



Government of the District of Columbia
Vincent C. Gray, 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, 2012

ORDER

An Examination of **MedPro RRG Risk Retention Group**, as of December 31, 2012 has been conducted by the District of Columbia Department of Insurance, Securities and Banking (“the Department”).

It is hereby ordered on this 4th day of June, 2014, 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, 2012

NAIC NUMBER 13589

TABLE OF CONTENTS

Salutation	1
Scope of Examination	1
Summary of Significant Findings	2
Status of Prior Examination Findings	2
History.....	2
General	2
Membership	2
Dividends and Distributions	3
Management.....	3
Board of Directors and Officers.....	3
Committees	4
Conflicts of Interest.....	4
Corporate Records	4
Captive Manager.....	4
Affiliated Parties and Transactions	4
Fidelity Bond and Other Insurance	5
Pension and Insurance Plans.....	5
Territory and Plan of Operation.....	5
Comparative Financial Position of the Company	6
Reinsurance.....	7
Accounts and Records.....	7
Statutory Deposits.....	7
Financial Statements	8
Balance Sheet.....	9
Assets	9
Liabilities, Surplus and Other Funds	10
Statement of Income	11
Capital and Surplus Account	12
Analysis of Examination Changes to Surplus.....	12
Notes to Financial Statements.....	13
Comments and Recommendations.....	14
Conclusion	14
Signatures.....	15

Washington, D.C.
April 17, 2014

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, Suite 400, Washington D.C. 20001.

SCOPE OF EXAMINATION

This full-scope examination, covering the period from October 28, 2008 through December 31, 2012, including any material transactions and/or events noted occurring subsequent to December 31, 2012, was conducted by representatives of the District of Columbia Department of Insurance, Securities and Banking (“the Department”). This is the first examination of the Company.

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 annually by an independent public accounting firm. The firm expressed unqualified opinions on the Company's financial statements for the calendar years 2009 through 2012. We placed minimal reliance on the audited financial statements for calendar years 2009 through 2011, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2012. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2012. 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

This is the first examination of the Company.

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 Medical Protective Corporation ("MedPro Corp") and is ultimately owned by Berkshire Hathaway ("BRK"). 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 miscellaneous health care facilities. As a reciprocal insurer, MedPro RRG does not issue stock or other certificates of ownership. Each insured is automatically a subscriber and member of MedPro RRG, as well as both a policyholder and an insurer of all other subscribers.

Dividends and Distributions:

No dividends or other distributions to its members have been declared or paid since the Company was incorporated.

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, 2012, and their respective positions with companies in the MedPro Corp 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, 2012:

<u>Name</u>	<u>Position</u>
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, 2012, the Company's board of directors had not established any committees. As of January 15, 2013, the Audit Committee of The Medical Protective Company ("MPC"), a wholly-owned subsidiary of MedPro Corp, was designated as the Audit Committee of MedPro RRG.

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 Company'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 board of director's review and approval of the Company's significant transactions and events, as required by the Company bylaws.

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

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 Medical Protective Corporation ("MedPro Corp"). In addition to the Company and AIF, companies in the MedPro Corp group of companies include the 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% 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% or those agents providing some of these services for these policies.

FIDELITY BOND AND OTHER INSURANCE

The Company's operations are performed 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, 2012, the Company was licensed in the District of Columbia, and was registered as a risk retention group in the following states: Connecticut, Maryland, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, and Vermont. As of December 31, 2012, 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 will provide 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 under examination is presented in the following table, which 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 are determined by this examination.

	2012	2011	2010	2009
Total admitted assets**	\$ 13,616,870	\$ 28,553,558	\$ 14,295,372	\$ 4,321,137
Total liabilities**	\$ 10,757,794	\$ 25,748,448	\$ 11,368,573	\$ 2,845,270
Total capital and surplus	\$ 2,859,076	\$ 2,805,110	\$ 2,926,799	\$ 1,475,867
Net cash from operations	\$ (512,306)	\$ (314,636)	\$ (796,997)	\$ 11,344
Total adjusted risk-based capital	\$ 2,859,076	\$ 2,805,110	\$ 2,926,799	\$ 1,475,867
Authorized control level risk-based capital	\$ 133,529	\$ 290,703	\$ 211,924	\$ 40,635
Gross written premium	\$ 21,151,349	\$ 13,942,266	\$ 7,977,328	\$ 1,648,652
Ceded premiums written	\$ 20,075,888	\$ 13,245,152	\$ 7,578,461	\$ 1,566,221
Premiums earned	\$ 709,125	\$ 455,328	\$ 232,514	\$ 16,712
Net underwriting gain (loss)	\$ 90,482	\$ (185,546)	\$ (297,488)	\$ 61,543
Net investment income	\$ (7,230)	\$ (496)	\$ (5,446)	\$ (98,671)
Net realized investment gains (losses)	\$ -	\$ -	\$ -	\$ -
Net income	\$ 53,966	\$ (121,689)	\$ (196,906)	\$ (24,133)
Net underwriting gain to PHS	3.2%	-6.6%	-10.2%	4.2%
Net written premium to PHS	37.0%	24.9%	13.6%	5.6%
Losses and LAE incurred	\$ 657,003	\$ 425,806	\$ 192,421	\$ 12,070
Other underwriting expenses incurred	\$ (38,360)	\$ 225,068	\$ 337,581	\$ (56,901)
Net loss ratio (NEP)	92.6%	91.3%	82.8%	72.2%
Expense ratio (NEP)	-5.4%	49.4%	145.2%	-340.5%

**The decrease in assets and liabilities from 2011 to 2012 is primarily due to the 2011 amounts are reported gross of reinsurance recoverables and the 2012 amounts are reported net of reinsurance recoverables.

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 2012, the Company ceded premiums of approximately \$20.0 million to MPC, and as of December 31, 2012, the Company report estimated reinsurance recoverable on unpaid losses, and ceded unearned premiums, totaling approximately \$22.5 million and \$15.6 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, 2012.

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, 2012, as determined by this examination:

<u>STATEMENT</u>	<u>PAGE</u>
Balance Sheet:	9
Assets	9
Liabilities, Surplus and Other Funds	10
Statement of Income	11
Capital and Surplus Account	12
Analysis of Examination Changes to Surplus	12

The accompanying Notes to Financial Statements are an integral part of these Financial Statements.

BALANCE SHEET

ASSETS

	<i>December 31, 2012</i>
Cash	<u>5,062,861</u>
Subtotals, cash and invested assets	\$ 5,062,861
Uncollected premiums and agents' balances in the course of collection	2,951,369
Deferred premiums, booked and not yet due	2,946,536
Reinsurance:	
Amounts recoverable from reinsurers	405,637
Net deferred tax asset	210,269
Aggregate write-ins for other than invested assets:	
Prepaid Expense	1,858,342
Deferred Policy Acquisition Costs	160,201
Deductible Recoverable	21,655
Total	<u>\$ 13,616,870</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

	<i>December 31, 2012</i>
Losses (Note 1)	\$ 836,306
Loss adjustment expenses (Note 1)	349,470
Commissions payable, contingent commissions and other similar charges	145,873
Other expenses (excluding taxes, licenses and fees)	96,061
Taxes, licenses and fees (excluding federal and foreign income taxes)	69,745
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$15,623,707 and including warranty reserves of \$0)	822,302
Advance Premiums	128,419
Ceded reinsurance premiums payable (net of ceding commission)	4,726,993
Payable to parent, subsidiaries, and affiliates	1,283,394
Aggregate write-ins for liabilities:	
Unearned Ceding Commission – GAAP	2,099,867
Premium in Process	199,364
 Total Liabilities	 \$ 10,757,794
Surplus Notes (Note 2)	3,250,000
Unassigned funds (surplus)	<u>(390,924)</u>
 Surplus as regards policyholders	 \$ 2,859,076
 Totals	 <u>\$ 13,616,870</u>

STATEMENT OF INCOME

	<i>December 31, 2012</i>
UNDERWRITING INCOME	
Premiums earned	\$ 709,125
DEDUCTIONS	
Losses incurred	430,086
Loss expenses incurred	226,917
Other underwriting expenses incurred	(38,360)
Total underwriting deductions	\$ 618,643
Net underwriting gain	\$ 90,482
INVESTMENT INCOME	
Net investment income earned	\$ (7,230)
Net realized capital gain	0
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$ 83,252
Federal and foreign income taxes incurred	\$ 29,286
Net income	\$ 53,966

CAPITAL AND SURPLUS ACCOUNT

Net loss, 2009	(24,133)
Change in surplus notes	1,500,000
Net change in surplus as regards policyholders, 2009	1,475,867
Surplus as regards policyholders, December 31, 2009	<u>\$ 1,475,867</u>
Net loss, 2010	(196,906)
Change in surplus notes	1,750,000
Aggregate write-ins for gains and losses in surplus	(102,162)
Net change in surplus as regards policyholders, 2010	1,450,932
Surplus as regards policyholders, December 31, 2010	<u>\$ 2,926,799</u>
Net loss, 2011	(121,689)
Net change in surplus as regards policyholders, 2011	(121,689)
Surplus as regards policyholders, December 31, 2011	<u>\$ 2,805,110</u>
Net income, 2012	53,966
Net change in surplus as regards policyholders, 2012	53,966
Surplus as regards policyholders, December 31, 2012	<u>\$ 2,859,076</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 expense” reserves net of reinsurance totaling approximately \$836 thousand and \$349 thousand, 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, 2012.

Reserve credits taken as of December 31, 2012 for cessions to the Company’s reinsurer totaled approximately \$15.9 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 \$1,185 thousand.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expenses reserves as of December 31, 2012 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, 2012 appeared sufficient.

NOTE 2 – Surplus Notes and Surplus Note Interest:

At December 31, 2012, 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, 2012 the Company had:

Admitted Assets	\$	13,616,870
Liabilities and Reserves		10,757,794
Surplus Notes		3,250,000
Unassigned Funds (Surplus)		(390,924)
Total Surplus		2,859,076
Total Liabilities, Capital and Surplus	\$	13,616,870

Based on our examination, the accompanying balance sheet properly presents the financial position of the Company at December 31, 2012, and the accompanying statement of income properly presents the results of operations for the period then ended.

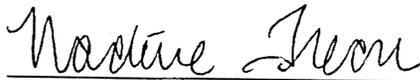
Chapter 39 (“CAPTIVE INSURANCE COMPANIES”) of Title 31 (“Insurance and Securities”) of the D.C. Official Code specifies the level of capital and surplus required for the Company. We concluded that the Company’s capital and surplus funds exceeded the minimum requirements during the period under examination.

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: David McCauley, CFE; Amy Short, and Robert Panah, CISA, CFE, CPA.

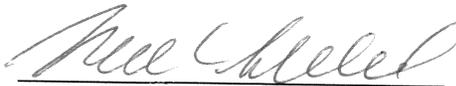
The actuarial portion of this examination was completed by Greg Fanoie, FCAS, MAAA, of Merlino & Associates, Inc.

Respectfully submitted,



Nadine R. Treon, CFE
Examiner-In-Charge
Noble Consulting Services, Inc.

Under the Supervision of,



David Schleit, CFE
Supervising Examiner
District of Columbia Department of Insurance,
Securities and Banking



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

May 22, 2014

Timothy J. Kenesey
President
MedPro Risk Retention Group
C/o Faegre B&D Consulting, LLC
805 15th Street, NW, Suite #700,
Washington, DC 20005

RE: Examination of **MedPro RRG Risk Retention Group**, as of December 31, 2012

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, 2012.

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 12, 2014. 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



Timothy J. Kenesey
President & CEO
260/486-0358
timothy.kenesey@medpro.com

June 3, 2014

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, 2012

Dear Mr. O'Donnell:

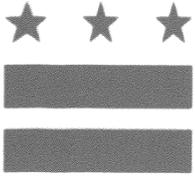
Thank you for your letter of May 22 transmitting the Final Draft Report of Examination of MedPro RRG Risk Retention Group. We accept the report as written and have no additional comments.

We appreciate the work of the DISB on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Kenesey', is written over the printed name below.

Timothy J. Kenesey
President & CEO



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

June 4, 2014

Timothy J. Kenesey
President
MedPro Risk Retention Group
C/o Faegre B&D Consulting, LLC
805 15th Street, NW, Suite #700,
Washington, DC 20005

RE: Examination of **MedPro RRG Risk Retention Group**, as of December 31, 2012

Dear Mr. Kenesey:

We are in receipt of your response dated June 3, 2014, regarding the Report on Examination of MedPro RRG Risk Retention Group ("Company") as of December 31, 2012. 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