

Examination Warrant Number 07-HM-362-A

**Report of Examination of**

**Unison Family Health Plan of Pennsylvania, Inc.  
Pittsburgh, Pennsylvania**

**As of December 31, 2007**

**For Informational Purposes Only**

# Unison Family Health Plan of Pennsylvania, Inc.

## TABLE OF CONTENTS

<b>Subject</b>	<b>Page</b>
Salutation .....	1
Scope of Examination .....	1
History .....	2
Management and Control:	
Capitalization .....	2
Stockholders.....	2
Insurance Holding Company System.....	2
Board of Directors .....	4
Audit Committee.....	4
Officers .....	5
Corporate Records:	
Minutes .....	5
Articles of Agreement.....	5
By-Laws.....	5
Service and Operating Agreements .....	6
Reinsurance:	
Ceded .....	7
Assumed.....	7
Territory and Plan of Operations .....	7
Significant Operating Trends.....	8
Accounts and Records .....	8
Pending Litigation.....	8
Financial Statements:	
Comparative Statement of Assets, Liabilities, Surplus and Other Funds.....	10
Comparative Statement of Income.....	11
Comparative Statement of Capital and Surplus .....	12
Comparative Statement of Cash Flow .....	13
Summary of Examination Changes .....	14
Notes to Financial Statements:	
Investments .....	14
Policyholder and Claim Reserves .....	15
Subsequent Events .....	15
Recommendations:	
Prior Examination .....	16
Current Examination.....	16
Conclusion .....	17

Harrisburg, Pennsylvania  
November 13, 2009

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 07-HM-362-A, dated March 16, 2007, an examination was made of

**Unison Family Health Plan of Pennsylvania, Inc.**

a Pennsylvania domiciled Health Maintenance Organization (“HMO”), hereinafter referred to as “Company.” The examination was conducted at the Company’s home office, located at 1001 Brinton Road, Pittsburgh, Pennsylvania 15221.

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 two-year period from January 1, 2006 through December 31, 2007, and consisted of a general survey of the Company’s business practices and management, 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 factual disclosure of other significant regulatory information.

For each year during the period under examination, the Certified Public Accounting (“CPA”) firm of Ernst and Young, LLP, Pittsburgh, Pennsylvania has provided an unqualified opinion based on statutory accounting principles. Relevant work performed by the CPA firm,

## **Unison Family Health Plan of Pennsylvania, Inc.**

-2-

during its annual audit of the Company, was reviewed during the examination and incorporated into the examination workpapers.

### **HISTORY**

The Company was incorporated on May 10, 2004, as Three Rivers Children's Health Plan, Inc., and was granted a Certificate of Authority by the Department and the Department of Health on June 25, 2004, to operate as a health maintenance organization.

The Company effected a name change to Unison Family Health Plan of Pennsylvania, Inc., effective November 1, 2005.

The Company is currently authorized to transact those classes of insurance described in the Pennsylvania Insurance Company Law (40 P.S. § 382), Section 202, Subsection 1554 as a Health Maintenance Organization.

### **MANAGEMENT AND CONTROL**

#### **CAPITALIZATION**

As of the examination date, December 31, 2007, the Company's total capitalization was \$1,600,000, which consisted of 1,000 shares of issued and outstanding common stock with no par value. Unison Health Plan of Pennsylvania, Inc. ("UHPPA"), formerly Three Rivers Health Plans, Inc., a Pennsylvania HMO, owns all of the shares outstanding. Three Rivers Holdings, Inc. ("Holdings"), a Delaware holding company owns all of the issued and outstanding shares of UHPPA.

The total capitalization required of the Company, to engage in the types of business for which it is licensed, is \$1,000,000 in net worth. The Company meets this requirement.

#### **STOCKHOLDERS**

During the period covered by this examination, the Company did not pay any dividends to UHPPA.

#### **INSURANCE HOLDING COMPANY SYSTEM**

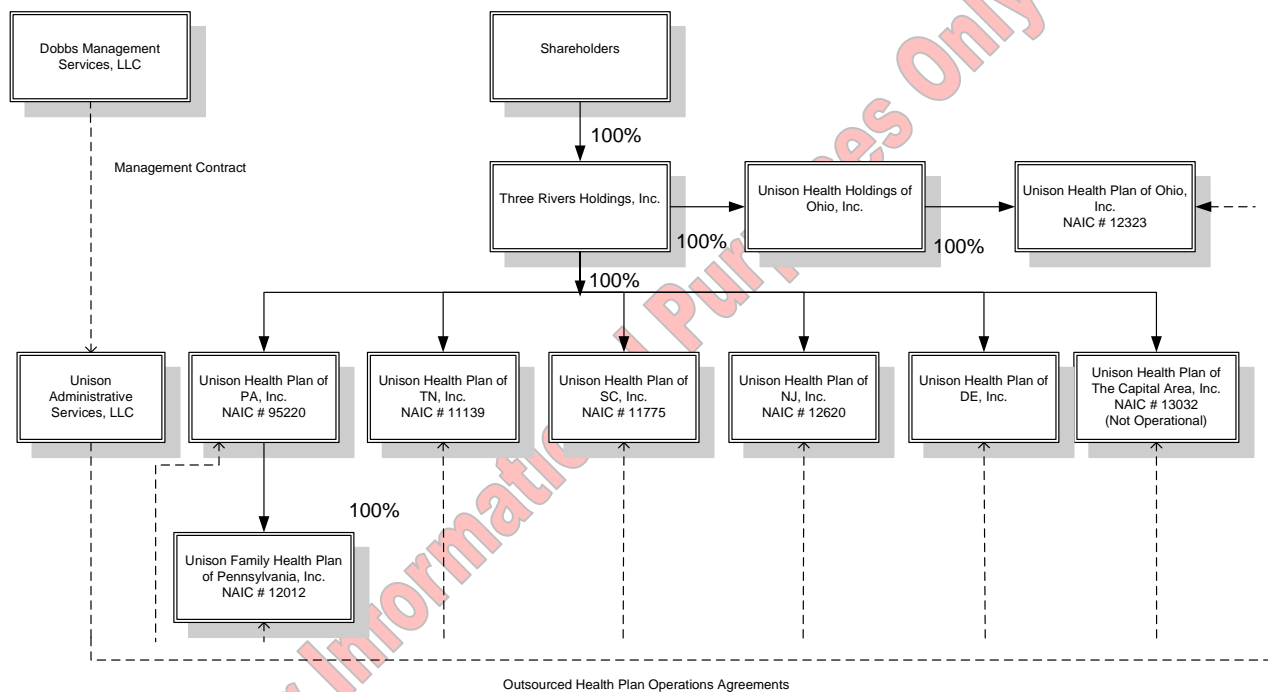
The Company is part of an insurance holding company system and is required by Pennsylvania Insurance Company Law, 40 P.S. § 991.1404 (a)-(d), to register with the Department by March 31 of each year. The following is a summary of stock ownership of Holdings at December 31, 2007, showing owners of more than 10%:

# Unison Family Health Plan of Pennsylvania, Inc.

-3-

	<u>Shares</u>	<u>Percentage</u>
• John Hull Dobbs Revocable Trust	9,130.48147	32.25431%
• Caroline Kirby Dobbs 1985 Trust	3,674.95327	12.98213%
• John Hull Dobbs Jr. 1985 Trust	3,674.95327	12.98213%
• Juliette C. Dobbs 1985 Trust	3,674.95327	12.98213%
• Edward J. Dobbs Grantor trust	3,674.95327	12.98213%

The Following summarizes the insurance company holding structure on December 31, 2007:



Holdings is a Delaware holding company that owns all outstanding shares of Unison Health Plan of Delaware, Inc. a Delaware domiciled HMO; Unison Health Plan of New Jersey, Inc., a New Jersey domiciled HMO; Unison Health Plan of the Capital Area, Inc., a District of Columbia domiciled HMO; Unison Health Plan of Tennessee, Inc., a Tennessee domiciled HMO; Unison Health Plan of South Carolina, Inc., a South Carolina domiciled HMO; and Unison Administrative Services, LLC. (“UAS”) UAS provides all of the operational services that the Company needs to operate as an HMO. Holdings also owns all of the outstanding shares of Unison Health Holdings of Ohio, Inc.; which in turn owns all of the shares of Unison Health Plan of Ohio, Inc., an Ohio domiciled HMO.

## Unison Family Health Plan of Pennsylvania, Inc.

-4-

### 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, 2007.

<b>Name and Address</b>	<b>Principal Occupation</b>
John P. Blank, M.D. Homestead, Pennsylvania	Chief Executive Officer Unison Family Health Plan of Pennsylvania, Inc.
Roberta L. Breninghouse Lower Burrell, Pennsylvania	Subscriber Member of the Board Unison Family Health Plan of Pennsylvania, Inc.
William H. Lawson, Jr. Memphis, Tennessee	Vice President and Assistant Secretary Dobbs Management Services, LLC

The By-laws of the Company provide that directors are to be elected during the annual meeting of the shareholders. The Board is currently composed of three directors, one of which is a subscriber to the Company. The Company has a conflict of interest policy and all directors execute a conflict of interest policy upon election.

The Company complies with the portion of Pennsylvania Insurance Company Law 40 P.S. §991.1405(c)(3) that requires that 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 to 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 or any such entity.

### AUDIT COMMITTEE

The minutes of the Audit Committee document compliance with Pennsylvania Insurance Company Law 40 P.S. §991.1405(c) (4) that requires such a committee to be responsible for recommending the selection of independent certified public accountants, reviewing the Company’s financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders, evaluating the performance of principal officers of the Company and recommending to the board of directors the selection and compensation of the principal officers.

The Audit Committee consisted of a single member on December 31, 2007, Roberta L. Breninghouse.

## Unison Family Health Plan of Pennsylvania, Inc.

-5-

### OFFICERS

As of the examination date, December 31, 2007, the following officers were appointed and serving in accordance with the Company's By-laws:

<b>Name</b>	<b>Title</b>
John P. Blank, M.D.	Chief Executive Officer
Jennifer L. Kessler	President
David W. Thomas	Secretary
Leslie A. Gelpi	Treasurer

### CORPORATE RECORDS

#### MINUTES

During the period covered by this examination, annual meetings of the Company's shareholders were held in compliance with the By-Laws. Directors were elected during the annual shareholders meetings, and officers were subsequently elected during the annual organizational meeting of the Board of Directors. Actions of the directors are ratified by the Company's shareholders.

Quorums were established at all Board and shareholder meetings. The Board transacts much of its business through the use of Unanimous Written Consents. Such consents were used for all Board meetings that were between the date of the previous examination and year-end 2007. Participation of directors in the affairs of the Company as measured by attendance at board meetings or by the execution of Actions by Unanimous Consent has been satisfactory.

#### ARTICLES OF AGREEMENT

The Company filed Articles of Amendment with the Department of State Corporation Bureau to change their name from Three Rivers Children's Health Plan, to Unison Family Health Plan of Pennsylvania, Inc. The name change was adopted by the Board of Directors pursuant to 15 PA C.S. § 1914 (c), effective as of November 1, 2005.

#### BY-LAWS

The Company amended its By-Laws to reflect the name change as described above.

## **SERVICE AND OPERATING AGREEMENTS**

### **HEALTH PLAN OPERATIONS OUTSOURCING AGREEMENT**

The Company has entered into an operations outsourcing agreement with Unison Administrative Services, LLC("UAS"), a limited liability company which is 100 % owned by Holdings. Under the agreement, UAS performs all health plan operational services necessary for the Company to carry on its HMO business for a fee based on percentage of revenue. The agreement with UAS terminates on December 31, 2007, with automatic renewals for successive one-year terms unless either party to the agreement gives notice of termination. UAS engages in no other activities other than the performance of services for the companies within the holding company system. Total expenses incurred under the agreement were \$4,256,215 and \$4,051,738 in 2007 and 2006, respectively.

It was requested that the Company provide an analysis of how this agreement meets the fairness and reasonable standard as set forth in 40 PS § 991.1405 (a) (1). During the course of the exam the Company could not provide such analysis. It is recommended that the Company comply with 40 PS § 991.1405 (a) (1) and provide proof that this agreement is fair and reasonable.

### **TAX ALLOCATION AGREEMENT**

There is a Tax Allocation Agreement between the Company and Holdings. The agreement requires Holdings to reimburse the Company for losses that are passed to Holdings. Reimbursements to the Company are equal to the refund of federal and state income taxes that the Company would have received had it elected not to file as a Qualified Subchapter S Subsidiary ("QSSS") of Holdings. Conversely, the Company is required to reimburse Holdings for any federal and state income taxes that the Company would have paid had it not filed as a QSSS.



## **REINSURANCE**

### **CEDED**

The following summarizes the Company's reinsurance contract in effect as of December 31, 2007:

Reinsurer:	HM Life Insurance Company
Type of contract:	Excess of Loss
Effective date:	April 1, 2007
Term:	Twelve months
Business covered:	Inpatient Hospital Services
Applicant's retention:	\$250,000 each member, each contract year
Reinsurance limits:	50% to 90% of Eligible Hospital Services, subject to a maximum of \$2,000,000, per member, per contract year

The contract contains appropriate arbitration and insolvency clauses.

### **ASSUMED**

The Company did not assume any reinsurance during the period under examination.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company is licensed in Pennsylvania only and currently provides Children's Health Insurance Program ("CHIP") and AdultBasic coverages. The Company has contracts with the Department to provide comprehensive health care to children of working families that cannot afford coverage and to adults that do not have healthcare coverage.

Effective July 1, 2004, UHPPA assigned its contract to provide services under CHIP to the Company. Effective July 1, 2005, the Department awarded the Company a contract to provide services under the AdultBasic program.

Comprehensive (hospital and medical) is the only line of business written by the Company. The following chart summarizes the Company's direct and assumed, ceded and net written premiums for the year 2007:

## Unison Family Health Plan of Pennsylvania, Inc.

-8-

Line of Business	Direct and Assumed Premium	Ceded Premium	Net Premium	Percentage of Total
<b>December 31, 2007</b>				
Comprehensive (hospital and medical)	\$ 30,409,530	\$ 28,492	\$ 30,381,038	100.0 %
Totals	<u>\$ 30,409,530</u>	<u>\$ 28,492</u>	<u>\$ 30,381,038</u>	<u>100.0 %</u>

### SIGNIFICANT OPERATING TRENDS

The following indicates the growth of the Company during the period covered by this examination:

	2007	2006
Admitted Assets	\$ 15,983,179	\$ 12,610,828
Liabilities	\$ 4,426,697	\$ 4,851,661
Capital and Surplus Funds	\$ 11,556,482	\$ 7,759,167
Net Premium Income	\$ 30,381,038	\$ 29,118,081
Benefits to Members	\$ 20,530,412	\$ 17,511,630
Net Investment Income	\$ 561,153	\$ 401,148
Net Income	\$ 3,799,471	\$ 4,628,139

### ACCOUNTS AND RECORDS

All of the Company's accounting, investment, policy and claim records are maintained at its home office. The recordkeeping system is fully automated and all applications are on a local area network. The Company's primary financial management information system is Great Plains. The Great Plains system has general ledger, accounts payable, and human resource modules. All of the Company's financial transactions are processed by Great Plains except premium revenue and medical expenses, which are processed by the FACETS Managed Care Enterprise Information System.

### PENDING LITIGATION

The Company is not involved in any pending litigation whose outcome could have a material effect on its financial condition.

## FINANCIAL STATEMENTS

The financial condition of the Company, as of December 31, 2007, and the results of its operations for the 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.

*For Informational Purposes Only*

Unison Family Health Plan of Pennsylvania, Inc.

-10-

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

	2007	2006
Bonds	\$ 100,155	\$ 100,597
Cash, cash equivalents and short-term investments	<u>13,358,690</u>	<u>10,062,434</u>
Subtotal, cash and invested assets	13,458,845	10,163,031
Investment income due and accrued	48,508	44,503
Premiums and considerations	2,446,390	2,342,297
Receivable from parent, subsidiaries and affiliates	16	42,129
Health care and other amounts receivable	<u>29,420</u>	<u>18,868</u>
Totals	<u>\$ 15,983,179</u>	<u>\$ 12,610,828</u>
Claims unpaid	\$ 3,318,435	\$ 2,997,406
Unpaid claims adjustment expenses	122,150	89,140
Premiums received in advance	287,322	249,219
General expenses due or accrued	34,806	36,396
Amounts due to parent, subsidiaries and affiliates	<u>663,984</u>	<u>1,479,500</u>
Total liabilities	<u>4,426,697</u>	<u>4,851,661</u>
Common capital stock	1,000,000	1,000,000
Gross paid in and contributed surplus	600,000	600,000
Unassigned funds (surplus)	<u>9,956,482</u>	<u>6,159,167</u>
Total capital and surplus	11,556,482	7,759,167
Totals	<u>\$ 15,983,179</u>	<u>\$ 12,610,828</u>

For Information

Unison Family Health Plan of Pennsylvania, Inc.

-11-

**Comparative Statement of Income  
For the Year Ended December 31,**

	<b>2007</b>	<b>2006</b>
Net premium income	\$ 30,381,038	\$ 29,118,081
Total revenues	<u>30,381,038</u>	<u>29,118,081</u>
Hospital/medical benefits	12,472,355	11,325,577
Other professional services	4,250,289	4,377,362
Emergency room and out-of-area	1,040,730	857,287
Prescription drugs	2,990,686	2,537,255
Aggregate write-ins for other hospital and medical	<u>(223,648)</u>	<u>(1,585,851)</u>
Total hospital and medical	20,530,412	17,511,630
Claims adjustment expenses	1,072,386	454,462
General administrative expenses	<u>3,319,370</u>	<u>3,731,532</u>
Total underwriting deductions	24,922,168	21,697,624
Net underwriting gain or (loss)	<u>5,458,870</u>	<u>7,420,457</u>
Net investment income earned	<u>561,153</u>	<u>401,148</u>
Net investment gains or (losses)	561,153	401,148
Aggregate write-ins for other income or expenses	<u>0</u>	<u>5,000</u>
Net income or (loss) before federal income taxes	6,020,023	7,826,605
Federal income taxes incurred	<u>2,220,552</u>	<u>3,198,466</u>
Net income	<u>\$ 3,799,471</u>	<u>\$ 4,628,139</u>

For Informational Purposes

Unison Family Health Plan of Pennsylvania, Inc.

-12-

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

	<b>2007</b>	<b>2006</b>
Capital and surplus, December 31, previous year	\$ 7,759,167	\$ 3,132,675
Net income or (loss)	3,799,471	4,628,139
Change in nonadmitted assets	<u>(2,156)</u>	<u>(1,647)</u>
Net change in capital and surplus	<u>3,797,315</u>	<u>4,626,492</u>
Capital and surplus, December 31, current year	<u>\$ 11,556,482</u>	<u>\$ 7,759,167</u>

For Informational Purposes Only

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

	<b>2007</b>	<b>2006</b>
<b>Cash from Operations</b>		
Premiums collected net of reinsurance	\$ 30,326,231	\$ 28,541,194
Net investment income	557,590	376,797
Total	<u>30,883,821</u>	<u>28,917,991</u>
Benefit and loss related payments	20,222,107	17,762,224
Commissions, expenses paid and aggregate write-ins for deductions	4,320,449	4,059,618
Total deductions	<u>24,542,556</u>	<u>21,821,842</u>
Net cash from operations	<u>6,341,265</u>	<u>7,096,149</u>
<b>Cash from Investments</b>		
Proceeds from investments sold, matured or repaid:		
Bonds	<u>0</u>	<u>100,000</u>
Total investment proceeds	<u>0</u>	<u>100,000</u>
Cost of investments acquired (long-term only):		
Bonds	<u>0</u>	<u>100,813</u>
Total investments acquired	<u>0</u>	<u>100,813</u>
Net cash from investments	<u>0</u>	<u>(813)</u>
<b>Cash from Financing and Miscellaneous Sources</b>		
Cash provided (applied):		
Other cash provided or (applied)	<u>(3,045,009)</u>	<u>(2,755,837)</u>
Net cash from financing and miscellaneous sources	<u>(3,045,009)</u>	<u>(2,755,837)</u>
<b>Reconciliation of cash and short-term investments:</b>		
Net change in cash, cash equivalents and short-term investments	3,296,256	4,339,499
Cash and short-term investments:		
Beginning of the year	<u>10,062,434</u>	<u>5,722,935</u>
End of the year	<u>13,358,690</u>	<u>10,062,434</u>

For Info

**SUMMARY OF EXAMINATION CHANGES**

There have been no changes been made to the Company's financial statements as a result of this examination.

**NOTES TO FINANCIAL STATEMENTS**

**INVESTMENTS**

As of December 31, 2007, the Company's invested assets were distributed as follows:

	<b>Amount</b>	<b>Percentage</b>
Bonds	\$ 100,155	0.7 %
Cash	13,358,690	99.3 %
Totals	<u>\$ 13,458,845</u>	<u>100.0 %</u>

The Company's bond portfolio had the following quality and maturity profiles:

<b>NAIC Designation</b>	<b>Amount</b>	<b>Percentage</b>
1 - highest quality	\$ 100,155	100.0 %
Totals	<u>\$ 100,155</u>	<u>100.0 %</u>

<b>Years to Maturity</b>	<b>Amount</b>	<b>Percentage</b>
1 year or less	\$ 100,155	100.0 %
Totals	<u>\$ 100,155</u>	<u>100.0 %</u>

The Company has a written investment policy as required by the Pennsylvania Insurance Company Law 40 P.S. § 653 b (b). The investment policy is reviewed and approved on an annual basis by the Board of Directors. The Company, at December 31, 2007, was following its investment policy. However, the investment policy does not have procedures in place to address Other Than Temporary Impairment events ("OTTI"). It is recommended that the Company add procedures to its investment policy that delineate the method or methods by which it evaluates OTTI of their investments. Evaluating OTTI for investments is required by NAIC Statements of Statutory Accounting Principles numbers 26, 30, 32, and 43.



## **POLICYHOLDER AND CLAIM RESERVES**

The Company reported reserves for unpaid claims and claims adjustment expenses of \$3,318,435 and \$122,150, in its 2007 Annual Statement. These amounts are being accepted for the purposes of this examination.

Barbara V. Scheil, of Barbara V. Scheil and Associates, Ltd., Rockville, Virginia reviewed the Company's reserves for unpaid claims and claims adjustment expenses in 2006 and 2007. Statements of Actuarial Opinion issued by Ms. Scheil during the period covered by this examination did not contain any exceptions.

As part of the review of the Company's provision for unpaid claims and claims adjustment expenses, relevant claims data was tested and reconciled to the annual statement, and to data contained in the actuarial report prepared by Barbara V. Scheil and Associates, Ltd., for the year-ended December 31, 2007.

The Department contracted the services of National Actuarial Network, Inc. ("NAN") for actuarial consulting. NAN evaluated the reasonableness of Claims Unpaid, Unpaid Claims Adjustment Expenses, Aggregate Health Policy Reserves, and Aggregate Health Claim Reserves, as shown in the Company's December 31, 2007 Annual Statutory Statement. In addition, NAN provided assistance in the evaluation of the appropriateness of the Company's reinsurance arrangement on the above actuarial items.

There were no unusual or significant negative findings made as a result of the actuarial review conducted by NAN.

## **SUBSEQUENT EVENTS**

UnitedHealth Group Inc. ("United"), a Minnesota corporation, and a publicly traded company, through its wholly owned subsidiary AmeriChoice Corporation ("AmeriChoice"), a Delaware corporation, acquired the Company and its parent and affiliates by the acquisition of 100 % of the issued and outstanding capital stock of Holdings. The acquisition was consummated on May 30, 2008, pursuant to a stock purchase agreement dated as of January 7, 2008. United is now the ultimate controlling entity of the Company.

The acquisition as described was approved and signed by Joel Ario, acting Insurance Commissioner of the Commonwealth of Pennsylvania, on April 15th, 2008, under order number ID-RC-08-01.

Through its subsidiary insurers, health maintenance organizations, third-party administrators and other service providers, United is currently serving approximately 70 million Americans. United's primary focus is on improving health care systems by simplifying the

administrative components of health care delivery, with revenues derived from premiums on risk-based products, fees from management, administrative, technology, and consulting services, and sales of a wide variety of products and services related to the health industry.

The 2008 Form B registration statement has declared that United has no shareholders holding 10 % or more of any class of stock.

The Company has made major changes to its management team since the exam date of December 31, 2007. Currently, only Jennifer Lee Kessler, Leslie Ann Gelpi and Roberta Breninghouse remain from the 2007 Board of Directors and Officers.

The Company reported did not report any other than temporary impairments (“OTTI”) related to investments held as of December 31, 2007.

## **RECOMMENDATIONS**

### **PRIOR EXAMINATION**

No recommendations were made as a result of the previous examination.

### **CURRENT EXAMINATION**

1. It is recommended that the Company comply with 40 PS § 991.1405 (a) (1) and provide documentation that the operations outsourcing agreement with Unison Administrative Services is fair and reasonable.. (See “Health Plan Operations Outsourcing Agreements”, page 6.)
2. It is recommended that the Company add procedures to its investment policy that delineate the method or methods by which it evaluates OTTI of their investments. (See “Investments”, page 14.)

## Unison Family Health Plan of Pennsylvania, Inc.

-17-

### CONCLUSION

As a result of this examination, the financial condition of Unison Family Health Plan of Pennsylvania, Inc., as of December 31, 2005, was determined to be as follows:

	<b>Amount</b>	<b>Percentage</b>
Admitted assets	\$ 15,983,179	100.0 %
Liabilities	\$ 4,426,697	27.7 %
Capital and Surplus	11,556,482	72.3 %
Total liabilities, capital and surplus	\$ 15,983,179	100.0 %

Since the previous examination, made as of December 31, 2004, the Company's assets increased by \$8,366,480, its liabilities decreased by \$57,327, and its surplus increased by \$8,423,807.

This examination was conducted by George Horey, Cornelius McConville, and Mark A. Swearingen, with the latter in charge.

Respectfully,

David G. DelBiondo, CPA  
Director, Bureau of Financial Examinations

Dennis Mavrigh, CFE  
Examination Manager

Mark A. Swearingen, 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 designations recognized by the NAIC for the purposes of performing statutory examinations of insurance companies.