EXAMINATION REPORT

OF

SENECA SPECIALTY INSURANCE COMPANY

AS OF

DECEMBER 31, 2014

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, 2014 of the

SENECA SPECIALTY INSURANCE COMPANY

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

Attest By: ______________________

Date: March 11, 2016

Insurance Commissioner of the State of Delaware

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 11th day of March, 2016.

____

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

841 Silver Lake Blvd., Dover, DE 19904-2465 • www.delawareinsurance.gov
(302) 674-7300 Dover • (302) 739-5280 fax • (302) 577-5280 Wilmington

Karen Weldin Stewart, CIR-ML
Commissioner

Delaware Department of Insurance

REPORT OF EXAMINATION

OF THE

SENECA SPECIALTY INSURANCE COMPANY

AS OF

DECEMBER 31, 2014

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.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 11th day of March, 2016

TABLE OF CONTENTS

February 1, 2016

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

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 15.010, dated February 3, 2015, an examination has been made of the affairs, financial condition and management of

SENECA SPECIALTY INSURANCE COMPANY

at the administrative offices of the Company located at 160 Water Street, 16th Floor, New York, New York 10038. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

We have performed our examination of Seneca Specialty Insurance Company (the "Company"). Our examination was performed in conjunction with the multi-state examination of the Fairfax Financial Group (the "Group"). The last examination of the Company covered the period of January 1, 2007, through December 31, 2010, and was performed by the Arizona Department of Insurance. This examination of the Company covers the period of January 1, 2011, through December 31, 2014, and was performed by the Delaware Department of Insurance in conjunction with the New York Department of Financial Services and other states participating in the coordinated examination of the Group.

We conducted our examination in accordance with the *National Association of*

Insurance Commissioners Financial Condition Examiners Handbook ("NAIC 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, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, PriceWaterhouse Coopers, LLP. Certain auditor work papers have been incorporated into the examination work papers.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

General

The Company was originally organized and incorporated on October 28, 1997, as a domestic property and casualty insurer pursuant to the laws of the State of Arizona. Effective November 25, 2014, the Company redomesticated to the State of Delaware. The Company was ultimately controlled by Sen-Tech International Holdings, Inc. until August 31, 2000, when ultimate control was transferred to Fairfax Financial Holdings Limited ("FFH").

Capitalization

As amended, the Company's Certificate of Incorporation authorizes the issue of 10,000,000 shares of common stock with a $1.00 par value. As of December 31, 2014, the Company had 8,233,442 common shares issued and outstanding totaling $8,233,442. All outstanding common shares of the Company are owned by Seneca Insurance Company ("SIC"), a New York domiciled company. As of December 31, 2014, the Company reported gross paid in and contributed surplus of $26.7 million.

	Capital Stock	Gross Paid-in & Contributed Surplus	Total Capital & Surplus
December 31, 2010	$ 5,000,000	$ 11,937,347	$ 16,937,347
Activity	3,233,442	14,766,558	18,000,000
December 31, 2014	$ 8,233,442	$ 26,703,905	$ 34,937,347

The change in gross paid in and contributed surplus during the examination period was due primarily to share issuance and capital contributions totaling $8 million and $10 million in

2011 and 2012, respectively.

Dividends

No dividends were paid by the Company during the examination period.

MANAGEMENT AND CONTROL

Directors

Pursuant to the general Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the property and affairs of the Company must be managed by or under the direction of its Board of Directors. The Company's bylaws require its Board of Directors consist of not less than three or more than seven members.

Each Director is elected annually by the stockholder and holds office until the next annual election and until their successors are elected and qualify except as removed for cause and the successor elected by a special meeting of the stockholder. Directors duly elected and serving as of December 31, 2014, were as follows:

Name	Business Affiliation
Marc James Adee	Chief Executive Officer Crum & Forster Holdings, Corp.
Paul William Bassaline	Chief Financial Officer Crum & Forster Holdings, Corp.
Marc Todd Andrew Wolin	Chief Executive Officer Seneca Insurance Company

Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws require election of a President, one or more Vice Presidents, a

Secretary and a Treasurer. One person may hold two offices in the Company, except for the offices of President and Secretary. Officers are chosen annually by the Board of Directors. The primary officers serving as of December 31, 2014, were as follows:

Name	Title
Marc Todd Andrew Wolin	President and Chief Executive Officer
Vincent Isadore Maida	Vice President and Controller
Paul William Bassaline	Treasurer
James Vincent Kraus	Secretary

Corporate Records

The recorded minutes of the shareholder and Board of Directors were reviewed for the period under examination. The recorded minutes of the Board of Directors adequately documented its meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* §1304.

Insurance Holding Company System

The Company is a member of an insurance holding company system known as Fairfax Financial Holdings, Ltd. (FFH) as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The following is a partial organization chart of FFH as of December 31, 2014, including a summary of FFH's shareholder(s) that exert significant influence over FFH and the Company:

		Economic Ownership Control Percent	Voting Control Percent	
V. Prem Watsa and the Watsa Family Trust {1}	{2}	1.33%	43.97%	{3}
All Other Publicly Traded Shares Held {4}	{5}	98.67%	56.03%	{6}
Fairfax Financial Holdings Limited [Canada] (FFH) {7}		100.0%	100.0%	
FFHL Group Ltd. [Canada]		100.0%	100.0%	
Fairfax (US) Inc. [DE]		100.0%	100.0%	
Crum & Forster Holdings Corp. [DE] (Crum & Forster)		100.0%	100.0%	
The North River Insurance Company [NJ] (North River)		100.0%	100.0%	
Seneca Insurance Company, Inc. [NY] (SIC)		100.0%	100.0%	
Seneca Specialty Insurance Company [DE]		100.0%	100.0%	

Notes {1} to {7} more fully describe the ownership and voting percentages of FFH.

{1} Through voting and economic ownership control, both directly and indirectly, of the following individual and entities: Mr. V. Prem Watsa, 2771489 Canada Limited, 1109519 Ontario Limited, 810679 Ontario Limited and The Sixty Two Investment Company Limited

{2} V. Prem Watsa, an individual, holds 100% of the preference shares (carrying 2/3 of the votes) and The Watsa Family Trust holds 100% of the common shares of 1109519 Ontario Limited, which holds 50.01% of The Sixty Two Investment Company Limited. 2771489 Canada Limited, which is wholly-owned by Fairfax Financial Holdings Limited, holds 49.99% of The Sixty Two Investment Company Limited. The Sixty Two Investment Company Limited owns 1,548,000 voting shares (100%), entitled to ten votes per share, and 50,620 of the 20,427,398 outstanding subordinate voting shares, entitled to one vote per share, of Fairfax Financial Holdings Limited. V. Prem Watsa personally and beneficially owns 258,115 subordinate voting shares of Fairfax Financial Holdings Limited. Calculated as 308,735 subordinate voting common shares held (258,115 plus 50,620 (see {3}) / 20,427,398 total subordinate voting common shares X $8,361,000,000 [FFH common stock equity] / $9,525,700,000 [FFH common stock and preferred stock equity] (see {7})

{3} Including through his control of The Sixty Two Investment Company Limited, V. Prem Watsa's holdings represent 43.97% of the total votes attached to all shares of Fairfax Financial Holdings Limited at December 31, 2014. Calculated as 0.72% through V. Prem Watsa and 43.25% through The Watsa Family Trust and the four entities described in {1}. The 0.72% part is calculated as 139,835 subordinate voting common shares (139,835 votes) through 810679 Ontario Limited + 84,780 subordinate voting common shares (84,780 votes) held personally by Mr. V. Prem Watsa + 33,500 subordinate voting common shares (33,500 votes) held through Prenstin Holdings Ltd. which = 258,115 votes / 35,907,398 total votes. The 43.25% part is calculated as 50,620 subordinate voting common shares (50,620 votes) +

1,548,000 subordinate multiple voting common shares (15,480,000 votes) held through The Watsa Family Trust, 1109519 Ontario Limited, 810679 Ontario Limited and The Sixty Two Investment Company which equals 15,530,620 votes / 35,907,398 total votes (see {7})

{4} No individual or entity owns or controls greater than 10% of FFH as of December 31, 2014

{5} Calculated as 100.00% - 1.33% {2} = 98.67%

{6} Calculated as 100.00% - 43.97% {3} = 56.03%

{7} Common shares are publicly traded on the Toronto Stock Exchange under the symbol "FFH" and secondarily on the Over-The-Counter market (OTC, or "pink sheets") in the U.S. under the symbol "FRFHF".

At December 31, 2014, FFH has issued 1,548,000 multiple voting common shares (which carry ten votes per share), 20,865,645 subordinate voting common shares [less 438,247 shares held in treasury for an outstanding balance of 20,427,398 shares] (which carry one vote per share), 6,016,384 non-voting preferred Series C shares, 3,983,616 non-voting preferred Series D shares, 7,924,674 non-voting preferred Series E shares, 10,000,000 non-voting preferred Series G shares, 12,000,000 non-voting preferred Series I shares and 9,500,000 non-voting preferred Series K shares. The total votes then consist of 35,907,398 as follows: 15,480,000 votes attributable to the 1,548,000 subordinate multiple voting common shares and 20,427,398 votes attributable to the 20,427,398 subordinate voting common shares. FFH's non-minority capital account at December 31, 2014, totals $9,525,700,000 ($ U.S.) which consists of $8,361,000,000 related to voting common shares (87.77% of the total) and $1,164,700,000 related to non-voting preferred shares (12.23% of the total.)

During the prior examination period, Southeastern Asset Management, Inc. (SAM), beneficially held 2,717,437 of the 19,627,026 subordinate voting shares of Fairfax Financial Holdings Limited then outstanding, which represented 13.85% ownership control and 7.75%

voting control of Fairfax Financial Holdings Limited. SAM filed a disclaimer of affiliation with the Delaware Department of Insurance dated November 22, 2004. In the first quarter of 2014, SAM disposed of 887,749 of its subordinate voting shares of Fairfax Financial Holdings Limited, reducing its holdings to 1,829,688 subordinate voting shares. As a result, SAM's ownership and voting control percentages both fell below 10%.

Agreements with Affiliates

Below is a summary of significant affiliated agreements in effect as of December 31, 2014.

- Reinsurance Agreement
    - Seneca Insurance Company - Effective October 1, 2010, the Company entered an Assumption and Reinsurance Agreement with SIC, which replaced an earlier 90% quota share agreement between the two parties that was originally effective December 15, 2003. In accordance with the agreement, the Company cedes 100% of its liability under all insurance business written both before and after the agreement effective date. As required by the agreement, SIC is responsible for making all payments and collecting all proceeds due from third party reinsurance contracts covering the Company. SIC assumes the risk the Company's third party reinsurance is not collected, and is entitled to receive one hundred percent (100%) of any amounts recovered from third party reinsurers. The agreement allows the right of offset for any balances or amounts due from one party to the other.
- Management and Service Agreements
    - United States Fire Insurance Company ("U.S. Fire") - Effective January 1, 2005, the Company entered an affiliated Administrative Services Agreement with U.S.

Fire. In accordance with the agreement, U.S. Fire provides underwriting and administrative services subject to guidelines, procedures and limitations established by the Company's Board of Directors. All premiums received or collected by U.S. Fire and all claims payments made on behalf of the Company are settled monthly on a net basis. As consideration for the services provided, the Company reimburses U.S. Fire for all costs and expenses incurred on behalf of the Company within thirty days following each month-end.

- Hamblin Watsa Investment Counsel, Ltd ("HWIC") and Fairfax Financial Holdings Limited - Effective June 1, 2002, and amended January 1, 2005, the Company entered an Investment Agreement with HWIC and FFH. In accordance with the agreement, HWIC manages the Company's investment portfolio subject to the guidelines, procedures and limitations established and approved by the Company's Board of Directors. FFH provides various investment administration services to HWIC as defined in the agreement. Investment fees are comprised of a base fee and an incentive fee, which are subject to a maximum investment management fee, as defined in the agreement.
- Seneca Insurance Company – Effective January 1, 2008, the Company entered an Underwriting and Claims Administrative Services Agreement with SIC. In accordance with the agreement, SIC provides the Company various underwriting and claims management services as further defined by the agreement. As required by the agreement, SIC collects all premium and money due to the Company and pays all losses, liabilities, reinsurance premiums and other expenses on behalf of the Company. As consideration, the Company reimburses SIC for all

costs and disbursements incurred in connection with the services provided based on methods defined in the agreement.

- Various Affiliated Corporations - Effective November 1, 2014, the Company entered a Master Administrative Services Agreement with twenty-six of its affiliates, which are all indirect subsidiaries of Fairfax (US) Inc. In accordance with the agreement, each party agreed to provide and accept from all other parties certain administration and general services and facilities specified in the agreement including: accounting services, underwriting services, claims services, reinsurance services, actuarial services, telecommunications services and electronic data processing services, legal services, regulatory filing services, purchasing and contracting services, human resources services and other administrative services and tasks. Services provided/accepted are subject to the approval of the Board of Directors of the receiving party and the Fairfax (US), Inc. tax department. The receiving party agrees to pay the providing party for services and facilities provided including direct and directly allocable expenses. All payments made on behalf of the parties are settled quarterly on a net basis, and are due thirty days after the settlement date.

- Tax Sharing Agreement
  - Effective January 1, 2009, the Company entered an Intercompany Tax Allocation Agreement with Crum & Forster Holdings Corp. and its subsidiaries as specified in the agreement. The agreement provides for the filing of consolidated federal income taxes for all subsidiaries of Crum & Forster Holdings, Corp. In accordance with the agreement, federal taxes are computed and remitted by each

subsidiary on separate return basis. The agreement also provides provisions for filing consolidated state tax returns. Under no circumstances will a subsidiary pay more tax or receive less of a tax refund than it would pay or receive on a separate return basis.

TERRITORY AND PLAN OF OPERATION

The Company conducts business as a nonadmitted excess and surplus lines carrier in all fifty states and the District of Columbia, and commenced writing commercial property and liability business on an excess and surplus basis in the fourth quarter of 2003.

The Company underwrites business produced primarily by excess and surplus lines brokers. Business is underwritten nationwide from the Company's offices in New York, New Jersey, Richmond, Philadelphia, Chicago, Atlanta and Los Angeles. The Company's primary profit centers include the excess and surplus lines property business written through wholesalers and an online binding program that writes small excess and surplus lines casualty package business through a limited number of wholesalers. Products are offered to a wide range of classes of business including, but not limited to, the following:

Products:

Primary First Loss Covers	Deductible Buybacks
Excess Property Covers	General Liability
Full Limits Policies	Commercial multi-peril package policies
Loss Limit Policies	Self-insured Retention (S.I.R) and
Difference In Conditions (D.I.C.) Policies	Large Deductible Policies

Classes:

Vacancies	Hotels/Motels	Retail/Wholesale
Racetracks	Rehabilitations/Renovations	Building Supplies
Bankruptcies	Apartments	Contractors
Agribusiness	Contractors Equipment	Liquor Law Liability
Foreclosures	Restaurant/Bars	Woodworkers
Adult Entertainment	Convalescent Homes	Pyrotechnics
High-Hazard Manufacturing	Warehouses	Subcontractor

REINSURANCE

The Company reported the following distribution of premiums written for the years ended December 31, 2014, and the prior examination date of December 31, 2010:

	2014	% GPW	2010	% GPW
Direct business	$ 110,746,485	100.0%	$ 43,094,362	100.0%
Reinsurance assumed from affiliates	-	-	-	-
Reinsurance assumed from non-affiliates	-	-	-	-
Gross premiums written	$ 110,746,485	100.0%	$ 43,094,362	100.0%
Reinsurance ceded to affiliates	$ 110,746,485	100.0%	$ 41,877,132	97.2%
Reinsurance ceded to non-affiliates	-	-	-	-
Total ceded	$ 110,746,485	100.0%	$ 41,877,132	97.2%
Net premiums written	$ -	0.0%	$ 1,217,230	2.8%

For 2014, the Company ceded 100% of gross premium written and losses to its direct parent, SIC, pursuant to the terms of the affiliated reinsurance agreement. As of December 31, 2014, the Company reported total gross reinsurance recoverable of $137.5 million. Gross reinsurance recoverable consisted of $51.4 million recoverable for known case and case loss adjustment expense. The remaining $86.1 million in gross reinsurance recoverable consisted primarily of incurred but not reported losses and unearned premium. The Company's reinsurance recoverable has no collateral.

Effective April 1, 2013, SIC entered into a 100% intercompany reinsurance and loss portfolio transfer agreement with U.S. Fire. In turn, U.S. Fire maintains property per risk reinsurance in the amount of $48 million excess of $2 million, and consolidated casualty reinsurance in the amount of $45 million excess of $5 million. Additionally, U.S. Fire maintains $90 million excess of $30 million catastrophe reinsurance.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Delaware Department of Insurance, are reflected in the following:

- Statement of Assets and Liabilities as of December 31, 2014
- Statement of Income for the year ended December 31, 2014
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2010 to December 31, 2014

Statement of Assets and Liabilities
As of December 31, 2014

Assets

	Ledger Assets	Assets Not Admitted	Net Admitted Assets	Notes
Bonds	$ 19,365,584	$ -	$ 19,365,584	1
Cash and short-term investments	28,923,650	-	28,923,650	1
Investment income due and accrued	317,463	-	317,463	
Total assets	$ 48,606,697	$ -	$ 48,606,697	

Liabilities, Capital and Surplus

Losses	$ -	2
Loss adjustment expenses	-	2
Current federal & foreign income taxes	4,124	
Net deferred tax liability	202,132	
Total liabilities	$ 206,256	
Common capital stock	$8,233,442	
Gross paid in and contributed surplus	26,703,905	
Unassigned funds (surplus)	13,463,094	
Total surplus as regards policyholders	$ 48,400,441	
Total liabilities, capital and surplus	$ 48,606,697	

Statement of Income
For the Year Ended December 31, 2014

Income:	
Premiums earned	$ -
Net investment income earned	831,721
Net realized capital gains	201,451
Total income	$ 1,033,172
Expenses:	
Losses incurred	$ -
Loss adjustment expenses incurred	-
Other underwriting expenses	-
Federal and foreign income tax incurred	204,416
Total expenses	$ 204,416
Net income:	$ 828,756

Reconciliation of Capital and Surplus for the Period from the Prior Examination
as of December 31, 2010 to December 31, 2014

		Common Capital Stock	Gross Paid-in & Contributed Surplus	Unassigned Funds	Total
December 31, 2010		$ 5,000,000	$ 11,937,347	$ 10,154,708	$ 27,092,055
2011 Operations	(1)	-	-	775,735	775,735
2011 Share Issuance	(2)	1,400,000	6,600,000	-	8,000,000
December 31, 2011		6,400,000	18,537,347	10,930,443	35,867,790
2012 Operations	(1)	-	-	308,215	308,215
2012 Share Issuance	(2)	1,833,442	8,166,558	-	10,000,000
December 31, 2012		8,233,442	26,703,905	11,238,658	46,176,005
2013 Operations	(1)	-	-	1,466,937	1,466,937
December 31, 2013		8,233,442	26,703,905	12,705,595	47,642,942
2014 Operations	(1)	-	-	757,499	757,499
December 31, 2014		$ 8,233,442	$ 26,703,905	$ 13,463,094	$ 48,400,441

(1): Operations is defined as: net income, change in net unrealized capital gains or (losses), and change in net deferred income tax.
(2): The change in common capital stock and gross paid in and contributed surplus during the examination period was due to share issuance and capital contributions from the Company's parent, Seneca Insurance Company, to remain eligible as an excess lines insurer as required by New York statute.

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no adjustments to the Company's financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Schedule D - Bonds	**$ 19,365,584**
Schedule DA – Short-term Investments	**28,191,846**
Schedule E - Cash	**731,804**

As of December 31, 2014, the Company reported total bond investments on Schedule D – Part 1 with book adjusted carrying values in the amount of $19.4 million and fair market values of $21.6 million. The Company reported an additional $28.2 million in United States treasury bills at book adjusted carrying value as short-term investments for total bond holdings of $47.6 million. Bonds were comprised of the following classes:

	Statement Value	% of Total
U.S. Government Bonds	$ 8,708,615	18.3%
U.S. Special Revenue - Issuer Obligations	10,656,969	22.4%
Sub-total Bonds (Schedule D)	$ 19,365,584	
U.S. Treasury Bills (Schedule DA)	28,191,846	59.3%
Total Bonds	$ 47,557,430	100.0%

Of the Company's total bond holdings, all were categorized as Class 1 with respect to NAIC credit quality standards and all were publically traded securities. Bond maturities were heavily weighted to the short-term relative to maturity with 59.3%, 13.3%, 6.7% and 20.8% maturing in less than one year, one to five years, five to ten years, and ten to twenty years, respectively.

Note 2:

Losses	**$ 0**
Loss Adjustment Expenses	**$ 0**

INS Consultants, Inc. ("Consulting Actuary") performed a review of the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary's review included detail testing and an independent calculation of the Company's gross and net loss and loss adjustment expense reserves as of December 31, 2014. The examination determined the Company's gross and net loss and loss adjustment expenses reserves were properly stated without material exception as of December 31, 2014.

SUBSEQUENT EVENTS

There were no material subsequent events.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no recommendations contained in the prior examination report issued by the Arizona Department of Insurance as of December 31, 2010.

SUMMARY OF RECOMMENDATIONS

There were no recommendations 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:

Description	December 31, 2014		December 31, 2010		Increase/ (Decrease)	
Assets	$	48,606,697	$	27,456,987	$	21,149,710
Liabilities	$	206,256	$	364,932	$	(158,676)
Capital and Surplus	$	48,400,441	$	27,092,055	$	21,308,386

The assistance of Delaware's consulting actuarial firm, INS Consultants, Inc. and the consulting information technology specialist with INS Services, Inc. is acknowledged.

Respectfully submitted,

Richard E. Palmatary, CPA, CFE
Examiner In-Charge
State of Delaware