

EXAMINATION REPORT
OF
ADMIRAL INSURANCE COMPANY
AS OF
DECEMBER 31, 2018

Office of the
Commissioner



Delaware
Department of Insurance

REPORT ON EXAMINATION
OF
ADMIRAL INSURANCE COMPANY
AS OF
DECEMBER 31, 2018

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Handwritten signature of Trinidad Navarro in blue ink.

Trinidad Navarro
Insurance Commissioner

Dated this 5 day of June, 2020

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April 6, 2020

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street
Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Exam Authority No. 19.004, dated May 9, 2019, an examination has been made of the affairs, financial condition and management of

Admiral Insurance Company

hereinafter referred to as the Company and incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware. The examination was conducted at the administrative office of the Company located at 475 Steamboat Road, Greenwich, Connecticut. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

The Delaware Department of Insurance (Department) performed a risk-focused financial examination of the Company. The previous regulatory examination of the Company covered the four-year period from January 1, 2010 through December 31, 2013. This examination will cover the five-year period from January 1, 2014 through December 31, 2018, and encompasses a general review of transactions during the period, the Company's business policies and practices, as well as management and relevant corporate matters, with a determination of the financial

Admiral Insurance Company

condition of the Company as of December 31, 2018. Transactions subsequent to the examination date were reviewed where deemed necessary.

The examination of the Company was performed as part of the multi-state coordinated examination of the W. R. Berkley Corporation Group (Group) of regulated United States property and casualty insurance companies as of December 31, 2018. Delaware is the lead state for the Group. The Company is an indirect subsidiary of the W. R. Berkley Corporation (WRBC). The examination was conducted concurrently with that of the Company's affiliates. The Companies in the Group and their state of domicile are summarized as follows:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Acadia Insurance Company	31325	IA
Admiral Indemnity Company	44318	DE
Admiral Insurance Company	24856	DE
American Mining Insurance Company	15911	IA
Berkley Assurance Company	39462	IA
Berkley Insurance Company	32603	DE
Berkley National Insurance Company	38911	IA
Berkley Regional Insurance Company	29580	IA
Berkley Specialty Insurance Company	31295	DE
Carolina Casualty Insurance Company	10510	IA
Clermont Insurance Company	33480	IA
Continental Western Insurance Company	10804	IA
Firemen's Insurance Company of Washington D.C.	21784	DE
Gemini Insurance Company	10833	DE
Great Divide Insurance Company	25224	ND
Intrepid Insurance Company	10749	IA
Key Risk Insurance Company	10885	IA
Midwest Employers Casualty Company	23612	DE
Nautilus Insurance Company	17370	AZ
Preferred Employers Insurance Company	10900	CA
Riverport Insurance Company	36684	IA
Starnet Insurance Company	40045	IA
Tri-State Insurance Company of Minnesota	31003	IA
Union Insurance Company	25844	IA
Union Standard Lloyds	43435	TX

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We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC 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. 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 the General Corporation Law of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm KPMG, LLP (KPMG). Certain auditor work papers of the 2018 KPMG audit of the Company have been incorporated into the work papers of the

Admiral Insurance Company

examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination, and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

The Company was incorporated as Admiral Insurance Company on November 26, 1952, under the laws of the State of Texas, and commenced business on November 26, 1952. On December 5, 1978, the Company re-domiciled to the State of Delaware.

Capitalization

The Company's Certificate of Incorporation authorizes the issuance of 2,000 shares of common stock with a \$2,300 par value and the issuance of 1,000 shares of preferred stock with a \$1,000 par value. As of December 31, 2018, the Company had 2,000 common shares issued and outstanding totaling \$4,600,000 and zero preferred shares issued and outstanding. All outstanding common shares of the Company are owned by Berkley Insurance Company (BIC).

As of December 31, 2018, the Company reported gross paid in and contributed surplus of \$364,536,043.

Dividends

The Company did not pay any dividends during the period covered by this exam.

MANAGEMENT AND CONTROL

Directors

Pursuant to the general Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers and its business property and affairs are managed by, or under the direction, of its Board of Directors (Board).

In accordance with the Company's bylaws, the number of Directors shall consist of not less than five members, and may consist of any number of Directors as may later be determined by resolution of the Board. Directors shall be elected annually by the sole stockholder and shall hold office for one year until successors are elected and qualified, or until earlier resignation or removal. The members of the Board, serving as of December 31, 2018, each elected or appointed in accordance with the Company bylaws were as follows:

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Richard Mark Baio	Senior Vice President and Treasurer
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President
Ira Seth Lederman	Secretary
Matthew Michael Ricciardi	Senior Vice President and Assistant Secretary
James Gerald Shiel	Executive Vice President – Investments

Officers

In accordance with its bylaws, officers serving the Company shall be a Chairman of the Board, a President, an Executive Vice President, one or more Senior Vice Presidents, a Secretary, a Treasurer and a Controller. The Board may also elect other such officers as considered necessary for the proper conduct of the business of the Company. The senior officers, duly appointed in accordance with the bylaws and serving at December 31, 2018, are as follows:

Admiral Insurance Company

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Ira Seth Lederman	Secretary
Richard Mark Baio	Senior Vice President and Treasurer
James Gerald Shiel	Executive Vice President - Investments
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President
Matthew Michael Ricciardi	Senior Vice President and Assistant Secretary
Allison Kenworthy	Assistant Treasurer
Janet Shemanske	Assistant Secretary

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* §1304. In addition, the review of Company files indicated that written correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

The Company is a member of an Insurance Holding Company System as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The Company is a wholly-owned subsidiary of BIC.

An abbreviated organizational chart of the Group holding company system as of December 31, 2018, is as follows (with the percentage control of the downstream subsidiary by the upstream direct parent shown):

Admiral Insurance Company

<u>Entity [domicile]</u>	<u>Economic Control</u>	<u>Voting Control</u>
William R. Berkley {1}		
W. R. Berkley Corporation [DE] {2}	20.52%	20.52%
Berkley Dean & Company, Inc. [NJ]	100%	100%
Berkley Insurance Services, LLC [DE]	100%	100%
Signet Star Holdings, Inc. [DE]	100%	100%
Berkley Insurance Company [DE]	100%	100%
Admiral Insurance Company [DE]	100%	100%
Admiral Indemnity Company [DE]	100%	100%
Carolina Casualty Insurance Company [IA]	100%	100%
Clermont Insurance Company [IA]	100%	100%
Nautilus Insurance Company [AZ]	100%	100%
Berkley Assurance Company [IA]	100%	100%
Berkley Life and Health Insurance Company [IA]	100%	100%
Berkley National Insurance Company [IA]	100%	100%
Berkley Regional Insurance Company [IA]	100%	100%
Acadia Insurance Company [IA]	100%	100%
American Mining Insurance Company [IA]	100%	100%
Berkley Specialty Insurance Company [DE]	100%	100%
Continental Western Insurance Company [IA]	100%	100%
Firemen’s Insurance Company of Washington D.C. [DE]	100%	100%
Tri-State Insurance Company of Minnesota [IA]	100%	100%
Union Insurance Company [IA]	100%	100%
Gemini Insurance Company [DE]	100%	100%
Great Divide Insurance Company [ND]	100%	100%
Intrepid Insurance Company [IA]	100%	100%
Key Risk Insurance Company [IA]	100%	100%
Midwest Employers Casualty Company [DE]	100%	100%
Preferred Employers Insurance Company [CA]	100%	100%
Riverport Insurance Company [IA]	100%	100%
StarNet Insurance Company [IA]	100%	100%

{1} It was noted in a Securities and Exchange Commission filing that as of December 31, 2018, William R. Berkley beneficially owned or controlled 25,034,263 common shares of WRBC, which is publicly-traded on the New York Stock Exchange under the symbol “WRB”. According to the 2018 WRBC Annual Report, there were 121,995,760 outstanding common shares on December 31, 2018. This results in a 20.52% economic interest and 20.52% voting control that William R. Berkley has of WRBC. Consequently, William R. Berkley is considered an ultimate controlling entity of the Company.

{2} Other than {1} noted above, no other individual or entity owns or controls greater than 10% of WRBC as of December 31, 2018.

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Agreements with Affiliates

Tax Allocation Agreement

Effective April 1, 1980, and amended September 1, 1989, the Company and WRBC entered into an affiliated Tax Allocation Agreement. In accordance with the agreement, the Company will participate in WRBC's election to file a consolidated federal income tax return as long as the Company is a member of WRBC. For years where a consolidated federal tax return is filed, WRBC will pay or discharge, or cause to be paid or discharged, the consolidated federal tax liability of WRBC. Taxes are calculated on a separate return basis, and the Company will pay WRBC an amount equal to the federal income tax liability it would have incurred if it had filed on a separate return. Conversely, if the Company's separate return calculation results in a net operating loss, capital losses, deductions, tax credits or similar items, WRBC shall compensate the Company an amount equal to its federal income tax liability calculated on a separate return basis. In accordance with the contract, WRBC and the Company shall each pay its own state and local taxes.

As of December 31, 2013, the agreement remained in effect for all years prior to December 31, 2012. Effective January 1, 2013, the agreement was replaced by the tax provisions stipulated in the affiliated Reinsurance Pooling Agreement. The second amendment, dated July 21, 2016, added Intrepid Insurance Company as a Pool Affiliate.

Investment Advisory Agreement

Effective April 1, 1996, the Company entered into an affiliated Investment Advisory Agreement with Berkley Dean and Company, Inc. (Berkley Dean). In accordance with the agreement, Berkley Dean provides certain investment advisory and management services based

Admiral Insurance Company

upon criteria, standards and guidelines established by the Company. The Company has ultimate and final authority over decisions and policies on purchases and sales of securities.

Computer Services Agreement

Effective January 1, 2002, the Company entered an affiliated Computer Services Agreement with Berkley Technology Services, LLC (BTS). In accordance with the agreement, BTS provides computer and data processing services to the Company including: programming, network management, operations and consulting services. The agreement authorizes BTS to contract with other service providers to satisfy the needs of the Company at its discretion. Per the agreement, BTS agrees all information disclosed by the Company shall be confidential and shall not be disclosed to any individual, corporation, other business organization or governmental agency unless required by law in conformity with the Company's privacy policy. In addition, BTS agrees to use information only for the purpose for which the Company provided it.

Standby Letter of Credit Agreement

Effective September 6, 2002, the Company entered into an affiliated Standby Letter of Credit Agreement with WRBC. In accordance with the agreement, the Company may borrow up to \$10 million from WRBC.

Investment Management Agreement

Effective January 1, 2005, the Company entered into an affiliated Investment Management Agreement with Steamboat Asset Management, LLC (SAM). In accordance with the agreement, SAM acts as manager for a specified portion of the Company's investment portfolio subject to the direction, control and supervision of the Company.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2018, the Company is licensed and authorized on an admitted basis to write insurance in the States of Delaware and New Jersey. In addition, the Company writes surplus lines insurance on an exempt/non-admitted basis in the remaining forty-eight U.S. States, the District of Columbia, Guam, Puerto Rico, the Northern Mariana Islands, the U.S. Virgin Islands, and Canada.

Plan of Operation

For the year ended December, 31, 2018, the Company's direct written premiums were produced by the following Profit Centers described below: Admiral Insurance Group; Berkley Custom Insurance Managers; Berkley Medical Excess Underwriting Managers; Berkley Select (formerly Monitor Liability Managers); and Berkley Healthcare Group.

Admiral Insurance Group provides excess and surplus lines coverage for commercial risks that generally consist of hard-to-place, specialized risks that involve moderate to high degrees of hazard. Its lines of business include general liability, professional liability, property, and excess and umbrella coverage. Admiral Insurance Group's professional liability and program operations include special coverages for technology, ambulatory surgery centers, chiropractors and concierge physicians. Its products are distributed exclusively by wholesale brokers.

Berkley Custom Insurance Managers focuses on the excess casualty insurance market and offers umbrella liability, pollution liability, excess liability, construction wrap-ups and completed operations coverage to wholesalers, retailers, manufacturers, insurance companies, financial institutions and construction companies.

Admiral Insurance Company

Berkley Medical Excess Underwriting Managers insures healthcare organizations such as hospitals and clinics that retain a portion of their risk exposure through a self-funded mechanism and seek to maximize the effectiveness and efficiency of their excess risk financing program.

Berkley Select specializes in underwriting professional liability insurance on a surplus lines basis for law firms and accounting firms through a limited number of brokers. It also offers executive and professional liability products, including directors and officers liability, errors and omissions, and employment practices liability, to small and middle market, privately-held, and not-for-profit customers on both an admitted and surplus lines basis.

Berkley Healthcare Group provides customized, comprehensive, management and professional liability solutions for the full spectrum of healthcare providers.

The Company's direct written premiums by source are as follows:

<u>Source</u>	<u>2018</u>	<u>Percent</u>
Admiral Insurance Group	\$414,065,349	70.58%
Berkley Custom Insurance Managers	87,875,480	14.98%
Berkley Medical Excess Underwriting Managers	39,107,840	6.67%
Berkley Select	37,000,252	6.31%
Berkley Healthcare Group	8,537,776	1.45%
All Other Sources Combined	<u>35,095</u>	<u>0.01%</u>
Total	<u>\$586,621,792</u>	<u>100.00%</u>

The Company's direct written premiums by line of business are as follows:

<u>Line of Business</u>	<u>2017</u>	<u>2018</u>	<u>Percent</u>
Other Liability - Occurrence (line 17.1)	\$229,632,081	\$252,560,906	43.05%
Other Liability – Claims Made (line 17.2)	167,776,426	173,681,702	29.61%
Medical Prof. Liab. – Claims Made (line 11.2)	79,178,373	92,077,117	15.70%
All Other Lines of Business Combined	<u>79,608,789</u>	<u>68,302,067</u>	<u>11.64%</u>
Total	<u>\$556,195,669</u>	<u>\$586,621,792</u>	<u>100.00%</u>

REINSURANCE

The Company reported the following distribution of premiums written for the year ended December 31, 2018:

	<u>2018</u>	<u>% GPW</u>	<u>2013</u>	<u>% GPW</u>
Direct business	\$ 586,621,792	100.0%	\$ 405,495,670	135.6%
Reinsurance assumed from affiliates	-	0.0%	(106,532,114)	-35.6%
Reinsurance assumed from non-affiliates	-	0.0%	(18,000)	0.0%
Gross premiums written (“GPW”)	<u>\$ 586,621,792</u>	<u>100%</u>	<u>\$ 298,945,556</u>	<u>100%</u>
Reinsurance ceded to affiliates	\$ 586,621,792	100.0%	\$ 567,835,715	189.9%
Reinsurance ceded to non-affiliates	-	0.0%	(13,203,862)	-4.4%
Total ceded	<u>\$ 586,621,792</u>	<u>100.0%</u>	<u>\$ 554,631,853</u>	<u>185.5%</u>
Net premiums written	<u>\$ -</u>	<u>0.0%</u>	<u>\$(255,686,297)</u>	<u>-85.5%</u>

Ceded Reinsurance Affiliates

Effective January 1, 2013, the Company and several of its affiliates entered into an intercompany pooling agreement. Under the terms of the agreement the Company and the other pool participants cede 100% of their direct and assumed premiums written to the lead company in the pool, BIC. The Company ceded premiums of \$586,621,792 to BIC during 2018.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets and Liabilities as of December 31, 2018
- Statement of Income for the year ended December 31, 2018
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2013 to December 31, 2018

**ADMIRAL INSURANCE COMPANY
STATEMENT OF ASSETS
AS OF DECEMBER 31, 2018**

	<u>Ledger Assets</u>	Nonadmitted	<u>Net Admitted Assets</u>
Bonds	\$ 347,394,374	\$ -	\$ 347,394,374
Common Stock	346,579,626	-	346,579,626
Properties Occupied by the Company	23,735	-	23,735
Cash and Cash equivalents	<u>2,959,319</u>	-	<u>2,959,319</u>
Subtotals, cash and invested assets	<u>\$ 696,957,054</u>	<u>\$ -</u>	<u>\$ 696,957,054</u>
Investment income due and accrued	2,815,028	-	2,815,028
Uncollected premiums and agents' balances	58,543,433	2,917,517	55,625,916
Deferred premiums	19,365,581	1,936,558	17,429,023
Current federal and foreign income tax recoverable	3,104,647	-	3,104,647
Net deferred tax asset	1,630,100	-	1,630,100
Receivables from parent; subsidiaries and affiliates	326	-	326
Aggregate write-ins for other than invested assets	<u>4,261,751</u>	<u>2,945,444</u>	<u>1,316,307</u>
Total Assets	<u><u>\$ 786,677,920</u></u>	<u><u>\$ 7,799,519</u></u>	<u><u>\$ 778,878,401</u></u>

**ADMIRAL INSURANCE COMPANY
STATEMENT OF LIABILITIES AND SURPLUS
AS OF DECEMBER 31, 2018**

	<u>2018</u>	<u>Note</u>
Losses	\$ -	1
Reinsurance payable on paid losses and loss adjustment expenses	31,582	
Loss adjustment expenses	-	1
Commissions payable; contingent commissions and other similar charges	619,000	
Other expenses (excluding taxes, licenses and fees)	(274)	
Taxes, licenses, and fees (excluding federal and foreign income tax)	1,258,011	
Ceded reinsurance premiums payable (net of ceding commissions)	86,413,571	
Payable to parent; subsidiaries and affiliates	<u>544,904</u>	
Total liabilities excluding protected cell liabilities	<u>\$ 88,866,794</u>	
Total liabilities	<u>\$ 88,866,794</u>	
Common capital stock	\$ 4,600,000	
Gross paid in and contributed surplus	364,536,043	
Unassigned funds (surplus)	<u>320,875,564</u>	
Surplus as regards policyholders	<u>\$ 690,011,607</u>	
Totals of liabilities & surplus	<u><u>\$ 778,878,401</u></u>	

ADMIRAL INSURANCE COMPANY
STATEMENT OF OPERATIONS
AS OF DECEMBER 31, 2018

Underwriting Income	<u>2018</u>	<u>Notes</u>
Premiums earned	\$ -	
Deductions		
Losses Incurred	-	
Loss adjustment expenses incurred	-	
Other underwriting expenses incurred	-	
Total Underwriting deductions	<u>\$ -</u>	
Net Underwriting Gain (loss)	<u>\$ -</u>	
 Investment Income		
Net investment income earned	\$ 14,965,545	
Net realized capital gains (losses) less capital gains tax (benefit) of (\$83,718)	<u>(314,937)</u>	
Net investment gain (loss)	<u>\$ 14,650,608</u>	
 Other Income		
Net gain (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off (\$11,564))	\$ 11,564	
Finance and service charges not included in premium	-	
Aggregate write-ins for miscellaneous income	<u>(11,564)</u>	
Total other income	<u>\$ -</u>	
Net income before dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	<u>\$ 14,650,608</u>	
Dividends to policyholders	<u>-</u>	
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	14,650,608	
Federal and foreign income taxes incurred	<u>1,499,297</u>	
Net Income	<u><u>\$ 13,151,311</u></u>	

RECONCILIATION OF CAPITAL AND SURPLUS
For the Period from the Prior Examination
As of December 31, 2013 to December 31, 2018

	Common Capital Stock Capital Stock	Surplus Notes	Gross Paid-in and Contributed Surplus	Unassigned Surplus	Total
12/31/2013	\$ 4,600,000	\$ -	\$ 364,536,044	\$ 228,484,576	\$ 597,620,620
12/31/2014	-	-	-	18,021,191	18,021,191
12/31/2015	-	-	-	18,337,086	18,337,086
12/31/2016	-	-	-	18,091,119	18,091,119
12/31/2017	-	-	-	13,965,972	13,965,972
12/31/2018	-	-	-	23,975,618	23,975,618
	<u>\$ 4,600,000</u>	<u>\$ -</u>	<u>\$ 364,536,044</u>	<u>\$ 320,875,562</u>	<u>\$ 690,011,606</u>

(1) Represents net income, change in unrealized capital gains/(losses), change in net deferred income tax, Change in non-admitted assets, aggregate write-ins for gains and losses in surplus

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the Financial Statements as a result of this Examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Losses	\$ -0-
Loss Adjustment Expenses	\$ -0-

The examination liability for the aforementioned captioned items of \$0 and \$0 are the same as reported by the Company as of December 31, 2018. The Company cedes 100% of its losses and loss adjustment expenses to its affiliate, BIC. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including *NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principle No. 55 (SSAP # 55)*.

SUBSEQUENT EVENTS

During March of 2020, the World experienced a pandemic related to the COVID-19 virus. At the date of this report, the Company has not been able to quantify the effects of this pandemic on its current or future financial statements. Also, as of the date of this report, the Company was fully operational and was providing services to its policyholder.

There were no other material subsequent events noted.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no recommendations contained in the prior examination report issued by the Department as of December 31, 2013.

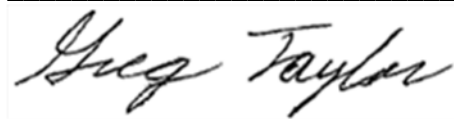
SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

Admiral Insurance Company

The assistance and cooperation of the consulting actuarial firm, INS Consultants, Inc., the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



Greg Taylor, CFE
Co-Examiner In-Charge
State of Delaware



Anthony Cardone, CFE, CPA
Supervising Examiner
State of Delaware

Admiral Insurance Company

I, Greg Taylor, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to examination authority 19.004.



Greg Taylor, CFE