

Karima M. Woods, Commissioner

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

Re: Report on Examination – Attorneys Insurance Mutual of the South, Inc., Risk Retention Group as of December 31, 2020

**ORDER**

In accord with the authority established by D.C. Official Code § 31-1402, an examination of **Attorneys Insurance Mutual of the South, Inc., Risk Retention Group**, (the “Company”), as of December 31, 2020 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 25<sup>th</sup> day of May 2022, 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.



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Dana Sheppard  
Associate Commissioner  
Risk Finance Bureau

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



REPORT ON EXAMINATION

ATTORNEYS INSURANCE MUTUAL OF THE  
SOUTH, INC., RISK RETENTION GROUP

AS OF

DECEMBER 31, 2020

NAIC NUMBER 33677

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Washington, D.C.  
April 22, 2022

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

**Attorneys Insurance Mutual of the South, Inc., Risk Retention Group**

hereinafter referred to as the “Company”.

**SCOPE OF EXAMINATION**

This full-scope examination, covering the period from January 1, 2016 through December 31, 2020, including any material transactions and/or events noted occurring subsequent to December 31, 2020, 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 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 2016 through 2020. We placed substantial reliance on the audited financial statements for calendar years 2016 through 2019, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2020. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2020. 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, 2015, which covered the period of January 1, 2011 through December 31, 2015. In the Report on the prior examination, dated March 21, 2017, the Department noted several exception conditions and related recommendations related to the Company's information systems general controls. Our examination included a review to determine the current status of the recommendations and we determined the Company has satisfactorily addressed the prior recommendations.

### **HISTORY**

#### **General:**

The Company was incorporated as a mutual insurance corporation under the laws of Alabama on May 19, 1988 and commenced business on July 1, 1989, providing professional liability insurance to attorneys who were residents of, and practiced law in the State of Alabama.

On August 11, 2010, the Company re-domiciled from the State of Alabama to the District of Columbia, becoming licensed in the District of Columbia as a mutual captive insurer, operating as a risk retention group under the captive insurance laws of the District of Columbia.

Membership and Capitalization:

As a risk retention group, the Company is owned by its member insureds, consisting of individual attorneys. As a mutual insurer, the Company does not issue stock and each insured is automatically a member or owner of the Company. At December 31, 2020, the Company had 1,025 active policies eligible for membership that covered 1,781 attorneys. Each covered attorney is counted as one member and is entitled to one vote in the election of directors and all other matters submitted to a vote at a meeting of the members. Members must be individuals engaged in the practice of law.

Per the Company's bylaws, the board of directors is authorized to require that each applicant for membership pay fees, or other contributions, and/or purchase surplus debentures of the Company when the board of directors determines as necessary to secure and maintain the Company's operations and surplus under applicable law. The Company's initial capital was obtained by issuing eight percent (8%) series subordinated surplus debentures ("Debentures") to its initial policyholders. A portion of each Debenture was redeemable and a portion was considered a non-refundable surplus contribution. No membership fees, contributions, or surplus Debentures have been required from members since May 2000, and in 2006, the Company redeemed the redeemable portion of all outstanding Debentures for a total of \$1,914,000. As of December 31, 2020, the Company reported members' contributed surplus of \$1,111,186, which represents paid in surplus from the non-refundable portions of the surplus Debentures.

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, 2020 were as follows:

<u>Name and State of Residence</u>	<u>Principal Occupation</u>
Raymond L. Bell, Jr. Alabama	Partner Maynard, Cooper & Gale, P.C.
Lee R. Benton, Chair Alabama	Attorney-at-Law Retired
Claire A. Black Alabama	Attorney-at-Law Retired
Lee H. Copeland Alabama	Partner Copeland, Franco, Screws & Gill

L. Tennent Lee, III Alabama	Attorney-at-Law Retired
William L. Lee, IV Alabama	Partner Lee, Livingston, Lee, Nichols & Barron P.C.
Charles H. Moses, III Alabama	Partner Moses & Moses, P.C.
James J. Odom, Jr. Attorney	Attorney-at-Law Self Employed
Phillip E. Stano Maryland	Attorney-at-Law Retired
Sharon D. Stuart Alabama	President Attorneys Insurance Mutual of the South, Inc., Risk Retention Group

The following persons were serving as the Company's officers as of December 31, 2020:

<u>Name</u>	<u>Position</u>
Lee R. Benton	Chair of the Board of Directors
Sharon D. Stuart	President
Charles H. Moses, III	Secretary and Treasurer
Wilma S. Fields	Vice President

Committees:

As of December 31, 2020, the Company's board of directors had established the following committees:

Executive Committee:  
Sharon D. Stuart, Chair  
Lee R. Benton  
L. Tennent Lee, III  
Charles H. Moses, III  
James J. Odom, Jr.

Investment/Audit Committee:  
Charles H. Moses, III, Chair  
Raymond L. Bell, Jr.  
Lee R. Benton  
James J. Odom, Jr.  
Sharon D. Stuart

Claims Committee:

L. Tennent Lee, III, Chair  
Lee R. Benton  
William L. Lee, IV  
Phillip E. Stano  
Claire A. Black

Personnel Committee:

Claire A. Black, Chair  
Raymond L. Bell, Jr.  
Phillip E. Stano

Legislative Committee:

Raymond L. Bell, Jr., Chair  
James J. Odom, Jr.

Underwriting Committee:

Phillip E. Stano, Chair  
Lee R. Benton  
William L. Lee, IV  
Charles H. Moses, III  
Sharon D. Stuart

Marketing Committee:

Sharon D. Stuart, Chair  
Claire A. Black  
L. Tennent Lee, III  
William L. Lee, IV  
Charles H. Moses, III  
James J. Odom, Jr.

Nominating Committee:

Raymond L. Bell, Jr.  
L. Tennent Lee, III  
William L. Lee, IV  
Charles H. Moses, III  
Phillip E. Stano  
Sharon D. Stuart

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 of interest that would adversely impact 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:

The Company has been self-managed since inception.

**TERRITORY AND PLAN OF OPERATION**

As of December 31, 2020, the Company was licensed in the District of Columbia and registered as a risk retention group in Alabama and Tennessee. Ninety-seven percent of its 2020 premiums, which totaled approximately \$3,976,000, were written in Alabama.

The Company provided professional liability insurance coverage exclusively to its members, who were attorneys practicing law in the states of Alabama and Tennessee. Coverage included lawyers professional liability insurance on a claims-made basis, as well as extended reporting (discovery or tail) endorsements. Limits offered were up to \$10,000,000 per claim and annual aggregate, in excess of policyholders' deductibles ranging from \$1,000 to \$50,000 for each loss. At a minimum, policy limits offered were \$100,000 per claim and \$300,000 annual aggregate. Most of the Company's active policies were written with limits of \$1,000,000. Insurance policies with limits up to \$20,000,000 per claim and annual aggregate were available through excess of loss agreements. However, there were no policies at December 31, 2020 written with limits in excess of \$10,000,000. The Company retains the first \$125,000 of each claim, reinsuring the excess with various reinsurers. See the "Reinsurance" section of this report for details regarding the Company's reinsurance program.

The Company's policyholders and members consist of sole practitioners and firms with fewer than 50 attorneys and consist primarily of general practitioners.

The daily business operations of the Company are managed by its employees.

## **REINSURANCE**

### **Assumed Reinsurance:**

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

### **Ceded Reinsurance:**

During the examination period, the Company ceded business to various reinsurers under four layers of excess of loss treaties and one facultative agreement. Under these reinsurance arrangements, the Company's maximum retention in any one risk per occurrence was \$125,000 on a claims-made basis. The four layers of excess of loss coverage provide coverage up to \$19,875,000 in excess of the \$125,000 retained by the Company. The facultative agreement, which is the fourth excess layer, provided \$10,000,000 in excess of \$10,000,000 for those policies written in excess of the Company's \$10,000,000 coverage limit. There were no policies at December 31, 2020 written in excess of the Company's \$10,000,000 coverage limit that would trigger the use of the facultative agreement. All of the Company's reinsurers are approved by the Department as authorized reinsurers.

During 2020, the Company ceded reinsurance premiums totaling approximately \$1,536,000. As of December 31, 2020, the Company reported as assets "Amounts recoverable from reinsurers" totaling approximately \$72,000, which represents amounts recoverable from reinsurers on paid losses. In addition, the Company reported ceded loss reserves of approximately \$2,471,000, and ceded unearned premiums of approximately \$607,000. 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, 2020. The financial statements were prepared in accordance with Statutory Accounting Principles (“SAP”) prescribed or permitted by the Department. Management is responsible for the preparation and fair presentation of these financial statements. The accompanying comments on 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.

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**BALANCE SHEET**

**ASSETS**

	<i>December 31, 2020</i>
Bonds	\$ 7,337,476
Properties occupied by the Company	630,345
Cash (\$1,048,151) and cash equivalents (\$1,136,592) (NOTE 1)	2,184,743
Subtotals, cash and invested assets	\$ 10,152,564
Investment income due and accrued	47,978
Uncollected premiums and agents' balances in the course of collection	143,458
Amounts recoverable from reinsurers	71,841
Electronic data processing equipment and software	39,296
Total	<u>\$ 10,455,137</u>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	<i>December 31, 2020</i>
Losses (NOTE 2)	\$ 2,178,000
Loss adjustment expenses (NOTE 2)	442,000
Other expenses (excluding taxes, licenses and fees)	39,909
Taxes, licenses and fees (excluding federal and foreign income taxes)	31,592
Net deferred tax liability	22,529
Unearned premium (after deducting unearned premiums for ceded reinsurance of \$606,969)	1,329,402
Advanced premium	96,523
Ceded reinsurance premiums payable (net of ceding commissions)	775,630
Funds held by company under reinsurance treaties	83,836
Amounts withheld or retained by company for account of others	<u>1,801</u>
Total liabilities	<u>\$ 5,001,222</u>
Gross paid in and contributed surplus	\$ 1,111,186
Unassigned funds (surplus)	<u>4,342,729</u>
Surplus as regards policyholders	<u>\$ 5,453,915</u>
Total	<u><u>\$ 10,455,137</u></u>

**STATEMENT OF INCOME**

	<i>December 31, 2020</i>
<b>UNDERWRITING INCOME</b>	
Premiums earned	\$ 2,397,078
<b>DEDUCTIONS</b>	
Losses incurred	381,700
Loss adjustment expenses incurred	650,457
Other underwriting expenses incurred	1,446,643
Total underwriting deductions	\$ 2,478,800
Net underwriting loss	\$ (81,722)
<b>INVESTMENT INCOME</b>	
Net investment income earned	\$ 128,196
Net realized capital gain <b>(NOTE 3)</b>	69,859
<b>OTHER INCOME</b>	
Aggregate write-ins for miscellaneous income	\$ 18,067
Net income before dividends and taxes	\$ 134,400
Federal and foreign income taxes incurred	-
Net income	<u>\$ 134,400</u>

## CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, 2015	<u>\$ 6,885,924</u>
Net loss, 2016	(1,055,989)
Change in net unrealized capital gains	479,940
Change in nonadmitted assets	(79,559)
Change in provision for reinsurance	(29,000)
Net change in surplus as regards policyholders, 2016	<u>(684,608)</u>
Surplus as regards policyholders, December 31, 2016	<u>\$ 6,201,316</u>
Net loss, 2017	(157,826)
Change in net unrealized capital gains	161,164
Change in net deferred income tax	(23,588)
Change in nonadmitted assets	51,128
Change in provision for reinsurance	29,000
Net change in surplus as regards policyholders, 2017	<u>59,878</u>
Surplus as regards policyholders, December 31, 2017	<u>\$ 6,261,194</u>
Net loss, 2018	(1,103,204)
Change in net unrealized capital losses	(137,207)
Change in net deferred income tax	4,199
Change in nonadmitted assets	(6,048)
Net change in surplus as regards policyholders, 2018	<u>(1,242,260)</u>
Surplus as regards policyholders, December 31, 2018	<u>\$ 5,018,934</u>
Net income, 2019	277,513
Change in net unrealized capital gains	137,037
Change in net deferred income tax	(19,813)
Change in nonadmitted assets	8,973
Net change in surplus as regards policyholders, 2019	<u>403,710</u>
Surplus as regards policyholders, December 31, 2019	<u>\$ 5,422,644</u>

Surplus as regards policyholders, December 31, 2019	<u>\$ 5,422,644</u>
Net income, 2020	134,400
Change in net unrealized capital losses	(112,156)
Change in net deferred income tax	16,674
Change in nonadmitted assets	<u>(7,647)</u>
Net change in surplus as regards policyholders, 2020	<u>31,271</u>
Surplus as regards policyholders, December 31, 2020	<u>\$ 5,453,915</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: Cash and Cash Equivalents:**

As of December 31, 2020, the Company reported “Cash and cash equivalents” totaling \$2,184,743. This amount includes \$514,358 cash deposited in a trust account with the Department as a beneficiary. In conjunction with the re-domestication in 2010, the Company was required to establish and maintain a trust account with a minimum balance of \$500,000 at all times for the benefit of the Department. The Company has discretion over the investments in the account within guidelines established by the Department, and is entitled to receive investment income on the funds. As of December 31, 2020, the Company held assets in the trust account with a market value of \$514,358, which was in excess of the \$500,000 requirement.

### **NOTE 2 – Loss and Loss Adjustment Expense Reserves:**

The Company reported “Losses” and “Loss adjustment expenses” reserves net of reinsurance totaling \$2,178,000 and \$442,000, 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, 2020. Reserve credits taken for loss and loss adjustment expenses as of December 31, 2020, for cessions to the Company’s reinsurer totaled \$2,471,000.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expenses reserves as of December 31, 2020 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, the Department utilized an examination actuary to review the methods employed, assumptions relied upon, and conclusions reached by the Company’s independent 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, 2020, were reasonable and adequate.

### **NOTE 3 - Net Realized Capital Losses; Permitted Practice:**

During 2015, the Department granted the Company a permitted accounting practice which differs from NAIC statutory accounting practices. Specifically, for year-end 2015 reporting, the Department approved the Company’s request to allow the Company to utilize a predefined threshold in the determination of whether an investment is other than temporarily impaired. NAIC statutory accounting practices do not stipulate or recommend the use of a predefined threshold in the assessment of whether an investment is other than temporarily impaired but require the use of all relevant quantitative and qualitative factors in such an analysis. While not specifically stated in the relevant statutory accounting guidance, recognized interpretations of the guidance assume investments with fair values that are twenty percent (20%) or more below the original cost value, and that have been in that position for a continuous period of six months or more, to be potentially impaired. The predefined threshold permitted by the Department for the year ending 2015 required that all investments with fair values that are fifty percent (50%) or more below the original cost value, and that have been in that position for a continuous period of one year or more, to be impaired.

During 2016, the Department approved a revision to the impairment provisions of the Company's investment policy requiring all investments with fair values that are twenty percent (20%) or more below the original cost value and that have been in that position for a continuous period of one year or more be evaluated to determine impairments that are other than temporary. As of December 31, 2020, the Company reported a net realized capital gain of \$69,859 and did not recognize any other-than-temporary impairment losses during 2020.

## **SUBSEQUENT EVENTS**

### **Impact of COVID-19 on the Company's Operations:**

The COVID-19 pandemic has continued to develop throughout 2021 and 2022, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industries. 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. 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. The Department will continue to closely monitor the impact of the pandemic on the Company and will take necessary action if solvency concerns arise.

## **SUMMARY OF RECOMMENDATIONS**

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

**SIGNATURES**

In addition to the undersigned, the following examiners representing the Department participated in certain phases of this examination:

Thomas Mayberry, CFE, EWM Group, PC  
Paul Sliwinski, ARe, EWM Group, PC  
Chris Davis, EWM Group, PC  
Koye Arulogun, EWM Group, PC  
Michael Quaye, EWM Group, PC  
Jenny Jeffers, CISA, AES, Jennan Enterprises

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

Respectfully submitted,



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

Under the Supervision of,

*Christine Afolabi*

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



Karima M. Woods, Commissioner

Via E-mail

May 10, 2022

Ms. Sharon Stuart, President  
Attorneys Insurance Mutual of the South, Inc., Risk Retention Group  
200 Inverness Parkway  
Birmingham, Alabama 35242-4813

RE: Examination of Attorneys Insurance Mutual of the South, Inc., Risk Retention  
Group as of December 31, 2020

Dear Ms. Stuart:

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 Attorneys Insurance Mutual of the South, Inc., Risk Retention Group, (the “Company”), as of December 31, 2020.

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 9, 2022. 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,

A handwritten signature in blue ink that reads "Sean O'Donnell".

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



*Our aim is your peace of mind.*

May 18, 2022

Via e-mail: [sean.odonell@dc.gov](mailto:sean.odonell@dc.gov)

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

RE: Examination of Attorneys Insurance Mutual of the South, Inc., Risk Retention Group as of  
December 31, 2020

Dear Mr. O'Donnell:

We are pleased to accept the draft Report as attached hereto and find no errors or omissions in it.

As there is no Summary of Recommendations requiring future actions, we have no further response.

Yours truly,

Sharon D. Stuart, President

Encl. Draft Report

cc: Board of Directors with Report



Karima M. Woods, Commissioner

Via E-mail

May 25, 2022

Ms. Sharon Stuart, President  
Attorneys Insurance Mutual of the South, Inc., Risk Retention Group  
200 Inverness Parkway  
Birmingham, Alabama 35242-4813

RE: Examination of Attorneys Insurance Mutual of the South, Inc., Risk Retention  
Group as of December 31, 2020

Dear Ms. Stuart:

We are in receipt of your response, dated May 18, 2022, regarding the Report on Examination of Attorneys Insurance Mutual of the South, Inc., Risk Retention Group, (the "Company"), as of December 31, 2020. 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,

A handwritten signature in blue ink that reads "Sean O'Donnell".

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

Enclosure