

**REPORT ON EXAMINATION
OF THE
AMERICAN MERCHANTS CASUALTY COMPANY
AS OF
DECEMBER 31, 2007**

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

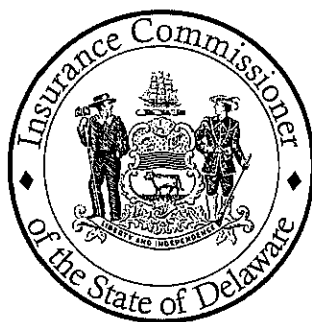
I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2007 of the

AMERICAN MERCHANTS CASUALTY COMPANY

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

Attest By: *Sonia C. Harris*

Date: 30 June 2009



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 30th day of June 2009.

[Handwritten signature]

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION
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AS OF
DECEMBER 31, 2007

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", is written over a horizontal line.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 30th day of June, 2009

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SALUTATION

April 17, 2009

Honorable Alfred Gross
Chairman, Financial Condition (E)
Committee, NAIC
State Corporation Commission
Bureau of Insurance
PO Box 1157
Richmond, Va 23218

Honorable Joel Ario
Secretary, Northeastern Zone (I), NAIC
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Honorable James J. Donelson
Secretary, Southeastern Zone (II), NAIC
Louisiana Department of Insurance
1702 North Third Street
Baton Rouge, LA 70802

Honorable Merle D. Scheiber
Secretary, Midwestern Zone (III), NAIC
South Dakota Division of Insurance
Department of Revenue and Regulation
445 East Capitol Avenue
Pierre, SD 57501-3185

Honorable Morris J. Chavez
Secretary, Western Zone (IV), NAIC
Department of Insurance
State of New Mexico
Post Office Box 1269
Santa Fe, NM 87504-1269

Honorable Karen Weldin Stewart, CIR-ML
Insurance Commissioner
Department of Insurance
State of Delaware
841 Silver Lake Blvd, suite 100
Dover, DE 19904-2465

Commissioners:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority Number 08.034, an examination has been made of the affairs, financial condition and management of

AMERICAN MERCHANTS CASUALTY COMPANY

hereinafter referred to as "Company" or "AMCC", the main administrative offices of which were located at 333 Westchester Avenue, White Plains, New York, where this examination was conducted. The examination of the Company was conducted concurrently with that of its Delaware parent company and domestic subsidiaries, Endurance Reinsurance

Corporation of America (ERCA – parent), Endurance American Ins. Co. (EAIC) and Endurance American Specialty Ins. Co. (EASIC). Separate reports of examination were filed for each company.

The report of this examination is respectfully submitted.

SCOPE OF EXAMINATION

The last financial condition examination of the Company was performed as December 31, 2003, by its then domiciliary regulator, the State of Ohio. This examination covered the four (4) year period from January 1, 2004 to December 31, 2007 and consisted of a general survey of the Company's business policies and practices; management and any corporate matters incident thereto; a verification and evaluation of assets and a determination of liabilities. Transactions subsequent to the latter date were reviewed to the extent deemed necessary. Effective March 28, 2008, the Company re-domesticated from Ohio to the State of Delaware. By mutual agreement between the Insurance Departments of the States of Ohio and Delaware, as well as Company management, it was agreed that this examination would be conducted by the Delaware Department of Insurance and in accordance with its Insurance Laws and Regulations.

This report is presented on an exception basis. It is designed to set forth material facts with regards to adverse findings discovered during the examination. The text will explain changes wherever made. If necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such cases, these matters were thoroughly discussed with responsible personnel and/or officials during the course of the examination.

The examination followed rules established by the National Association of Insurance Commissioners (NAIC) Committee on Financial Condition Examiners Handbook, as adopted by the Delaware Insurance Department under Delaware Insurance Code Section 526, and generally accepted statutory insurance examination standards. In planning and conducting the examination, consideration was given to the concepts of materiality and risk, and examination efforts were directed accordingly.

In accordance with these efforts and the aforementioned Handbook, the consulting firm of INS Services, Inc. reviewed and tested, in part, the Company's high level controls over Information Technology systems and control environment based on its responses to questions contained in the Evaluation of Controls in Information Systems Questionnaire – Exhibit C. Other planning exhibits were reviewed and tested, as needed, by the examiners.

Work papers prepared by the Company's external accounting firm, Ernst & Young, LLP, (E&Y) New York, NY, in connection with their annual audit, were extensively reviewed in order to ascertain its analysis, review of controls, audit procedures, and conclusions. We relied upon and utilized their work papers to the fullest extent possible. In addition, the Company's Sarbanes-Oxley (SOX), section 404, compliance documentation related to the identification of financial reporting Key Activities and the attendant processes and controls maintained therein was also reviewed and relied upon to the fullest extent possible. Based upon the review of E&Y work papers, SOX compliance documentation, as well as the performance of other examination planning procedures including; account analysis, the assessment of account specific and cycle controls, and the assessment of the Endurance Group control environment, an overall assessment was made determining; compliance risk, operational risk, financial reporting risk and, risk of

material misstatement. In those areas in which a high reliance was placed on controls, and we determined a low likelihood of material misstatement, limited examination procedures were performed. In other areas, we attempted to identify examination procedures to specifically address those concerns or risks noted, based on professional judgment.

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

- Fidelity Bond and Other Corporate Insurance
- Dividends to Stockholder
- Corporate Records
- Legal Actions
- NAIC Ratios
- Employee and Agents Welfare
- Regulatory Agency Correspondence
- Compliance with Prior Examination Recommendations
- All Asset and Liability Items Not Mentioned
- Subsequent Events

HISTORY

AMCC was organized under the laws of the State of Minnesota as a stock property and casualty company on June 6, 1986. In May of 1993 the Company was re-domesticated to Ohio. Effective June 8, 2007, ERCA, a property and casualty insurance and reinsurance company, ultimately a wholly-owned subsidiary of Endurance Specialty Holdings, Ltd (ESHL), a Bermuda holding company, acquired AMCC, a then wholly owned ultimate subsidiary of Motorists Mutual Insurance Company (MMIC). The Company was acquired as a shell. In conjunction and immediately after its acquisition, ERCA contributed \$41.5 million in cash to the Company. The Company re-domesticated to Delaware, effective March 28, 2008.

CAPITALIZATION

As amended, and accepted as of December 31, 2007, the Company's authorized capital is \$2,300,000, consisting of 2,300,000 issued and outstanding shares of common stock at a par value of \$1 per share. Total Adjusted Capital of \$55.9 million (per this examination) was well in excess of Adjusted Control Level risk based capital of \$118 thousand. The following changes occurred in the capital and surplus accounts since the prior examination and reflect changes made per this examination.

	<u>Common Capital Stock</u>	<u>Gross Paid-in and Contributed</u>	<u>Unassigned Surplus</u>	<u>Total</u>
December 31, 2003	\$2,300,000	\$6,649,403	\$2,523,949	\$11,473,352
Operations: (1)				2,880,790
2004			1,225,014	
2005			434,890	
2006			199,770	
2007			1,021,116	
Capital changes: (2)				
Surplus paid-in 2007		<u>41,500,000</u>		<u>41,500,000</u>
December 31, 2007	<u>\$2,300,000</u>	<u>\$48,149,403</u>	<u>\$5,404,739</u>	<u>\$55,854,142</u>

1. Operations is defined as Net income, Change in net unrealized capital gains or (losses), Change in net unrealized foreign exchange capital gain (loss), Change in non-admitted assets, Change in net deferred income tax, and Change in provision for reinsurance.
2. Capital changes were due to cash surplus contributions by the Company's parent on July 20, 2007.

DIVIDENDS TO STOCKHOLDER

The Company has paid no dividends during the examination period.

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 of the Company and its business, property, and affairs are managed by or under the direction of its Board of Directors. The Company's bylaws require that the Board of Directors shall consist of not less than one member and a maximum total determined by the Board, who serve until resignation, removal, death, or until their successor is qualified and elected. Members of the Board of Directors serving as of December 31, 2007, were as follows:

Director's Name

Kenneth J. LeStrange* Michael Paul Fujii John Bertrand Zachry III Michael J. McGuire
Mark Glen Ying

* Chairman of the Board of Directors

The Company's bylaws allow for the Board of Directors to designate one or more committees of the Board which must consist of one or more of its members. As of December 31, 2007, the Board of Directors had not appointed any committees.

A review of Company corporate records showed that regular business of the Shareholder and Board of Directors was conducted via Written Consents in lieu of regular meetings.

The Company's bylaws require that the Board designate a Chairman of the Board, President, Treasurer and a Secretary. Other officers may be designated by the Board of Directors as it deems necessary. At December 31, 2007, as designated by the Board, the

Company's principal officers and their respective titles were as follows:

<u>Name</u>	<u>Title</u>
Kenneth John LeStrange	Chairman of the Board
Michael Paul Fujii	President & Chief Executive Officer
Andrew Lawrence Noga	Secretary & General Counsel
Brian John Nolan	Treasurer
John B. Zachry III	Executive Vice President
Mark G. Ying	Executive Vice President
C. Robert Golenor	Senior Vice President
Vincent P. Eckles	Vice President
Bryan Thomas Conley	Assistant Treasurer
Roger Jackson	Assistant Treasurer
Cheryl Friscia	Assistant Secretary

INSURANCE HOLDING COMPANY SYSTEM

The Company is a member of an Insurance Holding Company system pursuant to Title 18, Chapter 50 "Insurance Holding Company System" of the Delaware Insurance Code. The Company is a wholly owned subsidiary of Endurance US Holdings Corporation (EUSH), who is ultimately wholly owned by Endurance Specialty Holdings, Ltd. (ESHL), a Bermuda company. ESHL is traded on the New York stock exchange under the ticket symbol "ENH". ESHL principal business is to serve as a holding company for an international group of insurance, reinsurance and related servicing and marketing companies conducting business globally in all segments of the property and casualty industry, specializing in; property, casualty, agriculture and healthcare liability insurance, as well as; property catastrophe, U.S. casualty, agriculture and surety reinsurance. For the latest year ending, ESHL realized a consolidated combined ratio of 79.9%, earned \$541 million on revenues of \$1.859 billion, held assets totaling \$7.271 billion, and maintained total equity of \$2.512 billion. The Company was rated by AM Best as "A" (Excellent), Moody's as "A2", and Standard & Poor's as "A-" (Strong).

For the year ending 2007, the organizational chart of ESHL showed 23 separate legal entities, including the Company, chartered and/or domesticated globally. The following chart illustrates the relationships between the Company and its direct affiliates, its parent, and upstream parent companies:

Endurance Specialty Holdings Ltd.	Bermuda
Endurance Specialty Insurance Ltd	Bermuda
Endurance Worldwide Holdings Limited	United Kingdom
Endurance Worldwide Insurance Limited	United Kingdom
Endurance US Holdings Corporation	Delaware
Endurance U.S. Specialty Services Corporation	Delaware
Endurance U.S. Healthcare Ins. Services Corp.	Delaware
Endurance Specialty Ins. Marketing Corp. of IL.	Illinois
Endurance Specialty Ins. Marketing Corp (California)	California
Endurance Specialty Ins. Marketing Corp of MA	Massachusetts
Endurance Specialty Ins. Brokerage Corp of NY	New York
ENH Managers, Inc.	Delaware
Endurance Elite Assurance Company Ltd.	Bermuda
(1)Endurance Reinsurance Corporation of America	New York
(4)American Merchants Casualty Co.	Ohio
(3)Endurance American Ins. Co.	Delaware
(2)Endurance American Specialty Ins. Co.	Delaware
(1)Endurance Reinsurance Co. of America	Delaware
ARMtech Insurance Services, Inc.	Texas
ARMtech, Inc.	Texas
ARMtech Holdings, Inc.	Delaware
American Agri-Business Insurance Company	Texas
Endurance Services Limited	United Kingdom

- (1) Merged January 30, 2008, with ERCA the surviving legal entity.
- (2) Acquired by ERCA August 1, 2005. Contributed to EAIC on September 30, 2006.
- (3) Acquired by ERCA June 5, 2006, and re-domesticated from Vermont to Delaware in October, 2006.
- (4) Acquired by ERCA on June 8, 2007, and re-domesticated from Ohio to Delaware on May 8, 2008.

GROWTH OF THE COMPANY

The financial growth of the Company since its last examination (2003) is summarized as follows and was compiled from its filed Annual Statements, reflective of examination changes:

Year	Premiums Earned	Assets	Liabilities	Surplus as Regards Policyholders	Net Income
2003	\$13,301,448	\$29,743,132	\$18,269,780	\$11,473,352	\$807,538
2004	0	24,292,437	11,594,071	12,698,366	1,779,243
2005	0	13,158,803	25,547	13,133,256	435,083
2006	0	13,349,896	16,870	13,333,028	192,666
2007	(277,030)	56,814,998	960,856	55,854,142	1,062,635

The growth over the examination period has taken the form of the following:

- A 100% decrease in Premiums Earned
- A 91% increase in Assets
- A 95% decrease in Liabilities
- A 387% increase in Surplus as Regards Policyholders

Assets increased due to a surplus contribution of \$41,500,000 made attendant with its acquisition, effective June 8, 2007. Net premiums earned decreased due to a decrease in direct premiums written. Liabilities decreased as a result of reserves attendant with the decrease in premiums written. Surplus increased due the 2007 surplus contribution and net income. On-going net income was supported by net investment income off setting net underwriting losses for the four years under examination. 2007 negative premiums earned were primarily due to reinsurance ceded and certain minimum cession volume penalties of affiliated reinsurance. This penalty was not incurred for the reporting year 2008.

TERRITORY AND PLAN OF OPERATION

Territory:

The Company is licensed to transact business in the following 22 states:

Alabama	Illinois	North Carolina	South Dakota	Washington
California	Indiana	North Dakota	Tennessee	Wisconsin
Colorado	Minnesota	Ohio	Texas	
Georgia	Nevada	Oregon	Utah	
Idaho	New Mexico	South Carolina	Virginia	

For the year ending 2007, the Company wrote 100% of its business in the state of California.

Plan of Operation:

The Company was purchased as a shell, effective June 8, 2007. As of December 31, 2007, the Company reported the following distribution of direct premiums:

Other liability – occurrence	\$115,131
Products liability- occurrence	89,494
Total	<u>\$204,625</u>

As represented by management, it is intended that the Company will seek licensing in the remaining states it is not currently licensed in and that through its Program Management Agreement with affiliates the Company would write various standard and non-standard lines of business, concentrating on the following:

Commercial General Liability	Commercial Property	Miscellaneous Property
Personal Injury Liability	Inland Marine	Directors and Officers Liability
Employment Practices Liability		

INTERCOMPANY MANAGEMENT AND EXPENSE SHARING AGREEMENTS

Program Management Agreement

Effective June 8, 2007, business of the Company is produced through a Program Management Agreement with affiliates, as managed by Endurance Specialty Insurance Marketing Corporation (ESIMC). Subject to Company instructions and both retention and total production limits, ESIMC has full authority to act on behalf of the Company to bind risks in accordance with prescribed underwriting guidelines and manage business, as well as investigate, negotiate and settle all claims within stated settlement authority. Business produced under this agreement includes; Primary, Umbrella and Excess Casualty, as well as Property Catastrophe.

Administrative Services Agreements

Under the provisions of an Administrative Services Agreement between its parent (ERCA) and the Company, effective June 8, 2007, the Company is to receive certain management services from ERCA. ERCA has agreed to provide such services as directed by the Company and in no case should ERCA make decisions or bind commitments outside written guidelines without the direction of the Company.

Under the provisions of an Administrative Services agreement between Endurance Services Limited (ESL) and affiliated entities, effective January 1, 2005, and as amended to include the Company, each party may obtain services from either ESL or any named affiliated entity to this agreement at reasonable cost.

Administrative Services and intercompany expense sharing provided under the terms of these separate agreements were similar and provided the Company with required management, personnel, office space, furniture and equipment, accounting, actuarial, records management,

legal, reporting, EDP and IT systems support, and all other services considered reasonable to the needs of the Company, excluding program management. No unusual or inappropriate provisions were noted during review of the agreements and they were properly filed with the Delaware Department of Insurance. As reported in Schedule Y – Summary of Transactions with Affiliates, the Company paid \$35,459 for management and cost sharing services performed in 2007.

Tax Allocation Agreement

At June 8, 2007, the Company and Endurance U.S. Holdings Corporation, along with other affiliates, were parties to a tax allocation agreement. Under terms of the agreement, all companies eligible to file a consolidated income tax return as allowed by Internal Revenue Code of 1986, as amended, are included in the affiliated group encompassed by the agreement. Under the provisions in the tax allocation agreement, each company's tax liability is calculated based upon its respective share of consolidated income. The agreement further provides that each member shall receive reimbursement to the extent that their losses and other credits result in a reduction of the current year's consolidated tax liability, not to exceed their liability as if filed on an individual basis. All payments between Endurance U.S. Holdings Corporation and each company under this agreement shall be made within 30 days of the date of filing the estimated or actual consolidated income tax return, except where a refund from the U.S. Treasury is due, in which case Endurance U.S. Holdings Corporation may defer payment to a Company to within 30 days after receipt of such refund.

OTHER AGREEMENTS

Investment Management Agreement

Effective August 1, 2007, the Company entered into a Discretionary Advisory Agreement with Goldman Sachs Asset Management, L.P. (Goldman), under which Goldman acts as the investment advisor of Company invested assets, excluding common stocks. Goldman is bound by the Company's approved investment policies and guidelines.

REINSURANCE

A schedule of the Company's premiums written follows:

Direct		\$204,625
Ceded:		
Affiliates	\$312,565	
Non-Affiliate	<u>158,103</u>	
Total ceded		<u>470,668</u>
Total net premium		<u>\$(266,043)</u>

Ceded Reinsurance – Affiliates

Under terms of both a 70% quota share agreement, effective June 8, 2007, and a 100% "Net Reassumed Liability" quota share agreement, dated April 1, 2006, and amended to include the Company June 8, 2007, the Company cedes the entire amount of \$312,565 to its upstream unauthorized affiliate, Endurance Specialty Insurance Ltd. (ESIL) (Bermuda). The "Net Reassumed Liability" is created by the default in loss payment of any unaffiliated third party reinsurer on reinsurance purchased by the Company. Negative total net premium of \$266,043 is due to minimum premium provisions of this treaty.

Ceded Reinsurance – Non Affiliates

The Company cedes per various quota share agreements, to eight (8) Authorized U.S. reinsurers. Under its Primary Casualty Quota share arrangements, the Company retains 34%. Under its Excess Casualty Quota share arrangements, the Company retains 12.5%.

ACCOUNTS AND RECORDS

The accounts and records reviewed included an evaluation of the Company's operation and organizational controls. The areas evaluated included computer systems, financial reporting processes and controls as well as the Company's, organizational structure, compliance, management, and operations. The Company operates in a computer dominated environment. All services and operational needs of the Company are provided under its Expense Sharing Agreement with its affiliates.

Ernst & Young, LLP (E&Y) audits the statutory-basis financial statements of Endurance US Holdings, including the Company, its subsidiaries and affiliates, annually. E&Y reviewed the internal control structure of Endurance US Holdings in order to establish necessary audit procedures required to express an opinion on the December 31, 2007 financial statements. No material qualifying deficiencies were found to exist in either the design or over-site of the internal control structure of the group. Based on the examination review of the Company's accounts and records related to its filed Annual Statements, discussions with management, and our review of financial reporting processes and controls, the accounting; systems, processes and, procedures (excluding recommendations made in this report) were found to conform to required insurance accounting practices.

FINANCIAL STATEMENTS

The following financial statements as determined by this examination are presented herein:

Analysis of Assets, as of December 31, 2007
Liabilities, Surplus and Other Funds, as of December 31, 2007
Statement of Income, for the year ended December 31, 2007

Capital and Surplus Account, December 31, 2004 to December 31, 2007
 Schedule of Examination Adjustments

Analysis of Assets
 As of December 31, 2007

	Assets	Non-Admitted Assets	Net Admitted Assets	Note
Bonds	\$ 25,632,149		\$ 25,632,149	1
Cash, cash equivalents and ST invest.	30,911,854		30,911,854	
Receivable for securities	<u>26,175</u>		<u>26,175</u>	
Subtotals, cash and invested assets	\$ 56,570,178		\$ 56,570,178	
Investment income due and accrued	212,954		212,954	
Premiums and considerations:				
Uncollected prem. & agents' balances	<u>31,866</u>		<u>31,866</u>	
Totals	<u>\$ 56,814,998</u>		<u>\$ 56,814,998</u>	

Liabilities, Surplus and Other Funds
 As of December 31, 2007

		Note
Losses	\$ 4,711	2
Loss adjustment expenses	2,584	2
Commissions payable	0	
Other expenses	50,000	
Current federal and foreign income taxes	502,295	
Net deferred tax liability	41,759	
Unearned premiums	10,987	
Ceded reinsurance premiums payable	323,652	
Payable to parent, subsidiaries and affiliates	22,405	
Aggregate write-ins for liabilities	<u>2,463</u>	
Total Liabilities	\$ 960,856	
Common capital stock	2,300,000	
Gross paid in and contributed surplus	48,149,403	
Unassigned funds (surplus)	<u>5,404,739</u>	
Surplus as regards policyholders	\$ 55,854,142	
Total	<u>\$ 56,814,998</u>	

Underwriting and Investment Exhibit: Statement of Income
For the Year Ended December 31, 2007

Underwriting Income

Premiums earned	\$	<u>(277,030)</u>
Deductions:		
Losses incurred	\$	4,711
Loss expenses incurred		1,884
Other underwriting expenses incurred		160,794
Total underwriting deductions	\$	<u>167,389</u>
Net underwriting gain or (loss)	\$	<u>(444,419)</u>

Investment Income

Net investment earned	\$	1,324,430
Net realized capital gains or (losses)		<u>445,197</u>
Net investment gain (loss)	\$	1,769,627
Net income before federal income taxes	\$	1,325,208
Federal and foreign income taxes		<u>262,573</u>
Net income	\$	<u>1,062,635</u>

Capital and Surplus Account

Surplus as regards policyholders December 31, 2006	\$	<u>13,333,026</u>
Net income	\$	1,062,635
Change in net unrealized capital gains or (losses)		
Change in net deferred income tax		(41,519)
Change in non-admitted assets		0
Change in provision for reinsurance		0
Surplus adjustments:		
Paid in		<u>41,500,000</u>
Change in surplus as regards policyholders	\$	42,521,116
Adjustment to surplus as a result of 2007 examination		<u>0</u>
Surplus as regards policyholders, December 31, 2007	\$	<u>55,854,142</u>

SCHEDULE OF EXAMINATION ADJUSTMENTS

No financial adjustments were made as a result of this examination.

NOTES TO THE FINANCIAL STATEMENTS

Note 1

Bonds **\$25,632,149**

Investments in bonds are reported at values (amortized cost) adopted and approved by the Securities Valuation Office (SVO) of the NAIC. As of the examination date, 100% of the Company's Bond investments were designated by the SVO with the highest quality of "1". Bonds with carrying values of \$4.147 million were on deposit with various states, or governmental insurance departments in compliance with insurance laws. The Company did not have any securities on loan.

Note 2

Loss Reserves **\$4,711**
Loss Adjustment Expense Reserves **2,584**

Loss and loss adjustment expense reserves totaling \$7,295 were not considered material. INS Consultants, Inc. (INS) was retained by the Delaware Insurance Department to review the Company's Actuarial Opinion Memorandum and supporting documentation attendant with this opinion and has accepted the Company's reported figures.

SUMMARY OF RECOMMENDATIONS

No recommendations were made as a result of this examination.

CONCLUSION

As a result of this examination, the financial condition of the American Merchants Casualty Company, as of December 31, 2007, was determined as follows:

Description	12-31-07 Current Examination	12-31-03 Prior Examination	Changes Increase (Decrease)
Assets	<u>\$56,814,998</u>	<u>\$29,743,132</u>	<u>\$27,071,866</u>
Liabilities	960,856	18,269,780	(17,308,924)
Common capital stock	2,300,000	2,300,000	0
Gross paid in and contributed surplus	48,149,403	6,649,403	41,500,000
Unassigned funds (surplus)	<u>5,404,739</u>	<u>2,523,949</u>	<u>2,880,790</u>
Total surplus as regards policyholders	<u>55,854,142</u>	<u>11,473,352</u>	<u>44,380,790</u>
Totals	<u>\$56,814,998</u>	<u>\$29,743,132</u>	<u>\$27,071,866</u>

Since the last examination, the Company's assets increased \$27,071,866, liabilities decreased \$17,308,924 and capital and surplus increased \$44,380,790. In addition to the undersigned, acknowledgement is made of the assistance provided by the Delaware Insurance Department, INS Consultants Inc. and INS Insurance Services.

Respectfully submitted,



Samuel R. Kohlmeyer, CFE
 Examiner-in-Charge
 State of Delaware