

Karima M. Woods, Commissioner

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

Re: Report on Examination – New Home Warranty Insurance Company, A Risk Retention  
Group as of December 31, 2019

**ORDER**

In accord with the authority established by D.C. Official Code § 31-1402, an examination of **New Home Warranty Insurance Company, A Risk Retention Group**, (the “Company”), as of December 31, 2019 has been conducted by the District of Columbia Department of Insurance, Securities and Banking (“Department”). The Department reported on the financial condition of the Company in the attached Report on Examination (“Financial Condition Examination Report”).

In accord with the provisions of D.C. Official Code § 31-1404(c), it is hereby ordered, on this 4<sup>th</sup> day of June 2021, that the attached Financial Condition Examination Report be adopted and filed as an official record of the Department.

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

Pursuant to D.C. Official Code § 31-1404(d)(1), the Company shall, within 30 days of the issuance of the adopted Financial Condition Examination Report, file affidavits executed by each of the Directors of the Company wherein each of the Directors shall state under oath that they have received a copy of the adopted Financial Condition Examination Report and this order.

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



*Dana Sheppard*

Dana Sheppard  
Associate Commissioner  
Risk Finance Bureau

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



REPORT ON EXAMINATION

NEW HOME WARRANTY INSURANCE  
COMPANY, A RISK RETENTION GROUP

AS OF

DECEMBER 31, 2019

NAIC NUMBER 13792

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Washington, D.C.  
May 11, 2021

Honorable Karima M. Woods  
Commissioner  
Department of Insurance, Securities and Banking  
Government of the District of Columbia  
1050 First Street, NE, Suite 801  
Washington, D.C. 20002

Dear Commissioner Woods:

In accordance with Section 31-3931.14 of the District of Columbia Official Code (“Code”), and with Chapter 14 of Title 31 of the Code, we have examined the financial condition and activities of

**New Home Warranty Insurance Company, A Risk Retention Group**

hereinafter referred to as the “Company” or “NHWIC”.

**SCOPE OF EXAMINATION**

This full-scope examination, covering the period from January 1, 2015 through December 31, 2019, including any material transactions and/or events noted occurring subsequent to December 31, 2019, was conducted by the District of Columbia Department of Insurance, Securities and Banking (the “Department”).

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, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles, (“SAP”). The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, pursuant to Section 31-1404(a) of the Code and general information about the insurer and its financial condition. There may be

other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but are separately communicated to other regulators and/or the Company.

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 2015 through 2019. We placed substantial reliance on the audited financial statements for calendar years 2015 through 2018, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2019. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2019. 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 findings of non-compliance, or material changes in financial statements.

### **STATUS OF PRIOR EXAMINATION FINDINGS**

A full scope examination was conducted by the Department as of December 31, 2014, which covered the period of June 15, 2010 through December 31, 2014. There were no material adverse findings, significant findings of non-compliance, or material changes in financial statements.

### **HISTORY**

#### **General:**

New Home Warranty Insurance Company, A Risk Retention Group was licensed as a captive insurance company operating as a risk retention group under the captive insurance laws of the District of Columbia on June 15, 2010 and commenced business on June 16, 2010. The Company was initially licensed under the name of “2-10 Insurance Company, A Risk Retention Group”, and changed its name to the current name in July 2010.

The Company was formed to provide insurance to the member builders who are participants in the HBW Program. The Company’s policies insure the member builders’ liabilities under their new home warranties, covering workmanship defects in the first year, systems defects in the first and second years, and limited structural defects through the tenth year.

The HBW Program is operated by the Home Buyers Warranty (“HBW”) group of companies in which the Company is a member under common ownership. The Company currently provides insurance to the member builders located in the 48 contiguous states and the District of Columbia. The Company does not provide insurance to builders located in Alaska and Hawaii.

### Membership:

Red Rocks Builders, Inc., (“Red Rocks”), a Colorado Corporation and builder member of the Company, owns 100 percent of the Company’s Class A common stock. The Class A common stock represents 95 percent of the voting interest in the Company. Every other builder member owns one share of Class B common stock of the Company, which represents in the aggregate, 5 percent voting interest in the Company. All builder members are members of the HBW Program.

Class A and Class B common stock each have a par value of \$50 per share. One million Class A stock shares were authorized and 2,000 were issued and outstanding at December 31, 2019, with a value of \$100,000. One million Class B shares were authorized and 17,520 were issued and outstanding at December 31, 2019, with a value of \$876,000.

Prior to October 31, 2018, Arias Holdings, LLC, a Delaware company, was the ultimate controlling entity of the Company. Effective October 31, 2018, Genstar VIII GP LLC became the ultimate controlling entity of the Company. This change in ultimate control was approved by the Department.

### Dividends and Distributions:

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

## **MANAGEMENT AND CONTROL**

### Board of Directors and Officers:

The Company’s directors serving as of December 31, 2019 were as follows:

<u>Name and State of Residence</u>	<u>Principal Occupation</u>
James Ryan Clark California	President and Managing Director Genstar VIII GP LLC
Robert Mathias Clark California	Director Genstar VIII GP LLC
Scott James Cromie Colorado	Chief Executive Officer Home Buyers Warranty Corporation
Mark Christopher Lewis Colorado	President and Chief Financial Officer Home Buyers Warranty Corporation

The following persons were serving as the Company officers as of December 31, 2019:

<u>Name</u>	<u>Position</u>
Mark C. Lewis	President
B. Troy Winch	Treasurer
Heather C. Ross	Assistant Treasurer
Michael C. Fletcher	Vice President, Secretary and General Counsel
Richard A. Stanek	Vice President, Finance

#### Committees:

As of December 31, 2019, the Company's board of directors had not established any committees; however, the Company designated its board of directors to act as the audit committee.

#### 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 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:

Risk Services, LLC ("Risk Services") has been the Company's captive manager since its inception, providing regulatory and annual statement preparatory services to the Company.

#### Affiliated Parties and Transactions:

The Company is a member of a holding company group. As indicated in the "History" section of this report, the Company was formed to provide insurance to the member builders who are participants in the HBW Program. The HBW Program is operated by HBW group in which the Company is a member under common ownership. Red Rocks Builders, Inc., a Colorado corporation, owns 100 percent of the Company's Class A common stock which represents 95 percent of the voting interest in the Company. Genstar VIII GP LLC is the ultimate controlling entity of the Company.

During the period under examination and up to the date of this Report, the Company has the following agreements with affiliates:

The Company maintains a Managing General Underwriter (“MGU”) agreement with HBW Warranty Administration, LLC (“HBWWA”), an affiliated Delaware limited liability company. Services provided to the Company under the MGU agreement include underwriting, risk management, claims handling, document imaging, and customer service and complaint resolution for homeowners and builders with homes enrolled in the HBW Program. HBWWA has authority to approve builders for membership in the Company and to bind the members' home enrollments for insurance coverage, subject to the underwriting and risk management standards that have been approved by the Company. HBWWA also has authority to process, adjust and settle claims, subject to the claims guidelines and authority levels established by the Company. The Company is charged based on actual prorated salaries for time incurred for individuals, and 15 percent overhead for benefits related to the prorated time and prorated overhead costs. During 2019, the Company incurred fees of \$3,707,116 under this agreement.

The Company maintains an Administration Agreement with Home Buyers Warranty Corporation (“HBW Corporation”), an affiliated Colorado corporation. Services provided to the Company under this agreement includes management advisory services, human resource management, computer information services, and other ancillary services. The Company is charged based on a pass-through basis without service charge or markup. During 2019 the Company incurred fees of \$496,558 under this agreement.

The Company maintains a Capacity Agreement with HBW Corporation, an affiliated Colorado corporation. Under the agreement the Company agrees to provide insurance coverage to the builder members of the HBW Program.

The Company maintains separate Cost Allocation agreements with Red Rocks, 2-10 Holdco, Inc., a Delaware corporation, and HBW Insurance Group, Inc., a Delaware corporation. Pursuant to the agreements, certain expenses paid by the Company on behalf of each of these affiliates are reimbursed by each affiliate on a quarterly basis.

2-10 HBW Holdings, L.P. (“Holdings”) has provided the Company with a “Keep Well Agreement”, dated October 31, 2018. Under terms of this agreement, if necessary to enable the Company to maintain the level of capital stipulated in the agreement, Holdings agrees to contribute capital to the Company in an amount sufficient to enable the Company to maintain capital at a level of three times authorized control level Risk Based Capital (“RBC”). This agreement is not a guarantee by Holdings of the payment of any debt, liability, or obligation of the Company.

The Company is party to the holding company group’s consolidated tax allocation agreement. Under this agreement, 2-10 Holdco, Inc. is responsible for filing consolidated federal income tax returns on behalf of the affiliated group, allocating the consolidated tax liability among the members, compensating affiliates for use of their losses, deductions or tax credits, and collecting the applicable portion of the group’s tax liability from member companies.



## **TERRITORY AND PLAN OF OPERATION**

As of December 31, 2019, the Company was licensed in the District of Columbia, and was registered as a risk retention group in the 48 contiguous states. The Company is not registered in and does not write business in Alaska or Hawaii. During 2019, the Company wrote direct premiums totaling \$17,062,421 in 46 states and the District of Columbia.

For the period under examination, the Company provided contractual liability coverage with policy limits equal to the purchase price of the new homes up to a maximum of \$30 million. The member builders' new home warranties insured by the Company cover workmanship defects in the first year, systems defects in the first and second years, and limited structural defects through the tenth year. The Company limits maximum losses through its reinsurance agreements, as discussed below in the "Reinsurance" section of this report.

During the examination period and as of the date of this report, the Company has no employees. Its daily business operations are managed by HBWWA and HBW Corporation as detailed in the "Affiliated Parties and Transactions" section of this report. The Company's captive manager, Risk Services, LLC, is managing the Company's accounting and regulatory filings from offices in Sarasota, Florida and in Washington, D.C.

## **REINSURANCE**

### **Assumed:**

The Company did not assume any business during the examination period.

### **Ceded:**

During the examination period, the Company maintained a quota share and excess of loss reinsurance agreement with Swiss Reinsurance America Corporation ("Swiss Re"). The Company added SCOR Reinsurance Company ("SCOR Re") as a reinsurer to its reinsurance program effective July 1, 2015. Under the terms of the reinsurance agreement, the Company cedes 77.5 percent of the risk for the first \$2 million of its liability under its policies and 100 percent of the risk up to \$28 million in excess of \$2 million. As participating reinsurers, Swiss Re assumes 85 percent of the business ceded and SCOR Re assumes the remaining 15 percent of the business ceded.

During 2019, the Company ceded reinsurance premiums totaling \$13,348,298. As of December 31, 2019, the Company reported as assets "Amounts recoverable from reinsurers" totaling \$646,743, which represents amounts recoverable from reinsurers on paid losses. In addition, the Company reported ceded loss reserves of \$5,217,891 and ceded unearned premiums of \$29,087,735. These ceded amounts are reported as a reduction of the Company's liabilities for loss reserves and unearned premium reserves. If the reinsurers were not able to meet their obligations under these agreements, the Company would be liable for any defaulted amounts.

## **FINANCIAL STATEMENTS**

The following financial statements are based on the Annual Statement filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2019. The financial statements were prepared in accordance with SAP prescribed or permitted by the Department. Management is responsible for the preparation and fair presentation of these financial statements. The accompanying comments on the financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

<b><u>STATEMENT</u></b>	<b><u>PAGE</u></b>
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## BALANCE SHEET

### ASSETS

	<i>December 31, 2019</i>
Bonds	\$ 21,188,108
Cash, cash equivalents, and short-term investments	<u>2,492,911</u>
Subtotal cash and invested assets	\$ 23,681,019
Investment income due and accrued	105,949
Uncollected premiums and agents' balances in course of collection	2,829,909
Amounts recoverable from reinsurers	646,743
Net deferred tax asset	239,970
Receivables from affiliates	10,319
Total	<u>\$ 27,513,909</u>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	<i>December 31, 2019</i>
Losses ( <b>NOTE 1</b> )	\$ 1,451,369
Loss adjustment expenses ( <b>NOTE 1</b> )	906,722
Other expenses (excluding taxes, licenses and fees)	772,967
Taxes, licenses and fees (excluding federal and foreign income tax)	237,546
Unearned premiums	13,579,821
Ceded reinsurance premiums payable (net of ceding commissions)	2,628,520
Payable to parent, subsidiaries and affiliates	<u>413,489</u>
Total liabilities	<u>\$ 19,990,434</u>
Common capital stock	\$ 976,000
Gross paid in and contributed surplus	7,450,000
Surplus (accumulated earnings)	<u>(902,525)</u>
Surplus as regards policyholders	<u>\$ 7,523,475</u>
Total	<u>\$ 27,513,909</u>

## **STATEMENT OF INCOME**

	<i>December 31, 2019</i>
UNDERWRITING INCOME	
Premiums earned	\$ 2,943,030
DEDUCTIONS	
Losses incurred	1,170,765
Loss adjustment expenses incurred	586,024
Other underwriting expenses incurred	1,165,357
Total underwriting expenses	\$ 2,922,146
Net underwriting loss	\$ 20,884
INVESTMENT INCOME	
Net investment income earned	442,998
Net realized capital gains	9,573
Net income before dividends and taxes	473,455
Federal taxes	161,776
Net income	\$ <u>311,679</u>

### **CAPITAL AND SURPLUS ACCOUNT**

Surplus as regards policyholders, December 31, 2014	\$ 5,712,114
Net income, 2015	235,585
Change in net deferred income tax	39,071
Change in nonadmitted assets	200,996
Capital changes: paid in	<u>81,150</u>
Net change in surplus as regards policyholders, 2015	<u>556,802</u>
Surplus as regards policyholders, December 31, 2015	<u>\$ 6,268,916</u>
Net income, 2016	175,238
Change in net deferred income tax	40,798
Change in nonadmitted assets	803
Capital changes: paid in	<u>89,650</u>
Net change in surplus as regards policyholders, 2016	<u>306,489</u>
Surplus as regards policyholders, December 31, 2016	<u>\$ 6,575,405</u>
Net income, 2017	151,857
Change in net deferred income tax	(91,355)
Capital changes: paid in	<u>98,000</u>
Net change in surplus as regards policyholders, 2017	<u>158,502</u>
Surplus as regards policyholders, December 31, 2017	<u>\$ 6,733,907</u>
Net income, 2018	222,954
Change in net deferred income tax	11,133
Capital changes: paid in	<u>103,400</u>
Net change in surplus as regards policyholders, 2018	<u>337,487</u>
Surplus as regards policyholders, December 31, 2018	<u>\$ 7,071,394</u>
Net income, 2019	311,679
Change in net deferred income tax	40,052
Capital changes: paid in	<u>100,350</u>
Net change in surplus as regards policyholders, 2019	<u>452,081</u>
Surplus as regards policyholders, December 31, 2019	<u>\$ 7,523,475</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:**

As of December 31, 2019, the Company reported "Losses" and "Loss adjustment expenses" reserves net of reinsurance totaling \$1,451,369 and \$906,722, respectively. These reserves represent management's best estimate of the net amounts necessary to pay all claims and related expenses that have been incurred but are still unpaid as of December 31, 2019.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expense reserves as of December 31, 2019 were reviewed as part of our examination. As part of our review, we relied on the Company's independent actuary, who concluded that the reserves on the Company's books appeared to be sufficient. In addition, as part of our review, the Department utilized an examination actuary to review the methods employed, assumptions relied upon, and conclusions reached by the Company's actuary. The examination actuary concluded that the methodologies and assumptions utilized by the Company's independent actuary to compute the reserves, and the amount of the loss reserves reported by the Company as of December 31, 2019, were reasonable and adequate.

## **SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, U.S. President Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive effects on the economy and on the health care system. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown have also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still not fully known as of the date of this report. The Department is monitoring the COVID-19 outbreak for impacts to insurers (including risk retention groups), and to insurance products. Potential impacts to insurers include coverage disputes, reduced liquidity, delayed collection of receivables, increased claims, and impacts to other areas of operations. The Department and all insurance regulators, with the assistance of the National Association of Insurance Commissioners (NAIC), are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers. The Department has been in communication with the Company regarding the impacts of COVID-19 on its business operations and financial position. During the examination no significant concerns or findings related to COVID-19 were noted and as of the date of this report, management has reported no significant impacts from COVID-19.

We noted no other significant subsequent events as of the date of this report.

### **SUMMARY OF RECOMMENDATIONS**

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

### **SIGNATURES**

In addition to the undersigned, Thomas Mayberry, CFE; Paul Sliwinski, and Chris Davis from EWM Group, PC, representing the Department, and Rebecca Davis, PIR, from the Department, participated in this examination as members of the examination team.

The actuarial portion of this examination was completed by David A. Christhlf, ACAS, MAAA, of the Department.

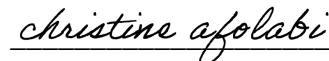
Respectfully submitted,



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Philip D. Engelhart, CFE  
Examiner-In-Charge  
EWM Group, PC

Under the Supervision of,



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Christine Afolabi  
Supervising Examiner  
District of Columbia Department of Insurance,  
Securities and Banking





Karima M. Woods, Commissioner

Via E-mail

June 2, 2021

Mr. Mark C. Lewis, President  
New Home Warranty Insurance Company, A Risk Retention Group  
1050 30<sup>th</sup> Street, NW  
Washington, D.C. 20007

RE: Examination of New Home Warranty Insurance Company, A Risk Retention Group  
as of December 31, 2019

Dear Mr. Lewis:

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 New Home Warranty Insurance Company, A Risk Retention Group (the “Company”), as of December 31, 2019.

Please submit, to my attention, a written response calling attention to any errors or omissions. In addition, if this Report contains a section entitled “Summary of 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 is no “Summary of 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 16, 2021. The signed response should be on the Company’s letterhead and sent electronically via e-mail to me, in an adobe “pdf” format, to [sean.odonnell@dc.gov](mailto:sean.odonnell@dc.gov).

Sincerely,

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



June 4, 2021

**VIA Email:** [sean.odonnell@dc.gov](mailto:sean.odonnell@dc.gov)

Sean O'Donnell  
Director of Financial Examination  
Risk Finance Bureau  
DC Department of Insurance, Securities and Banking  
1050 First Street NE., Suite 801  
Washington, DC 20002

Dear Mr. O'Donnell,

New Home Warranty Insurance Company, A Risk Retention Group ("NHWIC" or the "Company") is in receipt of your June 2, 2021 correspondence providing a final draft copy of the Report on Examination ("Report") of the affairs and financial condition of NHWIC, as of December 31, 2019. The Company provides this written response indicating there are no errors or omissions to be brought to the Department of Insurance, Securities and Banking's attention, as well as, there was no "Summary of Recommendations" listed within the Report requiring a response. Therefore, the Company accepts the Report as drafted and provided.

Please feel free to contact me directly regarding any questions or concerns via telephone at 720.747.6100 or via email at [mlewis@2-10.com](mailto:mlewis@2-10.com).

Sincerely,

**New Home Warranty Insurance Company, A Risk Retention Group**

Mark C. Lewis  
President

**Principal Statutory Address:**

1050 30th Street, N.W.,  
Washington, DC 20007  
**Telephone:** 202.741.5944  
**Facsimile:** 202.741.5947

**Administrative Mailing Address:**

13900 E. Harvard Ave.  
Aurora, CO 80014  
**Telephone:** 720.747.6000  
**Facsimile:** 855.777.3639

Karima M. Woods, Commissioner

Via E-mail

June 4, 2021

Mr. Mark C. Lewis, President  
New Home Warranty Insurance Company, A Risk Retention Group  
1050 30<sup>th</sup> Street, NW  
Washington, D.C. 20007

RE: Examination of New Home Warranty Insurance Company, A Risk Retention Group as of  
December 31, 2019

Dear Mr. Lewis:

We are in receipt of your response, dated June 4, 2021, regarding the Report on Examination of New Home Warranty Insurance Company, A Risk Retention Group (the “Company”), as of December 31, 2019. 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 District of Columbia 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.

Pursuant to Section 31-1404(d)(1) of the District of Columbia Official Code, within 30 days of the date of the above-mentioned Order, affidavits executed by each of the Company’s directors 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

Enclosure