

**EXAMINATION REPORT**  
**OF**  
**KNIGHT SPECIALTY INSURANCE COMPANY**  
**AS OF**  
**DECEMBER 31, 2019**

Office of the  
Commissioner



Delaware  
Department of Insurance

REPORT ON EXAMINATION  
OF  
KNIGHT SPECIALTY INSURANCE COMPANY  
AS OF  
DECEMBER 31, 2019

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.

A handwritten signature in blue ink, reading "Trinidad Navarro".

Trinidad Navarro  
Insurance Commissioner

Dated this 14 day of June, 2021

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May 27, 2021

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. 20.034, dated December 16, 2020, an examination has been made of the affairs, financial condition and management of

**KNIGHT SPECIALTY INSURANCE COMPANY**

hereinafter referred to as KSIC or the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at Brandywine Village, 1807 North Market Street, Wilmington, Delaware 19802. The administrative office of the Company is located at 4751 Wilshire Boulevard #111, Los Angeles, California 90010. The examination was conducted remotely given office closures and travel restrictions in connection with the COVID-19 pandemic. The report of examination thereon is respectfully submitted.

**SCOPE OF EXAMINATION**

We have performed our multi-state examination of the Company. The previous full scope examination of the Company was conducted by the Delaware Department of Insurance (Department) and covered the three-year period from January 1, 2014 through December 31, 2016. This examination covers the three-year period from January 1, 2017 through December 31, 2019.

The examination was conducted concurrently with our examination of the Company's affiliate, KnightBrook Insurance Company (KBIC).

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 Laws* 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 work papers for KPMG's

2019 audit of the Company and certain of its affiliates have been incorporated into the work papers of the examiners. The work papers were 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 under the laws of the State of Delaware on July 10, 2013 and began business on April 16, 2014. The Company has remained under the ultimate control of its founder, Don Robert Hankey, since its inception.

#### **Capitalization**

The Company's Certificate of Incorporation authorizes the issue of one million shares of common stock with a par value of \$1.00 per share. As of December 31, 2019, the Company had one million common shares issued and outstanding totaling \$1.0 million. All outstanding common shares of the Company were owned by Knight Insurance Company, Ltd. (KIC). As of December 31, 2019, the Company reported gross paid in and contributed surplus of \$44.3 million.

#### **Dividends**

No stockholder dividends were declared or paid during the examination period.

### **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, the business and affairs of the Company must be exercised by, or under the authority of, its Board of Directors (Board). The Company's

bylaws require its Board consist of not less than three or more than ten individuals. Directors are elected annually by the stockholder and hold office until his or her successor is elected and qualified. Directors duly elected and serving as of December 31, 2019, were as follows:

<u>Name</u>	<u>Business Affiliation</u>
Don Robert Hankey	Chairman of the Board and Chief Executive Officer Hankey Group
Bret Conrad Hankey	President Hankey Group
Amit Bharatkumar Shah	President Knight Insurance Group
Gracia Slamet	Chief Financial Officer Hankey Investment Company
John Martin Rygh	General Counsel Knight Insurance Group

#### Officers

Officers were appointed in accordance with the Company's bylaws during the period under examination. The bylaws state the following executive officers shall be elected by the Board: a Chairman of the Board, a Chief Executive Officer, a President, a Chief Financial Officer, a Chief Operating Officer, a Secretary, a Treasurer and one or more Vice-Presidents including Executive Vice Presidents and Senior Vice Presidents. The Board may appoint other officers and agents at its discretion. Any number of offices may be held by the same person. The primary officers serving as of December 31, 2019, were as follows:

<u>Name</u>	<u>Title</u>
Don Robert Hankey	Chairman and Chief Executive Officer
Amit Bharatkumar Shah	President
John Martin Rygh	General Counsel and Secretary
Bret Conrad Hankey	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 as required by 18 *Del. C.* §1304. In addition, 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 as required by 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. Don Robert Hankey has been the Company's ultimate controlling party since its inception in 2013. The following is an organizational chart of the insurance holding company system as of December 31, 2019 including certain entities organized subsequently:

<u>Company</u>	<u>Domicile</u>
Don Robert Hankey Trust	Not Applicable
Knight Services, Inc.	California
Knight Management Insurance Services, LLC <sup>1</sup>	California
Knight Management Company, LLC <sup>2</sup>	California
Shield Funding, LLC <sup>3</sup>	Delaware
KnightBrook, LLC <sup>4</sup>	Delaware
Knight Insurance Company, Ltd.	Cayman Islands
KnightBrook Insurance Company	Delaware
Guilderland Insurance Company	New York



**Knight Specialty Insurance Company**  
Knight Insurance Company SPC

**Delaware**  
Cayman Islands

<sup>1</sup>Knight Management Insurance Services, LLC is owned by the Don Robert Hankey Trust, Amit Bharatkumar Shah and Bret Conrad Hankey who own 75%, 12.5% and 12.5% interest, respectively.

<sup>2</sup>Knight Management Company, LLC was formed subsequent to the examination period and is owned by the Don Robert Hankey Trust, Amit Bharatkumar Shah and Bret Conrad Hankey who own 75%, 12.5% and 12.5% interest, respectively.

<sup>3</sup>Shield Funding, LLC was formed subsequent to the examination period and is owned by the Don Robert Hankey Trust, Amit Bharatkumar Shah, Bret Conrad Hankey and the Deborah Hankey Bowles Revocable Living Trust who own 25%, 25%, 25% and 25% interest, respectively.

<sup>4</sup>KB LLC is owned by the Don Robert Hankey Trust, Debbi Bowles, LLC, Amit Bharatkumar Shah, the R&B Trust, Bret Conrad Hankey and Don Rufus Hankey who own 94.66%, 2.31%, 1.45%, 0.82%, 0.38% and 0.38% interest, respectively. Subsequent to the examination period, KB LLC was merged into KIC with KIC as the surviving company. The owners and percentage interest owned in KIC remained the same as those of KB LLC.

The following is a description of the legal entities in the insurance holding company system with significant affiliated relationships with the Company followed by a summary of the significant agreements:

- Knightbrook LLC (KB LLC) was formed on January 22, 2008, to own subsidiaries engaged in insurance activities. Subsequent to the examination period, KB LLC was merged into KIC effective December 31, 2020, with the surviving company KIC.
- KIC was incorporated as an exempted company under the laws of the Cayman Islands in 1993 and is the holder of a Class B (iii) Insurer's License. KIC's business is assumed via fronting arrangements with unaffiliated insurers or from reinsurance treaties with affiliates, including the Company and KBIC. The majority of the insurance assumed by KIC is related to automobile and general liability coverages.
- KBIC is a property and casualty insurance company domiciled in the State of Delaware. Historically, KBIC has primarily written commercial auto liability lines of business and personal non-standard auto lines of business on a program basis. The business is written by affiliated and nonaffiliated managing general agents.

- Guilderland Reinsurance Company (GRC) is a property and casualty reinsurance company domiciled in the State of New York. GRC was acquired by KB LLC in 2008 as an existing wholly owned subsidiary of Excess Reinsurance Company - the entity that is now the Company. The Company has been in run-off since 2007, having cancelled, non-renewed, or allowed to expire all its assumed reinsurance business.
- Knight Management Insurance Services, LLC (KMIS) was organized in the State of California in 1999. KMIS is a licensed property and casualty insurance agent, which provides program management, underwriting, policy production and claims management services to affiliated and unaffiliated insurers. KMIS produces and administers the majority of the business written and/or assumed by the Company, KSIC and KIC.
- Knight Services, Inc. (KSI) was incorporated in the State of California in 1997 and does business as Hankey Cash Management. KSI performs cash management services for entities controlled by the Company's majority shareholder and ultimate controlling party. KSI is a General Partner of Hankey Investment Company, LP (HIC). HIC's primary operations consists of real estate investments and loan servicing.
- Knight Management Company, LLC (KMC) was organized in the State of California in 2019 and performs general agent duties for all existing and new programs on behalf of the Company and its insurance company affiliates.
- Knight Insurance Company SPC (Knight SPC) was organized in 2018 as a limited liability company in the Cayman Islands and is a segregated portfolio company or protected cell company. The entity expects to begin operations in 2021 and will facilitate non-affiliated entities to reinsure programs written by KIC.

- Shield Funding, LLC was organized in the State of Delaware in 2020 to engage in the financing of insurance premiums on behalf of the Company and its insurance company affiliates.

#### Agreements with Affiliates

The following is a summary of the Company's significant affiliated agreements in force as of December 31, 2019:

##### *Management Agreement*

Effective November 1, 2013, the Company entered a Management Agreement with KMIS. In accordance with the agreement, KMIS provides all personnel, equipment and facilities to the Company. KMIS is authorized and responsible for management of direct and third-party assigned services including underwriting risk management services, regulatory services, home office services, accounting services, claims management services and accounting and cash records services. Underwriting risk management services consist of all program administration duties including program reinsurance placement and related underwriting reporting and results. Claims management services include management of all direct claims services as well as management of responsibilities assigned to any third-party claims' manager. The Company reimburses KMIS for direct costs and an allocation of indirect and shared costs associated with the services provided. Per the agreement, indirect and shared expenses must be allocated in accordance with the NAIC *Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 70 – Allocation of Expenses*.

##### *Information Technology Service Agreement*

Effective January 2, 2011, the Company became party to an Information Technology Service Agreement between KMIS and Nowcom Corporation, Inc. (Nowcom). In accordance with

the agreement, Nowcom provides KMIS hardware, software, network, web, email and internet goods and services as it relates to the Company. In return, KMIS reimburses Nowcom for direct costs based on Nowcom's actual cost without a profit factor. Per the agreement, indirect and shared expenses must be allocated in accordance with the NAIC *Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 70 – Allocation of Expenses*.

#### *Tax Allocation Agreement*

Effective November 2, 2017, the Company entered a Tax Allocation Agreement with KHI and KHI subsidiaries including KB LLC, KIC, KBIC and GRC for taxable years commencing on and after January 1, 2017. In accordance with the agreement, each participant calculates its federal corporate tax liability as if it were filing on a separate return basis. KHI is responsible to file and pay all federal corporate tax liabilities, and each participant makes/receives payment to/from KHI based on a separate return basis. Estimated payments made by KHI are reimbursed by each participant quarterly when tax is due. Subsequent to the examination period, this Tax Allocation Agreement was terminated and replaced by a new agreement with a January 14, 2020 effective date that covers tax years commencing on and after January 1, 2019.

#### *Investment Management Agreement*

Effective January 2, 2019, the Company became party to an Investment Management Agreement by and between Don Robert Hankey, KIC and KIC subsidiaries including the Company, KBIC, GRC and Knight SPC. In accordance with the agreement, Don Robert Hankey serves as the investment manager for the parties to the agreement and may employ an affiliate or other third party to perform any accounting, administrative, reporting and ancillary services that may be necessary. Services provided under the agreement are subject to investment guidelines

and applicable statutes as specified in the agreement. The Company pays Don Robert Hankey a fee for services provided as specified within the agreement.

*Cash Management Agreement*

Effective August 20, 2019, the Company entered into a Cash Management Agreement by and between, the Company, KSI and KBIC. In accordance with the agreement, KSI provides centralized cash management services to the Company and KBIC. The agreement specifies the terms and conditions whereby interest may be earned or due under the agreement as well as costs that may be incurred for maintaining the depository account and specified cash management fees.

**TERRITORY AND PLAN OF OPERATION**

The Company is an excess and surplus line insurer with authority to write in all fifty states. Since beginning operations in 2014, the Company has operated as a provider of specialized insurance product offerings on a program basis. The Company partners with Managing General Agents (MGAs) and program administrators to participate in different insurance programs. Direct written lines of business and the respective programs include primarily commercial auto liability and commercial multi-peril insurance. For the year ended December 31, 2019, all of the Company's gross written premium was produced by KMIS through various agreements with affiliates of the Company's ultimate controlling party and unaffiliated MGAs.

**REINSURANCE**

The Company reported the following distribution of gross and net premium written for the years ended December 31, 2019, and the prior examination date of December 31, 2016:

		% of Gross Premium Written		% of Gross Premium Written
	2019		2016	
Direct business	\$ 71,859,580	76.52%	\$ 26,851,688	100%
Reinsurance assumed from non-affiliates	22,046,284	23.48%	-	-
Gross premiums written	<u>\$ 93,905,864</u>	100%	<u>\$ 26,851,688</u>	100%
Reinsurance ceded to affiliates	\$ 93,836,343	99.93%	\$ 17,493,689	65.1%
Reinsurance ceded to non-affiliates	69,521	0.07%	9,357,999	34.9%
Total ceded	<u>\$ 93,905,864</u>	100%	<u>\$ 26,851,688</u>	100.0%
Net premiums written	<u>\$ -</u>	-	<u>\$ -</u>	-

The Company's primary reinsurance programs consist of two non-affiliated assumed reinsurance arrangements and an affiliated ceded reinsurance program whereby the majority of its business is reinsured by KIC in accordance with a 100% Quota Share Agreement effective January 1, 2014. Additionally, the Company seeks to limit its loss exposure on certain risks by entering into reinsurance contracts with third party reinsurers.

Subsequent to the examination period, the Company and KIC entered a Recapture Agreement effective January 1, 2020, whereby the Company recaptured all liabilities, claims and obligations previously ceded to KIC with respect to certain books of business specified in the Recapture Agreement.

Subsequent to the examination period, the Company entered an Assignment and Novation Agreement by and among State National Insurance Company, Inc. (SNIC), National Specialty Insurance Company (NSIC), United Specialty Insurance Company (USIC), KIC and KMIS effective January 1, 2020. SNIC, NSIC and USIC are collectively referred to as the Reinsured. In accordance with the agreement, the Company was assigned all rights, duties, and obligations of KIC under a Quota Share Agreement between KIC and the Reinsured dated January 1, 2004. Additionally, effective January 1, 2020, the Company entered a Quota Share Reinsurance

Knight Specialty Insurance Company

Agreement with United Specialty Insurance Company with KMIS as the general agent under the agreement.

### **FINANCIAL STATEMENTS**

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

- Statement of Assets as of December 31, 2019
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2019
- Statement of Income for the Year Ended December 31, 2019
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2016 to December 31, 2019

Statement of Assets  
As of December 31, 2019

	<u>Ledger</u> <u>Assets</u>	Nonadmitted <u>Assets</u>	Net Admitted <u>Assets</u>
Bonds	\$ 100,755,486	\$ -	\$ 100,755,486
Common stocks	78,659,710	-	78,659,710
Cash	2,531,711	-	2,531,711
Investment income due and accrued	<u>279,469</u>	<u>-</u>	<u>279,469</u>
Total assets	<u>\$ 182,226,376</u>	<u>\$ -</u>	<u>\$ 182,226,376</u>



Statement of Liabilities, Surplus and Other Funds  
As of December 31, 2019

		<u>Notes</u>
Losses	\$ -	1
Loss adjustment expenses	-	1
Other expenses	20,399	
Current federal and foreign income taxes	1,451,013	
Net deferred tax liability	1,719,414	
Funds held by company under reinsurance treaties	123,290,936	
Amount withheld or retained by company for account of others	569,966	
Payable to parent, subsidiaries and affiliates	10,225	
Total liabilities	\$ 127,061,953	
Common capital stock	\$ 1,000,000	
Gross paid in and contributed surplus	44,274,388	
Unassigned funds (surplus)	9,890,035	
Total surplus as regards policyholders	\$ 55,164,423	
Total liabilities, capital and surplus	\$ 182,226,376	

Statement of Income  
For the Year Ended December 31, 2019

Premiums earned	\$	-
<b>DEDUCTIONS:</b>		
Losses incurred		-
Loss adjustment expenses incurred		-
Other underwriting expenses incurred		715,820
Total underwriting deductions	\$	<u>715,820</u>
 Net underwriting gain or (loss)	 \$	 <u>(715,820)</u>
<b>INVESTMENT INCOME:</b>		
Net investment income earned	\$	2,104,740
Net realized capital gains or (losses)		<u>(398,683)</u>
Net investment gain or (loss)	\$	<u>1,706,057</u>
<b>OTHER INCOME (LOSS):</b>		
Aggregate write-ins for miscellaneous income (expense)	\$	<u>569,853</u>
Total other income	\$	<u>569,853</u>
 Net income before federal income taxes	 \$	 <u>1,560,090</u>
Federal and foreign income taxes incurred		<u>284,977</u>
Net income	\$	<u><u>1,275,113</u></u>

**Reconciliation of Capital and Surplus**  
**For the Period from the Prior Examination**  
**As of December 31, 2016 to December 31, 2019**

	Common Capital Stock	Gross Paid In & Contributed Surplus	Unassigned Funds (Surplus)	Total
December 31, 2016	\$ 1,000,000	\$ 44,274,388	\$ 2,512,888	\$ 47,787,276
2017 Net Income	-	-	1,095,146	1,095,146
Change in net unrealized capital gain (loss)	-	-	2,503,936	2,503,936
December 31, 2017	<u>\$ 1,000,000</u>	<u>\$ 44,274,388</u>	<u>\$ 6,111,970</u>	<u>\$ 51,386,358</u>
2018 Net Income	-	-	1,518,342	1,518,342
Change in net unrealized capital gain (loss)	-	-	(3,985,939)	(3,985,939)
December 31, 2018	<u>\$ 1,000,000</u>	<u>\$ 44,274,388</u>	<u>\$ 3,644,373</u>	<u>\$ 48,918,761</u>
2019 Net Income	-	-	1,275,113	1,275,113
Change in net unrealized capital gain (loss)	-	-	4,970,549	4,970,549
December 31, 2019	<u>\$ 1,000,000</u>	<u>\$ 44,274,388</u>	<u>\$ 9,890,035</u>	<u>\$ 55,164,423</u>

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION**

There were no adjustments to the Company's financial statements as a result of this examination.

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

Note 1:

Losses	\$ -
Loss Adjustment Expenses	-

The Department retained the actuarial services of INS Consultants Inc. (Consulting Actuary) to perform a risk-focused review of the Company's significant reserving and pricing activities. The Consulting Actuary assisted in review of the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary performed an independent reserve analysis including an assessment of the Company's reserves for compliance with applicable *Actuarial Standards of Practice* and the NAIC *Accounting Practices and Procedures Manual*.

**SUBSEQUENT EVENTS**

Subsequent events were evaluated through the date that this examination report was available to be issued. Based on this evaluation, the following significant transactions or events were deemed material for disclosure in this examination report.

**Affiliated Agreements**

Effective January 14, 2020, the Company became party to a Tax Allocation Agreement between and among KB LLC and its subsidiaries including the Company, KIC, KBIC, GRC and Knight SPC for taxable years commencing on and after January 1, 2019. In accordance with the agreement, each participant calculates its federal corporate tax liability as if it were filing on a separate return basis. KB LLC is responsible to file and pay all federal corporate tax liabilities,

and each participant makes/receives payment to/from KB LLC based on a separate return basis. Estimated payments made by KB LLC are reimbursed by each participant quarterly when tax is due.

Effective June 1, 2020, the Company entered into an Agency Agreement with KMC. In accordance with the agreement, KMC acts as the general agent for the purpose of producing and handling all the Company's business issued or renewed on and after the contract effective date. The agreement appoints and grants KMC or its designated subagent authority to: solicit, accept and receive applications for such classes of coverage as Company may from time to time authorize; to secure, at KMC's own expense, reasonable underwriting information through reporting agencies or other appropriate sources relating to each risk insured; to issue, renew and countersign policies, certificates, endorsements and binders which the Company may, from time to time, authorize to be issued, delivered, renewed and countersigned and to collect and receive premiums. The Company pays KMC full compensation for all services rendered and full reimbursement for all expenditures made by KMC including a fee that shall not exceed .50% of gross premiums.

#### Reinsurance Agreements

Effective January 1, 2020, the Company and KIC entered a Recapture Agreement effective whereby the Company recaptured all liabilities, claims and obligations previously ceded to KIC with respect to certain books of business specified in the Recapture Agreement.

Effective January 1, 2020, the Company entered an Assignment and Novation Agreement by and among State National Insurance Company, Inc. (SNIC), National Specialty Insurance Company (NSIC), United Specialty Insurance Company (USIC), KIC and KMIS. SNIC, NSIC and USIC are collectively referred to as the Reinsured. In accordance with the agreement, the Company was assigned all rights, duties, and obligations of KIC under a Quota Share Agreement

Knight Specialty Insurance Company

between KIC and the Reinsured dated January 1, 2004. Additionally, effective January 1, 2020, the Company entered a Quota Share Reinsurance Agreement with United Specialty Insurance Company with KMIS as the general agent under the agreement.

#### Holding Company Restructure

Effective December 31, 2020, the Company's holding company structure was modified with the merger of KB LLC into KIC with KIC as the surviving entity. There was no change in ultimate control of the Company or any of its affiliates.

#### Other Significant Events

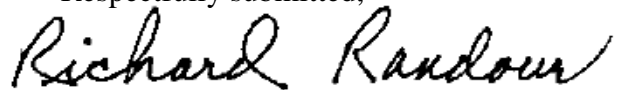
Beginning in March of 2020, the World has experienced, and continues to experience a pandemic related to the COVID-19 virus. As of the date of this examination report, the Company's operations and financial condition had not been materially impacted.

### **SUMMARY OF RECOMMENDATIONS**

There were no recommendations as a result of this examination.

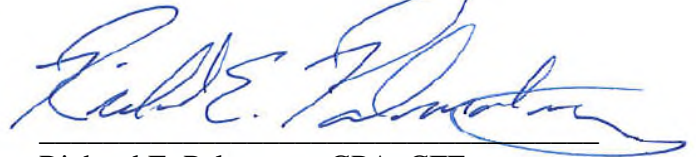
The assistance of Department's Consulting Actuary and information technology firm INS Services, Inc., is acknowledged. In addition, the assistance and cooperation of the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



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Richard Randour, CPA, CFE  
Examiner In-Charge  
Delaware Department of Insurance



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Richard E. Palmatary, CPA, CFE  
Supervisor In-Charge  
Delaware Department of Insurance

I, Richard Randour, 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 Exam Authority No. 20.034.

*Richard Randour*

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Richard Randour, CPA, CFE