



I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused Eagle Builders Insurance Company Risk Retention Group, Inc. as of December 31, 2021 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 30th day of March, 2023.



Mike Causey
Commissioner of Insurance

Monique D. Smith, CPA, CFE
Deputy Commissioner
Financial Examination Division

Eagle Builders Insurance Company Risk Retention Group, Inc.

Winston-Salem, North Carolina

Report on Examination

As of December 31, 2021

TABLE OF CONTENTS

SCOPE OF THE EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS	3
Comments, Recommendations, and Directives	3
COMPANY HISTORY	3
Capital Stock	4
Dividends to Stockholder	4
Surplus Notes	4
MANAGEMENT AND CONTROL	4
Corporate Governance.....	4
Code of Conduct and Conflict of Interest.....	6
Corporate Records.....	6
Statutory Deposits	6
Fidelity Insurance	6
Captive Administrative Services Agreement	7
Third Party Program Administration Agreement	7
High Deductible Policy	7
TERRITORY AND PLAN OF OPERATION	7
Trends of the Company	8
Actuarial Opinion	8
FINANCIAL STATEMENTS	9
SUBSEQUENT EVENTS	16
DISTRIBUTION OF REPORT ON EXAMINATION	17
CONCLUSION	18

February 6, 2023

Honorable Mike Causey
Commissioner of Insurance
State of North Carolina
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-2-131 and § 58-10-430(d) of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

Eagle Builders Insurance Company Risk Retention Group, Inc.

(hereinafter referred to as the “Company”), acknowledging that its main administrative office is located at 1605 Main Street, Suite 800, Sarasota, Florida, 34236. The Company’s statutory home office is located at 5630 University Parkway, Winston-Salem, North Carolina, 27105. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Company. This examination covers the period from when the Company became licensed in North Carolina on February 3, 2017, to December 31, 2021, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination.

The purpose of this examination is to assess the financial condition and controls of the Company and set forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

We conducted our examination in accordance with auditing standards established by the Department and the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”). The 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 and the following key functional activities were identified:

Investments
Underwriting
Claims and Reserving
Reinsurance
Capital & Surplus

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This 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 from the Company's financial statements.

This examination report includes significant findings of fact and general information about the insurer 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 the Company.

The Company's Annual Statements, work papers, and the independent audit work papers were reviewed and relied upon whenever possible. A trial balance reconciliation of the Annual Statement was performed, as were a verification of ownership and valuation of assets, determination of liabilities and reserves, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Company's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from Company management.

The books and records of the Company are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). Johnson Lambert LLP of Charleston, South Carolina, the designated independent public accountant of the Company, issued an unmodified opinion for each year from the initial year of operations ending December 31, 2017, including the year ended December 31, 2021.

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS, AND DIRECTIVES

- a. The Company did not maintain any fidelity bond coverage from February 3, 2017, through December 31, 2021. The NAIC's recommended minimum fidelity bond coverage is \$50,000. The Company is directed to maintain fidelity bond coverage for no less than the minimum recommended by the NAIC. (Refer to Subsequent Events)
- b. The Company did not report its regulatory deposit with the State of North Carolina totaling \$1,000,000 on its 2021 Annual Statement Schedule E part 3. The Company is directed to ensure accurate reporting in its Annual Statements filed with the Department pursuant to GS § 58-2-165(c).
- c. The Company's Third-Party Program Administration Agreement with American eWarranty d/b/a American eBuilders ("eWarranty") transfers management services of the Company to eWarranty. The services provided by eWarranty require a managing general agent agreement as eWarranty meets the definition of a Managing General Agent ("MGA") pursuant to GS § 58-34-2 (a)(3). The Company and eWarranty do not have an executed MGA agreement, which is a violation of GS § 58-34-2(d). The Company is directed to comply with the MGA regulations described in GS § 58-34.
- d. The Company meets the definition of a controlled insurer pursuant to GS § 58-3-165 (a)(4). Pursuant to GS § 58-3-165 (d), the provisions apply when "the aggregate amount of gross written premiums on business placed with the controlled insurer by a controlled producer is equal to or greater than five percent (5%) of the admitted assets of the controlled insurer, as reported in the controlled insurer's most recent annual statement." The Company's gross written premiums totaled \$329,387 at December 31, 2021, which is greater than 5% of its admitted assets. The Company is directed to comply with the regulations of 58-3-165 (e) through (n). (Refer to Management and Control)
- e. The Company had a Deductible Addendum to Membership Application and Agreements with an insured member dated November 4, 2019, which was effective for one year. The Company failed to execute another agreement with the insured member in November 2020, and continued to enter into a significant volume of transactions with the insured member in the years 2020 through 2022 without an executed agreement. The Company is directed to ensure its transactions with the insured member are governed by an executed agreement. (Refer to High Deductible Policy and Subsequent Events)

COMPANY HISTORY

The Company was incorporated in North Carolina as a stock insurance company on December 2, 2015, and issued a Certificate of Authority by the Department, effective on February 3, 2017, and began operations on August 1, 2017. As a Risk Retention Group, all shareholders of the Company are also policyholders, and all policyholders are Member shareholders. The Company's Members are all residential home builders who participate in the Home Builders Warranty Program administered by eWarranty.

CAPITAL STOCK

The Company receives a capital contribution of \$25 on each policy issued. Members of the Company are required to purchase one share common stock. Each shareholder of record is entitled to one vote for each share of stock owned.

As of December 31, 2021, the Company's capitalization consisted of the following:

Description	Value
Number of authorized common capital shares	500,000
Number of shares issued and outstanding	777
Total common capital stock	\$777
Par value per share	\$1.00

DIVIDENDS TO STOCKHOLDER

Dividends on common stock are paid as declared by the Board of Directors ("Board") of the Company. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Company may pay to shareholders is limited to the greater of 10% of the most recent year-end policyholders' surplus or net income (excluding realized capital gains) earned for that same year-end. Any amounts in excess of this are considered extraordinary. The Company paid no dividends since its inception.

SURPLUS NOTES

On February 10, 2017, the Company issued a \$1,500,000 surplus note at 6% interest per annum to eWarranty, the Company's program manager. Interest is payable annually to the extent that sufficient funds exist to discharge the Company's liabilities and maintain statutory surplus requirements. Each surplus note provides for partial or full repayment to the holder upon presentation or surrender. Repayment of principal and interest payments on surplus notes require advance written approval of the Commissioner.

The accumulated interest on the Company's surplus notes totaled \$440,088 as of December 31, 2021. No interest or principal payments have been made to date and no interest expense has been accrued by the Company since the issuance of the surplus notes.

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Controlling Producer

Pursuant to GS § 58-3-165 (a)(3), eWarranty has the "direct or indirect possession of the power to direct or cause the direction of the management policies of the Company" through its program management services agreement with the Company. The Company only accepts insurance business from eWarranty, eWarranty

places insurance only with the Company, and eWarranty receives compensation based on the premiums written. eWarranty produced all of the Company's gross written premiums totaling \$329,387 at December 31, 2021, which is greater than 5% of its admitted assets. (Refer to the Summary of Significant Findings)

Shareholders

The bylaws of the Company provide that an annual meeting of the shareholders be held at such time and place as the Board may appoint. Special meetings of the shareholders may be called at any time by the chairman of the Board, the president or by any two members of the Board.

Board of Directors

The business of the Company is conducted by its management team and is subject to review by the Board. The bylaws specify that the number of Directors shall be not less than three, nor more than eleven. Directors are elected annually, at the annual meeting of shareholders or by the written consent of the stockholders, and each director elected shall hold office until a successor is elected and qualified.

The following individuals served as directors as of December 31, 2021:

Name	Location	Principal Occupation
Thomas W. Bothell	Harrisburg, Pennsylvania	Chief Executive Officer, American eWarranty
Michael C. Stevens	Harrisburg, Pennsylvania	Vice President, Business Banking, PNC Bank
Kevin Hicks	Wilmington, North Carolina	Chief Operating Officer, Johnson Nursery Corporation

The Board has established an Audit Committee to act on behalf of the Company. The following individuals served on this committee as of December 31, 2021:

Audit Committee

Thomas W. Bothell - Chair

Kevin Hicks

Michael C. Stevens Jr

Officers

The bylaws provide that the Board will elect the officers of the Company. The officers of the Company consist of a president, a secretary, a treasurer, and any other officers deemed necessary by the Board. All officers shall hold office, subject to removal at any time by the Board, until their successors are elected and qualified. Any person may hold one or more offices, except no individual shall serve as president and secretary.

The following individuals served as officers of the Company as of December 31, 2021:

Name	Title
Thomas W Bothell	President
Duane Barrick	Assistant Secretary
B Troy Winch	Assistant Treasurer
Michael C Stevens	Treasurer
Kevin Hicks	Secretary

CODE OF CONDUCT AND CONFLICT OF INTEREST

The Company has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Company requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that some of the conflict of interest statements were not fully completed to indicate whether there were conflicts. (Refer to Summary of Significant Findings).

CORPORATE RECORDS

We reviewed the minutes of the meetings of the Board for the period under examination. Based on our review, it appears that the minutes documented the Company's significant transactions and events, and that the directors approved these transactions and events.

The Company's Articles of Incorporation and Bylaws were reviewed for any changes during the period under examination. There were no changes or amendments to the original articles of incorporation or bylaws for the Company during the examination period.

STATUTORY DEPOSITS

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. The Company's 2021 Annual Statement Schedule E, Part 3 did not contain a complete description and listing of the Company's statutory deposits by state. The Company only maintains a North Carolina statutory deposit totaling \$1,000,000. (Refer to Summary of Significant findings)

FIDELITY INSURANCE

The Company did not have fidelity bond coverage during the period covered by this examination from February 3, 2017, to December 31, 2021. (Refer to the Summary of Significant Findings and Subsequent Events)

CAPTIVE ADMINISTRATIVE SERVICES AGREEMENT

The Company has a Captive Administrative Services Agreement with Risk Services – Vermont, Inc. (“Risk Services”), effective February 17, 2017, whereby Risk Services provides pre-licensure, regulatory, home office, and accounting services to the Company. The agreement is effective for five (5) years commencing on February 17, 2017, and will automatically renew for five-year periods unless either party provides at least 180 days prior written notice of its intention to terminate the agreement at expiration.

The Company pays Risk Services 3% of its gross net written premiums, subject to an annual minimum fee of \$65,000. The annual minimum fee of \$65,000 increases annually for the duration of the agreement at a rate of 5% each year. The vice president of Risk Services is also the assistant treasurer of the Company. Under this agreement, the Company incurred fees totaling \$78,694 and \$74,948 for the years 2021 and 2020, respectively.

THIRD PARTY PROGRAM ADMINISTRATION AGREEMENT

The Company has a Third Party Program Administration Agreement with eWarranty, effective February 22, 2017, whereby eWarranty provides marketing, underwriting, premium billing, premium collection, and claims review and approval services to the Company. The agreement is effective for five years and will automatically renew for successive one-year periods unless either party provides one hundred and eighty days written notice to the other party. The Company charges its member insureds an administrative fee on each policy and then pays approximately 70% of its administrative fee income to eWarranty as program management fees.

In 2021 and 2020, the Company charged its members administrative fees totaling \$726,659 and \$677,434, respectively, of which \$495,850 and \$460,779, in 2021 and 2020, respectively, were transferred to eWarranty for program management fees. The chief executive officer of eWarranty is also the president and a director of the Company. (Refer to the Summary of Significant Findings)

HIGH DEDUCTIBLE POLICY

The Company has a Deductible Addendum to Membership Application and Agreements with an insured member effective for one year starting on November 4, 2019, whereby the insured member receives a significantly reduced premium rate in exchange for a high deductible on its claims. The premium rate and the claims deductible are based on the home sales price covered under the warranty. The insured member is the Company’s largest member insured with over seven thousand warranties. (Refer to the Summary of Significant Findings and Subsequent Events)

TERRITORY AND PLAN OF OPERATION

The Company writes contractual liability insurance coverage for the warranty obligations on projects built by residential home builders who participate in the Home Builders Warranty Program administered by eWarranty. Warranties covered by the Company carry a 10-year term and generally cover workmanship and materials for 1 year, systems for 2 years and structural components of the home for 10 years.

At December 31, 2021, the Company was licensed in North Carolina and registered in the following states:

Alabama	Arizona	Arkansas	Connecticut	Delaware
District of Columbia	Georgia	Idaho	Illinois	Indiana
Iowa	Kansas	Kentucky	Louisiana	Maine
Massachusetts	Michigan	Minnesota	Mississippi	Missouri
Montana	Nebraska	Nevada	New Hampshire	New Jersey
New Mexico	North Dakota	Ohio	Oklahoma	Oregon
Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee
Texas	Utah	Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming		

TRENDS OF THE COMPANY

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Company for the five-year period ended 2021:

Year	Net Admitted Assets	Capital and Surplus	Gross Premiums Written	Net Earned Premiums	Net Income (Loss)
2021	\$3,798,746	\$1,938,030	\$329,388	\$198,139	\$230,391
2020	\$3,417,237	\$1,622,267	\$309,510	\$174,175	\$(69,921)
2019	\$2,962,940	\$1,620,132	\$301,681	\$155,145	\$33,517
2018	\$2,714,876	\$1,538,442	\$339,706	\$135,689	\$(8,406)
2017	\$2,474,790	\$1,506,653	\$753,217	\$49,395	\$(12,364)

ACTUARIAL OPINION

Every property and casualty insurance company doing business in this State, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an appointed actuary and an actuarial opinion summary in accordance with GS § 58-10-150 and GS § 58-10-155.

The statutory reserves and related items for 2021 were reviewed and certified by the Company's Appointed Actuary, Robert F. Scott, Jr., FCAS, MAAA with CAI Casualty Actuaries, Inc. Actuarial opinions regarding the Company's reserves for losses and loss adjustment expenses were issued by an appointed actuary for all years in the examination period. The appointed actuary evaluated the data provided by the Company for reasonableness and consistency of the losses and loss adjustment expense reserves. According to the actuarial opinions, the Company's reserve on the losses and loss adjustment expenses met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all unpaid losses and loss expense obligations of the Company.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2021. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2020, are unexamined and are presented for comparative purposes only.

Eagle Builders Insurance Company Risk Retention Group, Inc.
Statutory Statement of Admitted Assets
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Cash and short-term investments	\$3,424,755	\$3,153,270
Total cash and invested assets	3,424,755	3,153,270
Investment income due and accrued	5	5
Premiums and agents' balances in course of collection	8,175	5,623
Federal income tax recoverable	4,462	3,736
Prepaid Expenses	8,410	8,025
Administrative fees receivable	19,076	13,119
Capital and Surplus Receivable	1,900	1,306
Deferred policy acquisition costs	93,190	36,083
Prepaid management expense	238,773	196,070
Total Admitted Assets	\$3,798,746	\$3,417,237

Eagle Builders Insurance Company Risk Retention Group, Inc.
Statutory Statement of Liabilities, Capital, and Surplus
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Losses	\$139,712	\$262,825
Loss adjustment expenses	17,350	13,700
Other expenses	117,163	100,677
Taxes, licenses, and fees	26,759	31,988
Unearned premiums	1,320,959	1,189,710
Deferred administrative fee income	238,773	196,070
Total liabilities	1,860,716	1,794,970
Common capital stock	777	706
Surplus notes	1,500,000	1,500,000
Gross paid in and contributed surplus	264,035	178,735
Unassigned funds	173,218	(57,174)
Total capital and surplus	1,938,030	1,622,267
Total Liabilities, Capital, and Surplus	\$3,798,746	\$3,417,237

Eagle Builders Insurance Company Risk Retention Group, Inc.
Statutory Statement of Operations
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Underwriting Income		
Premiums Earned	\$198,139	\$174,175
Deductions		
Losses incurred	58,812	283,732
Loss adjustment expenses incurred	21,095	16,863
Other underwriting expenses incurred	620,202	628,748
Total underwriting deductions	700,109	929,343
Net underwriting loss	(501,970)	(755,168)
Investment Income		
Net investment income earned	4,976	8,040
Net investment gain	4,976	8,040
Other Income		
Administrative fee income	726,659	677,434
Total other income	726,659	677,434
Federal income taxes incurred	(726)	227
Net Income (Loss)	\$230,391	\$(69,921)

Eagle Builders Insurance Company Risk Retention Group, Inc.
Statutory Statement of Capital and Surplus
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Capital and surplus, beginning of year	\$1,622,267	\$1,620,132
Capital and surplus increases(decreases):		
Net income(loss)	230,391	(69,921)
Capital Change to paid-in capital	71	106
Surplus adjustments to paid-in capital	85,300	71,950
Change in capital and surplus as regards policyholders for the year	315,763	2,135
Capital and surplus, end of year	\$1,938,030	\$1,622,267

Eagle Builders Insurance Company Risk Retention Group, Inc.
Statutory Statement of Cash Flow
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Cash From (Used By) Operations		
Premiums collected net of reinsurance	\$ 320,879	\$307,048
Net investment income	4,971	9,207
Miscellaneous income	726,659	677,435
Total	1,052,509	993,690
Benefit and loss related payments	181,925	204,950
Commissions, expenses paid and aggregate write-ins	683,875	640,323
Federal income taxes paid	-	6,250
Total	865,800	851,523
Net cash from operations	186,709	142,167
Cash From (Used By) Financing and Miscellaneous Sources		
Cash from capital and paid-in surplus	84,777	72,056
Net cash from financing and miscellaneous sources	84,777	72,056
Reconciliation of Cash and Short-Term Investment		
Net change in cash and short-term investments	271,486	214,223
Cash and short-term investments, beginning of year	3,153,270	2,939,047
Cash and short-term investments, end of year	\$3,424,756	\$3,153,270

COMMENTS ON FINANCIAL STATEMENTS

Basis of Presentation and Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared on the basis of the accounting practices prescribed or permitted by the Department.

The more significant accounting policies followed by the Company are as follows:

Cash and short-term investments: Carried at amortized cost (which approximates fair value) and includes money market instruments and debt securities with maturities of less than one year.

Premiums: Insurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies. The portion of direct premiums written applicable to the unexpired terms of the policies is recorded as unearned premium. Premiums are earned on a pro rata basis.

Business acquisition costs: Charged to income as incurred.

Surplus Notes: Reported as shareholders' equity pursuant to the Department's approval.

Unpaid loss & loss adjustment expense: Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for losses incurred but not reported. Estimated amounts of salvage and subrogation and reinsurance recoverable are deducted from the reserve for losses and loss adjustment expenses.

Surplus Notes: Reported as shareholders' equity pursuant to the Department's approval.

Summary of Reserves:

The following provides a reconciliation of the Company's reserves for losses and loss adjustment expenses:

	2021	2020
Reserve for losses and loss adjustment expenses, beginning of year	\$276,525	\$189,043
Add:		
Provision for losses and loss adjustment expenses, current year	151,310	241,989
Change in estimated losses and loss adjustment expenses, prior years	(71,403)	58,605
Total incurred	79,907	300,594
Deduct:		
Losses and loss adjustment expenses paid, current year	(20,717)	(31,384)
Losses and loss adjustment expenses paid, prior year	(178,653)	(181,728)
Total paid	(199,370)	(213,112)
Reserve for losses and loss adjustment expenses, end of year	157,062	276,525
Decrease/Increase in reserve for losses and loss adjustment expenses	\$(119,463)	\$87,482

Capital and Surplus:

The following, in conjunction with the Statutory Statement of Capital and Surplus, represents the changes in the Company's capital and surplus:

	2019	2018	2017
Capital and surplus, beginning of year	\$1,538,442	\$1,506,653	\$-
Capital and surplus increases (decreases):			
Net income(loss)	33,517	(8,406)	(12,364)
Change in surplus notes	-	-	1,500,000
Paid-in capital change	114	174	312
Surplus adjustments to paid-in capital	48,059	40,021	18,705
Change in surplus as regards policyholders for the year	81,690	31,789	1,506,653
Capital and surplus, end of year	\$1,620,132	\$1,538,442	\$1,506,653

SUBSEQUENT EVENTS

On August 18, 2022, the Company purchased fidelity bond insurance totaling \$50,000, which meets the NAIC's recommended minimum for the Company. (Refer to the Summary of Significant Findings)

On September 2, 2022, the Company executed a Supplement to Deductible Addendum to Membership Application and Agreements with an insured member which includes a provision to keep the agreement in effect until amended by both parties in writing.

Eagle Builders Insurance Company Risk Retention Group, Inc.
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2021

Linda Villani, Account Manager
Risk Services, LLC
1605 Main Street
Sarasota, Florida 34236

Duane Barrick, Assistant Secretary
American eWarranty d/b/a American eBuilders
119 Aster Drive, Suite 105
Harrisburg, Pennsylvania 17112

Thomas Bothell, Chief Executive Officer
American eWarranty d/b/a American eBuilders
119 Aster Drive, Suite 105
Harrisburg, Pennsylvania 17112

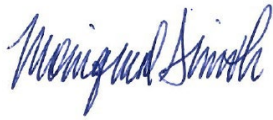
CONCLUSION

The examination procedures, described, herein, revealed no material adverse findings or adjustments to surplus.

We conclude that the Company complies with the minimum capital and surplus requirements of GS § 58-10-370 (4) for the kinds of insurance that the Company has been authorized to write, which is \$1,000,000.

The courteous cooperation and assistance extended by the officers and employees of the Company during the examination is hereby acknowledged.

Respectfully submitted,

A handwritten signature in blue ink that reads "Monique D. Smith". The signature is written in a cursive, flowing style.

Monique D. Smith, CPA, CFE
Deputy Commissioner
North Carolina Department of Insurance

February 6, 2023

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Keith Greene, Insurance Company Manager, North Carolina Department of Insurance, being first, duly sworn, deposes and says that this report on examination, subscribed by him, is true and correct to the best of his knowledge and belief.

Signature: Keith Greene Date: 2/6/2023

Sworn and subscribed before me this 06 day of February, 2023.

Notary Public Signature: Samantha Tanck Notary Public Seal:

SAMANTHA TANCK
NOTARY PUBLIC
WAKE COUNTY, NC
My Commission Expires 8-3-2027