

# Act 41 of 2018 (P.L. 273) Annual Examination Report<sup>1</sup>

Fiscal Year July 1, 2018 – June 30, 2019

## FINANCIAL EXAMINATIONS<sup>2</sup>:

	<u>BILLED</u>	<u>DEPOSIT INTO IROF<sup>3</sup></u>
<b>Pennsylvania Insurance Department</b>	\$4,016,995.37	\$2,096,828.25

## THIRD-PARTY CONTRACTORS:

<b>Baker Tilly Virchow Krause LLP</b>	\$25,729.01	\$0.00
<b>Carr Riggs &amp; Ingram, LLC</b>	\$157,333.85	\$0.00
<b>Cerebres</b>	\$141,903.39	\$0.00
<b>EisnerAmper, LLP</b>	\$5,973.00	\$0.00

<sup>1</sup> Costs reported for regulatory activities described under section 905.1 (a) (1) and (2) for examinations commencing 8.21.2018 and forward, as designated in the statute.

<sup>2</sup> Per Section 904.

<sup>3</sup> The "Billed" amount is based on the date the Department issues its invoice. As per the effective date of Act 41, this amount includes only monies billed for those examinations commencing after 8.21.2018. "Deposit" amount is based on the date the department receives the money. As such, the Deposit totals include deposits made into the IROF account during the 2018 fiscal year (7.1.2018 – 6.30.2019).

FINANCIAL EXAMINATIONS:

BILLED

DEPOSIT INTO IROF

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THIRD-PARTY CONTRACTORS:

<b>Examination Resources LLC</b>	\$3,352.00	\$0.00
<b>INS Regulatory Insurance Services, Inc.</b>	\$2,291,508.93	\$0.00
<b>Jennan Enterprises</b>	\$38,691.77	\$0.00
<b>Johnson Lambert</b>	\$173,572.11	\$0.00
<b>Kufer Consulting</b>	\$14,062.50	\$0.00
<b>Lewis &amp; Ellis, Inc.</b>	\$289,370.66	\$0.00
<b>Merlinos &amp; Associates, Inc.</b>	\$77,910.25	\$0.00

FINANCIAL EXAMINATIONS:

BILLED

DEPOSIT INTO IROF

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THIRD-PARTY CONTRACTORS:

<b>Noble Consulting Services Inc.</b>	\$37,222.00	\$0.00
<b>NorthStarExams, LLC</b>	\$38,812.50	\$0.00
<b>Oliver Wyman</b>	\$29,897.75	\$0.00
<b>Risk &amp; Regulatory Consulting, LLC</b>	\$721,729.89	\$0.00
<b>Taylor-Walker Consulting, LLC</b>	\$4,730.00	\$0.00
<b>The Actuarial Advantage Inc.</b>	\$22,636.25	\$0.00
<b>The Thomas Consulting Group, Inc.</b>	\$225,204.25	\$0.00

MARKET CONDUCT EXAMINATIONS<sup>4</sup>:

	<u>BILLED</u>	<u>DEPOSIT INTO IROF</u>
<b>Pennsylvania Insurance Department</b>	\$412,373.55	\$488,894.19

THIRD-PARTY CONTRACTORS:

<b>Assurity Resources</b>	\$59,210.00	\$0.00
<b>Risk &amp; Regulatory Consulting, LLC</b>	\$61,429.50	\$0.00

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<sup>4</sup> Per Section 904.

**Act 41 of 2018 (P.L. 273) Annual Analysis Report<sup>5</sup>**  
**Fiscal Year July 1, 2018 – June 30, 2019**

<u>THIRD-PARTY CONSULTANTS</u>	<u>BILLED</u>
<b>Blank Rome LLP</b>	\$641,848.78
<b>Boenning &amp; Scattergood</b>	\$327,298.79
<b>Cantilo &amp; Bennett LLP</b>	\$726,178.74
<b>Cozen O'Connor</b>	\$598,916.39

**Analysis of Effectiveness:** In all respects, transparency and effectiveness are at the forefront of the Insurance Department’s examination process. Before examinations begin, the PID holds scheduling conferences and presents estimated budgets to the examined companies in order to provide them with transparent expectations on what to expect in the upcoming examination. Because of this process, companies and the PID were able to agree in pre-examination discussions that the Department’s proposed course of action was indeed the most effective. The Department is continuously aware of the need for transparency in examinations and continues to work to improve effectiveness with each subsequent exam.

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<sup>5</sup> Costs reported for regulatory activities described under section 905.1 (a) (3) (4) and (5) for the immediately prior fiscal year (7.1.2018 – 6.30.2019).