

EXAMINATION REPORT OF
NCMIC INSURANCE COMPANY
CLIVE, IOWA
AS OF DECEMBER 31, 2020

Clive, Iowa
December 21, 2021

HONORABLE DOUG OMMEN
Commissioner of Insurance
Insurance Division
State of Iowa
Des Moines, Iowa

Commissioner:

In accordance with your authorization and pursuant to Iowa statutory provisions, an examination has been made of the records, business affairs and financial condition of

NCMIC INSURANCE COMPANY

CLIVE, IOWA

AS OF DECEMBER 31, 2020

at its Home Office, 14001 University Avenue, Clive, Iowa.

INTRODUCTION

NCMIC Insurance Company, hereinafter referred to as the “Company”, was last examined as of December 31, 2015. The examination reported herein was conducted as an examination of an insurance holding company group by the Iowa Insurance Division. The Company’s wholly owned subsidiary, Professional Solutions Insurance Company, was also examined as part of the holding company group, with separate examination reports prepared for each entity.

SCOPE OF EXAMINATION

This is the regular comprehensive financial examination of the Company covering the intervening period from January 1, 2016 to close of business on December 31, 2020, including any material transactions and/or events occurring and noted subsequent to the examination period.

The examination was conducted in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook. The Handbook requires that we plan and perform the examination to evaluate the financial condition, 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. 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 and general information about the insurer and its financial condition.

HISTORY

The Company was incorporated in January 1946, at Webster City, Iowa as the National Chiropractic Insurance Company with perpetual corporate existence. In March 1965, the Articles of Incorporation and Bylaws were amended whereby the principal place of business was changed to Des Moines, Iowa. The Articles and Bylaws were again amended in April 1987, to change the principal place of business to West Des Moines, Iowa. On February 21, 2003, the Company changed the principal place of business to Clive, Iowa.

In July 1974, the Articles were amended whereby the word “Mutual” was inserted in the Company’s title, thereby changing the name to National Chiropractic Mutual Insurance Company. Amended and Substituted Articles of Incorporation and Bylaws were adopted by the Company in November 1974, which authorized the Company to transact the business of insurance under the provisions of Chapter 515, Code of Iowa.

May 9, 1997, the Company filed a Plan of Reorganization with the Iowa Commissioner of Insurance as permitted by Section 521A.14, Code of Iowa. Effective October 1, 1997, with the approval of the Iowa Insurance Commissioner, the Company reorganized by creating a mutual holding company, National Chiropractic Mutual Holding Company (NCMHC), incorporated under Chapter 491, Code of Iowa. As a result, the policyholders’ membership interests in the Company were transferred to NCMHC, with the membership interests in the Company terminated.

In conjunction with the reorganization, the Company caused the organization of NCMIC Group, Inc., pursuant to Chapter 490, Code of Iowa, which is wholly owned by NCMHC.

The Company simultaneously reorganized as a non-life insurer under Chapter 515, Code of Iowa, and as a stock corporation by the adoption of Amended and Restated Articles of Incorporation. In addition, the Company changed its name to NCMIC Insurance Company.

Effective March 12, 1998, the organizational structure was reorganized by the addition of National Holdings, Inc. with all voting stock owned by NCMIC Group, Inc. All of the outstanding stock of NCMIC Insurance Company was then transferred to National Holdings, Inc.

CAPITAL STOCK AND DIVIDENDS

The Articles of Incorporation authorize the Company to issue 10,000,000 shares of \$1.00 par value common stock. Issued and outstanding capital stock, as of December 31, 2020, consists of 5,000,000 shares with \$5,000,000 in common capital stock and \$8,000,000 in gross paid in and contributed surplus.

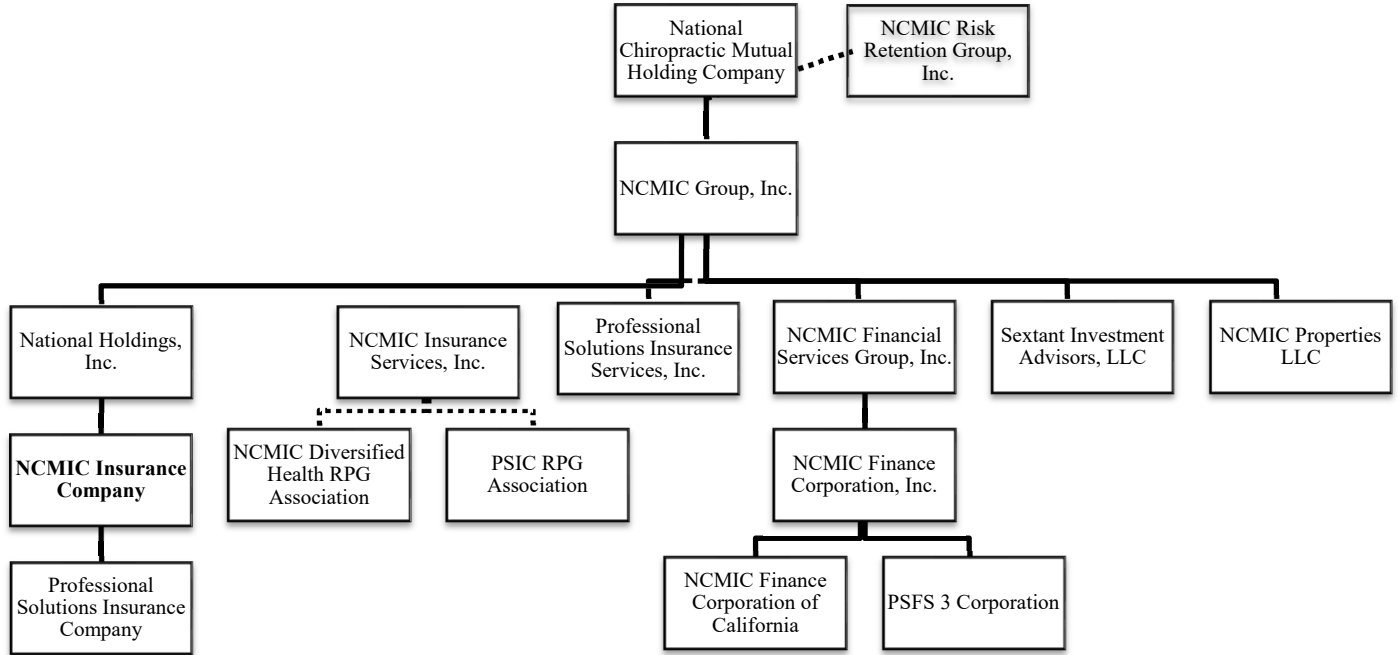
Dividends were declared to stockholders during the examination period as follows:

2016	\$5,000,000
2017	5,000,000
2018	5,000,000
2019	5,000,000
2020	5,000,000

HOLDING COMPANY ACT

The Company is a member of a Mutual Insurance Holding Company System and properly filed Holding Company Registrations in accordance with Chapter 521A, Code of Iowa.

The subsidiary companies controlled by National Chiropractic Mutual Holding Company, the ultimate parent, are listed as follows:



MANAGEMENT AND CONTROL

SHAREHOLDERS

The Bylaws specify that the annual meeting of the shareholders shall be held at such place, either within or without the State of Iowa, as may be fixed by the Board of Directors, on the first Wednesday of April of each year at 9:00 a.m. or at such other time on said day or on such other day as shall be fixed by the Board of Directors. At the annual meeting, the shareholders shall elect the Board of Directors and transact such other business as shall properly come before them. Each shareholder shall be entitled to one (1) vote for each share of stock standing in his, her, or its name on the books of the Corporation, whether represented in person or by proxy.

Special meetings of the shareholders may be called by the President, the Board of Directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or by any two (2) officers of the Corporation other than the President.

A majority of the shares issued and outstanding represented either in person or by proxy shall constitute a quorum for the transaction of business.

BOARD OF DIRECTORS

Except as otherwise provided by law, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Corporation shall be managed by or under the direction of, the Board of Directors. The Board of Directors shall consist of not be less than five (5) nor more than twenty-one (21) directors, with the actual number to be set, from time to time, by Resolution of the Board of Directors. They shall be elected annually and need not be residents of the State of Iowa.

The regular annual meeting of the Board of Directors shall be held upon adjournment of the annual meeting of the shareholders. Any other regular meeting shall be held on call of the President or the Executive Committee. All meetings of the Board shall be at the home office of the Corporation or at such other locality, either within or without the State of Iowa, as the President determines. The hour at which other regular meetings of the Board of Directors shall convene shall be fixed by the President or the Executive Committee as to each such meeting. No notice shall be required for any regular meeting of the Board of Directors.

Special meetings of the Board of Directors may be called by the President or by the Executive Committee and shall be called by either of them and requires of a majority of the directors.

A majority of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

At December 31, 2020, individuals duly elected and serving as corporate directors were as follows:

<u>Name and Address</u>	<u>Principal Business Affiliation</u>	<u>Term Expires</u>
David M. Baccile Clive, Iowa	Chief Investment Officer NCMIC Group, Inc.	2021
Anthony M. Dickinson Clive, Iowa	President, Financial Services NCMIC Financial Services Group, Inc.	2021
Traci L. Galligan Clive, Iowa	Senior Vice President, Human Resources NCMIC Group, Inc.	2021
Scott A. Gojkovich Clive, Iowa	Senior Vice President, Marketing NCMIC Group, Inc.	2021
Matthew R. Gustafson Clive, Iowa	Treasurer / Chief Finance Officer National Chiropractic Mutual Holding Company	2021
Charles E. Herbert Clive, Iowa	Senior Vice President, Enterprise Organizational Development NCMIC Group, Inc.	2021
Melissa A. Knutson Clive, Iowa	Senior Vice President, Risk Operations National Holdings, Inc.	2021
Mike R. McCoy Clive, Iowa	Chief Executive Officer National Chiropractic Mutual Holding Company	2021
David M. Siebert Clive, Iowa	President, Insurance Operations National Holdings, Inc.	2021

The members of the Board of Directors, while attending meetings or traveling in the interest or affairs of the Company, shall be entitled to reimbursement for their transportation, out-of-pocket expenses and such other compensation that is determined by resolution of the Board from time to time.

COMMITTEES

The Board of Directors may appoint an Executive Committee. The Board of Directors may also appoint other committees, with such name or names as it may determine. The appointment of any committee and the delegation thereto of authority shall not relieve the Board of Directors, or any director, of any responsibility imposed by law.

The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors not otherwise delegated to other committees or limited by the Executive Committee charter. All other committees shall, when the Board of Directors is not in session, perform the duties and exercise the powers delegated to them. A committee of the Board of Directors shall not: (i) authorize or approve distributions, except according to a formula or method, or within limits, prescribed by the Board of Directors; (ii) approve or propose to shareholders action that the law requires be approved by shareholders; (iii) fill vacancies on the Board of Directors or on any of its committees; (iv) adopt, amend, or repeal Bylaws of the Corporation; (v) adopt a plan of merger or consolidation; or (vi) elect or remove officers.

A majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of any committee must be authorized by the affirmative vote of a majority of the members present at a meeting.

Members of the Audit & Finance Committee as of December 31, 2020 are:

Mary Ann Cloyd (Chairperson)
Matt Gustafson
David Jasmund
Dana Kilborne
Mike McCoy
Patrick McNerney
Suku Radia
Wayne Wolfson

OFFICERS

The designated officers of the Corporation shall be a President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Any two offices may be held by the same person except the offices of President and Secretary.

The officers of the Corporation shall be elected annually by the Board of Directors at its regular annual meeting. Each officer shall hold office until a successor is elected and qualified or until death, or resignation, or removal.

Duly elected officers at December 31, 2020 were as follows:

<u>Name</u>	<u>Title</u>
David M. Siebert	President, Insurance Operations
Matthew R. Gustafson	Treasurer
Emily L. Drake	Corporate Secretary, Legal Compliance Officer, Director of Compliance
Thomas J. Riley	Chief Finance Officer

Melissa A. Knutson
Keith P. Henaman
Arthur J. Simpson
Michael J. Whitmer

Senior Vice President, Risk Operations
Vice President, Claims
Vice President, Agency Insurance Services
Vice President, Chiropractic Insurance Programs

The salaries of the officers are shown in Exhibit A to be found at the end of this report.

CONFLICT OF INTEREST STATEMENTS

The Company has a written Code of Ethical Conduct and has procedures in place for the annual disclosure to its Board of Directors of any material interest or affiliation of its officers or directors, which is in conflict with their official duties. The disclosures were found to be signed annually by the directors and officers and were presented to the Audit and Finance Committee. Potential conflicts were disclosed and were deemed not to have a material impact on the operations of the Company.

CORPORATE RECORDS

The Articles of Incorporation have remained unchanged during the exam period. Bylaws were amended and restated in 2017. The recorded minutes of the shareholders, Board of Directors, and provided committees were read and noted. Upon review of the recorded minutes of the Board of Directors, it was noted the Iowa Insurance Division's Examination Report as of December 31, 2015 was acknowledged in the meeting minutes held on April 5, 2017.

AFFILIATED TRANSACTIONS

Borrowed Money and Loans to Affiliates

The Company is a member of the Federal Home Loan Bank (FHLB) of Des Moines. As of December 31, 2020, the Company has borrowed cash advances of \$45,000,000 to fund affiliate growth. Examiner verified the total cash advances value to the notes to the Key Annual Statements for total notes receivable from affiliated companies. The advances are loaned out as notes receivable to affiliates at an interest rate of fifty basis points over the stated interest rate. The notes receivable breakdown is \$21,000,000 to NCMIC Group, Inc., its upstream parent, and \$24,000,000 to NCMIC Finance Corporation, Inc., an affiliate. Maturities range from March 15, 2021 to December 15, 2025 with interest rates from 1.26% to 3.0%. All of the loans require collateral in excess of 100 percent of the loan to be pledged in the event a loan is not paid.

Service and Expense Allocation Agreement

The Company is a named affiliate on an expense allocation agreement with other entities within the Holding Company. The Companies have agreed to provide and make available to each other the services of their personnel, the apportionment of space, and the use of equipment, as long as such arrangement does not interfere with or impede their business operations. Cost shall be allocated on a fair and equitable basis and in conformity with SSAP No.70. All billings between the parties shall be settled within thirty days. This agreement may be terminated by giving thirty days prior written notice.

Investment Management Agreement

The Company entered into an investment management agreement with affiliate, Sextant Investment Advisors, LLC, whereby Sextant shall act as an investment advisor for the management of securities and cash in accordance with the Company's Investment Policy and Guidelines Statement. This agreement may be terminated by giving thirty days prior written notice.

Capital Maintenance Agreement

On January 16, 2020, National Chiropractic Mutual Holding Company, NCMIC Insurance Company, and Professional Solutions Insurance Company (PSIC) entered into a Capital Maintenance Agreement. Per the terms of the agreement, the companies collectively agreed to maintain PSIC's total adjusted capital at or above 400% of authorized control level risk-based capital. The Capital Maintenance Agreement was requested by the Rhode Island Division of Insurance Regulation as a condition of approving PSIC to transact business in Rhode Island.

Federal Income Tax Sharing Agreement

The Company has a federal income tax sharing agreement with its parent.

FIDELITY BONDS AND OTHER INSURANCE

The Company and other named affiliates, are protected by a \$5,000,000 fidelity bond, with a \$100,000 deductible, which meets the NAIC's suggested minimum amount of coverage.

The other interests of the Company appear to be adequately protected through coverages afforded by policies in force with admitted insurers.

EMPLOYEES' WELFARE

NCMIC Group, Inc. provides a variety of benefit options for its employees. Qualified employees are provided with group-term life insurance and long-term disability. Comprehensive major medical, group dental, vision, and additional group-term life insurance are available on a contributory and voluntary basis. A 401(k) plan is in place whereby the Company will match up to 6 percent a pay check and employees may contribute to a Roth(k) plan.

REINSURANCE

ASSUMED

Affiliated: The Company assumes 90% of the gross written premium of its wholly owned subsidiary, Professional Solutions Insurance Company, and 90% of the gross written premium of its affiliate, NCMIC Risk Retention Group.

Assumed 2020 affiliated premiums totaled \$42,528,422

Unaffiliated: The Company is a participant in various assumed treaties that cover medical professional liability, directors' and officers' liability, and employment practice liability for hospitals, health care facilities and other health care providers. NCMIC Insurance Company began participating on the Lloyd's syndicate accounts in calendar year 2014 starting with the 2014 year of account (YOA).

Assumed 2020 unaffiliated premiums totaled \$72,814,450.

CEDED

Per Event Excess Casualty

Covers all business classified as Professional Liability, related General Liability and related Corporate or Professional Association business insured on a per occurrence or claims-made basis, as respects chiropractors, schools/colleges of chiropractic, dentist, schools/colleges of dentistry, naturopaths, physicians, and surgeons.

The Company shall retain the first \$1,000,000 of Ultimate Net Loss, as respects each Loss Event. The Reinsurer shall then be liable for the amount of Ultimate Net Loss in excess of \$1,000,000 each Loss Event, but the sum recoverable shall not exceed \$5,000,000 as respects each Loss Event.

The Reinsurer's limit of liability in the aggregate under this Contract, as respects all Loss Events commencing under Policies allocated to this Contract, shall be \$16,000,000.

For the purpose of this Contract, the Companies' maximum Policy limits shall be deemed \$5,000,000 per Insured, per loss, \$7,000,000 in the annual aggregate, or so deemed.

Quota Share Reinsurance Agreement Continuous Contract

Covers claims made on original business endorsements issued to Insureds with policies that incept or renew on or after July 1, 2020. Physicians and Surgeons are covered for Regulatory Proceeding, Network Security & Privacy Proceeding Insurance. Dentists are covered for Network security & Privacy Proceeding Insurance. The Company cedes 100% of the Company's liability to participating reinsurers up to the following limits:

Physicians and Surgeons & Dentists: \$50,000 per claim and up to \$50,000 in the aggregate.

Physicians and Surgeon & Dental Groups and Physicians and Surgeon Solo Practices: \$50,000 per claim. With an aggregate as follows:

1	Physician/Dentist	\$ 50,000
2-10	Physicians/Dentists	100,000
11-20	Physicians/Dentists	150,000
21+	Physicians/Dentists	250,000

Ceded 2020 premiums totaled \$9,592,634.

STATUTORY DEPOSIT

As of December 31, 2020, the book/adjusted carrying value of special deposits held in trust by the Insurance Commissioner, for the benefit of all policyholders, totaled \$2,748,258.

The book/adjusted carrying value of securities held for other jurisdictions were:

Arkansas	\$ 89,132	New Mexico	\$ 250,319
Georgia	46,442	Guam	60,819
Massachusetts	116,836	Puerto Rico	1,116,895
North Carolina	217,746	U.S. Virgin Islands	545,858

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in all fifty states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The top five states representing direct written premiums are California (10.86%), Texas (8.05%), Illinois (6.65%), Washington (4.54%), and Ohio (4.43%). Iowa accounted for \$1,658,192 or 2.75% of 2020 direct written premiums.

NCMIC Insurance Company insures over forty thousand chiropractors in the fifty states, District of Columbia, as well as United States Territories, which represents over 50% of the total licensed chiropractors in these venues. In addition, the Company also insures nearly all of the chiropractic colleges in the United States.

The Company's major lines of business continue to be medical professional liability occurrence and claims made coverage marketed to doctors of chiropractic.

NCMIC Insurance Company primarily produces business on a direct-marketing basis through twenty-six licensed employee/producers.

GROWTH OF COMPANY

The following information was obtained from the office copies of the annual statements.

<u>Year</u>	<u>Admitted Assets</u>	<u>Surplus to Policyholders</u>	<u>Net Premiums Earned</u>	<u>Net Losses Incurred</u>	<u>Investment Income Earned</u>
2016	\$732,655,730	\$292,380,261	\$ 141,807,773	\$46,623,141	\$12,783,874
2017	782,763,186	299,457,017	163,801,325	77,750,936	11,681,039
2018	818,306,840	306,474,393	184,192,733	87,318,533	14,162,776
2019	877,682,629	321,361,154	210,870,824	122,203,446	16,357,592
2020	895,105,443	334,110,029	175,499,183	102,364,725	17,572,850

ACCOUNTS AND RECORDS

Trial balances were prepared for the exam years under review. Amounts from the electronic general ledger accounts were reconciled and found to be in agreement with balances reported on the filed annual statements for assets, liabilities, income or disbursements.

During the course of the examination, no material, aggregate surplus difference was identified from the amount reflected in the financial statements, as presented in the annual statement at December 31, 2020.

SUBSEQUENT EVENTS

COVID-19 Pandemic

The Iowa Insurance Division continues to monitor the impact of the COVID-19 global pandemic on all of its domestic insurers, including the Company.

FINANCIAL STATEMENTS
AND COMMENTS THEREON

NOTE: The following financial statements are based on the statutory financial statements filed by the Company with the Iowa Insurance Division and present the financial condition of the Company for the period ending December 31, 2020.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

	<u>Ledger</u>	<u>Not Admitted</u>	<u>Admitted</u>
Bonds	\$ 508,383,772	\$ -	\$ 508,383,772
Common stocks	105,291,594		105,291,594
Cash and short-term investments	51,247,485		51,247,485
Other invested assets	76,687,249		76,687,249
Investment income due and accrued	3,125,684		3,125,684
Deferred premiums booked and not yet due	144,076,957		144,076,957
Amounts recoverable from reinsurers	104,505		104,505
Current federal and foreign income tax recoverable	372,837		372,837
Net deferred tax asset	5,517,643		5,517,643
Receivables from parent, subsidiaries and affiliates	297,715		297,715
Total assets	<u>\$ 895,105,443</u>	<u>\$0</u>	<u>\$ 895,105,443</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Losses	\$ 239,328,532
Reinsurance payable on paid losses and loss adjustment expenses	80,639,000
Loss adjustment expenses	111,035,695
Commissions payable, contingent and other	397,981
Other expenses	37,590
Taxes, licenses and fees	413,754
Borrowed Money	45,000,000
Unearned premiums	74,794,675
Advance premium	1,346,390
Dividends declared and unpaid – Policyholders	3,608,001
Ceded reinsurance premiums payable	2,264,477
Amounts withheld or retained by company for account of others	126,061
Drafts outstanding	16,009
Payable to parent, subsidiaries and affiliates	25,025
Extended Coverage Payable	27,270
Premium Deficiency Reserves	1,934,955
Total liabilities	<u>\$ 560,995,414</u>
Aggregate write-ins for special surplus funds	\$1,000,000
Common Capital Stock	5,000,000
Gross paid in and contributed surplus	8,000,000
Unassigned funds (surplus)	<u>320,110,029</u>
Surplus as regards policyholders	<u>\$ 334,110,029</u>
Total liabilities and surplus	<u>\$ 895,105,443</u>

STATEMENT OF INCOME

Underwriting Income

Premiums earned		\$ 175,499,183
<u>Deductions</u>		
Losses incurred	\$ 102,364,725	
Loss adjustment expenses incurred	34,535,921	
Other underwriting expenses incurred	40,112,538	
Change in Premium Deficiency Reserves	1,615,158	
Total underwriting deductions		<u>178,628,342</u>
Net underwriting gain (loss)		\$ (3,129,159)

Investment Income

Net investment income earned	\$ 17,572,850	
Net realized capital gains (losses)	<u>4,157,236</u>	
Net investment gain (loss)		21,730,086

Other Income

Net gain (loss) from agents' or premium balances charged off	\$ (26,531)	
Finance and service charges not included in premiums	525,793	
Foreign Exchange Gain	<u>242,343</u>	
Total other income		<u>\$741,604</u>
Net income before dividends to policyholders		\$ 19,342,531
Dividends to policyholders		<u>3,428,172</u>
Net income before federal income tax		\$ 15,914,360
Federal and foreign income taxes incurred		<u>1,969,478</u>
Net income		<u>\$ 13,944,881</u>

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, 2019	<u>\$ 321,361,154</u>
<u>Gains and (Losses) in Surplus</u>	
Net income	\$ 13,944,881
Change in net unrealized capital gains or (losses)	6,889,637
Change in net unrealized foreign exchange capital gain (loss)	(994,611)
Change in net deferred income tax	(2,075,024)
Change in provision for reinsurance	(16,009)
Dividends to stockholders	<u>(5,000,000)</u>
Change in surplus as regards policyholders for the year	<u>\$ 12,748,875</u>
Surplus as regards policyholders, December 31, 2019	<u>\$ 334,110,029</u>

CASH FLOW STATEMENT

Cash from Operations

Premiums collected net of reinsurance	\$ 189,322,662	
Net investment income	17,894,705	
Miscellaneous Income	<u>741,604</u>	
Total		\$ 207,958,972
Benefit and loss related payments	\$ 97,329,402	
Commissions, expenses paid and aggregate write-ins	69,256,886	
Dividends to policyholders	4,764,171	
Federal income taxes (paid) recovered	<u>3,798,229</u>	
Total		<u>175,148,688</u>
Net cash from operations		<u>\$ 32,810,284</u>

Cash from Investments

Proceeds from investments sold, matured or repaid:		
Bonds	\$ 288,705,590	
Stocks	81,271,682	
Other invested assets	<u>14,392,057</u>	
Total investment proceeds		\$ 384,369,329
Cost of investments acquired (long-term only):		
Bonds	\$ 266,620,285	
Stocks	110,968,512	
Other invested assets	<u>14,193,250</u>	
Total investments acquired		<u>391,782,046</u>
Net cash from investments		<u>\$ (7,412,717)</u>

Cash from Financing and Miscellaneous Sources

Dividends to stockholders	5,000,000	
Other cash provided (applied)	<u>\$ (688,453)</u>	
Net cash from financing and miscellaneous sources		<u>\$ (5,688,453)</u>

RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments	\$ 19,709,114
Cash, cash equivalents and short-term investments:	
Beginning of year	<u>31,538,372</u>
End of period	<u>\$ 51,247,485</u>

CONCLUSION

The cooperation and assistance extended by the officers and employees of the Company is hereby acknowledged.

In addition to the undersigned, John Echeveste, Mick Jepsen, Aaron Syverson, and Logan Thomsen, Examiners for the Iowa Insurance Division, participated in the examination and preparation of this report.

A review of the information technology systems was performed by Kristina Gaddis, CFE, CISA, AES of Risk and Regulatory Consulting (RRC). The actuarial audit was performed by Jennifer Balester, FCAS, MAAA, and Scott Merkord, FCAS, MAAA of RRC.

Respectfully submitted,

/s/ Amanda Theisen
AMANDA THEISEN, CFE
Examiner-in-Charge
Insurance Division
State of Iowa