Examination Warrant Number 10-PC-149

Report of Examination of

Commonwealth Insurance Company
Bala Cynwyd, Pennsylvania

As of December 31, 2010

Commonwealth Insurance Company

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Harrisburg, Pennsylvania
November 21, 2012

Honorable Stephen J. Johnson, CPA
Deputy Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
Harrisburg, Pennsylvania

Dear Sir:

In accordance with instructions contained in Examination Warrant Number 10-PC-149, dated, March 5, 2010, an examination was made of

Commonwealth Insurance Company, NAIC Code: 34169,

a Pennsylvania domiciled Property and Casualty company, hereinafter referred to as "Company." The examination was conducted at the Company's home office, located at 555 City Line Avenue, Bala Cynwyd, PA 19004.

A report of this examination is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined as of December 31, 2005.

This examination covered the five-year period from January 1, 2006 through December 31, 2010, and consisted of a general survey of the Company's business practices, management, and operations, and an evaluation of the Company's financial condition as of the latter date. Material subsequent events were also reviewed.

Work programs employed in the performance of this examination were designed to comply with the standards promulgated by the Pennsylvania Insurance Department ("Department") and the National Association of Insurance Commissioners ("NAIC").

The format of this report is consistent with the current practices of the Department and the examination format prescribed by the NAIC. It is limited to a description of the Company, a discussion of financial items that are of specific regulatory concern, and a disclosure of other significant regulatory information.

For each year during the period under examination, the Certified Public Accounting ("CPA") firm of Rainer & Company provided an unqualified audit opinion on the Company's year-end financial statements based on statutory accounting principles. Relevant work performed by the CPA firms, during their annual audit of the Company, was reviewed during the examination and incorporated into the examination workpapers.

HISTORY

The Company was incorporated on August 16, 1989 and licensed by the Department and began business operations on September 1, 1989. No changes were made to the Company's Articles of Agreement or By-laws during the examination period.

The Company is currently authorized to transact those classes of insurance described in 40 P.S. § 382, Section 202, Subsection (c), Paragraph (1) Fidelity and Surety.

MANAGEMENT AND CONTROL

CAPITALIZATION

As of the examination date, December 31, 2010, the Company's total capital was $328,693, consisting of 25,000 capital shares of issued and outstanding common stock with a par value of $10 per share amounting to $250,000; $688,000 in gross paid in and contributed surplus; and ($609,307) in unassigned funds(surplus).

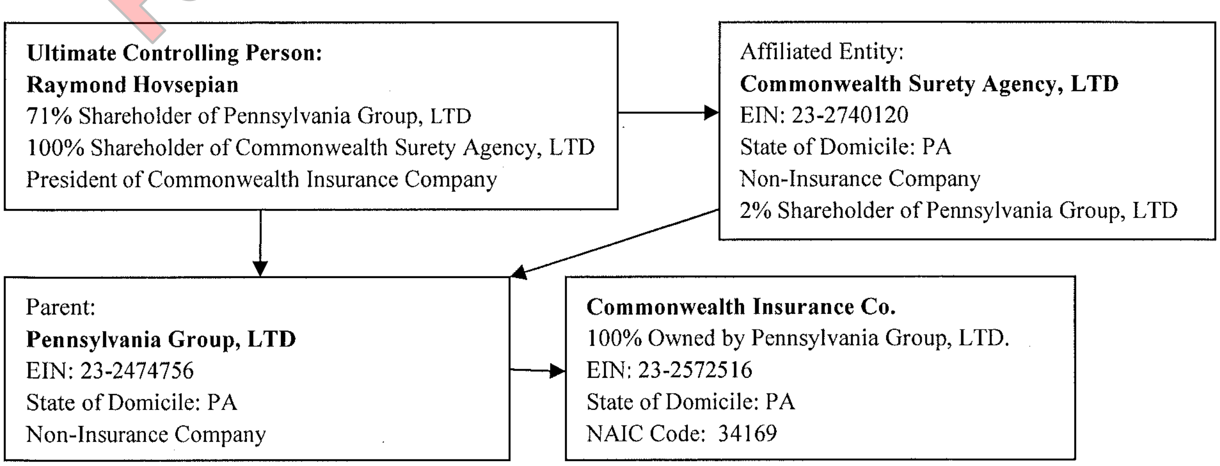
The Company's minimum capital and minimum surplus requirements for the types of business for which it is licensed, pursuant to 40 P. S. § 386.1, is $200,000 in capital and $100,000 in surplus. The Company has met all governing surplus requirements throughout the examination period.

STOCKHOLDER

The Company is wholly owned by Pennsylvania Group, Ltd. ("PA GRP"), a Delaware company. Its ultimate controlling person is Raymond Hovsepian, who owns 71% of the common stock of PA GRP. No dividends were paid during the period under examination.

INSURANCE HOLDING COMPANY SYSTEM

The Company meets the requirements for filing an insurance holding company system registration statement, in compliance with 40 P.S. §§ 991.1401-991.1413. All registration statements have been filed during the examination period as required by the Department. The Company's organizational chart showing the Company's parent entity, and its ultimate controlling entity, is as follows:



Raymond Hovsepian is named as the ultimate controlling person in the system. Members of the Holding Company System include those shown above.

BOARD OF DIRECTORS

Management of the Company is vested in its Board of Directors ("Board"), which was comprised of the following members as of the examination date, December 31, 2010:

Name and Address	Principal Occupation
Raymond W. Hovsepian Haverford, PA	President Commonwealth Insurance Company
Richard W. Hovsepian* Gladwyne, PA	Independent Real Estate Management
Kyriacos N.D. Georgiou* Philadelphia, PA	Computer Programmer Self-Employed
Stephen Marmer* Philadelphia, PA	President E.F. Hopkins
Melvyn Siegal* Margate, NJ	Retired Business Executive
Richard S. Weissman* Moorestown, NJ	President CRW Graphics
Ann E. Glass Elkins Park, PA	Secretary/Treasurer Commonwealth Insurance Company

* Denotes outside director

As required by the Company's By-laws, all Directors are elected for a one-year term at the annual meeting of the Stockholder. The Company requires all Officers and Directors to sign a Conflict of Interest Statement annually.

COMMITTEES

The Directors and/or Officers were assigned to serve on the following Committee as listed below:

INDEPENDENT COMMITTEE

Kyriacos N.D. Georgiou
Richard S. Weissman
Richard W. Hovsepian

Governing law, namely 40 P.S. § 991.1405(c)(3), Standards of management of an insurer within a holding company system, states: "not less than one-third of the directors of a domestic insurer and not less than one-third of the members of each committee of the board of directors of any domestic insurer shall be persons who are not officers or employees of such insurer or of any entity controlling, controlled by or under common control with such insurer and who are not beneficial owners of a controlling interest in the voting stock of such insurer of any such entity.

At least one such person must be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof."

The Company met the requirements as stated above during the examination period.

Likewise, 40 P.S. § 991.1405(c)(4) and (4.1), Standards of management of an insurer within a holding company system, further states: "The board of directors of a domestic insurer shall establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by or under common control with the insurer and who are not beneficial owners of a controlling interest in the voting stock of the insurer or any such entity. The committee or committees shall have the responsibility for recommending the selection of independent certified public accountants, reviewing the insurer's financial condition, the scope and results of the independent audit and any internal audit, nominating committees for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation of the principal officers."

40 P.S. § 991.1405(c)(5), Standards of management of an insurer within holding company system, states: "The provisions of paragraphs (3), (4) and (4.1) shall not apply to a domestic insurer if the person controlling such insurer is an insurer or another business entity having a board of directors and committees thereof which already meet the requirements of paragraphs (3), (4) and (4.1).

The Company was in compliance with the requirements stated above as the responsibilities of the Independent Committee included, among others, recommending the selection of independent certified public accountants, reviewing the insurer's financial condition, the scope and results of the independent audit, nominating committees for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation of the principal officers.

OFFICERS

As of the examination date, December 31, 2010, the following officers were appointed and serving in accordance with the Company's By-laws:

Name	**Title**
Raymond W. Hovsepian	President
Ann E. Glass	Secretary/Treasurer

CORPORATE RECORDS

MINUTES

A compliance review of corporate minutes revealed the following:

- The Annual Meetings of the Company's stockholder were held in compliance with its By-laws.
- The stockholder elects directors at such meetings in compliance with the By-laws.
- The stockholder ratified the prior year's actions of the officers and directors.
- Quorums were present at all directors' meetings.
- The Company's investment transactions are approved quarterly by the Board.
- All directors attend Board meetings regularly.
- The Company Board meeting's minutes approve the reinsurance contracts.

ARTICLES OF AGREEMENT

There were no amendments to the Company's Articles of Agreement during the examination period.

BY-LAWS

There were no amendments to the Company's By-laws during the examination period.

SERVICE AND OPERATING AGREEMENTS

The Company is party to an inter-company agreement with its parent, PA GRP. Under terms of the agreement, the parent provides the Company with facilities, administrative and other services necessary to carry out the day-to-day operations of the Company. Costs associated with this agreement are based on actual expenses attributable to the Company paid by PA GRP, reasonable allocations to the Company (as approved by the Boards of both companies) of joint expenditures paid by PA GRP, plus an administrative fee payable to PA GRP. This agreement was filed with the Department on January 30, 2006 and was found to be in compliance with the required "fair and reasonable" standards described in 40 P.S. §991.1405(a)(1)(ii).

REINSURANCE

CEDED

The Company did not cede any business to another insurer during the examination period.

ASSUMED

The Company did not assume any business from another insurer during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is licensed only in Pennsylvania to write fidelity and surety insurance. It solicits business through independent agents and brokers.

Almost all of the Company's written premiums come from small contractors who are unable to obtain bonds in the standard market. Consequently, a majority of bonds issued are secured by collateral ranging from mortgages on real estate, irrevocable letters of credit, and chattel mortgages on equipment, cash or other forms of collateral acceptable to the Company. The following chart illustrates the amount of direct, assumed and ceded premium written by line of business as of December 31, 2010:

Line of Business	Direct and Assumed Premium	Ceded Premium	Net Written Premium	Percentage of Total
Surety	$ 995,907	$ 0	$ 995,907	100.0%
Totals	$ 995,907	$ 0	$ 995,907	100.0%

SIGNIFICANT OPERATING RATIOS AND TRENDS

The underwriting ratios summarized below are on an earned/incurred basis, and encompass the five-year period covered by this examination.

	Amount	Percentage
Premiums earned	$ 6,147,178	100.0 %
Losses incurred	$ (5,259)	(0.1)%
Loss expenses incurred	71,888	1.2 %
Other underwriting expenses incurred	6,142,101	99.9 %
Net underwriting gain or (loss)	(61,552)	(1.0)%
Totals	$ 6,147,178	100.0 %

The Company reported the following net underwriting, investment and other gains or losses during the period under examination:

Admitted assets	$ 1,405,017	$ 1,329,332	$ 1,816,618	$ 1,898,943	$ 2,229,826
Liabilities	$ 1,076,324	$ 976,704	$ 1,401,544	$ 1,552,817	$ 1,855,668
Surplus as regards policyholders	$ 328,693	$ 352,628	$ 415,074	$ 346,126	$ 374,158
Gross premium written	$ 995,907	$ 852,656	$ 1,345,675	$ 1,443,404	$ 1,379,970
Net premium written	$ 995,907	$ 852,656	$ 1,345,675	$ 1,443,404	$ 1,379,970
Underwriting gain/(loss)	$ (153,333)	$ (82,241)	$ 68,974	$ 78,678	$ 26,370
Investment gain/(loss)	$ 4,456	$ 11,431	$ 10,970	$ (52,474)	$ 30,575
Other gain/(loss)	$ 23,345	$ 16,823	$ 10,178	$ 11,362	$ 13,733
Net income	$ (125,532)	$ (53,987)	$ 90,122	$ 37,566	$ 70,678

The Company attributes the losses in its underwriting results for the years 2009 and 2010 to the downward trend in the economy beginning in 2008, which in turn has adversely affected construction projects for which its surety bonds rely on to generate premiums. The Company believes that this downward trend in its underwriting results will reverse as the economic conditions improve and construction starts pickup.

ACCOUNTS AND RECORDS

The Company's accounting, investment, policy and claim records are kept, and are available at the Company's home office. Its accounting system for receipts and disbursements is based on the Quick Books Program. Record keeping for all other financial functions of the Company is maintained on Microsoft Excel spreadsheets.

PENDING LITIGATION

During the period under examination, the Company was involved in several claims related lawsuits, which would have a material effect on the Company's surplus if these lawsuits are adjudicated in favor of the plaintiffs. The judgments related to these lawsuits are discussed in the "Subsequent Events" section of this report.

FINANCIAL STATEMENTS

The financial condition of the Company, as of December 31, 2010, and the results of its operations for the five-year period under examination, are reflected in the following statements:

Comparative Statement of Assets, Liabilities, Surplus and Other Funds;
Comparative Statement of Income;
Comparative Statement of Capital and Surplus; and
Comparative Statement of Cash Flow

Comparative Statement of Assets, Liabilities, Surplus and Other Funds As of December 31,

	2010	2009	2008	2007	2006
Mortgage loans on real estate	$ 407,279	$ 382,091	$ 394,306	$ 372,954	$ 306,581
Cash, cash equivalents, and short term investments	910,661	853,947	1,249,433	1,239,474	1,413,122
Subtotals, cash and invested assets	1,317,940	1,236,038	1,643,739	1,612,428	1,719,703
Investment income due and accrued	314	314	314	313	1,478
Premiums and agents' balances due	86,763	78,098	172,565	286,202	279,788
Electronic data processing equipment and software	0	0	0	0	173
Aggregate write-ins for other than invested assets	0	14,882	0	0	228,684
Total	$ 1,405,017	$ 1,329,332	$ 1,816,618	$ 1,898,943	$ 2,229,826
Losses	$ 0	$ 0	$ 0	$ 12,000	$ 24,685
Loss adjustment expenses	34,500	30,000	30,000	30,000	30,000
Commissions payable, contingent commissions and other similar charges	0	420	9,653	111,493	68,618
Taxes, licenses and fees	0	0	0	3,254	35,274
Unearned premiums	483,350	452,391	689,039	729,404	696,425
Amounts withheld or retained by company for account of others	549,560	493,106	661,031	666,666	1,000,666
Aggregate write-ins for liabilities	8,914	787	11,821	0	0
Total liabilities	1,076,324	976,704	1,401,544	1,552,817	1,855,668
Common capital stock	250,000	250,000	250,000	250,000	250,000
Gross paid in and contributed surplus	688,000	688,000	688,000	688,000	688,000
Unassigned funds (surplus)	(609,307)	(585,372)	(522,926)	(591,874)	(563,842)
Surplus as regards policyholders	328,693	352,628	415,074	346,126	374,158
Totals	$ 1,405,017	$ 1,329,332	$ 1,816,618	$ 1,898,943	$ 2,229,826

Comparative Statement of Income
For the Year Ended December 31,

Underwriting Income	2010	2009	2008	2007	2006
Premiums earned	$ 964,948	$ 1,089,304	$ 1,386,040	$ 1,410,425	$ 1,296,461
Deductions:					
Losses incurred	(26,258)	23,190	(92,520)	89,233	1,096
Loss expenses incurred	31,937	6,207	33,744	0	0
Other underwriting expenses incurred	1,112,602	1,142,148	1,375,842	1,242,514	1,268,995
Total underwriting deductions	1,118,281	1,171,545	1,317,066	1,331,747	1,270,091
Net underwriting gain or (loss)	(153,333)	(82,241)	68,974	78,678	26,370
Investment Income					
Net investment income earned	4,456	11,431	10,970	(52,474)	30,575
Net investment gain or (loss)	4,456	11,431	10,970	(52,474)	30,575
Other Income					
Aggregate write-ins for miscellaneous income	23,345	16,823	10,178	11,362	13,733
Total other income	23,345	16,823	10,178	11,362	13,733
Net income before dividends to policyholders and before federal and foreign income taxes	(125,532)	(53,987)	90,122	37,566	70,678
Net income	$ (125,532)	$ (53,987)	$ 90,122	$ 37,566	$ 70,678

Comparative Statement of Capital and Surplus For the Year Ended December 31,

	2010	2009	2008	2007	2006
Surplus as regards policyholders, December 31, previous year	$ 352,628	$ 415,074	$ 346,126	$ 374,158	$ 317,049
Net income	(125,532)	(53,987)	90,122	37,566	70,678
Change in nonadmitted assets	101,597	(8,459)	(21,174)	(65,598)	(13,569)
Change in surplus as regards policyholder for the year	(23,935)	(62,446)	68,948	(28,032)	57,109
Surplus as regards policyholders, December 31, current year	$ 328,693	$ 352,628	$ 415,074	$ 346,126	$ 374,158

Comparative Statement of Cash Flow
For the Year Ended December 31,

	2010	2009	2008	2007	2006
Cash from Operations					
Premiums collected net of reinsurance	$ 1,014,480	$ 947,610	$ 1,383,937	$ 1,438,769	$ 1,232,291
Net investment income	4,456	11,431	7,715	(83,329)	36,573
Miscellaneous income	23,345	16,823	10,178	11,362	13,733
Total income	1,042,281	975,864	1,401,830	1,366,802	1,282,597
Benefit and loss related payments	(25,859)	45,018	(102,496)	(128,435)	9,098
Commissions, expenses paid and aggregate write-ins for deductions	1,140,459	1,157,588	1,511,426	1,199,639	1,193,020
Total deductions	1,114,600	1,202,606	1,408,930	1,071,204	1,202,118
Net cash from operations	(72,319)	(226,742)	(7,100)	295,598	80,479
Cash from Investments					
Proceeds from investments sold, matured or repaid:					
Mortgage loans	12,663	15,468	13,997	7,402	65,474
Total investment proceeds	12,663	15,468	13,997	7,402	65,474
Cost of investments acquired (long-term only):					
Mortgage loans	37,851	3,253	35,349	0	0
Miscellaneous applications	0	0	0	73,775	0
Total investments acquired	37,851	3,253	35,349	73,775	0
Net cash from investments	(25,188)	12,215	(21,352)	(66,373)	65,474
Cash from Financing and Miscellaneous Services					
Other cash provided (applied):					
Capital and paid in surplus, less treasury stock	0	0	0	0	(4)
Other cash provided or (applied)	154,221	(180,959)	38,411	(402,873)	(195,581)
Net cash from financing and miscellaneous sources	154,221	(180,959)	38,411	(402,873)	(195,585)
Reconciliation of cash and short-term investments:					
Net change in cash and short-term investments	56,714	(395,486)	9,959	(173,648)	(49,632)
Cash and short-term investments:					
Beginning of the year	853,947	1,249,433	1,239,474	1,413,122	1,462,754
End of the year	$ 910,661	$ 853,947	$ 1,249,433	$ 1,239,474	$ 1,413,122

SUMMARY OF EXAMINATION CHANGES

The following changes have been made to the Company's financial statements as a result of this examination:

	Per Company	Per Examination	Change to Surplus
Liabilities			
Loss adjustment expenses	$ 30,000	$ 34,500	$ (4,500)
Net change to surplus			(4,500)
Total surplus, December 31, 2010, per Company			333,193
Total surplus, December 31, 2010, per Examination			$ 328,693

A description of the loss adjustment expenses exam adjustment noted above is explained below in the Loss and Loss Adjustment Expense Reserves section of this examination report.

NOTES TO FINANCIAL STATEMENTS

ASSETS

INVESTMENTS

As of December 31, 2010, the Company's invested assets were distributed as follows:

	Amount	Percentage
Mortgage loans on real estate	$ 407,279	30.9 %
Cash	910,661	69.1 %
Totals	$ 1,317,940	100.0 %

The Company has a written investment policy as required by 40 P.S. § 653 b (b). The investment policy is reviewed and approved on an annual basis by the Board of Directors. The Company was in compliance with its investment policy throughout the examination period.

The Company did not have a custodial agreement in effect during the period under examination nor was it required to have one.

LIABILITIES

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

The Company did not report any reserves for losses in its December 31, 2010 Annual Statement. The Company establishes loss reserves based on settled claims that are being paid on an installment basis. The Company does not establish loss reserves for open and unpaid claims or incurred but not reported claims.

The Company established a $30,000 loss adjustment expense reserve in its December 31, 2010 Annual Statement. This reserve amount remained the same throughout the examination period and has not changed since the last examination.

The Department granted the Company annual exemptions from filing actuarial opinions on the adequacy of its year-end loss and loss adjustment expense reserves reported during the examination period.

A retrospective development of claims paid through October 31, 2012 conducted as part of the Department's examination revealed that there were no claims that should have been booked as a loss reserve as of December 31, 2010.

LOSS ADJUSTMENT EXPENSE RESERVES $34,500

The Company reported $30,000 in its December 31, 2010 Annual Statement under the above caption. As a result of this examination, the amount of this item has been determined to be $34,500, an increase of $4,500, with a corresponding decrease of $4,500 to the Company's reported surplus. This amount was determined based on unpaid legal expenses as of December 31, 2010 related to litigation and was reported to the exam team via a legal representation letter from the Company's attorney involved in the litigation of reported claims on the Company's behalf.

SUBSEQUENT EVENTS

CLAIM LITIGATION

Holiday Trenton, Inc. v. Jocanz, Inc., et al Claim:

On June 13, 2012, the Superior Court of New Jersey issued a judgment in favor of the plaintiff in the amount of $727,579 against the Company for failure to comply with its performance bond obligations. The performance bond that the Company issued, which provides coverage for this claim was issued in the amount of $1,860,820. As of the date of this examination, the Company has not paid any of the $1,860,820 coverage limit. The Company did not record any reserve for this claim in its December 31, 2010 financial statements. The Company recorded $200,000 in loss reserves for this claim in its June 30, 2012 financial statements. No additional amount has been reserved for this claim as of the date of this examination report. The Department has been unable to verify the amount, type, and quality of the collateral pledged by the policyholder backing the performance bond that provides coverage for this claim. Company management is currently negotiating resolution of this judgment.

Byrd Yeany Seeding-Mulching v. Napcon, Inc. Claim

On April 5, 2010, the Pennsylvania Court of Common Pleas, Schuylkill County, issued a judgment in favor of the plaintiff in the amount of $57,080. On August 13, 2010, the Pennsylvania Court of Common Pleas, Schuylkill County, granted plaintiff's post-trial motion and molded the original verdict to $122,663, which includes damages, penalties, interest, and attorney's fees. In addition, the order directed the prothonotary to "enter the amount of the verdict herein as a judgment in favor of the plaintiff and against the defendants." Thus the court *sua sponte* directed entry of a verdict against a party (i.e. Company) whose liability had not been presented to the jury. On July 2, 2012 the Supreme Court of Pennsylvania, Middle District, denied the Company's Petition for Allowance of Appeal and on October 12, 2012 it also denied the Company's Application for Reconsideration. The performance bond that the Company issued, which provides coverage for this claim was issued in the amount of $2,490,033. As of the date of this examination, the Company has not paid any of the $2,490,033 coverage limit. The Company did not record any loss reserve for this claim in its December 31, 2010 financial statements nor has it recorded any as of the date of this examination report. The Department has been unable to verify the amount, type, and quality of the collateral pledged by the policyholder backing the performance bond that provides coverage for this claim. Company management is currently negotiating resolution of this judgment.

Pending the results of the resolution negotiations currently being conducted by Company management on the above two claims; the Department may need to take regulatory action if management's negotiations are not successful.

RECENT FINANCIAL HIGHLIGHTS

The Company experienced the following financial results since December 31, 2010:

	December 31, 2011	September 30, 2012
Total Assets	$ 1,353,924	$ 1,205,899
Total Liabilities	$ 1,011,086	$ 1,150,961
Policyholders Surplus	$ 342,838	$ 54,938
Net Income	$ (16,837)	$ (179,988)

Based on the September 30, 2012 financial statements reported to the Department by the Company, the Company's policyholders surplus is below the minimum statutory requirement of $300,000, which is comprised of minimum requirements of $200,000 in capital and $100,000 in surplus pursuant to 40 P. S. § 386.1.

It is recommended that additional funds be infused into the Company in order to meet the minimum statutory policyholders surplus requirement of $300,000, which is comprised of minimum requirements of $200,000 in capital and $100,000 in surplus pursuant to 40 P. S. § 386.1.

RECOMMENDATIONS

PRIOR EXAMINATION

The prior examination report contained the following recommendations:

1. It was recommended that additional funds be infused into the Company to meet the statutory capital and surplus minimum requirements.

   The Company complied with this recommendation during the five-year examination period. However, subsequent to December 31, 2010, the Company's surplus fell below the statutory minimum requirement; therefore, this recommendation is being reiterated in this examination report.

2. It is recommended that the Company establish liabilities accordance with the NAIC Accounting Practices and Procedures Manual's Statement of Statutory Accounting Principle #5.

   The Company complied with this recommendation.

CURRENT EXAMINATION

1. It is recommended that additional funds be infused into the Company in order to meet the minimum statutory policyholders surplus requirement of $300,000, which is comprised of capital and minimum surplus requirements of $200,000 in capital and $100,000 in surplus pursuant to 40 P. S. § 386.1 (see "Subsequent Events", page 14).

CONCLUSION

As a result of this examination, the financial condition of Commonwealth Insurance Company, as of December 31, 2010, was determined to be as follows:

	Amount	Percentage
Admitted assets	$ 1,405,017	100.0 %
Liabilities	$ 1,076,324	76.6 %
Surplus as regards policyholders	328,693	23.4 %
Total liabilities and surplus	$ 1,405,017	100.0 %

Since the previous examination, made as of December 31, 2005, the Company's assets decreased by $607,136, its liabilities decreased by $618,780, and its surplus increased by $11,644.

This examination was conducted by Keith D. Wandel Jr., CFE, AES, CISA and John Lee, CFE, with the latter in charge.

Respectfully

Annette B. Szady

Annette B. Szady, CPA
Director, Bureau of Financial Examinations

Joseph G. Jacobs / JAL

Joseph G. Jacobs
Examination Manager

John Lee / JAL

John Lee, CFE
Examiner-in-Charge

The CFE designation has been conferred by an organization not affiliated with the federal or any state government. However the CFE designation is the only designation recognized by the NAIC for the purposes of directing statutory Association examinations of insurance companies.