



**Government of the District of Columbia
Department of Insurance, Securities and Banking**

Stephen C. Taylor
Commissioner

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

Re: Report on Examination – **District of Columbia Insurance Guaranty Association** as of
December 31, 2017

ORDER

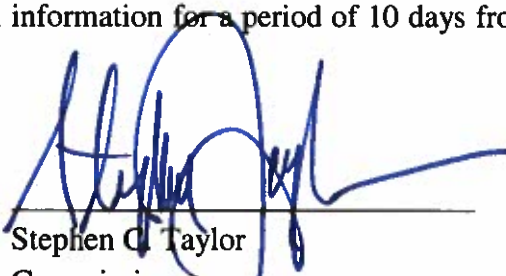
An Examination of the **District of Columbia Insurance Guaranty Association** (the
“Association”) as of December 31, 2017, has been conducted by the District of Columbia
Department of Insurance, Securities and Banking (“the Department”).

It is hereby ordered on this 9th day of November 2018, 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 Association 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.



Stephen C. Taylor
Commissioner

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



REPORT ON EXAMINATION

DISTRICT OF COLUMBIA INSURANCE GUARANTY
ASSOCIATION

AS OF

DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
SCOPE OF EXAMINATION.....	1
SUMMARY OF SIGNIFICANT FINDINGS	2
HISTORY	2
Assessment and Refund to Members	3
MANAGEMENT AND CONTROL	3
Board of Directors	4
Committees.....	5
Officers	5
Conflicts of Interest	5
ACCOUNTS AND RECORDS.....	6
MANAGEMENT SERVICES AGREEMENTS.....	6
FIDELITY BOND AND OTHER INSURANCE.....	7
TERRITORY AND PLAN OF OPERATION.....	7
REINSURANCE	8
FINANCIAL STATEMENTS	9
STATEMENT OF ASSETS AND FUND BALANCE	9
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE	10
STATEMENT OF CHANGES IN ACCOUNT BALANCE.....	11
ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION.....	12
COMMENTS ON FINANCIAL STATEMENT ITEMS.....	12
SUBSEQUENT EVENTS	12
SUMMARY OF RECOMMENDATIONS.....	13
SIGNATURES	14

Washington, D.C.
September 21, 2018

The Honorable Stephen C. Taylor
Commissioner of Insurance
Department of Insurance, Securities and Banking
Government of the District of Columbia
1050 First Street, NE, Suite 801
Washington, DC 20002

Dear Commissioner Taylor:

In accordance with Section 31-5511 of the DC Official Code, we have examined the financial condition and affairs of

DISTRICT OF COLUMBIA INSURANCE GUARANTY ASSOCIATION

hereinafter referred to as the Association. The Association's principle place of business is located at One Bowdoin Square, Boston, Massachusetts 02114, and the following report thereon is respectfully submitted.

SCOPE OF EXAMINATION

The Association was last examined as of December 31, 2009 by examiners of the District of Columbia Department of Insurance, Securities and Banking (the "Department"). The Current examination was a full-scope financial condition examination of the Association, conducted under the provisions of Title 31, Subtitle IX, Chapter 55 of the District of Columbia covering the period from January 1, 2010 to December 31, 2017, including any material transactions and/or events noted occurring subsequent to the examination date.

All accounts and activities of the Association were considered in accordance with examination policies and standards established by the Department consistent with the insurance laws of the District of Columbia. This may include consideration of areas of primary risk and materiality throughout the examination, assessing significant estimates made by management and evaluating management's compliance with applicable laws, rules and regulations. The examination does not attest to the fair presentation of the financial statements included herein. If, in the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the financial statements.

This examination report includes significant findings of facts, as mentioned in Section 31-1404 of the DC Official Code, and general information about the Association, its financial condition, and the compliance by the Association and its member companies to statute and to the Association's Plan of Operation. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included in

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

the examination report but may be separately communicated to the Association and/or other regulators.

The Association is audited annually by PricewaterhouseCoopers LLP, an independent certified public accounting firm. The firm expressed unqualified opinions on the Association's financial statements for the fiscal years ended December 31, 2010 through 2017, in conformity with the modified-cash basis of accounting but emphasized that the modified-cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Review and use of the certified public accountants' workpapers were made to the extent deemed appropriate and effective.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings noted in the Report on Examination as of December 31, 2009, and there are no significant findings of material nature related to the current examination.

HISTORY

The Association is an unincorporated, non-profit legal entity comprised of property and casualty insurers who are required to be members as a condition of their authority to transact the business of insurance in the District of Columbia. The Association was created in 1973 by an Act of the United States Congress. The Property and Liability Insurance Guaranty Association Act of 1993, as amended, codified the Association into the District of Columbia statutes, Title 31, Subtitle IX, Chapter 55, Section 31-5501, et seq. of the DC Official Code (the "Act"). The period of existence of the Association is perpetual.

The purpose of the Association is to continue coverage and provide protection to District of Columbia policyholders and claimants in the event an insurance company becomes insolvent and is therefore unable to pay claims. The Association covers most kinds of policies issued by licensed property and casualty insurers to individuals and businesses, including automobile, homeowners, commercial property, worker's compensation, general liability, and professional malpractice.

In January 1982, the Association joined six (6) other similar state guaranty associations and became a member of Guaranty Fund Management Services (GFMS), a voluntary, non-profit, unincorporated association by adopting and subscribing to its Articles of Agreement. GFMS furnishes a mechanism for assuring the maintenance of management and claims supervisory services to insurance guaranty associations and insolvency funds created by statute. For further discussion see "Management Services Agreement" section of this Report on page 6.

From its inception through December 31, 2017, the Association had been involved in handling the insolvencies of 66 companies. 51 of which are considered to be closed as of December 31, 2017, and the following 15 still are being processed:

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

Name of Company	Declared Insolvent	State of Domicile
Midland Insurance Company of New York	1986	NY
American Mutual Liability Insurance Company	1989	MA
American Mutual Insurance Company of Boston	1989	MA
Reliance Insurance Company of Pennsylvania	2001	PA
Home Insurance Company of New Hampshire	2003	NH
Fremont Indemnity Company of California	2003	CA
Legion Insurance Company of Pennsylvania	2003	PA
Casualty Reciprocal Exchange of Missouri	2004	MO
Atlantic Mutual Insurance Company of New York	2011	NY
Centennial Insurance Company of New York	2011	NY
Ullico Casualty Company of Delaware	2013	DE
Lumbermens Mutual Casualty Company of Illinois	2013	IL
American Motorists Insurance Company of Illinois	2013	IL
Lumbermens Underwriting Alliance	2016	MO
Guarantee Insurance Company	2017	FL

Assessment and Refund to Members

Section 31-5505 of DC Official Code specifies that the Association shall assess insurers the amounts necessary to pay its obligations and the expenses of handling covered claims and to pay other permissible expenses. By Section 31-5505(b)(6) of that statute, the Association Board may at the end of any calendar year order that the amount by which the Association's assets exceed liabilities to be returned to the insurers in proportion to their respective contribution as assessment refunds. For the years under examination, the aggregate amounts of assessments and refunds authorized by the Board were the following:

Year	Assessment	Refund	Net Assessment
2017	\$ -	\$ -	\$ -
2016	-	-	-
2015	\$ 3,915,999	-	\$ 3,915,999
2014	-	-	-
2013	\$ 1,500,000	-	\$ 1,500,000
2012	\$ 1,000,000	-	\$ 1,000,000
2011	\$ 2,000,000	\$ (628,046)	\$ 1,371,954
2010	\$ 2,000,000	\$ (3,081,523)	\$ (1,081,523)

MANAGEMENT AND CONTROL

Annual Meeting:

In accordance with Article 2(C) of the Association's Plan of Operation, the Annual Meeting of the Board shall be held on the third Tuesday of October of each year, unless the Board upon

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

proper notice designates some other date or place. The minutes of the Board documented that annual meetings were held at places of mutual convenience each year throughout the examination period.

Board of Directors:

Management of the Association, according to the Plan of Operation, is vested in a board of directors (Board) composed of seven (7) member insurers elected by the members for a three-year term. Section 31-5501 of the DC Official Code requires that all member insurers are fairly represented. A majority of the board constitutes a quorum for the transaction of business. The acts of a majority of the members present at any meeting for which there is a quorum are the acts of the Board. However, an affirmative vote by a majority of the full board is required to (1) approve a contract with a serving facility, (2) levy an assessment or provide for a refund, (3) borrow money.

The Board meets at least annually, and at December 31, 2017, was comprised of the following Member Insurers:

Government Employees Insurance Company
Liberty Mutual Insurance Company
Zurich American Insurance Company
State Farm Mutual Automobile Insurance Company
ProAssurance Indemnity Company, Inc.
National Union Fire Insurance Company of Pittsburgh, Pa.
Allstate Insurance Company

As provided in the Plan of Operation, elected member insurers and their respective designated representatives with corporate titles who were serving on the Association's Board as of December 31, 2017, were as follows:

<u>Name and Address</u>	<u>Principal</u>
Larry Hinton, Chair Washington, DC	Government Employees Insurance Company Senior Counsel
Joanne M. Locke, Vice Chair Boston, MA	Liberty Mutual Insurance Company Sr. Corporate Counsel
Michael P. Catina New York, NY	Zurich American Insurance Company Assistant VP & Assistant General Counsel
Peggy Echols Charlottesville, VA	State Farm Mutual Automobile Insurance Company Vice President of Operations
Howard Friedman Birmingham, AL	ProAssurance Indemnity Company, Inc. President
Steven Harris New York, NY	National Union Fire Insurance Company of Pittsburgh, PA Senior Associate General Counsel
L. Noel Patterson, Jr. Chantilly, VA	Allstate Insurance Company Regional Counsel

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

Committees:

The Association shares the oversight of several committees with other guaranty funds managed by GFMS. The committees consist of the member insurers of the guaranty associations.

Audit Committee:

By Article 4(C) of the Association's Plan, the Board annually shall appoint an Audit Committee, composed of certain of the member insurers, which shall see to the proper auditing of all books and records of the Association and shall report the findings to the Board. At the Board's Annual Meeting in October 2017, the Board unanimously approved the following Member Insurers to serve as member of the Audit Committee:

<u>Member Insurer</u>	<u>Company Representative</u>
Travelers Indemnity Company	David P. Fleming, Chair
Liberty Mutual Insurance Company	Lisa F. Weller
Nationwide Mutual Insurance Company	Jason T. Fehlner

Other Committees:

Duties and functions customarily delegated to and performed by other committees within an insurance company were performed by the various committees of GFMS, including its Audit Committee, Investment Committee, Claims Committee, Information Technology Committee, and Legal Committee.

Officers:

By Article 2(A)7 of the Plan of Operation, the Board shall elect a Chairman and any other officers as it may deem appropriate. At the Board's Annual Meeting in October 2017, the following people were elected to serve as officers of the Association in the designated capacities:

<u>Name of Officer</u>	<u>Title</u>
Larry Hinton, Esq.	Chair
Joanne M. Locke, Esq.	Vice Chair
Paul M. Gulko, Esq.	Manager*
Kathleen M. Lavin	Treasurer*
Dawne M. Mills	Claims Manager*

*On behalf of the Association, the Board has appointed these individuals all employees of GFMS who are deeply involved in the direction of the daily work activities and in the oversight of record production and maintenance of the Association.

Conflicts of Interest:

The Association has adopted an Antitrust Compliance Policy and a Conflict of Interest Policy. Directors and officers of the Association annually certify that they have received a copy of the

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

conflict of interest policy, have read and understand the policy and agree to comply with the policy. No conflicts were disclosed by any of the directors or officers per our review of the responses to the disclosure forms completed for 2017.

ACCOUNTS AND RECORDS

We reviewed the minutes of the meetings of the Board of Directors for the period under examination. Based on our review, it appeared that the minutes documented the Association's significant transactions and events, and that the Directors approved those transactions and events.

The Association maintains its records and prepares its financial statements on the modified-cash basis of accounting. The general accounting records consisted of an automated general ledger and various subsidiary ledgers (e.g., cash receipts, cash disbursements) maintained by GFMS discussed below under "Management Service Agreements". Our review of the Association's accounts and records did not disclose any significant deficiencies.

MANAGEMENT SERVICES AGREEMENT

Article 3(B) of the Association's Plan of Operation, authorizes the Association to employ such persons, firms, or corporations to perform such administrative functions as are necessary for the Association's performance of the duties and functions imposed on the Association. Accordingly, effective January 1, 1982, the Association was added into a Third Revised Articles of Agreement with Guaranty Fund Management Services ("GFMS"), which provides participation in, and furnishes a mechanism for, assuring the maintenance of management and claims supervisory services to insurance guaranty associations and insolvency funds created by statute. GFMS is a voluntary non-profit, unincorporated association governed by a Board of Directors consisting of one representative of each member guaranty association.

The Association is a signatory to the GFMS Articles of Agreement amongst seven (7) other similar insurer insolvency funds and insurance guaranty associations composed of the following: Connecticut Insurance Guaranty Association, Maine Insurance Guaranty Association, Massachusetts Insurers Insolvency Fund, New Hampshire Insurance Guaranty Association, Rhode Island Property and Casualty Insurance Guaranty Association, Vermont Property and Casualty Insurance Guaranty Association, and Virginia Property and Casualty Insurance Guaranty Association.

Under said agreement, GFMS shall provide a mechanism for assuring the maintenance of management and claims supervisory services and managing the Association's business affairs in the discharge of its statutory responsibility to handle promptly and efficiently the valid, covered claims against insolvent insurers. The Association provides an operating advance to GFMS for such incurred expenses by GFMS on behalf of the Association that gets applied to the monthly payments. This amount is reflected in Other Assets in the Statement of Assets and Fund Balance.

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

The agreement provides that certain operating costs of GFMS shall be distributed among the member guaranty funds based on the ratio of net premiums written on covered lines of insurance for each association to the total of net premiums written for all associations under the agreement. In addition, the agreement provides that each guaranty fund shall be responsible for the payment of its own direct obligations. Expenses other than direct expenses are allocated to each insolvency based on the time maintained by certain employees, transaction activity and/or premium ratios.

FIDELITY BOND AND OTHER INSURANCE

At December 31, 2017, the Association was a named insured on a fidelity bond issued to GFMS with an aggregate limit of \$2,000,000 and a single loss deductible amount of \$25,000. In addition, GFMS maintained insurance policies for other risks (e.g. general liability, Directors' and Officers', Employment Practices Liability, etc.).

TERRITORY AND PLAN OF OPERATION

The Association conducts its operations under a Plan of Operation established and approved by its Board and the Department pursuant to Section 31-5506 of the DC Code. The Plan of Operation was last amended in 2012. The members of the Association include property and casualty insurers licensed in the District of Columbia as defined as member insurers in §31-5501(9) of the DC Code whom shall be and remain members of the Association as a condition of their authority to transact insurance business in the District of Columbia.

The Association exercises its duties and powers through a Board of Directors established under Section 31-5504 of the DC Code, but itself has no employees or staff. Personnel servicing the Association and management of the day-to-day operations is performed by GFMS through an administrative services agreement discussed under "Management Services Agreement" section above. The Association is part of seven (7) other state guaranty associations, all managed and administered by GFMS.

Payment of claims by the Association is triggered by a court order declaring a property and casualty insurance company to be insolvent and ordered liquidated. Generally, pursuant to DC Code Section 31-5501 *et seq.*, funds to pay claims, administrative costs and other obligations are raised by mandatory "assessments" on insurance companies licensed to issue the same kinds of insurance as the insolvent company. Annual assessment capacity for any account is 2% of each member insurer's net direct written premiums for the calendar year preceding the assessment on the kinds of insurance in the account.

The Association raises money through assessments and recoveries to the extent needed to fulfill its obligations. It operates on a post-insolvency basis. For purposes of administration and assessment, the Association is required to maintain three (3) separate accounts: a workers' compensation insurance account, an automobile insurance account, and an account for all other insurance to which coverage applies under the Act. Claims and expenses paid are to be allocated

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

among these accounts separately. Assessments are to be made against members separately for each account in an amount necessary to pay the obligations of the Association. Assessment of each member is based on its market share of the particular kind of insurance involved. This ratio is determined using premiums for the preceding calendar year for the specific account.

The Association has the responsibility to pay and discharge covered claims of insureds, subject to any applicable limits that arise before the earlier of 30 days after the determination of an insolvency or the policy expiration date, or the date the insured replaced or cancels the policy. Such obligations include refund of policyholder's paid but unearned premiums in excess of \$100, up to a maximum of \$10,000; the full amount of a workers' compensation policy claim; and all other claims not exceeding \$300,000. The Association does not cover policies issued by insurers that are not licensed by the District of Columbia to transact insurance business. Additionally, a claimant or insured must be a resident of the District of Columbia at the time of the insured event for which a claim is filed.

The Association is also a subscribing member of the National Conference of Insurance Guaranty Funds, a nonprofit association incorporated in December 1989 and designed to provide national assistance and support to the property and casualty guaranty funds located in each of the fifty states and the District of Columbia.

REINSURANCE

The Association does not write premiums and it does not participate in a reinsurance program. Traditional reinsurance, entered into by member insurers prior to their insolvencies, is administered by the liquidator of the insolvent member insurer and is therefore excluded from the Association's financial statements. As a processor of claims, however, the Association reports claims amounts it pays on behalf of each insolvency to the respective court appointed liquidators who then seek to recover from reinsurance companies the amount owed by the respective reinsurers to the particular insolvent insurance companies. The amounts recovered by the liquidator become general assets of the liquidation. The Association becomes a creditor to the various liquidators.

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

FINANCIAL STATEMENTS

The following financial statements, on a modified cash basis of accounting, present the financial condition of the Association for the period ending December 31, 2017. Financial statements are the responsibility of the Association's management. The accompanying "Comments on Financial Statement Items" are an integral part of these financial statements.

STATEMENT OF ASSETS AND FUND BALANCE

Assets:

Cash and cash equivalents	\$ 6,395,297
Investments	34,405,149
Other assets	36,907
Total Assets	<u>\$ 40,837,353</u>

Fund Balance¹

General and Administrative	\$ (71,061)
Auto	1,214,484
Other	496,955
Workers	39,196,975
Fund Balance	<u>\$ 40,837,353</u>

¹ The fund balance reflects the unrestricted net assets (deficits) of insolvencies and impairments by product type.

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND
BALANCE**

Receipts:

Members' insolvency assessment	\$ -
Insolvency recoveries	6,199,953
Investment Income	456,404
Realized losses in investments	(49,414)
Total Receipts	<u>6,606,943</u>

Disbursements:

Loss and loss adjustment expense	853,345
Administrative expenses	326,059
Total Disbursements	<u>1,179,404</u>

Increase in fund balance	5,427,539
Fund balance, beginning of the year	35,409,814
Fund balance, end of year	<u>\$ 40,837,353</u>

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

STATEMENT OF CHANGES IN ACCOUNT BALANCES

	<u>Administrative</u>	<u>Auto</u>	<u>Other</u>	<u>Workers</u>	<u>Total</u>
Balance, December 31, 2010	\$ 1,116,379	\$ 33,888	\$ 1,198,971	\$ 22,822,058	\$ 25,171,296
Net change during the year	(577,911)	(1,421)	(560,953)	2,686,161	1,544,876
Balance, December 31, 2011	\$ 538,468	\$ 32,467	\$ 638,018	\$ 25,507,220	\$ 26,716,172
Net change during the year	(205,785)	11,741	(66,006)	1,349,162	1,089,112
Balance, December 31, 2012	\$ 332,683	\$ 44,208	\$ 572,012	\$ 26,856,382	\$ 27,805,284
Net change during the year	(83,392)	47,686	112,279	2,316,860	2,393,433
Balance, December 31, 2013	\$ 249,291	\$ 91,893	\$ 684,291	\$ 29,173,242	\$ 30,198,717
Net change during the year	(172,069)	1,082,147	296,192	(1,102,940)	103,331
Balance, December 31, 2014	\$ 77,222	\$ 1,174,041	\$ 980,483	\$ 28,070,302	\$ 30,302,048
Net change during the year	(20,668)	(44,181)	(534,984)	5,379,462	4,779,628
Balance, December 31, 2015	\$ 56,553	\$ 1,129,859	\$ 445,499	\$ 33,449,764	\$ 35,081,676
Net change during the year	(28,460)	10,152	(19,216)	365,663	328,138
Balance, December 31, 2016	\$ 28,094	\$ 1,140,011	\$ 426,282	\$ 33,815,423	\$ 35,409,814
Net change during the year	(99,155)	74,474	70,673	5,381,548	5,427,542
Balance, December 31, 2017	\$ (71,061)	\$ 1,214,484	\$ 496,955	\$ 9,196,975	\$ 40,837,353

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE
EXAMINATION**

There have been no changes made to the financial statements as a result of the examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Method of Accounting:

The Association's business model is non-complex with cash coming in from member companies (and recoveries from insolvent companies) and cash going out for the payment of claims. The financial statements mainly focus on the Association's cash balance and whether or not the Association has sufficient cash and liquid assets to pay claims to claimants and policyholders in the event of insolvencies of member insurers. For this reason, the Association determined that a modified cash basis of accounting is most conducive to the entity's operations. Accordingly, the Association prepared its financial statements on the cash-basis of accounting, modified to record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transactions or events occurred. The modifications result in the recording of investments and other assets in the statement of assets and fund balance. All transactions were recognized as either revenue or expenses when received or paid in cash, except for transactions which results in transfers between assets, which are presented net in the statement of receipts, disbursements and changes in fund balance.

The basis of presentation is a comprehensive basis of accounting that differs from the Statutory Accounting Principles (SAP) in that certain revenue and related assets are recognized when received rather than earned and certain expenses and related liabilities are recognized when paid rather than when the obligation is incurred. Specifically, the variances from SAP include omission of assessments receivable, accounts payable and accrued expenses. Additionally, under SAP, loss and loss adjustment expenses are recognized when incurred rather than paid. As a result, estimated case basis for loss and loss adjustments expense reserves and estimated amounts for losses incurred but not reported have not been included in the Association's financial statements.

Taxes:

The Association is exempt from income taxes levied by the District under the Act and is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code.

SUBSEQUENT EVENTS

In August 2018, the Department approved the nomination of US Fire Insurance Company as a Member of the Association's Board following the expiration of the term of office held by Liberty Mutual Insurance Company. Additionally, the Department approved the nomination for re-election of Government Employees Insurance Company following the expiration of its term.

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

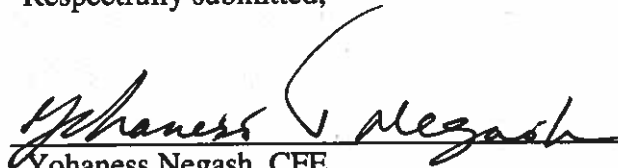
SUMMARY OF RECOMMENDATIONS

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

**District of Columbia Insurance Guaranty Association
Report on Examination as of December 31, 2017**

SIGNATURES

Respectfully submitted,



Yohannes Negash, CFE
Examiner-In-Charge (EIC)



Nathaniel Kevin Brown, CPA, CFE
Chief Examiner

District of Columbia, Department of
Insurance, Securities and Banking