



Government of the District of Columbia
Muriel Bowser, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

**BEFORE THE
INSURANCE COMMISSIONER OF
THE DISTRICT OF COLUMBIA**

Re: Report on Examination – **MedPro RRG Risk Retention Group** as of December 31, 2013

ORDER

An Examination of **MedPro RRG Risk Retention Group** as of December 31, 2013 has been conducted by the District of Columbia Department of Insurance, Securities and Banking (“the Department”).

It is hereby ordered on this Eleventh day of June, 2015, that the attached financial condition examination report be adopted and filed as an official record of this Department.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, this Order is considered a final administrative decision and may be appealed pursuant to Section 31-4332 of the D.C. Official Code.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, within 30 days of the issuance of the adopted report, the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related order.

Pursuant to Section 31-1404(e)(1) of the D.C. Official Code, the Department will continue to hold the content of the report as private and confidential information for a period of 10 days from the date of this Order.


Chester A. McPherson
Acting Commissioner

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



REPORT ON EXAMINATION

MEDPRO RRG RISK RETENTION GROUP

AS OF

DECEMBER 31, 2013

NAIC NUMBER 13589

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Washington, D.C.
May 20, 2015

Honorable Chester A. McPherson
Acting Commissioner
Department of Insurance, Securities and Banking
Government of the District of Columbia
810 First Street, NE, Suite 701
Washington, D.C. 20002

Dear Acting Commissioner McPherson:

In accordance with Section 31-3931.14 of the District of Columbia Official Code, we have examined the financial condition and activities of

MedPro RRG Risk Retention Group

hereinafter referred to as the “Company” or “MedPro RRG”, located at the office of the Company’s captive manager, 1050 K Street NW, Suite 400, Washington, D.C. 20001.

SCOPE OF EXAMINATION

This full-scope examination, covering the period from January 1, 2013 through December 31, 2013, including any material transactions and/or events noted occurring subsequent to December 31, 2013, was conducted by the District of Columbia Department of Insurance, Securities and Banking (the “Department”). The last examination was a full-scope financial examination and covered the period from October 28, 2008 through December 31, 2012. The current examination covering a one-year period was performed for the purpose of coordinating the examination with the examinations of other companies in the Medical Protective Corporation (“MedPro Corp”) group, which were being conducted as of December 31, 2013. This examination was one of four coordinated financial condition examinations of companies in the MedPro Corp group by the States of Indiana and New Jersey in addition to the District of Columbia. The examinations were coordinated by the Indiana Department of Insurance.

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”) and the policies and standards established by the Department. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with applicable accounting principles, annual statement instructions, and compliance with domestic jurisdiction laws and regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. In addition, our examination included tests to provide reasonable assurance that the Company was in compliance with applicable laws, rules and regulations. In planning and conducting our examination, we gave consideration to the concepts of materiality and risk, and our examination efforts were directed accordingly.

The Company was audited by an independent public accounting firm for the calendar year ending December 31, 2013 and the firm expressed an unqualified opinion on the Company's financial statements. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit and we placed reliance on the work of the auditor and directed our efforts, to the extent practical, to those areas not covered by the firm's work papers.

SUMMARY OF SIGNIFICANT FINDINGS

The results of this examination disclosed no material adverse findings, significant non-compliance findings, or material changes in financial statements.

STATUS OF PRIOR EXAMINATION FINDINGS

A full scope financial examination was conducted by the Department as of December 31, 2012, which covered the period October 28, 2008 through December 31, 2012. The Report on the prior examination, dated April 17, 2014, did not include any exception conditions or related recommendations.

HISTORY

General:

MedPro RRG was incorporated as an association captive insurance company, operating as a reciprocal risk retention group, under the captive insurance laws of the District of Columbia on October 28, 2008 and commenced operations on February 13, 2009. The Company is owned by its member insureds and through a Subscriber Agreement and Power of Attorney, the member insureds give the authority to manage MedPro RRG to its attorney-in-fact, MedPro Risk Retention Services, Inc. ("AIF"). The AIF is owned by MedPro Corp and is ultimately owned by Berkshire Hathaway. MedPro RRG writes medical professional liability policies for physicians, dentists, and other healthcare providers who are members of MedPro RRG.

Membership:

The Company is owned by its member insureds, consisting of individual and group physicians, dentists, health care professionals, hospitals, and other health care facilities. As a reciprocal insurer, MedPro RRG does not issue stock or other certificates of ownership. Each insured is automatically a subscriber of MedPro RRG.

Dividends and Distributions:

The Company did not declare or pay any dividends or other distributions during the period under examination.

MANAGEMENT

Board of Director and Officers:

MedPro RRG does not have its own directors and officers but is managed by its AIF. The following is a list of the AIF's directors as of December 31, 2013, and their respective positions with companies in the Medical Protective group of companies ("MedPro Group"):

| <u>Name and State of Residence</u> | <u>Principal Occupation</u> |
|---|---|
| Timothy J. Kenesey Indiana | Director and President of AIF; President and Chief Executive Officer, Medical Protective Corporation |
| Daniel J. Landrigan Indiana | Director, Vice President, and Treasurer of AIF; Chief Financial Officer, MedPro Group |
| Trent C. Heinemeyer Indiana | Director, Vice President, and Secretary of AIF; Secretary and General Counsel, MedPro Group |
| Mario T. Catalano, DDS New York | Director of AIF; Owner of Catalano, Leifer & Bruno DDS, P.C.; Dental Advisor, MedPro Group |
| Kathleen Baeverstad, MD Indiana | Director of AIF; Physician Advisor, MedPro Group |
| Theresa Nifong Essick North Carolina | Director of AIF; Risk Management Leader, MedPro Group |
| Graham Billingham, MD California | Director of AIF; Chief Medical Officer, MedPro Group |

The following persons were serving as the AIF's officers as of December 31, 2013:

Name

Position

| | |
|---------------------|------------------------------|
| Timothy J. Kenesey | President |
| Trent C. Heinemeyer | Vice President and Secretary |
| Daniel J. Landrigan | Vice President and Treasurer |
| Graham Billingham | Chief Medical Officer |
| Angela Adams | Assistant Secretary |

Committees:

As of December 31, 2013, the AIF's board of directors has established the following committees:

Audit Committee

Investment Committee

Timothy J. Kenesey
Daniel J. Landrigan
Trent C. Heinemeyer
Garrett Davenport
Timothy Wiggins

Timothy J. Kenesey
Daniel J. Landrigan

Conflicts of Interest:

The Company has an established procedure for the disclosure of any material interests or affiliations on the part of its directors and officers. Our review of the conflict of interest statements signed by the AIF's directors and officers for the period under examination disclosed no conflicts that would adversely affect the Company. Furthermore, no additional conflicts of interest were identified during our examination.

Corporate Records:

We reviewed the minutes of the meetings of the board of directors and members for the period under examination. Based on our review, it appears that the minutes have documented the review and approval of the Company's significant transactions and events.

CAPTIVE MANAGER

FaegreBD Consulting ("FaegreBD") has been the Company's captive manager since inception, and provides regulatory services to the Company.

AFFILIATED PARTIES AND TRANSACTIONS

MedPro RRG is a member of the Berkshire Hathaway holding company group. As indicated in the “History” section of this report, the Company is managed by its attorney-in-fact, MedPro Risk Retention Services, Inc., (“AIF”) which is owned by MedPro Corp. MedPro Corp is ultimately owned by Berkshire Hathaway. In addition to the Company and AIF, companies in the MedPro Corp group of companies include The Medical Protective Company (“MPC”), Princeton Insurance Company, and AttPro RRG Reciprocal Risk Retention Group. MPC, a wholly-owned subsidiary of MedPro Corp, provides management and operations services for the Company, on behalf of the AIF.

During the period under examination, through a Management and Services Agreement, effective March 2, 2009, MPC was responsible for underwriting, rate making and pricing, premium billing and collection, marketing, claims, treasury, data processing, legal, reporting, and other services as reasonably requested. Fees for the services provided were billed quarterly at a rate of 20 percent of direct written premium, and due within a reasonable time after receipt. The agreement was amended effective April 1, 2010, to allow for a reduced service fee percentage for premium written by agents receiving a commission rate in excess of 10 percent or those agents providing some of these services for these policies.

FIDELITY BOND AND OTHER INSURANCE

The Company is operated by employees of MedPro Corp. MedPro Corp has fidelity bond coverage in the amount of \$5,000,000. The coverage exceeds the minimum amount of coverage recommended by the NAIC.

PENSION AND INSURANCE PLANS

The Company has no employees and therefore has no employee pension or insurance plans.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2013, the Company was licensed in the District of Columbia, and was registered as a risk retention group in the following states: Alaska, Connecticut, Maryland, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Vermont. As of December 31, 2013, the Company was only writing in New York.

MedPro RRG offers medical professional liability insurance to its member subscribers and general liability and excess liability with respect to hospital member subscribers requesting such coverage. The Company provides coverage on both occurrence and claims made basis including extended reporting period endorsements. Policy limits up to \$5,000,000 per occurrence and \$10,000,000 annual policy aggregate are available. Hospitals and other health care facilities have coverage options up to \$1,000,000 per occurrence and \$3,000,000 annual policy aggregate,

with excess liability insurance available for up to \$25,000,000. A small number of policies have deductibles ranging from zero to \$50,000. Allocated loss adjustment expenses are added to loss for purposes of making a recovery.

COMPARATIVE FINANCIAL POSITION OF THE COMPANY

The financial position of the Company and its loss experience for the years 2009 to 2013 is presented in the following table. Information for the years 2009 to 2011 is prepared from information contained in the Company's annual statements filed with the Department. The amounts reported in the table for the year ended December 31, 2012 were determined by the previous examination of the Company and the amounts presented in the table for the year ended December 31, 2013 are determined by this examination.

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------|---------------|---------------|---------------|--------------|
| Total admitted assets | \$ 17,225,915 | \$ 13,616,870 | \$ 28,553,558 | \$ 14,295,372 | \$ 4,321,137 |
| Total liabilities | \$ 14,067,525 | \$ 10,757,794 | \$ 25,748,448 | \$ 11,368,573 | \$ 2,845,270 |
| Total capital and surplus | \$ 3,158,390 | \$ 2,859,076 | \$ 2,805,110 | \$ 2,926,799 | \$ 1,475,867 |
| Net cash from operations | \$ 3,315 | \$ (512,306) | \$ (314,636) | \$ (796,997) | \$ 11,344 |
| Total adjusted risk-based capital | \$ 3,158,390 | \$ 2,859,076 | \$ 2,805,110 | \$ 2,926,799 | \$ 1,475,867 |
| Authorized control level risk-based capital | \$ 213,069 | \$ 133,529 | \$ 290,703 | \$ 211,924 | \$ 40,635 |
| Gross written premium | \$ 29,968,085 | \$ 21,151,349 | \$ 13,942,266 | \$ 7,977,328 | \$ 1,648,652 |
| Ceded premiums written | \$ 28,469,681 | \$ 20,093,780 | \$ 13,245,152 | \$ 7,578,461 | \$ 1,566,221 |
| Premiums earned | \$ 1,291,654 | \$ 709,125 | \$ 455,328 | \$ 232,514 | \$ 16,712 |
| Net underwriting gain (loss) | \$ 473,532 | \$ 90,482 | \$ (185,546) | \$ (297,488) | \$ 61,543 |
| Net investment loss | \$ (12,737) | \$ (7,230) | \$ (496) | \$ (5,446) | \$ (98,671) |
| Net realized investment gains (losses) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net income (loss) | \$ 299,314 | \$ 53,966 | \$ (121,689) | \$ (196,906) | \$ (24,133) |
| Net underwriting gain (loss) to PHS | 15.0% | 3.2% | -6.6% | -10.2% | 4.2% |
| Net written premium to PHS | 47.4% | 37.0% | 24.9% | 13.6% | 5.6% |
| Losses and LAE incurred | \$ 1,079,578 | \$ 657,003 | \$ 425,806 | \$ 192,421 | \$ 12,070 |
| Other underwriting expenses incurred | \$ (261,456) | \$ (38,360) | \$ 225,068 | \$ 337,581 | \$ (56,901) |
| Net loss ratio (NEP) | 83.6% | 92.6% | 91.3% | 82.8% | 72.2% |
| Expense ratio (NEP) | -20.2% | -5.4% | 49.4% | 145.2% | -340.5% |

REINSURANCE

Effective July 1, 2009, the Company entered into a quota-share reinsurance agreement with MPC, under which it ceded 95 percent of its premiums and losses and loss adjustment expenses. The reinsurance agreement covers all lines of insurance written by the Company.

During 2013, the Company ceded premiums of approximately \$28.4 million to MPC, and as of December 31, 2013, the Company reported estimated reinsurance recoverable on unpaid losses, and ceded unearned premiums, totaling approximately \$40.3 million and \$19.6 million, respectively. If the reinsurer was not able to meet its obligations under the treaty, the Company would be liable for any defaulted amounts.

ACCOUNTS AND RECORDS

During the period under examination, the primary location of the Company's accounting and corporate records was at the office of the AIF's parent, MedPro Corp, in Fort Wayne, Indiana.

The Company's general accounting records consisted of an automated general ledger and various subsidiary ledgers. Our examination did not disclose any significant issues with these records.

STATUTORY DEPOSITS

The Company does not have any statutory deposits in the District of Columbia and is not required to maintain any such deposits. In addition, the Company did not have any other statutory deposits as of December 31, 2013.

FINANCIAL STATEMENTS

The following financial statements were prepared in accordance with accounting practices generally accepted in the United States (“GAAP”), except as discussed in **NOTE 2** in the “Notes to Financial Statements,” and reflect the financial condition of the Company as of December 31, 2013, as determined by this examination:

| <u>STATEMENT</u> | <u>PAGE</u> |
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The accompanying Notes to Financial Statements are an integral part of these Financial Statements.

BALANCE SHEET

ASSETS

| | <i>December 31, 2013</i> |
|---|-----------------------------|
| Cash | <u>\$ 5,819,293</u> |
| Subtotals, cash and invested assets | \$ 5,819,293 |
| Uncollected premiums and agents' balances in the course of collection | 3,655,626 |
| Deferred premiums, booked and not yet due | 4,181,579 |
| Reinsurance: | |
| Amounts recoverable from reinsurers | 714,764 |
| Net deferred tax asset | 180,634 |
| Aggregate write-ins for other than invested assets: | |
| Prepaid Expense | 2,482,477 |
| Deferred Policy Acquisition Costs | 181,322 |
| Deductible Recoverable | 10,220 |
| Total | <u><u>\$ 17,225,915</u></u> |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | <i>December 31, 2013</i> |
|--|---------------------------------|
| Losses (Note 1) | \$ 1,419,882 |
| Loss adjustment expenses (Note 1) | 699,644 |
| Commissions payable, contingent commissions and other similar charges | 103,133 |
| Other expenses (excluding taxes, licenses and fees) | 111,061 |
| Taxes, licenses and fees (excluding federal and foreign income taxes) | 120,923 |
| Current federal and foreign income taxes (including \$0 on realized capital gains (losses)) | 131,846 |
| Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$19,551,975 and including warranty reserves of \$0) | 1,029,052 |
| Advance Premiums | 56,095 |
| Ceded reinsurance premiums payable (net of ceding commission) | 6,060,147 |
| Remittances and items not allocated | 368,370 |
| Payable to parent, subsidiaries, and affiliates | 1,173,824 |
| Aggregate write-ins for liabilities: | |
| Unearned Ceding Commission – GAAP | 2,793,548 |
| Total Liabilities | \$ 14,067,525 |
| Surplus Notes (Note 2) | 3,250,000 |
| Unassigned funds (surplus) | <u>(91,610)</u> |
| Surplus as regards policyholders | \$ 3,158,390 |
| Total | <u><u>\$ 17,225,915</u></u> |

STATEMENT OF INCOME

| | <i>December 31, 2013</i> |
|---|--------------------------|
| UNDERWRITING INCOME | |
| Premiums earned | \$ 1,291,654 |
| DEDUCTIONS | |
| Losses incurred | 619,626 |
| Loss expenses incurred | 459,952 |
| Other underwriting expenses incurred | (261,456) |
| Total underwriting deductions | \$ 818,122 |
| Net underwriting gain | \$ 473,532 |
| INVESTMENT INCOME | |
| Net investment income earned | \$ (12,737) |
| Net realized capital gain | 0 |
| Net investment loss | \$ (12,737) |
| Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes | \$ 460,795 |
| Federal and foreign income taxes incurred | \$ 161,481 |
| Net income | \$ 299,314 |

CAPITAL AND SURPLUS ACCOUNT

| | |
|--|---------------------|
| Surplus as regards policyholders, December 31, 2012 | <u>\$ 2,859,076</u> |
| Net income, 2013 | <u>299,314</u> |
| Net change in surplus as regards policyholders, 2013 | 299,314 |
| Surplus as regards policyholders, December 31, 2013 | <u>\$ 3,158,390</u> |

ANALYSIS OF EXAMINATION CHANGES TO SURPLUS

There were no changes to the Company's surplus as a result of our examination.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Loss and Loss Adjustment Expense Reserves:

The Company reported “Losses” and “Loss adjustment expenses” reserves net of reinsurance totaling approximately \$1,420,000 and \$700,000, respectively. These reserves represent management’s best estimate of the amounts necessary to pay all claims and related expenses that have been incurred but are still unpaid as of December 31, 2013.

Reserve credits taken as of December 31, 2013, for cessions to the Company’s reinsurer totaled approximately \$40.3 million. These amounts are reported as a deduction from gross loss and loss adjustment expenses reserves. If the reinsurer was unable to meet its obligations under the reinsurance treaty, the Company would be liable for any defaulted amounts. The Company’s net loss reserves total approximately \$2,120,000.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expenses reserves as of December 31, 2013 were reviewed as part of our examination. As part of our review, we relied on the Company’s actuary, who concluded that the reserves on the Company’s books appeared to be sufficient. In addition, as part of our review, we engaged an independent actuary to review the methods employed, assumptions relied upon, and conclusions reached by the Company’s actuary. The independent actuary utilized in our examination concluded that the loss reserves reported by the Company as of December 31, 2013 appeared sufficient.

NOTE 2 – Surplus Notes and Surplus Note Interest:

At December 31, 2013, the Company’s surplus as regards policyholders included \$3,250,000 in surplus notes issued to MPC. The surplus notes and related interest may not be paid without approval of the Department. Inclusion of surplus notes as surplus as regards policyholders is not in accordance with GAAP, however surplus notes approved by the Department are allowed as surplus as regards policyholders.

COMMENTS AND RECOMMENDATIONS

During the examination, no issues warranting comments or recommendations in this examination report were noted.

CONCLUSION

Our examination disclosed that as of December 31, 2013 the Company had:

| | |
|--|---------------|
| Admitted Assets | \$ 17,225,915 |
| Liabilities and Reserves | 14,067,525 |
| Surplus Notes | 3,250,000 |
| Unassigned Funds (Surplus) | (91,610) |
| Total Surplus | 3,158,390 |
| Total Liabilities, Capital and Surplus | \$ 17,225,915 |

Based on our examination, the accompanying balance sheet properly presents the financial position of the Company at December 31, 2013, and the accompanying statement of income properly presents the results of operations for the period then ended.

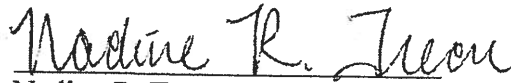
Chapter 39 (“CAPTIVE INSURANCE COMPANIES”) of Title 31 (“Insurance and Securities”) of the D.C. Official Code specifies the level of capital and surplus required for the Company. We concluded that the Company’s capital and surplus funds exceeded the minimum requirements during the period under examination.

SIGNATURES

In addition to the undersigned, the following personnel from Noble Consulting Services, Inc., representing the Department, participated in this examination as members of the examination team: Roy Eft, CPA, CFE, MCM, Pete Landoll, and Robert Panah, CISA, CFE, CPA.

The actuarial portion of this examination was completed by David Shepherd, FCAS, MAAA, of Merlinos & Associates, Inc.

Respectfully submitted,

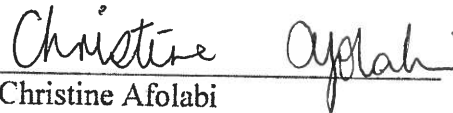


Nadine R. Treon, CFE

Examiner-In-Charge

Noble Consulting Services, Inc.

Under the Supervision of,



Christine Afolabi

Financial Examiner

District of Columbia Department of Insurance,
Securities and Banking



Government of the District of Columbia
Muriel Bowser, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

May 29, 2015

Timothy J. Kenesey
President
MedPro RRG Risk Retention Group
C/o FaegreBD Consulting, LLC
1050 K Street, NW, Suite 400
Washington, DC 20001

RE: Examination of **MedPro RRG Risk Retention Group**, as of December 31, 2013

Dear Mr. Kenesey:

Pursuant to the provisions of Section 31-1404 of the D.C. Official Code, enclosed is a draft copy of the Report on Examination ("Report") of the affairs and financial condition of MedPro RRG Risk Retention Group ("Company") as of December 31, 2013.

Please submit, to my attention, a written response calling attention to any errors or omissions. In addition, if this Report on Examination contains a section entitled "Comments and Recommendations" that discloses certain areas requiring action, the Company shall submit a statement covering the corrective measures which will be taken. If the Company's position on any of these points is contrary to the Examiner's findings, an explanation should be submitted covering each contested comment and/or recommendation.

If there are no errors or omissions to be brought to our attention, and there are no "Comments and Recommendations" requiring a response, please submit a statement that the Company accepts the Report.

The response must be in writing and shall be furnished to this Department by June 15, 2015. In addition to a hard-copy response, please also furnish the response electronically via e-mail to me, in a Microsoft "Word" format, to sean.odonnell@dc.gov.

Sincerely,

Sean O'Donnell
Director of Financial Examination,
Risk Finance Bureau

Enclosure

June 4, 2015

Mr. Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau
Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, DC 20002


RE: Examination of **MedPro RRG Risk Retention Group**, as of December 31, 2013

Dear Mr. O'Donnell:

Thank you for your letter of May 29, 2015 transmitting the Final Draft Report of Examination of MedPro RRG Risk Retention Group. We accept the report as written and have no additional comments.

We appreciate the work of the DISB on this matter.

Sincerely,



Timothy J. Kenesey
President & CEO



Government of the District of Columbia
Muriel Bowser, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

June 11, 2015

Timothy J. Kenesey
President
MedPro RRG Risk Retention Group
C/o FaegreBD Consulting, LLC
1050 K Street, NW, Suite 400
Washington, DC 20001

RE: Examination of **MedPro RRG Risk Retention Group** as of December 31, 2013

Dear Mr. Kenesey:

We are in receipt of your response dated June 4, 2015, regarding the Report on Examination of MedPro RRG Risk Retention Group (the "Company") as of December 31, 2013. The response is deemed adequate.

The adopted Report (which includes a copy of this letter), and the Order evidencing such adoption are enclosed. Pursuant to Section 31-1404(e)(1) of the D.C. Official Code, the adopted Report will be held private and confidential for a period of 10 days from the date of the Order evidencing such adoption. After this 10 day period has passed, the Report will be publicly available. The Department of Insurance, Securities and Banking will forward the adopted Report electronically to each jurisdiction in which the Company is registered and to the National Association of Insurance Commissioners.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, within 30 days of the date of the above-mentioned Order, affidavits executed by each Company director stating under oath that he or she has received a copy of the adopted examination Report and related Order shall be filed with this Department. Please send these affidavits to my attention at the Department.

Please contact me at 202-442-8153 if you have any questions.

Sincerely,

Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau

Enclosures