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

Gennet Purcell
Commissioner

BEFORE THE INSURANCE COMMISSIONER OF THE DISTRICT OF COLUMBIA

Re: Report on Examination - **Life Services Network Reciprocal Insurance Company, a Risk Retention Group**, as of December 31, 2008

ORDER

An Examination of **Life Services Network Reciprocal Insurance Company, a Risk Retention Group** ("Company"), as of December 31, 2008 has been conducted by the District of Columbia Department of Insurance, Securities and Banking ("Department").

It is hereby ordered on this 14th day of June, 2010, 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.

Gennet Purcell
Commissioner

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

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

REPORT ON EXAMINATION

LIFE SERVICES NETWORK RECIPROCAL INSURANCE COMPANY, A RISK RETENTION GROUP

AS OF

DECEMBER 31, 2008

NAIC NUMBER 11958

TABLE OF CONTENTS

Washington, D.C.
February 18, 2010

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

Dear Madame:

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

Life Services Network Reciprocal Insurance Company, a Risk Retention Group

hereinafter referred to as the "Company" or "LSN".

SCOPE OF EXAMINATION

This full-scope examination, covering the period from March 30, 2004 through December 31, 2008, including any material transactions and/or events noted occurring subsequent to December 31, 2008, was conducted by the District of Columbia Department of Insurance, Securities and Banking ("the Department").

Our examination was conducted in accordance with examination procedures established by the Department and procedures recommended by the National Association of Insurance Commissioners ("NAIC") and, accordingly, included such tests of the accounting records and such other examination procedures as we considered necessary in the circumstances.

Our examination included a review of the Company's business policies and practices, management and corporate matters, a verification and evaluation of assets and a determination of the existence of liabilities. 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 (but with an explanatory paragraph) on the Company's financial statements for the years 2004 through 2008. The explanatory paragraph related to the inclusion of letters of credit (LOCs) in the Company's assets and policyholders' surplus. LOCs are allowed by the captive laws of District of Columbia, but are not in compliance with accounting principles generally accepted in the United States of America.

We placed substantial reliance on the audited financial statements for the years 2004 through 2007, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the results for the year ended December 31, 2008. We obtained and reviewed the working papers prepared by the independent public accounting firm related to its audit for the year ended December 31, 2008. We placed substantial reliance on the work of the independent auditor and directed our efforts, to the extent practical, to those areas not covered by the firm's workpapers.

STATUS OF PRIOR EXAMINATION FINDINGS

This is the first examination of the Company.

HISTORY

General:

The Company was organized as a risk retention group (RRG), and as an assessable reciprocal insurance company, under the insurance laws of the District of Columbia to provide medical professional liability and comprehensive general liability coverage to its members which are long-term care facilities primarily based in Illinois. LSN received its certificate of authority on March 30, 2004 and commenced operations on April 1, 2004.

As a reciprocal insurer, the Company operates through an attorney-in-fact, IPMG Attorney In Fact, Inc. ("IPMG AIF"), a District of Columbia corporation. The IPMG-AIF and its subcontractors manage the Company's daily business operations under the supervision of the Subscribers Advisory Committee (Committee), which is elected by the Company's subscribers/policyholders.

Membership:

As a reciprocal insurer and an RRG, the Company is owned by its subscribers/policyholders. The initial capital contribution for each subscriber is calculated at 50 percent of the subscriber's adjusted base rate, which is collected 85 percent in the subscriber's first year of membership and 15 percent upon the next renewal. In addition, each subscriber has a contingent liability for surplus assessments if and to the extent that the Committee votes to assess based on the Company's surplus level. The company does not issue stock or other certificates of ownership.

Each subscriber is automatically a voting member of the Company. The subscribers appoint the Subscribers Advisory Committee at the annual subscribers meeting.

Dividends and Distributions:

During 2008 and 2007, the Company declared and distributed dividends to subscribers in the amounts of $460,055 and $301,921, respectively. No dividends were declared or distributed for the years 2004, 2005 and 2006. All dividend distributions were approved in advance by the Department.

MANAGEMENT

The Company's bylaws have established the Subscribers Advisory Committee as a governing body and the members of the Committee are elected by the full membership of the Company. The following persons were serving on the Company's Subscribers Advisory Committee as of December 31, 2008:

Name and State of Residence	Principal Occupation
Stephen Cichy, Chair Illinois	Executive Director DeKalb Area Retirement Center
Michael Apa Illinois	Executive Director Montgomery Place
Dennis Bozzi Illinois	President Life Services Network of Illinois
Roger Hasler Illinois	Controller Meadows Mennonite Retirement Community
John Larson Illinois	Chief Financial Officer The British Home
Paul Ogier Illinois	Chief Financial Officer Lutheran Senior Services
Teresa Rizzo Illinois	Chief Financial Officer Bethesda Home
John Sahn Illinois	Chief Executive Officer/Administrator John C. Proctor Endowment
David Stieglitz Illinois	Administrator Apostolic Christian Resthaven
Jim Zoros Illinois	Chief Financial Officer United Methodist Homes & Services

The following persons were serving as the Company's officers as of December 31, 2008:

Name	Title
Stephen Cichy	President
David Stieglitz	Vice President
John Larson	Treasurer
Teresa Rizzo	Secretary

The Subscribers Advisory Committee has established the following committees as of December 31, 2008:

Executive committee	Finance committee
Stephen Cichy	Stephen Cichy
David Stieglitz	John Larson
John Larson	Teresa Rizzo
Teresa Rizzo	Dennis Bozzi

Conflicts of Interest:

Our review of the conflict of interest statements signed by the Company's directors and officers for the period under examination disclosed that there were no conflicts of interest reported that would adversely impact the Company. However, we noted a missing a statement from one member of the Subscriber's Advisory Committee for year 2008. We discussed the missing conflict of interest statement with management during the examination and management indicated that they recognized the importance of ensuring all conflict of interest statements were completed and maintained on file going forward

Corporate Records:

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

CAPTIVE MANAGER

Risk Services, LLC ("Risk Services"), of Sarasota Florida is the Company's captive manager since inception, providing management services, including accounting, regulatory service and records retention services to the Company.

AFFILIATED PARTIES AND TRANSACTIONS

As indicated in the "History" section of this report, the Company is a reciprocal insurer, operating through the attorney-in-fact, IPMG Attorney In Fact, Inc. ("IPMG-AIF"), a District of Columbia corporation. The attorney-in-fact has the legal authority to act on behalf of the Company's subscribers/policyholders.

Effective April 1, 2004, IPMG-AIF entered into an administrator agreement with Insurance Program Managers LLC (IPMG LLC), the parent of IPMG-AIF, on behalf of the Company. The term of the agreement is April 1, 2004 through December 31, 2009, with automatic renewal for three-year terms, until cancelled by either party by giving 90 days notice prior to the end of the original term or any successive period. Under the terms of the agreement, IPMG LLC provides daily business management services including marketing, underwriting, billing and collection, and business consulting to the Company. The Company pays IPMG LLC eight (8) percent of annual gross written premiums in the first year and ten (10) percent of annual gross written premiums afterwards with an incentive fee based on the loss ratio. During 2008, The Company paid IPMG LLC the service fee of $191,841 and accrued an incentive fee of $34,629.

The Company also receives claims administration services from ClaimsOne, LLC, and risk management services from Method Management, LLC. Both companies are wholly owned subsidiaries of IPMG LLC.

All of the aforementioned service agreements are approved by the Department. Our review of the agreements did not disclose any unusual terms.

FIDELITY BOND AND OTHER INSURANCE

The Company has no employees and its daily business operations are managed by various service providers. Although the Company itself has no fidelity bond coverage, its administrator, IPMG LLC, and its claims administrator maintain $3,000,000 in fidelity bond coverage and $10,000,000 in professional liability coverage.

PENSION AND INSURANCE PLANS

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

STATUTORY DEPOSITS

As of December 31, 2008, the Company did not have any statutory deposits in the District of Columbia and was not required to maintain any such deposits. In addition, the Company was not required to maintain statutory deposits with any other jurisdictions.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2008, the Company was licensed in the District of Columbia and was registered as a risk retention group in the States of Illinois and Virginia. During 2008 the Company only wrote business in Illinois with total written premiums of $2,110,684.

The Company provides professional and general liability coverage on a claims-made basis to long term care facilities located in Illinois. The Company offers policies with limits of $1,000,000 per claim and $3,000,000 in the annual aggregate per facility, with deductibles of up to $100,000 per claim. Aggregate deductibles are four times the per claim deductible. The Company also underwrites employee benefits liability coverage for wrongful acts, and errors and omissions with limits of $1,000,000 per occurrence and in the annual aggregate. Employee benefits liability coverage is only for wrongful acts, and errors and omissions in relation to the administration of subscribers' employee benefits programs. In addition, the Company provides $1,000,000 coverage in excess of $1,000,000 as a buffer layer that is shared among all insureds who purchase this coverage. This coverage is 100 percent retained by the Company.

The Company has no employees. As a reciprocal insurer, the Company is operating through its Attorney-In-Fact, IPMG AIF and managed by various service providers. The majority of these service providers are affiliated with the Company through IPMG AIF. As indicated in the "Affiliated Parties and Transactions" section of this report, IPMG AIF's parent, IPMG LLC manages the Company's daily business including marketing, underwriting, billing and collection, and business consulting. IPMG LLC's wholly owned subsidiaries, ClaimsOne, LLC administer the Company's claims and Method Management, LLC provide risk management services to the Company. All these services are provided at these companies' offices located at St. Charles, Illinois. The Company's captive manager, Risk Services LLC, provides accounting and regulatory services to the Company at Sarasota, Florida.

INSURANCE PRODUCTS AND RELATED MARKET PRACTICES

This examination was a financial examination, and generally did not include market conduct procedures. An examination of the market conduct affairs of the Company has never been conducted. A market conduct examination would include detailed reviews of the Company's sales and advertising, agent licensing, timeliness of claims processing, and complaint handling practices and procedures.

The scope of our examination did not include market conduct procedures, including, but not limited to, market conduct procedures in the following areas:

- Policy Forms
- Fair Underwriting Practices
- Advertising and Sales Materials
- Treatment of Policyholders:
    - Claims Processing (Timeliness)
    - Complaints

REINSURANCE

Effective April 1, 2004 through to April 1, 2009, the Company entered into an excess of loss reinsurance contract with various reinsurers whereby it cedes losses of $750,000 in excess of $250,000 per occurrence. If two or more insureds are involved in the same claim, then the reinsurance contract covers $625,000 in excess of $375,000. The contract covers up to a maximum of 225 percent of ceded premiums.

In 2008 the Company reported reinsurance premium expense totaling $84,289. As of December 31, 2008, the Company reported "Other amounts receivable under reinsurance contracts" totaling $150,000 (representing estimated amounts recoverable on unpaid losses) and "Prepaid reinsurance" totaling $758,162 (representing estimated premiums due back from the reinsurers.) This amount represented reinsurance deposit premiums estimated by management to be due back from the reinsurer as a result of anticipated favorable loss experience under the reinsurance agreement. If the reinsurers were not able to meet their obligations under the treaties, the Company would be liable for any defaulted amounts.

The treaty was renewed for another 3 years at the same terms during 2009. Our review did not disclose any unusual terms in these treaties.

ACCOUNTS AND RECORDS

The primary location of the Company's books and records is at the offices of its captive manager, Risk Services, located in Sarasota, Florida 34236.

The Company's general accounting records are maintained by its captive manager. IPMG LLC maintains a premium bordereau, which is reported to the manager monthly. Claim payment and case reserve data is maintained by the Company's claims administrator, who reports the claims data to the manager monthly. Our review did not disclose any significant deficiency in these records.

FINANCIAL STATEMENTS

The following financial statements, prepared in accordance with accounting practices generally accepted in the United States of America ("GAAP"), except for the conditions described in **NOTE 2,** reflect the financial condition of the Company as of December 31, 2008, as determined by this examination:

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

BALANCE SHEET

ASSETS

		December 31, 2008
Bonds	$	3,220,292
Common stocks		403,203
Cash ($691,254), cash equivalents ($0), and short-term investments ($476,868) **(NOTE 1)**		1,168,122
Subtotals, cash and invested assets	$	4,791,617
Investment income due and accrued		29,531
Other amounts receivable under reinsurance contracts		150,000
Current federal and foreign income tax recoverable and interest thereon		13,198
Aggregate write-ins for other than invested assets:		
Letters of credit **(NOTE 2)**		112,989
Prepaid reinsurance		758,162
Deductible recoverable		17,420
Other receivables		4,162
Total assets	$	5,877,079

LIABILITIES, SURPLUS AND OTHER FUNDS

	December 31, 2008
Losses **(NOTE 3)**	$ 1,052,245
Loss adjustment expenses **(NOTE 3)**	117,755
Commissions payable, contingent commission and other similar charges	28,315
Other expenses (excluding taxes, licenses and fees)	335,087
Taxes, licenses and fees (excluding federal and foreign income taxes)	14,474
Net deferred tax liability	6,174
Advance premium	1,000
Total liabilities	$ 1,555,050
Gross paid-in and contributed surplus	996,745
Unassigned funds (surplus)	3,325,284
Surplus as regards policyholders	$ 4,322,029
Total liabilities and surplus as regards policyholders	$ 5,877,079

STATEMENT OF INCOME

	2008
UNDERWRITING INCOME	
Premiums earned	$ 2,026,395
DEDUCTIONS	
Losses incurred	$ 329,091
Loss adjustment expenses incurred	41,409
Other underwriting expenses incurred	650,952
Total underwriting deductions	$ 1,021,452
Net underwriting gain	1,004,943
INVESTMENT INCOME	
Net investment income	114,934
Net realized capital gains	9,242
Net investment gain	$ 124,176
Net income before dividends to policyholders and income taxes	$ 1,129,119
Dividends to policyholders	460,055
Federal income tax expense	5,179
Net income	$ 663,885

SURPLUS ACCOUNT

Net income, 2004	$	48,276
Paid in surplus		771,716
Net change in surplus as regards policyholders, 2004	$	819,992
Surplus as regards policy holders, December 31, 2004	$	819,992
Net income, 2005	$	583,544
Paid in surplus		161,767
Net change in surplus as regards policyholders, 2005	$	745,311
Surplus as regards policyholders, December 31, 2005	$	1,565,303
Net income, 2006	$	1,068,727
Paid in surplus		33,165
Net change in surplus as regards policyholders, 2006	$	1,101,892
Surplus as regards policyholders, December 31, 2006	$	2,667,195
Net income, 2007	$	920,113
Paid in surplus		5,095
Net change in surplus as regards policyholders, 2007	$	925,208
Surplus as regards policyholders, December 31, 2007	$	3,592,403
Net income, 2008	$	663,885
Change in net unrealized capital gains		40,741
Paid in surplus		25,000
Net change in surplus as regards policyholders, 2008	$	729,626
Surplus as regards policyholders, December 31, 2008	$	4,322,029

ANALYSIS OF EXAMINATION CHANGES TO SURPLUS

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

COMPARATIVE FINANCIAL POSITION OF THE COMPANY

The comparative financial position of the Company for the periods since inception is as follows:

	2008	2007	2006	2005	2004
Assets	$ 5,877,079	$ 5,342,110	$ 4,215,802	$ 2,297,314	$ 1,719,520
Liabilities	1,555,050	1,749,707	1,548,607	732,011	899,528
Surplus as regards policyholders	4,322,029	3,592,403	2,667,195	1,565,303	819,992
Gross written premium	2,110,684	2,174,750	2,423,920	2,270,163	961,155
Premiums earned	2,026,395	1,714,508	1,933,842	1,863,626	646,225
Net investment gain	124,176	161,230	111,846	29,731	4,088
Net income	$ 663,885	$ 920,113	$ 1,068,727	$ 583,544	$ 48,276

Amounts in the preceding financial statements for the years ended December 31, 2004 through 2007 were taken from the Company's Annual Statements as filed with the Department. Amounts for the year ended December 31, 2008 are amounts per examination.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Cash and Cash Equivalents

As of December 31, 2008 the company reported "Cash, cash equivalents and short-term investments" totaling $1,168,123; of which $586,221 cash balance was held in one institution. This balance exceeded the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). During our examination, we discussed with management the potential risk to the Company from maintaining balances in excess of the FDIC insured limit in a single institution. Management agreed potential risk existed and indicated steps would be taken to mitigate this risk in the future.

NOTE 2 - Letters of Credit:

At December 31, 2008, the Company's surplus as regards policyholders included $112,989 in letters of credit in the possession of the District of Columbia Insurance Commissioner. Under the Laws of the District of Columbia, letters of credit approved by the Department are allowed as admitted assets and surplus as regards policyholders. Inclusion of the letters of credit as assets and surplus as regards policyholders is not in accordance with GAAP.

NOTE 3 - Losses and Loss Adjustment Expense Reserves:

The Company reported "Losses" and "Loss adjustment expenses" reserves in the 2008 annual statement totaling $1,052,245 and $117,755, 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, 2008. Reserve credits taken as of December 31, 2008 totaled $150,000 and were properly carried as assets in accordance with GAAP. If the reinsurers are unable to meet their obligations, the Company will be liable for this amount. The Company does not discount its reserves.

The methodologies utilized by the Company to compute reserves, and the adequacy of the losses and loss adjustment expenses reserves as of December 31, 2008, were reviewed as part of the examination. As part of our review, we relied on the Company's independent actuary, who concluded that the Company's reserves appeared to be sufficient. In addition, we engaged an independent actuary to review the methods employed, assumptions relied upon and conclusions reached by the Company's independent actuary. The independent actuary utilized in our examination concluded that the methods employed, assumptions relied upon and conclusions reached by the Company's independent actuary appeared adequate.

COMMENTS AND RECOMMENDATIONS

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

CONCLUSION

Our examination determined that as of December 31, 2008 the Company's financial statements include the following:

Assets	$ 5,877,079
Liabilities	1,555,050
Gross paid-in and contributed surplus	996,745
Unassigned funds (surplus)	3,325,284
Surplus as regards policyholders	4,332,029
Total liabilities and surplus as regards policyholders	$ 5,877,079

Based on our examination, the accompanying balance sheet properly presents the financial position of the Company at December 31, 2008, and the accompanying statement of income properly presents the results of operations for the year 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.

<u>**SIGNATURES**</u>

In addition to the undersigned, the following examiners representing the District of Columbia Department of Insurance, Securities and Banking participated in this examination:

Jovan Bethell, Johnson Lambert & Co. LLP
Jennifer Gray, Johnson Lambert & Co. LLP
Donald Hansen, Johnson Lambert & Co. LLP
David Mulholland, MBA, Johnson Lambert & Co. LLP

The actuarial portion of this examination was completed by Steven Lattanzio, FCAS, MAAA, FCA and Kristine Fitzgerald, ACAS, MAAA, FCA of Actuarial & Technical Solutions, Inc.

Respectfully submitted,

James A. Murphy
Johnson Lambert & Co, LLP

Under the Supervision of,

Xiangchun (Jessie) Li, CFE
Supervising Examiner
District of Columbia Department of Insurance, Securities and Banking

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

Gennet Purcell
Commissioner

May 25, 2010

Roger Hasler
President
Life Services Network Reciprocal Insurance Company, a Risk Retention Group
C/o Risk Services, LLC
2233 Wisconsin Avenue, N.W., Suite 310
Washington, DC 20007

Dear Mr. Hasler:

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 **Life Services Network Reciprocal Insurance Company, a Risk Retention Group**, as of December 31, 2008.

Please submit, to my attention, a written response calling attention to any errors or omissions in the draft Report. If there are no errors or omissions noted, please submit a statement indicating none were noted and that the Company accepts the Report.

The response must be in writing and shall be furnished to this Department by June 15, 2010**.** 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.o'donnell@dc.gov.

Sincerely,

Sean O'Donnell

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

Enclosure

Life Services Network Reciprocal Insurance Company, A Risk Retention Group

May 27, 2010

Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau
D. C. Department of Insurance, Securities and Banking
1400 L Street, NW, Suite 400
Washington, DC 20005

RE: Life Services Network Reciprocal Insurance Company, A Risk Retention Group
NAIC # 11958

Dear Mr. O'Donnell:

The following list contains recommended changes for the Report of Examination of the Company as of December 31, 2008.

- Page #2, first paragraph in the Membership section is missing the word "the". It should read "to the extent that the Committee"
- Page #3, bottom of the page, David Stieglitz is the "Administrator" not "Administrators".
- Page#4, John Larson's name under the Finance Committee should be aligned with the other names.
- Page#6, the total written premium in the first paragraph should be $2,110,684.
- Page#6, last paragraph. Should it read "The scope of our examination did include market conduct procedures"?
- Page #8, The Page numbers listed do not match the actual page numbers.
- Page #13, The gross written premium for 2004 should be $961,155 not $96,155.

These changes are shown in red-line in the word document included herewith.

Sincerely,

Roger Hasler

Roger Hasler
President
Life Services Network Reciprocal Insurance Company, A Risk Retention Group

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

Gennet Purcell
Commissioner

June 14, 2010

Roger Hasler
President
Life Services Network Reciprocal Insurance Company, a Risk Retention Group
C/o Risk Services, LLC
2233 Wisconsin Avenue, N.W., Suite 310
Washington, DC 20007

Dear Mr. Hasler:

We are in receipt of your response dated May 27, 2010, regarding the Report on Examination of **Life Services Network Reciprocal Insurance Company, a Risk Retention Group** ("Company") as of December 31, 2008. The response is deemed adequate. Thank you for the list of recommended changes. We have made all changes to the final Report except the change regarding market conduct procedures. The scope of this examination generally did not include market conduct procedures.

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 Commissioner whose name is set forth on Page 1 of the Report, as well as 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 202-535-1169 if you have any questions.

Sincerely,

Sean O'Donnell

Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau

Enclosures