

REPORT ON EXAMINATION
OF
21st CENTURY ASSURANCE COMPANY
AS OF
DECEMBER 31, 2013

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT OF EXAMINATION, made as of December 31, 2013 of the

21ST CENTURY ASSURANCE COMPANY

is a true and correct copy of the document filed with this Department.

Attest By:

A handwritten signature in black ink, appearing to be "K. Stewart", written over a horizontal line.

Date: June 25, 2015



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 25th day of June, 2015.

A handwritten signature in black ink, appearing to be "K. Stewart", written over a horizontal line.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

REPORT OF EXAMINATION
OF THE
21ST CENTURY ASSURANCE COMPANY
AS OF
DECEMBER 31, 2013

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 black ink, appearing to read "Karen Weldin Stewart".

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 25th day of June, 2015

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SALUTATION

May 22, 2015

Honorable Karen Weldin Stewart, CIR-ML
Delaware Insurance Commissioner
Delaware Department of Insurance
Rodney Building
841 Silver Lake Blvd.
Dover, Delaware 19904

Dear Commissioner;

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 14.020, dated May 2, 2014, an examination has been made of the affairs, financial condition and management of

21st CENTURY ASSURANCE COMPANY

hereinafter referred to as the "Company" or "21st CAC" and incorporated under the laws of the State of Delaware as a stock company. The examination was conducted at the statutory home office of the Company, located at 3 Beaver Valley Road, Wilmington, Delaware 19803. The examination was a coordinated examination and was conducted concurrently with other insurance entities in the Farmers Insurance Group. The State of California was the assigned lead state by the National Association of Insurance Commissioners. Separate reports of examination were filed for each company. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

The last examination was as of December 31, 2009. This examination is a comprehensive risk-focused examination which covers the four-year period from January 1, 2010 to December 31, 2013 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 condition of the Company at December 31, 2013. Transactions subsequent to the examination date were reviewed where deemed necessary.

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 Laws and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to Delaware state regulations.

All accounts and activities of the Company were considered in accordance with the risk focused examination process. The examination report addresses regulatory issues reviewed during the examination process.

This examination was conducted concurrently with the Farmers Insurance Exchange Group exam, the Coast National / Bristol West Group exam and the Foremost Group exam. The Bristol West Group examination is under the direction of the California Department of Insurance (CADOI) and was conducted in Davie, Florida; the Foremost Group is under the direction of the Michigan Department of Insurance and Financial Services and was conducted in Grand Rapids, Michigan; and the 21st Century Group is under the direction of the CADOI and was conducted in Wilmington, Delaware.

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

In addition to items noted in this report, the topics below were reviewed without material exception and are included in the work papers of this examination:

- Fidelity Bonds and Other Insurance
- Pensions, Stock Ownership and Insurance Plans
- Statutory Deposits
- Loss experience

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant material adverse findings or financial adjustments as a result of this examination. Please refer to summary of recommendation for non-adverse findings.

SUBSEQUENT EVENTS

No significant subsequent events were noted as a result of this examination.

COMPANY HISTORY

21st CAC was originally incorporated in the State of Delaware on September 21, 1989.

Effective July 1, 2009, 21st CAC, along with the other members companies in the 21st Century Personal Auto Group (21st Century PAG) were acquired by Farmers Group, Inc. (FGI), a subsidiary of Zurich Financial Services Group from American International Group (AIG). Subsequently on July 1, 2009, FGI sold the 21st Century PAG entities to: Farmers Insurance Exchange (FIE) (80%), Truck insurance Exchange (Truck) (10%) and Fire Insurance Exchange (Fire) (10%). 21st Century PAG is comprised of eighteen insurance companies domiciled in nine states. The eighteen insurance companies that comprise 21st Century PAG are members of the 21st Century Personal Lines Pool (The Pool).

The Company's name was changed to 21st Century Assurance Company, effective April 1, 2010.

CORPORATE RECORDS

The minutes of the meetings of the Board of Directors (Board), which were held during the period of examination, were read and noted. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events.

Inspection of Company files indicated that an ethics statement/conflict of interest statement was completed by all directors and employees for the examination period. A review of the Company's bylaws revealed that a change was made during the examination period.

A review was performed for compliance with Code 18 Del. C. § 4919 "any change of directors, officers"; notice, "Every domestic stock or mutual insurer shall promptly notify the Commissioner in writing of any change of personnel among its directors or principal officers".

MANAGEMENT AND CONTROL

Pursuant to the General Corporation Law 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).

The Board can set the number of directors but the Board shall not be less than seven members. The directors shall hold office until the next Annual Shareholders Meeting or until their successors are elected or appointed. Directors are not required to be Shareholders or residents of Delaware to qualify.

The following Board of Directors were elected and serving as of December 31, 2013:

<u>Name</u>	<u>Primary Occupation</u>
Kenneth W. Bentley Los Angeles, CA	Nestle Vice President of Public Relations
Anthony J. DeSantis Centerville, DE	President of Personal Lines
Peter D. Kaplan Los Angeles, CA	Retired
David W. Louie Los Angeles, CA	Commercial Real Estate Broker
Dale A. Marlin Naples, FL	Retired
Ronald G. Myhan Laguna Beach, CA	Farmers Insurance Exchange Chief Financial Officer
Donald E. Rodriguez Long Beach, CA	Boys and Girls Club Executive Director
John T. Wuo Arcadia, CA.	Golden Apple Group International President

The following principal officers were elected and serving as of December 31, 2013:

<u>Name</u>	<u>Title</u>
William D. Loucks, Jr.	President
Glenn A. Pfeil	CFO, Vice President and Treasurer
Doren E. Hohl	Secretary

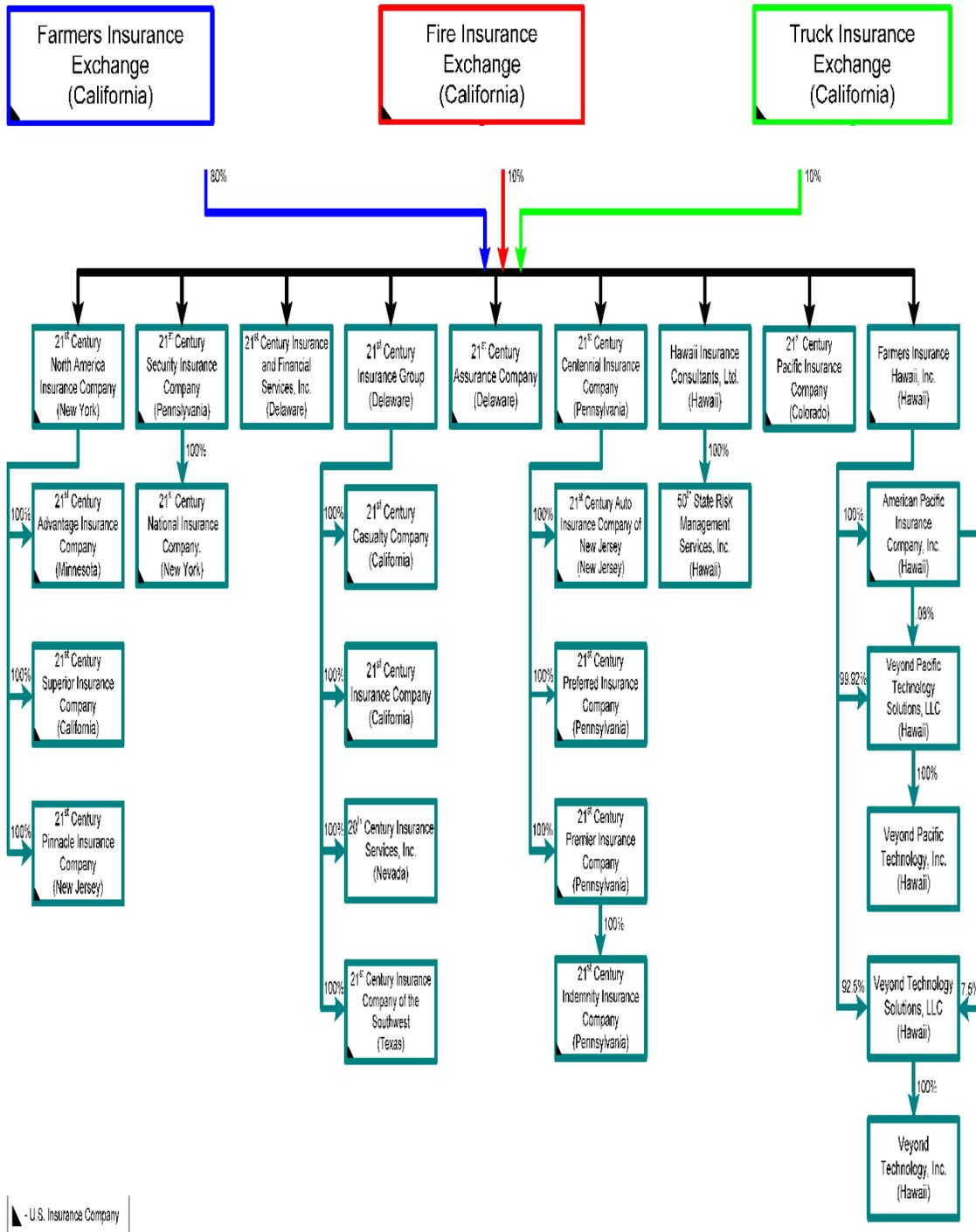
INSURANCE HOLDING COMPANY SYSTEM

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 ownership is as follows: Farmers Insurance Exchange (FIE) (80%), Fire Insurance Exchange (10%) and Truck Insurance Exchange (10%) collectively called the ("Exchanges"). Each of these shareholders is inter-insurance exchanges organized under the laws of the State of California.

Farmers Group, Inc. ("FGI"), a Nevada corporation, is the attorney-in fact of FIE. FGI provides certain non-claim administrative services to FIE, pursuant to a power of attorney provided by FIE policyholders and in accordance with the reciprocal organizational structure as set forth by the California Insurance Code.

FGI is wholly owned by Zurich Insurance Group Ltd ("Zurich"). Neither FGI nor Zurich have any ownership interest in the Exchanges. In December 2013, approval was received for the Exchanges, and subsidiaries to reestablish a separate NAIC Group Code. The following abridged organizational chart depicts the Company's relationship within the holding company system and displays the 21st Century PAG companies new names as of April 1, 2010:

21st Century Assurance Company



The examiners have reviewed the Company's most recently filed Form B- Insurance Holding Company Registration Statement. Based on that review, the Company is in compliance with all related party disclosures and applicable filing requirements with the Delaware Department of Insurance.

AFFILIATED AGEEMENTS

Amended and Restated Intercompany Pooling Agreement

Effective January 1, 2008, the Company became party to an intercompany pooling agreement, the 21st Century Personal Lines Intercompany Pooling Agreement. In accordance with the terms and conditions of the pooling agreement, 100% of the net business written by each of the participants is ceded to the 21st Century North America Insurance Company (21st CNAIC), the lead company in the pool. Effective June 30, 2009, 21st CAC and other member companies of the Pool entered into an amended and restated intercompany pooling agreement (Amended Agreement). The Amended Agreement is also discussed in the Reinsurance section of the report.

Under the terms of the Amended Agreement, 21st CNAIC is responsible for managing and administering all of the business ceded under this agreement. 21st CNAIC may delegate any, or all, of their duties and authority to third parties.

Tax Sharing Agreement:

Effective July 1, 2009, the Company and its affiliates participate in a tax sharing agreement with FIE. FIE receives from its affiliates the tax they would pay if they had filed separate returns and pays to the affiliates amounts for the tax benefits realized by the consolidated group through the utilization of their net losses. Intercompany tax balances are

settled monthly based on estimates with the final settlement made annually within 30 days after the return has been filed.

TERRITORY AND PLAN OF OPERATION

At December 31, 2013, the Company is licensed to write property and casualty insurance in thirty-eight states and the District of Columbia. The Company is predominantly a personal lines property and automobile insurer in New Jersey writing through the mass marketing and direct response programs of 21st Century PAG.

Under the Amended and Restated Intercompany Pooling Agreement, the Company continues to cede 100% of its net business to 21st CNAIC but only assumes back, based on its pooling participation percentage, liabilities with a date of loss prior to July 1, 2009. Losses which have a date of loss on and after July 1, 2009 are ceded to FIE by 21st CNAIC under a 100% quota share reinsurance agreement effective July 1, 2009. The 21st CAC's direct written premiums are private passenger auto and auto physical damage lines of business written exclusively in the State of New Jersey. As of December 31, 2013, the Company reported premium in the following lines of business:

<u>Direct Premium Written (DPW)</u>	
Private passenger auto liability	56,579,705
Auto physical damage	<u>22,415,844</u>
DPW Total	<u>78,995,549</u>
<u>Reinsurance Ceded (RC)</u>	
Private passenger auto liability	(56,579,705)
Auto physical damage	<u>(22,415,844)</u>
RC Total	<u>(78,995,549)</u>
Net Premiums Written	<u><u>0</u></u>

REINSURANCE

The company cedes 100 % of its direct premiums to 21st Century North American Insurance Company (“21st CNAIC”). The Company cedes business to its affiliates via an intercompany pooling agreement.

Amended and Restated Intercompany Reinsurance Pooling Agreement

The Company is party to an intercompany pooling agreement, Amended Agreement. In accordance with the terms and conditions of the Amended Agreement, 100% of the net business written by each of the participants is ceded to 21st CNAIC, the lead company on the 21st Century Personal Lines Pool (Pool).

Prior to July 1, 2009, 21st CNAIC and National Union Fire Insurance Company of Pittsburgh, PA (NU) were parties to a quota share reinsurance agreement under which 21st CNAIC ceded 50% of the net business of the pool to NU. After this cession, each member company of the Pool assumed the appropriate share of the net business, which in the case of the Company was 2%. In connection with the sale of the 21st Century PAG companies by AIG to

FIE, Truck and Fire, the 50% quota share reinsurance agreement between 21st CNAIC and NU was commuted, effective June 30, 2009.

Losses which have a date of loss on and after July 1, 2009 are ceded to FIE by 21st CNAIC under a 100% quota share reinsurance agreement effective July 1, 2009.

The following is a list of member companies in the Pool and the applicable pooling participation percentage as of December 31, 2013:

Company	NAIC Code	Pooling Percentage
21st Century North America Ins. Co. *	32220	23.00%
21st Century Centennial Ins. Co.	34789	20.00%
21st Century Premier Ins. Co.	20796	10.00%
21st Century Security Ins. Co.	23833	8.00%
Farmers Insurance Hawaii, Inc.	28487	4.00%
21st Century Superior Ins. Co.	43761	1.00%
21st Century Advantage Ins. Co.	25232	1.00%
21st Century Preferred ins. Co.	22225	2.00%
21st Century Pinnacle Ins. Co.	10710	1.75%
21st Century Indemnity Ins. Co.	43974	2.00%
21st Century National Ins. Co.	36587	1.00%
21st Century Auto Ins. Co. of NJ	10184	1.50%
American Pacific Ins. Co.	10805	0.50%
21st Century Pacific Ins. Co.	23795	2.00%
21st Century Assurance Co.	44245	2.00%
21st Century Ins. Co.	12963	20.00%
21st Century Casualty Co.	36404	0.25%
21st Century Ins. Co. of the Southwest	10245	0.00%
Lead Company*		<u>100.00%</u>

The following information was obtained from the Company's filed Annual Statements and covers the four year examination period January 1, 2010 through December 31, 2013:

GROWTH OF COMPANY

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Policyholders' Surplus</u>	<u>Net Written Premium</u>	<u>Net Income</u>
2009	\$ 80,112,037	\$ 25,197,344	\$ 54,914,693	\$ 4,405,359	\$ 6,421,418
2010	\$ 71,350,593	\$ 13,395,561	\$ 57,955,032	\$ -	\$ 3,184,710
2011	\$ 68,119,947	\$ 6,583,038	\$ 61,536,909	\$ -	\$ 3,706,547
2012	\$ 68,264,478	\$ 3,132,170	\$ 65,132,308	\$ -	\$ 2,429,935
2013	\$ 68,104,027	\$ 1,643,582	\$ 66,460,445	\$ -	\$ 2,484,861

Since December 2009 to December 31, 2013, the Company's financial results were as follows:

- 14.99 % decrease in admitted assets
- 93.48 % decrease in liabilities
- 21.02 % increase in policyholders' surplus
- 100.00 % decrease in net written premium
- 61.30 % decrease in net income

Since July 2009 all 21st Century PAG Companies have been operating under a pooling agreement. The only items that are reported in the Income Statement of the individual companies are: the percentage share of pre-acquisition net Loss and LAE incurred, net investment income, capital gains and losses and state and federal income taxes.

Assets:

Total admitted assets decreased \$12.0 million or 14.99% since 2009 primarily due to the use of short term investments to fund intercompany balances arising from the runoff of pre July 2009 Loss and LAE incurred.

Liabilities:

Total liabilities decreased \$23.5 million or 93.48% since 2009 primarily due to the runoff of pre July 2009 Loss and LAE reserves.

Capital & Surplus:

The Company's surplus has increased \$11.5 million since primarily due to the efficient runoff of pre July 2009 loss reserves, favorable federal income tax provisions and favorable investment results.

Net Income:

Net income decreased \$3.9 million, or 61.30 % since the Company began operating as a member of the Pool.

ACCOUNTS AND RECORDS

The accounts and records review included an evaluation of the Company's operational and organizational controls. The areas evaluated included computer systems, accounting systems, organizational structures and the processing structure.

The independent certified public accounting firm, PwC, audited the Company's records for the years ended 2012 and 2013 and issued an unqualified audit opinion in each year. Audit reports and applicable work papers were made available for the examiners' use.

The accounts and records review also included an assessment of the Company's risk management process in identifying and controlling risks in the key operational areas of the Company. In making the assessment in each key area, processes were reviewed, risks were identified, operational and organizational controls were identified and tested and the Company's methodology for assessing the effectiveness of the established mitigation factors was evaluated. As part of the examination of the 21st Century Personal Lines Pool, the CADOI retained the services of Ernst & Young LLP to conduct a review of certain IT general controls surrounding

the systems and applications that support certain significant business activities. No significant issues were noted.

FINANCIAL STATEMENTS

The following pages contain a statement of assets, liabilities, surplus and other funds as of December 31, 2013, as determined by this examination, along with supporting exhibits as detailed below:

- Analysis of Assets
- Statement of Liabilities, Surplus and Other Funds
- Underwriting and Investment Exhibit, Statement of Income
- Reconciliation of Surplus from Prior Examination
- Schedule of Examination Adjustments

Analysis of Assets
As of December 31, 2013

	<u>Assets</u>	<u>Nonadmitted Assets</u>	<u>Net Admitted Assets</u>	<u>Note</u>
Bonds	\$ 66,127,232		\$ 66,127,232	1
Cash and short-term investments	452,960		452,960	
Derivatives	6,033		6,033	
Investment income due and accrued	540,863	\$ 2,500	538,363	
Amounts recoverable from reinsurers	48,444		48,444	
Net deferred tax asset	885,654	852,003	33,651	
Guaranty funds	505,543		505,543	
Receivable from PSA	<u>391,801</u>		<u>391,801</u>	
Total Assets	<u>\$ 68,958,530</u>	<u>\$ 854,503</u>	<u>\$ 68,104,027</u>	

Statement of Liabilities, Surplus and Other Funds
As of December 31, 2013

		<u>Note</u>
Losses	\$ 1,171,974	2
Reinsurance payable on paid losses and lae	65,035	
Loss adjustment expense	406,573	2
Total Liabilities	<u>1,643,582</u>	
Common capital stock	5,000,000	
Gross paid in and contributed assets	13,500,000	
Unassigned funds (surplus)	<u>47,960,445</u>	
Surplus as regards policyholders	<u>66,460,445</u>	
Total Liabilities, Capital and Surplus	<u><u>\$ 68,104,027</u></u>	

Statement of Income
As of December 31, 2013

Premiums earned	\$	0
Losses incurred		197,899
Loss adjustment expense		83,149
Other underwriting expenses incurred		0
Total underwriting deductions	<u>\$</u>	<u>281,048</u>
Net underwriting gain (loss)	<u>\$</u>	<u>(281,048)</u>
Net investment income		1,659,468
Net realized capital gains (losses)		0
Net investment gain (loss)	<u>\$</u>	<u>1,659,468</u>
Net gain from agents or premium bal charged off		0
Finance and service charge		0
Aggregate write in		4,924
Total other income	<u>\$</u>	<u>4,924</u>
Net income before taxes and dividends		1,383,344
Dividends to policyholders		0
Net income before taxes	<u>\$</u>	<u>1,383,344</u>
Federal and foreign income taxes incurred		(1,101,517)
Net Income	<u>\$</u>	<u>2,484,861</u>

Reconciliation of Capital and Surplus From Prior Examination

From January 1, 2009 to December 31, 2013

(1):	Common	Gross Paid In and Contributed	Unassigned Funds	Total
<u>Description</u>	<u>Capital Stock</u>	<u>Surplus</u>	<u>(Surplus)</u>	<u>Surplus</u>
<i>Balance as of January 1, 2009</i>	\$ 5,000,000	\$ 13,500,000	\$ 29,802,551	\$ 48,302,551
2009 Operations (1)			6,612,141	6,612,141
2010 Operations (1)			3,040,339	3,040,339
2011 Operations (1)			3,581,877	3,581,877
2012 Operations (1)			3,595,399	3,595,399
2013 Operations (1)			1,328,138	1,328,138
<i>Balance as of December 31, 2013</i>	<u>\$ 5,000,000</u>	<u>\$ 13,500,000</u>	<u>\$ 47,960,445</u>	<u>\$ 66,460,445</u>

Operations is defined as: net income, change in net unrealized capital gains or (losses), change in net deferred income tax, change in non-admitted assets, change in provision for reinsurance and aggregate write-ins for gains and losses to surplus.

Common Capital Stock and Paid-in Surplus

Common capital stock and paid-in capital consist of 5,000 shares of common stock at par value of \$1,000 (\$5,000,000) plus \$13,500,000 of paid-in and contributed surplus. All authorized common shares are issued and outstanding.

SCHEDULE OF EXAMINATION ADJUSTMENTS

There were no financial examination adjustments.

NOTES TO FINANCIAL STATEMENTS**Note 1 - Bonds****\$66,127,232**

Investments in bonds are reported at values (amortized cost) adopted and approved by the Securities Valuation Office (SVO) of the NAIC. Bonds owned by the Company are as follows:

<u>Bonds</u>	<u>Amount</u>	<u>% of Total Bonds</u>
U.S. Government Bonds	\$ 40,918,594	61.88%
U.S. States, Territories and Possessions	8,276,371	12.52%
U.S. Political subdivisions of States, Territories and Possessions	5,987,848	9.06%
U.S. Special Revenue and Special Assessment Obligations	10,555,594	15.96%
Industrial and Miscellaneous, and Hybrid Securities (Other Countries)	388,825	0.59%
Total	<u>\$ 66,127,232</u>	<u>100.00%</u>

The bonds held by the Company comprise 99.3% of total invested assets and 97.1% of total admitted assets. 100% of the bonds held at December 31, 2013 were rated as “Class 1” by the NAIC SVO with respect to credit quality standards.

<u>Note 2 – Losses</u>	<u>\$ 1,171,974</u>
<u>LAE</u>	<u>\$ 406,573</u>

At December 31, 2013, the Company reported Loss and LAE reserves of \$1,171,974 and \$406,573 respectively. Loss and LAE reserves have decreased throughout the examination period as a result of the runoff of the pre July 2009 claims under the 21st Century Personal Lines Intercompany Pool.

The Delaware Department of Insurance retained INS Consultants, Inc. (“Consulting Actuary”) to conduct a limited review of the report “Regulatory Financial Examination of 21st Century Intercompany Pool – Actuarial Analysis of Loss and Loss Adjustment Expense Reserves as of December 31, 2013” prepared by American Actuarial Consulting Group, LLC (“AACG”) for the California Department of Insurance in support of that department’s Regulatory Examination of 21st Century Intercompany Pool.

As cited in the AACG report, the 21st CAC pool share is 2.00%. On a gross basis, the AACG findings are that the indicated 21st CAC loss and LAE reserves as of December 31, 2013

of \$28.121 million are higher than the carried loss and LAE reserves of \$26.392 million by \$1.729 million, or 6.1% of indicated reserves. On a net basis, the AACG findings are that the indicated 21st CAC loss and LAE reserves as of December 31, 2013 of \$1.793 million are higher than the carried loss and LAE reserves of \$1.579 million by \$0.214 million, or 11.9% of indicated reserves. This difference in the estimates for net loss and LAE reserves represents 0.3% of Policyholders' Surplus as of December 31, 2013. AACG concluded that "While the differences between the indicated and carried net of reinsurance loss and LAE reserves may appear to be significant on a percentage basis, the impact of such differences is insignificant as a proportion of each company's surplus." INS concurs with this conclusion as it applies to 21st CAC, and finds that no adjustment to the Company's December 31, 2013 loss and LAE reserves is necessary.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

The examination reviewed the December 31, 2009 Report on Examination along with the Company's compliance with the prior examination recommendations, comments and concerns. Based on that review, the Company has complied with all applicable prior Report on Examination recommendations, comments and concerns. Prior examination recommendations are noted below:

It is recommended that AIICD comply with SSAP #96 and enter into a formal written agreement directly with Farmers Insurance Exchange (FIE) under the terms of the Service Agreement with FIE to formalize the terms and conditions of management services provided to AIICD by FIE.

The Company has complied with the prior examination recommendation.

SUMMARY OF RECOMMENDATIONS

There were no examination recommendations noted as a result of this examination.

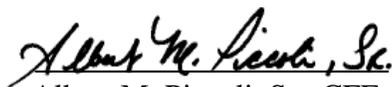
CONCLUSION

The following schedule shows the results of this examination and the results of the prior examination with changes between the examination periods:

<u>Description</u>	<u>December 31, 2009</u>	<u>December 31, 2013</u>	<u>Increase (Decrease)</u>
Assets	\$ 80,112,037	\$ 68,104,027	\$ (12,008,010)
Liabilities	\$ 25,197,344	\$ 1,643,582	\$ (23,553,762)
Common Capital Stock	5,000,000	5,000,000	0
Gross Paid In and Contributed Surplus	13,500,000	13,500,000	0
Unassigned Funds (Surplus)	36,414,693	47,960,445	11,545,752
Total Surplus	\$ 54,914,693	\$ 66,460,445	\$ 11,545,752
Totals	\$ 80,112,037	\$ 68,104,027	\$ (12,008,010)

In addition to the undersigned, Anthony Cardone CFE, (Examination Supervisor) participated in the examination.

Respectfully submitted,


 Albert M. Piccoli, Sr., CFE
 Examiner-In-Charge
 State of Delaware