Guarantee Trust Life Insurance Company (GTL) and involves premiums written on their forms until such time as Plateau is able to have its own forms approved and installed in the accounts. Total reinsurance assumed from these two sources in 2014 was $14,168,200. These assumed premiums were processed by Plateau as a third party administrator and are treated as direct written premium for our purposes.

Net written premium is the dollar amount of new premium collected in any accounting period less the amount of any refunds due upon termination of any prepaid premium. The majority of Plateau's net written premiums are single premiums collected for the full term of an obligation, such as a longer service contract for up to seven years. Because they provide coverage for a longer period of time, these premiums are earned over the entire term of the obligation. As a result, earned premiums lag behind written premiums during periods of increased production. In periods of declining production earned premiums will exceed written premiums. To illustrate the difference, Plateau's net written premium increased in 2014 to $93 million from the $87.6 million produced in 2013 and the $85 million produced in 2012. Earned premium lagged behind with $80.6 million in 2013 and $85.9 million in 2014. We can, therefore, expect an increase in earned premium in 2015 even if we do not experience an increase in net written premium. Monthly pay premiums produce the same result when accounted for as written or earned and there is no refund to be applied if there is an early termination of the underlying loan or contract. Prior to 2011, the vast majority of Plateau's premiums were collected as single premiums. The GTL acquisition included more of these monthly contracts. The IAC acquisition of 2012 brought still more monthly contracts. The 2013 acquisition of the IAC Debt Protection program is comprised of only monthly pay contracts. Currently $12.4 million of our total premium production is monthly pay as compared to a minimal amount prior to 2011.

"Generally Accepted Accounting Principles (GAAP)" reporting, as presented in the financial statements in this report, requires the use of earned premium as revenue whereas "Statutory Accounting Principles (SAP)" reporting presents written premium as required by regulators. When we review marketing efforts and results, we review "written premiums" to draw comparisons about these efforts. This enables us to identify and review sales trends accurately as opposed to reviewing results of "earned premiums", which are actually results produced in prior periods for the single premium products. Therefore, in the balance of these sections, as we discuss premium production, we will review "written premium".

The chart below illustrates Plateau's "written premium" production by each marketing segment. The consumer finance and commercial bank market segments each produced about one third of Plateau's written premium in 2014. The automobile dealer and credit union markets combined to produce thirty percent, with other sources, such as motorcycle dealers, RV dealers and furniture retailers, contributing the balance. During the past five years each market segment has grown substantially. The growth in the consumer finance market segment has come from internal growth, increasing from $18.7 million in 2010 to $31.8 million in 2014. Premiums in the credit union market increasing to $9.5 million in 2014, are primarily represented by sales of GAP waivers, and are

PREMIUM BY MARKET SEGMENT

Source	2013 Premium	2014 Premium	2013-2014 Change	2014 % of Total
Consumer Finance Co.	$ 30,594,995	$ 31,835,075	$ 1,240,080	34.2%
Commercial Banks	$ 29,216,922	$ 29,421,648	$ 204,726	31.6%
Automobile Dealers	$ 18,645,659	$ 18,473,757	$ (171,902)	19.9%
Credit Unions	$ 5,894,907	$ 9,452,607	$ 3,557,700	10.2%
Other Sales Finance	$ 3,217,888	$ 3,852,114	$ 634,226	4.1%
Totals	**$ 87,570,371**	**$ 93,035,201**	**$ 5,464,830**	**100.0%**

attributed to the marketing efforts of one of our third party administrators. The majority of the growth in the commercial bank and automobile dealer market segments has come as a result of the acquisition of business over the past three years.

PIC's production declined $2 million, or 3.6%, to $53.6 million in 2014. A review by product line reveals that half of this decline was experienced in single premium credit disability, as other products declined slightly but none of any significance. The margin on PIC's business remained stable as it actually increased to 8.8% for 2014 compared to 8.7% for 2013. PIC has experienced the greatest premium growth, contributed by the business acquisitions over the previous three years, increasing from $22.6 million in 2011 to $53.6 million in 2014.

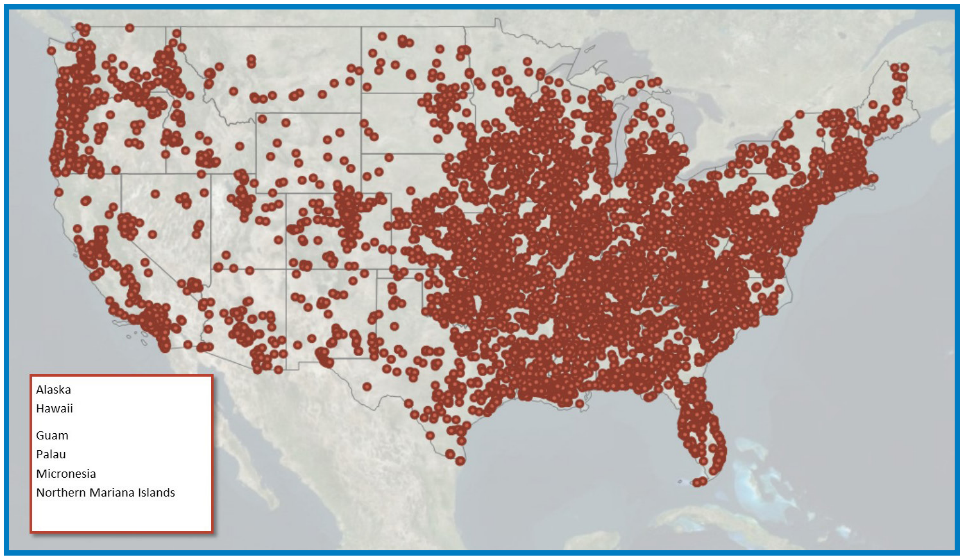
Plateau Casualty Insurance Company's (PCIC) "written premium" production increased 25.4% to $39.3 million in 2014 compared to $31.3 million in 2013. Force-placed auto physical damage production increased 116.4% to $5.4 million in 2014. Our Debt Protection products produced $2.8 million in contractual liability insurance premiums in 2014 compared to virtually no production in 2013 as we replaced coverage previously provided by another underwriter on that business. These two sources of "written premium" accounted for 67.9% of the total "written premium" increase for PCIC. Credit property insurance and GAP waivers accounted for 24.7% of the total increase in premiums while all other products remained stable.

The chart below, "Premiums by State", reveals the sixteen domiciles in which Plateau produced at least $1 million of "written premium" during 2014. In total, premiums were produced in forty-seven states plus four U.S. Territories and Island Nations in the Pacific. This chart clearly demonstrates the geographic expansion Plateau has experienced as compared to that of a Southeastern regional underwriter five years ago. Twelve states originated at least $2 million of "written premium". Tennessee continues to be the top producing state with $20.6 million in 2014. The states of Mississippi and Alabama contributed the most premium growth with $1.9 million and $1.7 million respectively.

PREMIUM BY STATE

State	2013 Premium	2014 Premium	2013-2014 Change	2014 % of Total
Tennessee	$ 20,099,527	$ 20,633,065	$ 533,538	22.2%
Georgia	$ 13,012,300	$ 12,812,684	$ (199,616)	13.8%
Mississippi	$ 9,972,012	$ 11,899,569	$ 1,927,557	12.8%
Pennsylvania	$ 5,503,295	$ 6,184,604	$ 681,309	6.6%
Alabama	$ 4,134,606	$ 5,877,189	$ 1,742,583	6.3%
Louisiana	$ 3,966,833	$ 4,768,917	$ 802,084	5.1%
South Carolina	$ 3,506,965	$ 4,253,028	$ 746,063	4.6%
Arkansas	$ 4,066,373	$ 3,802,841	$ (263,532)	4.1%
Iowa	$ 2,635,876	$ 3,563,079	$ 927,203	3.8%
Ohio	$ 2,406,028	$ 3,033,476	$ 627,448	3.3%
Missouri	$ 3,224,153	$ 2,676,940	$ (547,213)	2.9%
Illinois	$ 2,370,226	$ 2,082,805	$ (287,421)	2.2%
North Carolina	$ 1,822,122	$ 1,488,864	$ (333,258)	1.6%
Texas	$ 2,786,481	$ 1,312,852	$(1,473,629)	1.4%
Guam	$ 1,301,086	$ 1,154,212	$ (146,874)	1.2%
Michigan	$ 1,081,036	$ 1,114,839	$ 33,803	1.2%
All Others	$ 5,681,452	$ 6,376,237	$ 694,785	6.9%
Totals	$ 87,570,371	$ 93,035,201	$ 5,464,830	100.0%

Plateau Customers



Plateau's Corporate Office
Crossville, Tennessee

In Memorium

Thomas L. Williams
Executive Vice President
1983 - 2014

On June 10, 2014, after fighting cancer for four years, Tommy lost the battle. I cannot begin to tell you what a loss this was for Plateau, for myself, the Plateau employees and in the lives of all who knew him. When the CCIA heard about his passing several friends and industry people paid tribute to Tommy as well. Following are some of the comments from those:

Jim Hiers, Munich Re: What struck me about Tommy was that he genuinely wanted to know how you were doing, even when he was fighting the fight of his life. Just think about that for a minute - he is battling the ravages of cancer, and all he wants to know is how you are doing. If that doesn't speak volumes about Tommy's character, I don't know what does.

Elaine Pelletier, Plateau employee and fellow actuary: I met Tommy several years ago but really had not spent much time talking to him. Somehow, though, he had observed me enough to know that I would be a good fit at Plateau. That was one somewhat surprising thing about Tommy - he was a pretty quiet and shy person, but boy was he a first-rate observer of people. He truly loved his work but had many other interests including photography and music and earlier in life, golf. He and Cheryl were very generous to their family and friends and even strangers. If they thought someone needed something, they would be the first to give.

Chris Hause, Actuary: To me, Tommy embodies the often misused phrase - a gentleman and a scholar. Tommy was first and foremost a gentleman and a gentle man. He treated everyone as a valued friend. His personal warmth was evident to anyone who ever exchanged more than a few words with him. He was also a scholar. Where actuarial science was concerned, he understood complex actuarial issues that eluded others because of an intellect and ability to never lose sight of the big picture. Where computers and programming were concerned, what he single-handedly did for Plateau over the years is staggering. But Tommy also knew people and I am honored to be one of those people.

In closing, working with Tommy Williams, as a partner for thirty-four years, was an incredibly satisfying and comfortable experience. Tommy helped bring Plateau from a start-up company to a forty-eight state producer with great confidence. No one person has replaced Tommy, but his duties are now spread over at least a dozen other Plateau employees. I was truly blessed and honored to spend his, and my, professional careers together. Tommy we all miss you.

Consolidated Balance Sheets

(Unaudited)

	As of December 31, 2014		As of December 31, 2013	
Assets				
Debt securities	$	38,529,027	$	32,524,700
Equity securities		4,434,375		3,377,606
Cash and cash equivalents		12,325,687		11,494,030
Certificates of deposit		3,896,463		3,895,644
Investments in reinsurance companies		301,600		301,600
Other invested assets		1,081,697		1,097,435
Total cash and invested assets		60,568,849		52,691,015
Accrued interest and dividends		272,212		195,991
Accounts receivable		2,403,926		4,153,171
Reinsurance recoverable on losses and loss adjustment expenses		4,861,889		4,645,341
Prepaid reinsurance premium		43,489,670		40,840,650
Deferred policy acquisition cost		16,971,960		16,327,733
Net deferred tax asset		-		728,612
Goodwill		279,562		279,562
Intangible assets		4,450,727		4,583,053
Office property and equipment		4,862,492		5,306,455
Other assets		1,565,711		1,392,464
Total Assets	$	139,726,998	$	131,144,047
Liabilities and Shareholders' Equity				
Liabilities:				
Reserve for losses and loss adjustment expenses	$	12,168,058	$	11,287,562
Unearned premium		86,670,458		79,679,788
Reinsurance payable		3,001,992		5,893,740
Accounts payable and accrued expenses		8,288,000		7,602,931
Net deferred tax liability		245,483		-
Notes payable		7,545,707		7,001,046
Total Liabilities		117,919,698		111,465,067
Shareholders' Equity :				
Common stock - $1 par value, 2,000,000 shares authorized, 1,139,136 in 2014 and 1,124,240 in 2013 issued and outstanding		1,139,136		1,124,240
Additional paid-in capital		4,379,850		4,139,876
Retained earnings		16,461,149		15,204,760
Accumulated other comprehensive loss		(172,835)		(789,896)
Total Shareholders' Equity		21,807,300		19,678,980
Total Liabilities and Shareholders' Equity	$	139,726,998	$	131,144,047

Consolidated Earnings

(Unaudited)

	Years ended December 31, 2014	2013
Operating Revenues		
Premium earned	$ 33,090,930	$ 34,914,660
Ceding fees on premium reinsured	3,871,497	3,884,587
Net commission income	1,947,824	2,040,199
Other income	2,767,934	2,455,887
Total operating revenues	41,678,185	43,295,333
Losses and Expenses		
Death benefits	4,421,424	5,369,279
Accident and health benefits	1,015,544	3,068,440
Losses and loss adjustment expenses	5,978,385	4,017,436
Other underwritng expenses incurred	29,372,475	30,602,671
Total losses and expenses	40,787,828	43,057,826
Operating gain before investment activity	890,357	237,507
Net investment income earned	2,149,733	1,197,822
Income before income tax expense	3,040,090	1,435,329
Income Tax Expense (Benefit)		
Current	479,532	253,239
Deferred	742,049	(26,216)
Total income tax expense	1,221,581	227,023
Net income	$ 1,818,509	$ 1,208,306

Plateau Associates


Tamara Burton
Kansas


Natasha Collins
Kansas


Teresa Enenbach
Kansas


Martha Lindsay
Kansas, Office Mgr.


Andrea Shumate
Kansas


Sharon Conder, CPA
Accounting


Lynette Durant
Accounting


Tracy Graham
Accounting


Rosemary Houston
Accounting


Scarlet Sapp
Accounting


Nancy Strait
Accounting


Kaye Barnett
Reinsurance


Emily Miller
Reinsurance


Johnnie Whittenburg
Reinsurance


Hannah Zies
Reinsurance


Vicki Carlson
General Services


Vicki Mason
General Services


Melissa Dyer
Title Insurance

Plateau Associates

Amanda Dyer
Agent Services

Shannon Graham
Agent Services

Keli Smith
Agent Services

Shalee Sojka
Agent Services

Rob Williams
Agent Services

Donna Fitzgerald
Agent Licensing

Alexis Deibler
Compliance

Debbie Elms
Compliance Forms

Mary Franc Graham
Compliance Attorney

Margaret Smith
Compliance

Cindy Guerin-Couch
P&C / Auto

Ian Newberry
P&C / Auto

LeeAnn Roberts
P&C / Auto

Terry Walter
P&C / Auto

Troy Bolen
Information Technology

Daniel Carey
Information Technology

Craig Johnson
Information Technology

Skye Pearson
Information Technology

JoAnn Ramsey
Information Technology

Eric Shaver II
Information Technology

Plateau Associates


Hannah Loveday
Premium Accounting


Lacey Savage
Premium Accounting


Sandra Bradberry
Underwriting


Meredith Mullen
Underwriting


Joy Whited
Underwriting


Chaney Dyle
Premium Processing


Tasha Higdon
Premium Processing


Tonya Iles
Premium Processing


Becky Johnston
Premium Processing


Beverly Jolly
Premium Processing


Pamela Pingree
Premium Processing


Sarah Rary
Premium Processing


Jo Reagan
Premium Processing


Terri Selby
Premium Processing


Joshua Vanwinkle
Premium Processing


Victoria Houston
Credit Claims


Connie McKinney
Credit Claims


Christy Reed
Credit Claims


Tammy Tackett
Credit Claims


Kimberly Vincent
Credit Claims

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The Plateau Group, Inc.
Crossville, TN

Dick Williams, President
The Plateau Group, Inc.
Crossville, TN

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Dunlap, TN

John Bruno
Brentwood, TN

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First Bank
Lexington, TN

John Haile
Cleveland, TN

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Frankewing, TN

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James England, Chairman, CEO
Decatur County Bank
Decaturville, TN

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Ripley, TN

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First National Bank of Tennessee
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Mark Hayes, Chairman, CEO
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Pulaski, TN

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FCB Corporation
Manchester, TN

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Portland, TN

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BankTennessee
Lebanon, TN

David Williamson, President
Bank of Putnam County
Cookeville, TN

Chad Wilson, President
Foundation Bank/McKenzie Banking Co.
Jackson, TN

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Eric Shaver
Skip Davis
Elaine Pelletier, FSA, MAAA
Steven Douglas, Attorney

Marketing Staff
Reed Gass
Thom Hagan
David Greene
Cameron Rogers
Doyle Kelly
Fred Antley
Bob Joyce
Joe Elms
Chris Bryan
Greg Janssen
Tony Snow
Andrea Bower

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Hank Loveday
John Manning
Umpy Brown
Michael Boozer
John Kelly

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JoAnn Ramsey
Daniel Carey
Troy Bolen
Eric Shaver II
Skye Pearson
Craig Johnson
Garrett Davis

Title Insurance
Shelia Newberry
Melissa Dyer

Agent Services
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Keli Smith
Dana Redwine
Shannon Graham
Rob Williams
Amanda Dyer
Donna Fitzgerald
Shalee Sojka

Compliance
Deedy Adams
Mary Franc Graham, Attorney
Margaret Smith
Alexis Deibler
Debbie Elms

General Services
Vicki Carlson
Vicki Mason
Stephanie Carey
Craig Wyatt
Jewell Selby
Glenna Jackson

Corporate Accounting
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Sharon Conder, CPA
Judy Hicks
Tracy Graham
Nancy Strait
Lynette Durant
Rosemary Houston
Scarlet Sapp

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Johnnie Whittenburg
Kaye Barnett
Emily Miller
Hannah Zies

Premium Accounting
Sissie Turner
Lacey Savage
Hannah Loveday

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Erin Young
Terri Selby
Jo Reagan
Joy Whited
Sandra Bradberry
Joshua Vanwinkle
Tasha Higdon
Beverly Jolly
Pamela Pingree
Tonya Iles
Chaney Dyle
Meredith Mullen
Becky Johnston
Sarah Rary
Connory Ramsey
Tiffany Thompson
Henri Calahan

Credit Claims
Doris Davis
April Fagan
Kimberly Vincent
Connie McKinney
Tammy Tackett
Christy Reed
Victoria Houston
Marcia Neil

P & C / Auto
Sharon Tabor
LeeAnn Roberts
Terry Walter
Ian Newberry
Cindy Guerin-Couch
Kelsey Davis

Plateau West
Martha Lindsay
Natasha Collins
Tamara Burton
Teresa Enenbach
Andrea Shumate

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