

EXAMINATION REPORT OF  
PROFESSIONAL SOLUTIONS 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

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

CLIVE, IOWA

AS OF DECEMBER 31, 2020

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

INTRODUCTION

Professional Solutions 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 Parent, NCMIC 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 the 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 West Des Moines, Iowa on May 11, 2001 under the provisions of Chapter 515, Code of Iowa, to write insurance and reinsurance business upon the stock plan. The Company commenced business on June 26, 2001.

The Company was initially capitalized by NCMIC Insurance Company through the purchase of 2,500,000 common stock shares and \$2,811,700 in gross paid in and contributed surplus. On August 16, 2002, NCMIC Insurance Company invested \$2,709,376 in additional paid in capital. On September 18, 2003, NCMIC Insurance Company purchased an additional 500,000 shares of common stock. On June 26, 2006, the Company received \$500,000 of additional paid in capital from its immediate Parent, NCMIC Insurance Company. On September 25, 2019, NCMIC Insurance Company invested an additional \$2,000,000 in the Company by purchasing an additional 2 million shares of common stock at \$1 par value, making their total ownership interest at 5,000,000 shares.

By amendment to the Articles of Incorporation adopted February 21, 2003, the principal place of business was changed from West Des Moines, Iowa to Clive, Iowa.

## CAPTIAL STOCK AND DIVIDENDS

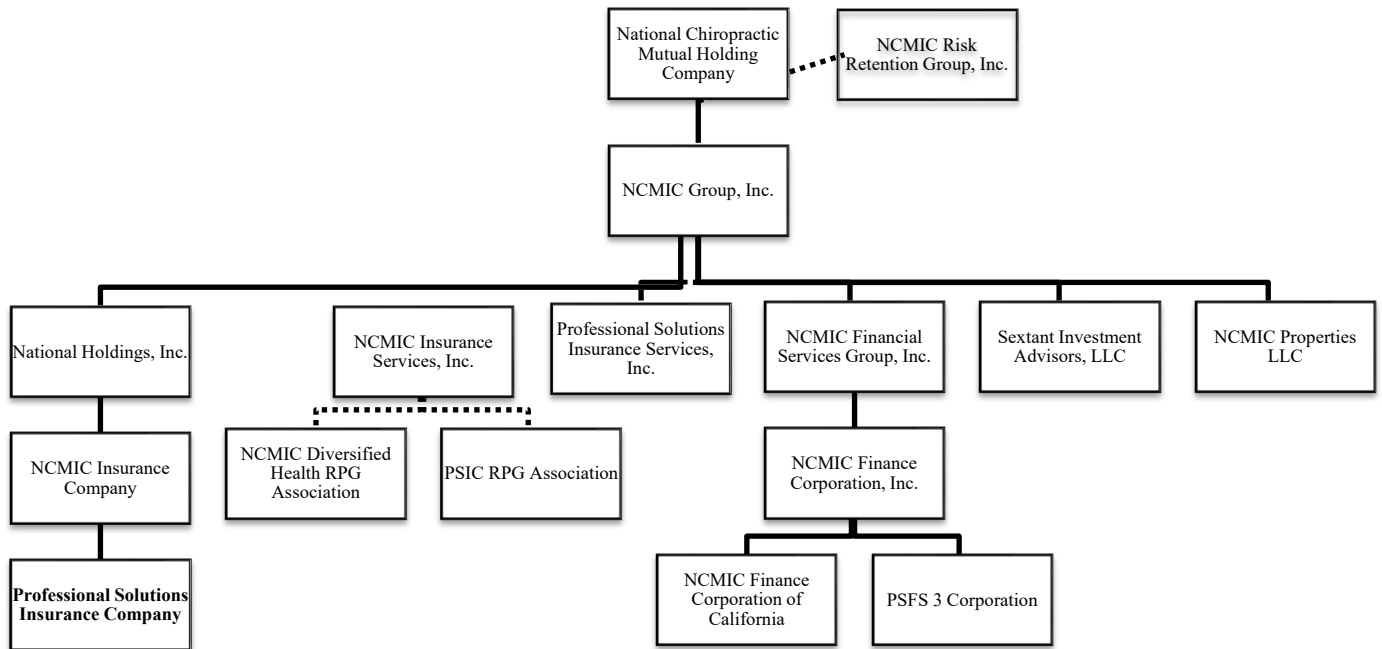
The Articles of Incorporation authorize the Company to issue 10,000,000 shares of \$1.00 par value common stock. Issued and outstanding capital stock, as of December 31, 2020, consists of 5,000,000 shares with \$5,000,000 in common capital stock and \$6,021,076 in gross paid in and contributed surplus.

Dividends were not declared to stockholders during the examination period.

## 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 10:00 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 at the 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 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.

Committee members shall be appointed annually.

Regular meetings of any committee may be held without notice at such times and places as the committee may fix or as determined by the committee chair. Special meetings of any committee may be called by a majority of members thereof, or by the President, upon not less than two days' notice stating the place, date, and hour of the meeting. 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	Senior Vice President, Risk Operations
Keith P. Henaman	Vice President, Claims
Arthur J. Simpson	Vice President, Agency Insurance Services
Joseph S. Soda	Vice President, Physician Programs
James E. West	Vice President, Corporate Business Development

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

##### 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 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, 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

#### CEDED

Affiliated: The Company cedes 90% of the gross written premium to its immediate Parent, NCMIC Insurance Company.

Ceded 2020 premiums totaled \$34,801,605.

#### 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 \$1,358,762.

#### Sale of Attorney Shield Block

In 2019, PSIC entered into a reinsurance agreement to cede 100% of the Attorney Shield block to Berkley Insurance Company. During 2020, the 'sale' of the Attorney Shield business was completed.

#### Unaffiliated Partnerships Ceded Coverage

In 2020, the Company in partnership with three outside entities began writing Professional Liability insurance and cyber liability insurance for private and not-for-profit organizations, personal disaster insurance, and defined benefit insurance. Below are the reinsurance coverages in place for these partnerships.

#### Quota Share Reinsurance

The Company shall cede, and the Reinsurer shall accept, a 80% quota share participation in respect to all Policies produced and underwritten to an unaffiliated third party on behalf of the Company and classified by the Company as Not-For-Profit or Private Company Management and Professional liability. The Company shall retain at least a 20% part of 100% share in the interests and liabilities of the Reinsurer hereunder, net and unreinsured except as respects any quota share reinsurance among companies under the ownership or management of NCMIC Insurance Company, including any retrocessions thereof, and also except for any clash or contingency reinsurance that may apply.

The limit of gross liability to the Reinsurer for loss shall not exceed its proportionate share of \$5,000,000 per occurrence or claim made as applicable, plus its proportionate share of loss adjustment expense, plus its proportionate share of any extra contractual obligations and/or excess limits liability as set forth in the Extra Contractual Obligations and Excess Limits Liability Article.

Additionally, the total limit of liability to the Reinsurer for reinsurance losses shall not exceed 250% of the ceded net subject collected premium on all policies written or renewed during the term of this contract.

This Contract shall indemnify the Company, as set forth in the Retention and Limit Article, in respect of the liability which may accrue to the Company as a result of loss or losses under Policies in force at the effective time and date of this Contract, or issued or renewed at or after that time and date, by or on behalf of the Company, in respect of all business classified by the Company as Personal Disaster Insurance.

The Company shall cede, and the Reinsurer shall accept as reinsurance, a 80% quota share of all business reinsured hereunder. The Reinsurer shall pay to the Company the Reinsurer's quota share of losses under the Policies, Loss Adjustment Expense, Extra Contractual Obligations, and Loss in Excess of Policy Limits covered under this Contract.

Notwithstanding the above, the Reinsurer's liability as respects any one Loss Occurrence, shall not exceed its quota share of the greater of (1) \$10,000,000 or (2) the Gross Net Earned Premium Income for the term of this Contract, plus the run-off period, if any.

The Company shall have no less than a 20% share in the interests and liabilities of the Reinsurer hereunder, net and unreinsured elsewhere (except for intercompany reinsurance).

#### Excess of Loss Reinsurance

The Reinsurer shall reinsure the excess liability which may accrue to the Company under its policies written or renewed, produced, and underwritten by an unaffiliated third party on behalf of the Company and classified by the Company as Management and Professional liability business with policy limits greater than \$2,000,000.

#### 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 \$2,616,364.

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

Arizona	\$596,098	Arkansas	\$103,014
Florida	219,332	New Mexico	651,885
Georgia	90,919	Nevada	255,196
North Carolina	326,619	Massachusetts	105,764
South Carolina	135,448		

#### TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in the District of Columbia and all states, except Idaho, and Maine. The top five states representing direct written premiums are Illinois (29.8%), Michigan (14.3%), Oklahoma (7%), Ohio (5.7%), and California (5.5%). Iowa accounted for \$1,171,447 of 2020 direct written premiums.

The Company's major lines of business continue to be medical professional and other liability-occurrence and claims made coverage marketed to medical doctors, dentists, and naturopaths. In 2020, the Company in partnership with three outside entities, began writing management and professional liability insurance and cyber liability insurance for private and not-for-profit organizations, personal disaster insurance, and defined benefit legal expense insurance.

The Company solicits their direct business through a network of independent producer/brokers operating in 42 jurisdictions which consists of approximately 80 appointed 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	\$23,484,792	\$8,017,013	\$3,333,043	\$1,352,190	\$249,217
2017	24,106,532	8,359,129	3,340,534	1,116,344	274,037
2018	23,791,370	7,837,268	3,368,831	1,216,411	310,855
2019	26,653,230	10,170,851	2,859,050	1,163,747	333,601
2020	31,462,626	9,133,093	2,927,466	2,048,909	342,415

### 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: Except as otherwise stated, the financial statements immediately following reflect only the transactions for the period ending December 31, 2020 and the assets and liabilities as of this date. Schedules may not add or tie precisely due to rounding.

STATEMENT OF ASSETS AND LIABILITIES

ASSETS

	<u>Ledger</u>	<u>Not Admitted</u>	<u>Admitted</u>
Bonds	\$ 15,971,578	\$ -	\$ 15,971,578
Cash and short-term investments	3,575,785		3,575,785
Investment income due and accrued	102,049		102,049
Deferred premiums booked and not yet due	9,723,870		9,723,870
Amounts recoverable from reinsurers	1,853,620		1,853,620
Current federal and foreign income tax recoverable	119,090		119,090
Net deferred tax asset	73,414		73,414
Receivables from parent, subsidiaries and affiliates	4,954		4,954
Aggregate write-ins	38,266		38,266
Total assets	<u>\$ 31,462,626</u>	<u>\$0</u>	<u>\$ 31,462,626</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Losses	\$ 7,107,347
Loss adjustment expenses	3,542,239
Other expenses	15,136
Taxes, licenses and fees	89,607
Unearned premiums	1,861,922
Advance premium	1,617,115
Ceded reinsurance premiums payable	7,576,384
Amounts withheld or retained by company for account of others	335
Payable to parent, subsidiaries and affiliates	305,025
Aggregate write-ins	214,423
Total liabilities	<u>\$ 22,329,533</u>
Common Capital Stock	5,000,000
Gross paid in and contributed surplus	6,021,076
Unassigned funds (surplus)	<u>(1,887,983)</u>
Surplus as regards policyholders	<u>\$ 9,133,093</u>
Total liabilities and surplus	<u>\$ 31,462,626</u>

## STATEMENT OF INCOME

### Underwriting Income

Premiums earned		\$ 2,927,466
<u>Deductions</u>		
Losses incurred	\$ 2,048,909	
Loss adjustment expenses incurred	1,447,003	
Other underwriting expenses incurred	982,846	
Aggregate write-ins for underwriting deductions	179,462	
Total underwriting deductions		<u>4,658,220</u>
Net underwriting gain (loss)		\$ (1,730,754)

### Investment Income

Net investment income earned	\$ 342,415	
Net realized capital gains (losses)	<u>45,590</u>	
Net investment gain (loss)		388,005

### Other Income

Net gain (loss) from agents' or premium balances charged off	\$ (23,373)	
Aggregate write-ins for misc. income	<u>167,118</u>	
Total other income		<u>\$143,745</u>
Net income before dividends to policyholders		\$ (1,199,004)
Net income before federal income tax		\$ (1,199,004)
Federal and foreign income taxes incurred		<u>(160,609)</u>
Net income		<u>\$ (1,038,395)</u>

## CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, 2019	<u>\$ 10,170,851</u>
<u>Gains and (Losses) in Surplus</u>	
Net income	\$ (1,038,395)
Change in net deferred income tax	(154,093)
Change in nonadmitted assets	<u>154,730</u>
Change in surplus as regards policyholders for the year	<u>\$ (1,037,758)</u>
Surplus as regards policyholders, December 31, 2019	<u>\$ 9,133,093</u>

## CASH FLOW STATEMENT

### Cash from Operations

Premiums collected net of reinsurance	\$ 5,636,721	
Net investment income	534,865	
Miscellaneous Income	<u>143,745</u>	
Total		\$ 6,042,331
Benefit and loss related payments	\$ 1,141,090	
Commissions, expenses paid and aggregate write-ins	2,899,162	
Federal income taxes (paid) recovered	<u>29,176</u>	
Total		<u>4,069,429</u>
Net cash from operations		<u>\$ 1,972,902</u>

### Cash from Investments

Proceeds from investments sold, matured or repaid:		
Bonds	\$ <u>4,974,445</u>	
Total investment proceeds		\$ <u>4,974,445</u>
Cost of investments acquired (long-term only):		
Bonds	\$ <u>5,174,457</u>	
Total investments acquired		<u>5,174,457</u>
Net cash from investments		<u>\$ (200,012)</u>

### Cash from Financing and Miscellaneous Sources

Other cash provided (applied)	\$ <u>351,716</u>	
Net cash from financing and miscellaneous sources		<u>\$ 351,716</u>

### RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS

Net change in cash, cash equivalents and short-term investments	\$ 2,124,607
Cash, cash equivalents and short-term investments:	
Beginning of year	<u>1,451,175</u>
End of period	<u>\$ 3,575,782</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