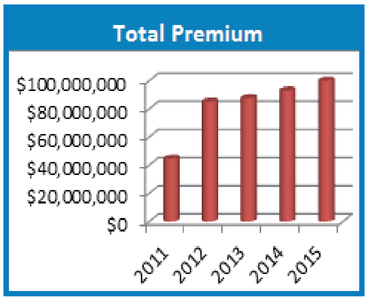
35th Anniversary

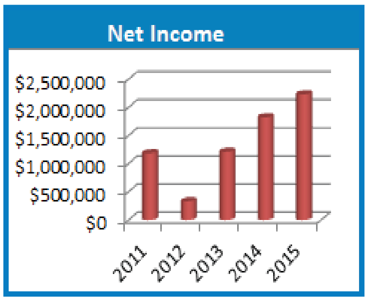
The Plateau Group

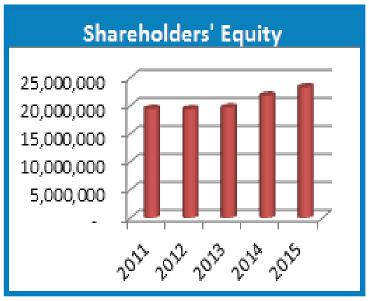
ANNUAL REPORT 2015

Financial Highlights

For the Year	**2015**	**2014**
Total Insurance Premium	$99,985,395	$93,035,201
Total Revenue	$65,796,030	$63,345,694
Net Income	$2,228,381	$ 1,818,509
Net Income Per Share	$1.94	$1.60
At Year End		
Cash & Invested Assets	$64,155,904	$60,568,849
Shareholders' Equity	$23,297,155	$21,807,300







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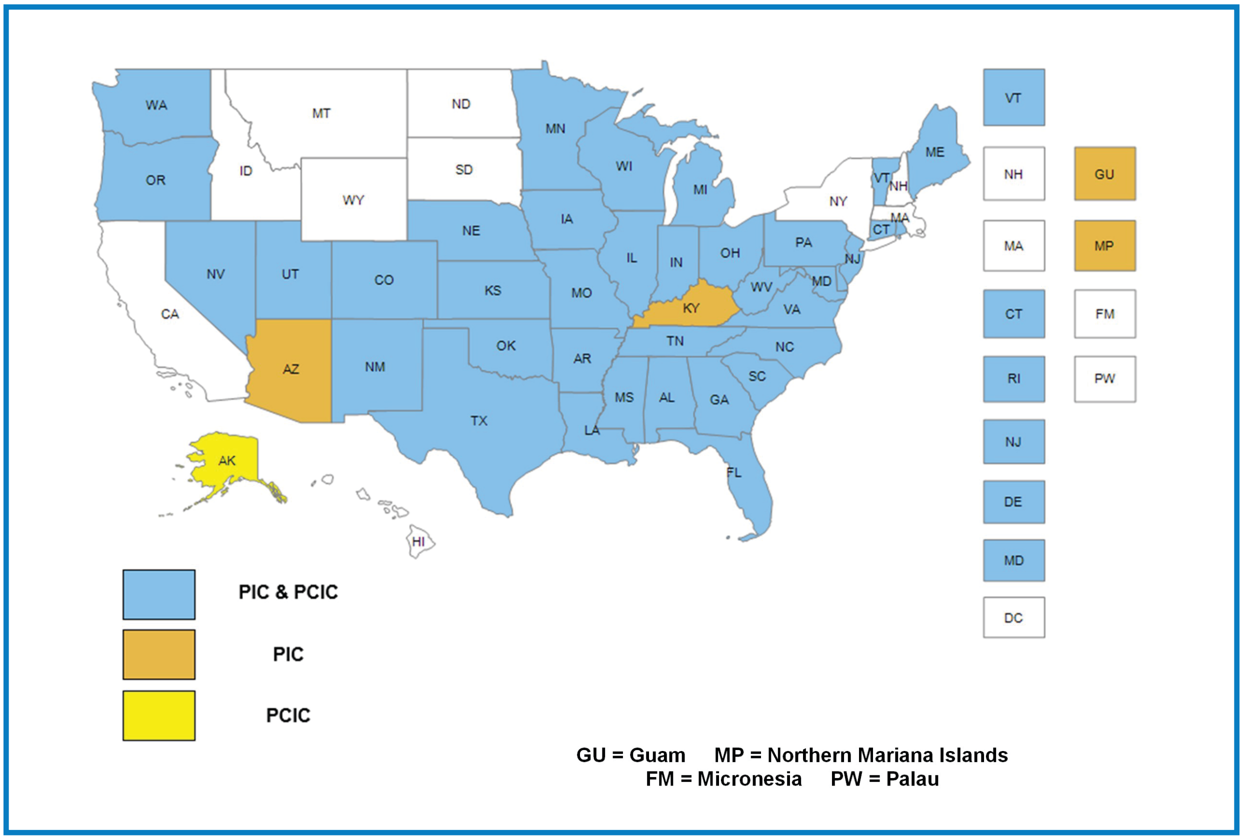
Company Profile

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



Letter to Shareholders

Dick Williams
President

To our:
Shareholders, Customers, and Prospective Customers

We are extremely pleased to report that 2015 was a very productive and prosperous year for The Plateau Group, Inc. ("Plateau"). All of our Key Performance Indicators improved during the year. Net income increased to $2,228,381 compared to $1,818,509 for 2014. Our shareholders' equity increased 6.8% to $23,297,155. Premium production came extremely close to the $100 million mark as the total for 2015 was $99,985,395, an increase of 7.5% from 2014. Total assets at year-end 2015, were $154,435,340 compared to $140,737,092 at year-end 2014. The cash and invested assets component of total assets increased $3,587,055 from 2014.

All three of Plateau's major revenue sources experienced an increase for 2015 compared to 2014. Our underwriting income, derived from underwritten premium, increased by 12.4% to $10.9 million in 2015. The margin on earned premium, which we use to measure the profitability of earned premium, increased from 11.4% in 2014 to 12% in 2015. Plateau now has twenty-five underwritten products reporting collected premium and all but one of those products produced positive results for the year. The one product that experienced negative income for the year is the same product for which we absorbed a loss three years ago. That product is no longer offered for the terms that caused our loss and is now in run-off.

Financial Performance Results for 2015 Include:

- Net after tax income of $2,228,381 compared to $1,818,509 for 2014; an increase of 22.5%.
- Net income per share of $1.94 compared to $1.60 for 2014; an increase of 21.3%.
- Shareholder equity at year-end 2015 of $23,297,155 ($20.20 per share) compared to $21,807,300 at year-end 2014 ($19.14 per share); an increase of 6.8%.
- Return on equity of 9.8% for 2015 compared to 8.8% for 2014.
- Collected insurance premium of $99,985,395 compared to $93,035,201 for 2014; an increase of 7.5%.
- Cash and Invested Assets at year-end were $64,155,904 compared to $60,568,849 at 2014; an increase of 5.9%.
- Investment Income of $1,230,044 compared to $1,100,144 for 2014; an increase of 11.8%.
- Commissions and Fee Income of $4,836,131 compared to $4,715,758 for 2014; an increase of 2.5%.

NOTE: ***Total revenues, cash and invested assets and investment income used in this presentation may 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.***

Our second largest revenue category is commission and fee income. This category includes brokered products where we recognize commissions and fees from various sources including administrative fees for managing some of our underwritten products. Revenue from these sources increased 2.5% to $4.8 million in 2015. We anticipate that this revenue source will increase as Plateau's agents become more familiar with the products, creating an opportunity to offer them to existing insurance only clients.

Plateau's third revenue source is investment income which increased 11.8% to $1.2 million for 2015 as invested assets increased 5.9% to $64.2 million. Maintaining a very conservative portfolio of investments, our annualized investment yield for 2015 was 2.1%.

Shareholders' equity has increased $8.5 million since 2005. We have paid dividends in excess of $5 million during this ten year period. It has been critical for Plateau to build and retain capital to ensure satisfactory reviews by A.M. Best Company for our two rated insurance subsidiaries.

During 2015 Plateau made important investments to expand our growth opportunities which will contribute to sustained and predictable returns for our clients and associates; and, ultimately our shareholders.

The financial insurance services market is in a challenging environment. We believe diversification, both geographically and through products, is increasingly important. Regulatory costs have increased exponentially in the last few years, requiring Plateau to attract a greater volume of business to recognize scale. Fortunately, we have attained significant growth over the last six years, increasing our premium more than threefold from $30.5 million in 2009 to just shy of $100 million in 2015. This growth came through business acquisitions (approximately $35 million) and through internal growth (approximately $25 million). The growth we have achieved has largely been outside of the Southeastern United States where we did not have Certificates of Authority (CofA's) to write business as recently as the year 2010. Plateau Casualty Insurance Company ("PCIC") is now licensed in thirty-eight states. Plateau Insurance Company ("PIC") is licensed in thirty-nine states. Additionally, we have obtained approval for hundreds of policy forms to replace the forms used by our predecessors. The cost of obtaining the form approvals and installation on our customers' systems has been expensed over the past four years. Having the CofA's and the multiple forms in hand is now proving to be as valuable as we had anticipated.

David Hardegree
Chief Financial Officer

Our expanded footprint provides greater growth opportunities for Plateau. The expenses absorbed during the transition from a regional underwriter to a national player have been, and will continue to be, an investment in our future.

During 2015 our management team reviewed many opportunities related to our current product mix. We also reviewed opportunities that do not resemble our current products but do allow us to earn fees in areas well within our risk tolerance. Many of these opportunities come from third party administrators ("TPA") seeking a partner with a minimum A- rating from A.M. Best Company. We review the associated risk within the product and, if we agree to accept that risk, we rely on the TPA to provide the administration of the product, including claim adjudication. These arrangements allow us to recognize income as the ultimate underwriter but with less demand for increased staffing and associated expenses at our home office.

Fortunately, Plateau has built its infrastructure from the beginning to succeed in a very competitive marketplace. This actually predates the issuance of our first insurance policy back in 1981. Many of you will recall that this was a very difficult time when interest rates exceeded 20%. I believe it is safe for me to say that it was not the best of times to start a new company. In 1980, while looking for an operating system for our prospective insurance company, I met with Tommy Williams, at that time a young programmer and actuary in Nashville, and described to him the input data available for our prospective insureds. I showed him sample industry management reports acquired from several industry vendors, which we thought were the best available. Tommy produced all we asked

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

Dave Karr
Financial Institutions

Andrea Bower
Kansas

Tony Snow
Indiana

Fred Antley
South Carolina

Melody Williams
Director of Training

for and more! I felt then, and still think, that Plateau entered the market with the best tools to manage and grow our business. We were fortunate to have Tommy join us full time in 1983 to serve as our programmer and systems manager, as well as serving as the company's actuary. Over the years that basic credit insurance operating system has been expanded, rewritten, and updated in order to provide Plateau with an extremely robust system that is the best in our industry today. We all loved working with Tommy and his contributions remain as vital parts of the company.

In the early eighties Plateau did not offer reinsurance. Failing to do so provided a competitive edge for the other carriers in our industry. As we reviewed what they were offering, we found that our competitors did not offer a complete reinsurance package, from the formation of a reinsurance company, to providing financials, corporate records, annual report filings, and management of its investments. Some or all of these functions were contracted out to vendors. This left open an opportunity for Plateau. We felt that if Plateau provided all of these functions "in-house" we could turn the competitive disadvantage into a "best value" proposition, based on quality service with the vision of creating the best financial reinsurance program possible. We asked Mike Graham to join us in 1987 to lead us in that direction. Since then Mike has built the absolute best reinsurance accounting department in the industry. Mike and his team manage approximately 150 reinsurance companies for our customers, providing a turn-key package for most of these clients.

In the late eighties and early nineties we determined that we needed to offer extended vehicle service contracts (VSC's) for our automobile dealer market segment. We began to offer VSC's as a broker but could not identify an underwriter or an administrator willing to provide the reinsurance options necessary to satisfy our needs. This was the major factor in our decision to initiate the formation of our property and casualty insurance company, PCIC. As Tommy Williams had done for PIC, he developed the software necessary to provide the operational support for PCIC and had it ready by the time PCIC obtained its CofA in 1997. Having PCIC operational placed us in a position to also underwrite the property and casualty products needed for our current and prospective consumer finance clients. Prior to the creation of PCIC we were underwriting our life and disability business but were forced to broker the property and casualty products necessary to attract customers. As a broker our margins were slim. We lacked the competitive edge necessary to attract a large segment of the market, even in our home state of Tennessee.

In 2004 a southeastern competitor exited the consumer finance market. That opportunity fueled our decision to quickly expand our footprint in the southeastern states. This was Plateau's first geographic expansion and brought our CofA total to ten by 2010. As a result of 1) having both companies licensed in the necessary states, 2) maintaining our excellent proprietary software system, and 3) providing the best reinsurance options available, we were successful in attracting the majority of the business previously underwritten by that competitor.

Obtaining an A- rating by A.M. Best for PCIC in 2006 was a major milestone for Plateau. The rating became essential shortly thereafter as creditors purchasing contracts from automobile dealers began to require an A- as a minimum rating requirement for the purchase of contracts including a VSC and other ancillary products. PIC, as a subsidiary of PCIC, carried a B++ rating by A.M. Best until 2012 when it was also upgraded to an A- rating.

Similar to the takeover of the business in 2004, but certainly on a much grander scale, the acquisitions of business from Guaranty Trust Life Insurance Company (GTL) in 2011 and Individual Assurance Company (IAC) in 2012 and 2013, were achievable only because of these key decisions made by Plateau prior to these acquisitions. Our operating system, our ability to offer turn-key reinsurance options, and our A- ratings from A.M. Best, were critical for us to successfully acquire these new blocks of business. Currently Plateau is producing insurance business in more than forty states.

As reported in the Credit Insurance Fact Book, Plateau was the fourteenth largest producer of financial insurance premium in 2014. Four of the producers ranked above Plateau were either monoline producers or captive producers, underwriting only the business of their parent consumer finance company. Removing those from the count, Plateau ranks as the tenth largest premium producer in the competitive market.

Transamerica announced their decision to exit the financial insurance business in 2015, giving their accounts until June 30, 2016 to find a new home. Holding many of the needed CofA's and policy forms to replace their forms poises Plateau to seek a very attractive portion of the business they have in the commercial bank market. Currently both Plateau and Transamerica hold endorsements by the Independent Community Bankers Association (ICBA) for the ICBA reinsurance program. Transamerica

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

has the lion's share of that business whereas Plateau has been the newer player. We stand to gain a significant volume of premium from the transition by ICBA and other of their clients across the country. In concert with Transamerica's exit, Plateau has hired one of their marketing representatives, David Karr. David has been in the financial insurance business since 1978, the last eight years with Transamerica and has excellent relationships with bankers in many states. He has been the primary contact person with the ICBA reinsurance program. We anticipate attractive growth from this source beginning in the third quarter of 2016. There are many banks to be contacted that may not be familiar with Plateau. Once these banks hear the Plateau story with our concentration on financial insurance products, in particular our commitment to reinsurance from a trusted representative, we believe we will be very successful in convincing them to make Plateau their "First Choice".

We now have over one hundred employees, having expanded in almost every department. When the marketing team gathers for its quarterly meetings there are about twenty associates in attendance. Reed Gass, with forty-two years' experience in the financial insurance business, was named Chief Marketing Officer for Plateau in 2015. Reed has led the expansion of our agents across the country.

In 2015 Plateau made important strides in areas that were identified as focus points in the 2014 Annual Report. We closed targeted sales with some very attractive prospects. Much of our premium increase of $7 million was attributed to new accounts joining Plateau in 2015. New accounts that joined us later in the year will also contribute to premium growth in 2016.

An additional focal point was approval of needed policy forms in several states. Our success in obtaining these approvals allowed us to transition more business acquired from IAC and GTL in 2011 and 2012 to PIC forms. Once implemented, this eliminated the cost of "renting" the policy forms from those companies. Our cost to "rent" these forms increases over time, giving us the incentive to expedite PIC's forms approval and implementation. More than eighty percent of the GTL business is now producing on PIC forms. We need a couple more CofA's to complete the transfer. The IAC business was acquired a year later than GTL. As expected, we are further behind in this transition, but well over sixty percent was completed as of the end of 2015. As noted above, having the additional approved forms is allowing us to compete for many of Transamerica's clients as they exit the market.

A third focal point was to improve the margin on our book of business. We have successfully improved margins on business as planned, especially on the two acquired blocks of business. Each contributed a greater margin to PIC's income in 2015 than in any year since they were acquired. We continue to work on underwriting adjustments and would like to move certain accounts to alternative Debt Protection Products. We expect this effort to continue for the foreseeable future.

Some open items from our 2014 list remain for 2016. We want to obtain about a half dozen more CofA's, mostly in the western states and in the Pacific Islands. We are prioritizing these CofA's based on current production that is being assumed from other carriers as well as states where we have opportunities to write new business.

An additional focus is our desire to provide training and to encourage the utilization of a menu for our products. Though not accomplished in 2015, we have hired a veteran trainer who will work in the commercial bank and consumer finance market segments. Melody Williams joined Plateau during the first quarter of 2016 as Director of Training. She had been with Transamerica for the past ten years developing her training skills in the community bank and credit union markets. Melody has provided face to face training, webinars, and has developed training which she will easily transition to Plateau. She has an obvious passion for training and works to make the ses-

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

sions fun for the participants. We anticipate many of our clients will take advantage of the opportunity to utilize the new fresh approach she offers. We look forward to results that will benefit Plateau and our clients.

We also identified the cross-selling of products to existing accounts as a focus for 2015. Our commission and fee income of $4.8 million in 2015 increased a modest 2.5%. We expect to be able to cross-sell more products in the financial institution and automobile dealer markets in 2016. In the commercial bank market we want to increase sales of our brokered products, including mortgage fire, mapping of checking accounts from free to fee, flood zone determinations, vendors single interest, and force-placed automobile coverage. In the automobile dealer market we expect to recognize fee income from some brokered products that are new to the markets. Some of these products are created through new partnerships in which we have agreed to underwrite the underlying risks on the products being delivered by those partners who provide the administration.

Maintaining compliance not only with insurance laws and regulations but also lending laws and regulations is a daunting task. Plateau is subject to insurance rules in every state where it produces business. The states where we underwrite business produced by consumer finance companies have unique lending laws for small loan producers. On a national level we must be compliant with all the applicable federal lending laws and regulations. The lending industry is regulated by the FDIC, OCC, FRB and FTC among others and most recently the Consumer Financial Protection Bureau (CFPB), which is our "Number One" concern. Other agencies have accountability for their actions, but the CFPB was established with no accountability to anyone but its Director, who is appointed to a six year term by the President. There have been enforcement actions filed by the CFPB and settlements with several lenders involving marketing tactics where the allegations have been primarily directed to the telemarketing of debt protection products on credit cards. To date there have been no allegations about Plateau's products or pricing. Plateau has no clients offering our products through telemarketing. The "business of insurance" is outside of the direct jurisdiction of the CFPB.

When the 2010 Dodd-Frank Act, which created the CFPB, was approved by Congress, it included an exemption for automobile dealers and an exemption for the business of insurance. The CFPB has extended its reach to the automobile dealers indirectly through its authority to regulate the lenders who buy the loans originating in automobile dealerships. CFPB enforcement actions and settlements have been directed at discrimination in loan pricing through what they label "disparate impact", a flawed analysis utilizing such things as names and zip codes to identify parties allegedly discriminated against by the auto dealers and lenders. With actions such as this by the CFPB, we are concerned it will employ such tactics in its zeal to control products, such as many of our add-on products, even if it does not understand them.

Our industry, through our national trade association, the Consumer Credit Industry Association (CCIA), monitors the activities of the CFPB as they relate to our products. In the last three years, members have met with CFPB staff three times to describe our products and to communicate their value in credit transactions, and to establish the CCIA as a trusted resource for our industry. CCIA has retained the national law firm of Hudson Cook, LLC as its regulatory counsel, and has retained Jon Harsch with Witt Global Partners to lobby on behalf of our industry. These are expenses the CCIA did not incur prior to the enactment of Dodd-Frank and the establishment of the CFPB.

I am currently Chairman of the CCIA, serving my third term, having previously served in 1999-2000 and 2000-2001. Plateau, as well as all other members of CCIA, relies heavily on this organization in our compliance management. As a member company we receive marketplace, regulatory, and legislative information regarding credit-related products. Through four meetings per year involv-

Sharon Tabor,
Vice President
Property & Casualty

Shelia Newberry
Vice President
Title Insurance

Sandy Whitson
Vice President
Premium Processing

ing various committees, CCIA provides a forum for member companies to interact. The committees are working committees assigned the task of identifying specific issues of interest or concern involving all facets of credit-related products. The committees include law, actuarial, credit products, debt protection, GAP and Service Contracts, and Sales and Marketing. Plateau is represented on each committee, providing our staff the opportunity to discuss industry interests and concerns including consumer laws and regulations. CCIA hosts a weekly conference call to provide a forum for members to discuss any new developments during that week. On Fridays, CCIA also publishes a weekly bulletin summarizing the most current developments. Plateau personnel attend these meetings as well as meetings with other trade or regulatory associations and participate in conference calls where consumer compliance information is covered and is passed on to other appropriate personnel within the company. Plateau's department managers have monthly scheduled meetings where many items are discussed, including industry developments and consumer compliance issues. Plateau holds four marketing meetings per year for an entire day where consumer compliance is always an important topic. Each agent/producer has a specific marketing representative assigned to them providing product and marketing/sales support for the lending officers as allowed or as requested by the creditor. All training efforts include product features and benefits as well as addressing applicable consumer compliance rules.

Plateau's Executive Committee and management convened during 2015 to develop a Strategic Plan for the next three years. The resulting mission statement is "To exceed the expectations of our stakeholders while delivering quality financial products and services". The consolidation of our industry has created many opportunities for us to have the chances to deliver on such a mission statement. We have never had a goal to reach a certain size but we do want to optimize the opportunities for growth by retaining every customer possible. During the past five years we have increased our number of clients fivefold and we want to maintain them, providing superior, quality service to them and many more.

The 2016-2018 Strategic Plan includes five categories for our focus. First is the creation of a roadmap including action items with metrics identifying key performance indicators. Communicating our goals and priorities to all associates is important to our success. This communication includes employees and board members who can expect to review results through the developed key performance indicators.

Erin Young
Asst. Vice President
Premium Processing

Judy Hicks
Vice President
Accounting

Sissie Turner
Vice President
Premium Accounting

Deedy Adams
Vice President
Compliance

We want our customers to be compliant and effectively selling our products. As addressed earlier, we have valuable resources to gain compliance knowledge and we intend to enhance communication to our marketing representatives, associates and producers. The regulatory environment created by the advent of the CFPB demands that we improve the knowledge and awareness of compliance throughout our organization and our customers.

Doris Davis
Vice President
Credit Claims

Addressing “smart growth” in several ways, we begin with the attitude to pursue accounts aggressively when competitors exit the business. The Transamerica exit was announced following our planning session and is a good example. We now anticipate that we can gain approximately $10 million in new premium production from this opportunity. We also have gained two new employees as described earlier; one on the marketing side and one on the training side, which helps us in sales training and compliance. We will develop, as part of a growth plan, risk management or risk tolerance to help evaluate new business opportunities brought to us. We plan to enhance our marketing materials and our web presence, manage accounts for profitability, and improve the cross-selling of products to our existing clients. We have reviewed several “fronting” arrangements involving third party administrators where we can achieve growth with a minimal increase in home office expenses. We want to pursue these opportunities when they meet our risk tolerance. The Transamerica exit has created an opportunity for us to grow our group mortgage product as they were a major provider of that product.

April Fagan
Asst. Vice President
Credit Claims

Investing in our associates at the home office has a goal to ensure they are well trained, competent and satisfied with their work and environment. We will improve our new employee on-boarding process and develop a comprehensive cross-training process.

We want to leverage technology and become more efficient. The 2016 budget includes allocation for two support and development personnel to help us achieve these goals. We plan to develop and implement “business intelligence” capabilities, including reporting and customer relationship management and create data analysis capabilities.

Kimberly Vincent
Claims Examiner

Our Information Technology team, led by Eric Shaver, continues to provide us with new abilities to process new types of business while meeting requirements for cybersecurity in the ever changing regulatory landscape. In 2015, we successfully completed a Service Organization Controls (SOC) 2, Type II audit which focuses on a business’s non-financial reporting controls as they relate to security, availability, processing integrity, confidentiality, and privacy of a system. Our customers are now being required to evaluate their third party vendors with more stringent guidelines. Plateau strives to meet or exceed all the requirements for all of our business lines.

In 2015, we created new web-based applications that allow our clients to see their customers’ coverages and request refund quotes online. In addition, we’ve expanded our integration capabilities with online Vehicle Service Contract (VSC) and GAP rate quoting as well as delivery of VSC and GAP contracts via the web directly to the F&I Manager. We continue to upgrade and / or convert systems acquired from IAC to produce better solutions.

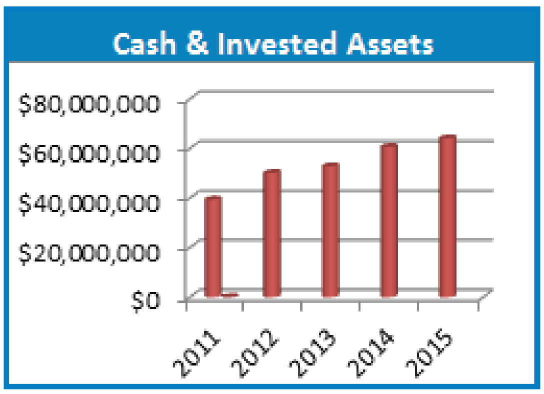
Our long-term adherence to our culture, vision, mission, and values is a shared commitment that has set Plateau apart for thirty-five years. I would like to express my deep appreciation to our talented executive management team, who leads that commitment every day. Our team is deep in experience with an average of more than thirty years’ experience in our business.

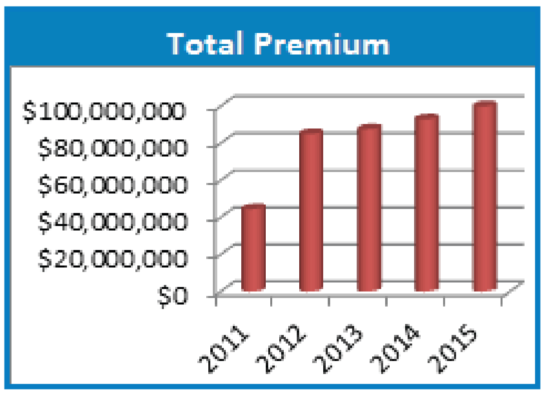
The guidance of Plateau's Board of Directors and Executive Committee has been valuable in helping me and our leadership team steer a steady course in a challenging, rapidly changing environment. George Atwood, Chairman, Centennial Bank, Trezevant, Tennessee and Tom Paschal, Middle Tennessee Chairman, BankTennessee, Collierville, Tennessee, have served as directors for a total of 51 years. George's bank was one of the founding investors in Plateau as a startup in 1981. He has served as a director since 1983. Tom joined the board in 1998. Their eligible terms as members of our board expire in April 2016. The guidance and support each has provided Plateau during the tough times and the best of times is truly appreciated. They are both excellent bankers. The friendships developed over the years with myself and with other bankers, who have served with them as directors, are deeply appreciated.

I am indebted to every Plateau associate who shares the commitment to do their best for our clients as much as I do, as CEO. I believe our associates get up every workday focused on how they can help our clients be more successful.

Despite a challenging regulatory and business environment, Plateau is well positioned to take advantage of our opportunities and to leverage our strengths, ultimately achieving our long-term goal of rewarding our shareholders for their investments. Our opportunities are exciting to us. Our markets include expansion opportunities when they arise and make sense. Our product portfolio is expanding. We have a passion to deliver each with outstanding service. With a shared commitment to growth and the success of our clients, and with your continuing support, I am confident Plateau's best days are ahead.

Dick Williams
President





Review of Premium

Net written premium for all of Plateau's insurance subsidiaries, including direct premium written on Plateau forms plus reinsurance assumed from other underwriters, was $99,985,395 an increase of 7.5% compared to 2014's $93,035,201. The reinsurance assumed is primarily from Individual Assurance Company (IAC) and Guarantee Trust Life Insurance Company (GTL) and involves premium 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 2015 was $8,641,936. The assumed premium was processed by Plateau as a third party administrator and is 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 premium is single premium 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 premium lags behind written premium during periods of increased production. In periods of declining production earned premium will exceed written premium. To illustrate the difference, Plateau's net written premium increased in 2015 to $100 million from the $93 million produced in 2014. Earned premium lagged behind with $85.9 million in 2014 and $78.1 million in 2013. We can, therefore, expect an increase in earned premium in 2016 even if we do not experience an increase in net written premium. Monthly pay premium produces 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 premium was collected as single premium. 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 monthly pay contracts. Currently $12.5 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 premium to draw comparisons about these efforts. This enables us to identify and review sales trends accurately as opposed to reviewing results of earned premium, which is 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 2015. 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

PREMIUM BY MARKET SEGMENT

Source	2014 Premium	2015 Premium	2014-2015 Change	2015 % of Total
Consumer Finance Co.	$ 31,835,075	$ 34,042,547	$ 2,207,472	34.0%
Commercial Banks	$ 29,421,648	$ 29,368,966	$ (52,682)	29.4%
Automobile Dealers	$ 18,473,757	$ 19,791,110	$ 1,317,353	19.8%
Credit Unions	$ 9,452,607	$ 10,058,820	$ 606,213	10.1%
Other Sales Finance	$ 3,852,114	$ 6,723,951	$ 2,871,837	6.7%
			$ -	
Totals	**$ 93,035,201**	**$ 99,985,394**	**$ 6,950,193**	**100.0%**

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 $34 million in 2015. Premium in the credit union market increasing to $10 million in 2015, is primarily represented by sales of GAP waivers, and is 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 increased $2 million to $55.3 million in 2015. A review by product line reveals that the majority of the increase was single premium credit life and single premium credit disability. The margin on PIC's business increased to 10.5% for 2015 compared to 8.8% for 2014. PIC has experienced the greatest premium growth, contributed by the business acquisitions over the previous four years, increasing from $22.6 million in 2011 to $55.3 million in 2015.

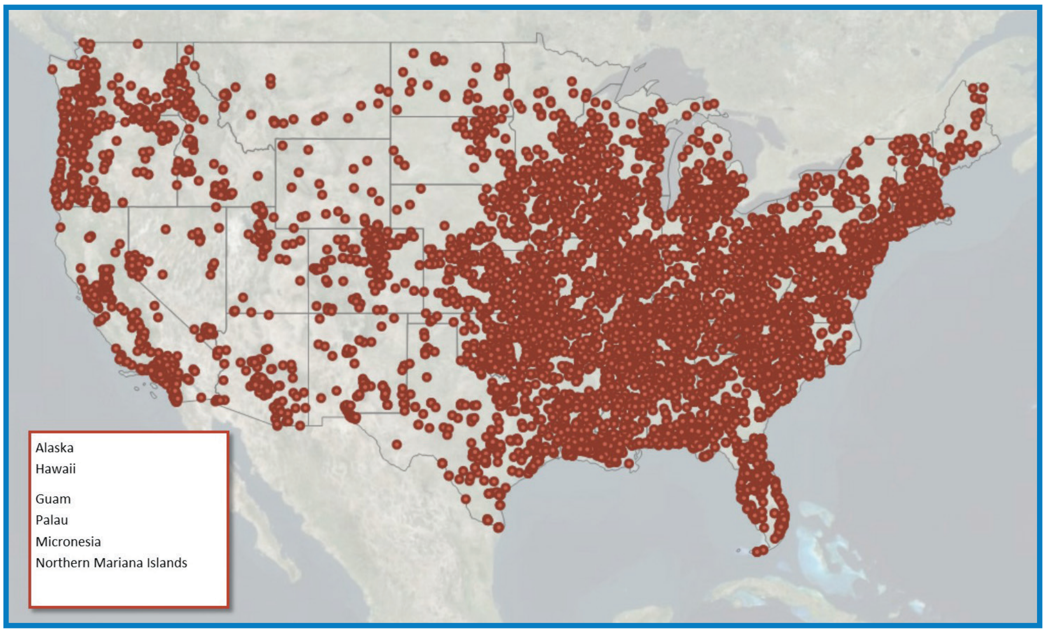
Plateau Casualty Insurance Company's (PCIC) written premium production increased 13.6% to $44.6 million in 2015 compared to $39.3 million in 2014. Premium generated from new vehicle service contracts increased 62% to $6.1 million as we experienced increased production from existing accounts and added business from new producers. GAP waiver premium increased 22.6% to $7.1 million dollars where premium production increased in the automobile dealer and credit union market segments. The margin on PCIC premium remained stable at 11.8% for 2015 compared to 12% for 2014.

The chart below, "Premium by State", reveals the sixteen domiciles in which Plateau produced at least $1 million of written premium during 2015. In total, premium was 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 $23.3 million in 2015. The states of Tennessee and Missouri contributed the most premium growth with $2.7 million and $.9 million respectively.

PREMIUM BY STATE

State	2014 Premium	2015 Premium	2014-2015 Change	2015 % of Total
Tennessee	$ 20,633,065	$ 23,301,721	$ 2,668,656	23.3%
Georgia	$ 12,812,684	$ 13,257,167	$ 444,483	13.3%
Mississippi	$ 11,899,569	$ 11,803,308	$ (96,261)	11.8%
Alabama	$ 5,877,189	$ 6,015,219	$ 138,030	6.0%
Pennsylvania	$ 6,184,604	$ 5,577,751	$ (606,853)	5.6%
South Carolina	$ 4,253,028	$ 4,486,874	$ 233,846	4.5%
Louisiana	$ 4,768,917	$ 4,251,374	$ (517,543)	4.3%
Missouri	$ 2,676,940	$ 3,587,729	$ 910,789	3.6%
Arkansas	$ 3,802,841	$ 3,411,417	$ (391,424)	3.4%
Ohio	$ 3,033,476	$ 3,207,137	$ 173,661	3.2%
Iowa	$ 3,563,079	$ 3,173,210	$ (389,869)	3.2%
North Carolina	$ 1,488,864	$ 2,222,116	$ 733,252	2.2%
Illinois	$ 2,082,805	$ 1,794,452	$ (288,353)	1.8%
Texas	$ 1,312,852	$ 1,530,481	$ 217,629	1.5%
Michigan	$ 1,114,839	$ 1,514,098	$ 399,259	1.5%
Indiana	$ 1,248,154	$ 1,057,929	$ (190,225)	1.1%
All Others	$ 6,282,295	$ 9,793,412	$ 3,511,117	9.8%
Totals	$ 93,035,201	$ 99,985,395	$ 6,950,194	100.0%

Plateau Customers



Plateau's Corporate Office
Crossville, Tennessee

Consolidated Balance Sheets

(Unaudited)

	As of December 31, 2015	2014
Assets		
Debt securities	$ 38,964,055	$ 38,529,027
Equity securities	3,931,577	4,434,375
Cash and cash equivalents	15,125,343	12,325,687
Certificates of deposit	3,909,596	3,896,463
Investment in reinsurance companies	301,600	301,600
Other invested assets	1,923,733	1,081,697
Total cash and invested assets	64,155,904	60,568,849
Accrued interest and dividends	273,366	272,212
Accounts receivable	7,482,317	3,343,331
Federal income taxes recoverable	269,114	70,689
Reinsurance recoverable on losses and loss adjustment expenses	4,703,804	4,861,889
Prepaid reinsurance premium	49,114,195	43,489,670
Deferred policy acquisition cost	18,192,572	16,971,960
Goodwill	279,562	279,562
Intangible assets	3,971,226	4,450,727
Office property and equipment	4,310,368	4,862,492
Other assets	1,682,912	1,565,711
Total Assets	$ 154,435,340	$ 140,737,092
Liabilities and Shareholders' Equity		
Liabilities:		
Reserve for losses and loss adjustment expenses	$ 12,402,519	$ 12,168,058
Unearned premium	95,694,194	86,670,458
Reinsurance payable	6,219,277	3,001,992
Accounts payable and accrued expenses	9,574,047	9,298,094
Net deferred tax liability	592,966	245,483
Notes payable	6,655,182	7,545,707
Total Liabilities	131,138,185	118,929,792
Shareholders' Equity :		
Common stock - $1 par value, 2,000,000 shares authorized, 1,153,454 in 2015 and 1,139,136 in 2014 issued and outstanding	1,153,454	1,139,136
Additional paid-in capital	4,632,952	4,379,850
Retained earnings	18,119,962	16,461,149
Accumulated other comprehensive loss	(609,213)	(172,835)
Total Shareholders' Equity	23,297,155	21,807,300
Total Liabilities and Shareholders' Equity	$ 154,435,340	$ 140,737,092

Consolidated Earnings

(Unaudited)

	Years ended December 31, 2015	2014
Operating Revenues		
Premium earned	$ 38,309,455	$ 33,090,930
Ceding fees on premium reinsured	4,008,649	3,871,497
Net commission income	1,749,960	1,947,824
Other income	3,086,171	2,767,934
Total operating revenues	47,154,235	41,678,185
Losses and Expenses		
Death benefits	4,316,890	4,421,424
Accident and health benefits	1,823,942	1,015,544
Losses and loss adjustment expenses	7,306,272	5,978,385
Other underwritng expenses incurred	31,976,610	29,372,475
Total losses and expenses	45,423,714	40,787,828
Operating gain before investment activity	1,730,521	890,357
Net investment income earned	1,230,044	2,149,733
Income before income tax expense	2,960,565	3,040,090
Income Tax Expense (Benefit)		
Current	155,184	479,532
Deferred	577,000	742,049
Total income tax expense	732,184	1,221,581
Net income	2,228,381	1,818,509
Other comprehensive income (loss), net of tax:		
Unrealized holding gains (losses) arising during period, net of tax (expense) benefit of $171,128 and ($228,448), respectively	(314,052)	622,737
Reclassification adjustment for gains realized in net income, net of tax expense of $58,389 and $3,598, respectively	(122,326)	(5,676)
Other comprehensive income (loss), net of tax	(436,378)	617,061
Total comprehensive income	$ 1,792,003	$ 2,435,570

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