



STATE OF UTAH INSURANCE DEPARTMENT

REPORT OF FINANCIAL EXAMINATION

of

TOWN & COUNTRY LIFE INSURANCE COMPANY

of

Salt Lake City, Utah

as of

December 31, 2015



TABLE OF CONTENTS

SALUTATION	1
SCOPE OF EXAMINATION	1
Period Covered by Examination	1
Examination Procedures Employed	1
SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS	2
COMPANY HISTORY	4
General	4
Dividends and Capital Contributions	4
Mergers and Acquisitions	4
CORPORATE RECORDS	5
Articles of Incorporation	5
Bylaws	5
Investment Policy	5
MANAGEMENT & CONTROL INCLUDING CORPORATE GOVERNANCE	7
Holding Company	8
TERRITORY AND PLAN OF OPERATION	10
GROWTH OF COMPANY	10
REINSURANCE	12
Assumed	12
Ceded	12
ACCOUNTS AND RECORDS	12
Borrowed Money	12
FINANCIAL STATEMENTS	13
BALANCE SHEET	14
SUMMARY OF OPERATIONS	15
RECONCILIATION OF CAPITAL AND SURPLUS	16
COMMENTS ON FINANCIAL STATEMENTS	17
SUBSEQUENT EVENTS	17
ACKNOWLEDGEMENT	17

November 30, 2016

Honorable Todd E. Kiser, Commissioner
Utah Insurance Department
3110 State Office Building
Salt Lake City, Utah 84114

Pursuant to your instructions and in compliance with statutory requirements, a multi - state examination, as of December 31, 2015, has been made of the financial condition and business affairs of:

TOWN & COUNTRY LIFE INSURANCE COMPANY
Salt Lake City, Utah

hereinafter referred to in this report as the Company, and the following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

Period Covered by Examination

The last examination was conducted as of December 31, 2011. This examination covers the period of January 1, 2012 through December 31, 2015, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination. Key activities examined included: Investments, Reserves/Claims Handling, Premiums (Advance Premiums only), and Other Liabilities and Surplus (Borrowed Money only).

Examination Procedures Employed

We conducted our examination in accordance with the NAIC *Financial Condition Examiners 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. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. 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, as mentioned in Utah Code Annotated (U.C.A.) §31A-2-204(6)(a) 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 other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS

Items of significance in this report are summarized below:

1. The Company did not submit its amended Articles of Incorporation for approval to the commissioner and a number of errors were found in the amended articles upon examination. Thus, the Company was not in compliance with Utah Code Annotated (U.C.A.) § 31A-5-219(2).

We recommended that the Articles of Amendment and Restatement be corrected for the errors noted and that the edited document be adopted by the Company's board of directors and submitted for approval by the commissioner.

The Company made the recommended changes and the Company's Articles of Amendment and Restatement were approved by the Department on October 5, 2016.

2. The Company amended and the Board adopted its bylaws, but did not file this document with the commissioner. Thus, the Company was not in compliance with U.C.A. § 31A-5-203(4).

The examination determined that the amended bylaws included prior language that did not correspond to the bylaws on file with the Department and contained incorrect headings and other information.

We recommended that the bylaws be corrected, adopted by the Company's board of directors, and filed with the Commissioner. These actions were completed on October 5, 2016.

3. The Company's investment policy does not make a distinction between limits for common and preferred stock nor does it address the limitations imposed on American Depository Receipts (ADRs) and foreign stocks. Thus, the Company is not in compliance with U.C.A. § 31A-18-106(1)(e) and U.C.A. § 31A-18-105, respectively.

We recommend that the Company's investment policy be amended to comply with investment limitations and permitted classes of investments in U.C.A. § 31A-18-106(1)(e) and U.C.A. § 31A-18-105, respectively.

4. An affiliated entity, The Moreton Group LLC, was not reported in Schedule Y of the Annual Statement for the year ended December 31, 2015. The Company borrowed \$500,000 from The Moreton Group LLC in April 2015, which was not reported in Schedule Y, Part 2 – Summary of Insurer's Transactions With Any Affiliates. The Moreton Group LLC meets the definitions of an affiliate per U.C.A. § 31A-1-301(5) and Statement of Statutory Accounting Principles (SSAP) No. 25, paragraph 4 and the definitions of control applicable to the ultimate controlling person of the holding company system, William R. Moreton, found in U.C.A. § 31A-1-301(29)(d) and SSAP No. 25, paragraph 5.

We recommend that The Moreton Group LLC be reported as part of the holding company system associated with the Company in Schedule Y of the Annual Statement and that all transactions with affiliates be reported in Schedule Y, Part 2 – Summary of Insurer's Transactions With Any Affiliates.

5. The Company did not notify the Commissioner in writing as required by U.C.A. § 31A-16-106(1)(b)(i) of its intention to borrow \$500,000 from The Moreton Group LLC in April 2015 until requested by the Department analyst in June 2016. The Company subsequently submitted the Form D written notification, as requested.

We recommend that the Company provide prior notice of material transactions, in order to comply with U.C.A. § 31A-16-106(1)(b)(i) and the reporting requirements in Utah Administrative Rule R590-70.

6. The borrowed \$500,000 and accrued interest from The Moreton Group LLC was properly reported on Line 22 of page 3, Liabilities, Surplus, and Other Funds, in the 2015 Annual Statement. In addition, this debt was reported in the Notes to Financial Statements, in accordance with SSAP No. 15, Debt and Holding Company Obligations, and the 2015 Life, Accident and Health Annual Statement Instructions for Notes to Financial Statements, Note 11, Debt. However, some applicable details of this debt were not disclosed in Note 11.

We recommend that details of debt held by the Company be properly reported in the Notes to Financial Statements, in accordance with SSAP No. 15, Debt and Holding Company Obligations, including the disclosure of all applicable items required by the Annual Statement Instructions.

COMPANY HISTORY

General

The Company was originally incorporated in the State of Texas on April 13, 1955, under the name Town & Country Life Insurance Company of Texas. The Company redomesticated its operations to the State of Utah on April 15, 1986, and was granted a certificate of authority to transact the business of life, and accident and health insurance. On April 22, 1986, the Company formally changed its name to Town & Country Life Insurance Company. In 2005, the Company was acquired by Fred A. Moreton & Company, doing business as Moreton & Company.

During the examination period, the Company began the process of amending and restating both its articles of incorporation and domestication and its bylaws. The amended and restated articles were approved by the Utah Insurance Department on October 5, 2016 and the amended and restated bylaws were filed with the Department on October 5, 2016.

Dividends and Capital Contributions

The Company declared and paid the following dividends to its parent company, Town & Country Holding Company:

2012	\$ 99,380
2013	50,130
2014	10,554
2015	<u>131,921</u>
Total:	<u>\$ 292,985</u>

In May 2016, subsequent to the examination date, the Company paid a dividend of \$87,947.

There were no capital contributions from the parent company during the examination period.

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

CORPORATE RECORDS

Articles of Incorporation

The Company adopted amendments to its articles of incorporation during the examination period; however, this document was not submitted for approval by the commissioner in accordance with Utah Code Annotated (U.C.A.) § 31A-5-219(2). A number of errors were found in the amended articles upon examination, including identical information and wording in two articles, and incorrect headings.

We recommended that the Articles of Amendment and Restatement be corrected for the errors noted and that the edited document be adopted by the Company's board of directors and submitted for approval by the commissioner to comply with U.C.A. § 31A-5-219(2).

The Company made the recommended changes to the Articles of Amendment and Restatement, and the document was approved by the Department on October 5, 2016.

Bylaws

The Company amended and the Board adopted its bylaws during the examination period, but did not file the Amended and Restated Bylaws with the commissioner. Utah Code Annotated (U.C.A.) § 31A-5-203(4) states that a copy of the bylaws, and any amendments to them, shall be filed with the commissioner within 60 days after their adoption.

In a detailed review of the amended bylaws, it was noted that the prior language for each article does not correspond to the language in the prior bylaws on file with the Department. It was also noted that the location of the principal office of the Company was not current and several articles of the amended bylaws have incorrect headings and, potentially, incorrect numbering.

We recommended that the bylaws be corrected, adopted by the Company's board of directors, and filed with the commissioner within 60 days of adoption, in accordance with U.C.A. § 31A-5-203(4). These actions were completed on October 5, 2016.

Investment Policy

The Company's investment policy states that the Company should manage a diversified stock portfolio, not to exceed 50% of total investment assets. The Permissible Marketable Securities section of the investment policy states that the stock portfolio may consist of common or preferred stock of domestic and foreign companies listed on the New York, American, NASDAQ, or Over-the-Counter exchanges, including American Depository Receipts (ADRs) and Exchange Traded Funds (ETFs); however, the investment policy, as written, does not make a distinction between limits for common

and preferred stock nor does it address the limitations imposed on ADRs and foreign stocks.

Utah Code Annotated (U.C.A.) § 31A-18-106(1)(e) limits investments in preferred stock to 35% of assets and § 31A-18-106(1)(f) limits investments in common stock and ADRs traded on the New York, American, or NASDAQ exchanges to 20% of assets for a life insurer. Also, U.C.A. § 31A-18-106(1)(m) limits ADRs not traded on the New York, American, or NASDAQ exchanges and other investments determined to be admitted in the NAIC Accounting Practices and Procedures Manual, such as investments in foreign stock, to an aggregate of 10% of assets. The investment policy limitation that stocks may not exceed 50% of total investment assets is ambiguous and does not comply with Utah insurance code limitations, since no distinction is made between common and preferred stock, ADRs and foreign stock investments.

Additionally, U.C.A. § 31A-18-105 details permitted classes of investments, including preferred stock, common stock, ADRs and other investments, such as foreign stocks. For investments in preferred stock, U.C.A. § 31A-18-105(5) states that such investments must be preferred stock of a United States corporation, subject to the limit of 35% of assets described above. For investments in common stock, U.C.A. § 31A-18-105(6)(a) requires that such investments must be common stock of a United States corporation, subject to the limit of 20% previously described. For investments in ADRs, U.C.A. § 31A-18-105(6)(b) permits ADRs traded on the New York, American, or NASDAQ exchanges, subject to the limit of 20% described previously. For investments in ADRs not traded on the New York, American, or NASDAQ exchanges, U.C.A. § 31A-18-105(13) permits such ADRs, subject to the aggregate limit of 10% described above. The investment policy does not address these specific limitations imposed on ADRs and foreign stocks.

We recommend that the Company's investment policy be amended to comply with the investment limitations and permitted classes of investments in U.C.A. § 31A-18-106(1) and U.C.A. § 31A-18-105, respectively.

MANAGEMENT & CONTROL INCLUDING CORPORATE GOVERNANCE

The bylaws of the Company indicate the number of directors shall be at least three (3) and no more than nine (9). The following persons served as directors for the Company as of December 31, 2015:

<u>Name and Location</u>	<u>Title and Principal Occupation</u>
William R. Moreton, Chairman of the Board Holladay, Utah	President Moreton & Company
John T. Crandall Salt Lake City, Utah	Executive Vice President and Manager George K. Baum & Company
Joseph D. Rich Salt Lake City, Utah	Vice President Woodbury Corporation
William E. Stringham Salt Lake City, Utah	Managing Director 42 Ventures, LLC
William E. Tingey Kaysville, Utah	Chief Financial Officer Moreton & Company
Steven R. Hymas North Salt Lake, Utah	Vice President and Secretary Town & Country Life Insurance Company

The Company's bylaws provide for officers to consist of a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary shall not be held by the same person, and provided that there be a minimum of three (3) officers of the Corporation, which shall be three (3) separate natural persons. The officers of the Company as of December 31, 2015 were as follows:

<u>Name and Location</u>	<u>Title</u>
William R. Moreton	Chairman of the Board and President
William E. Tingey	Vice President and Treasurer
Steven R. Hymas	Vice President and Secretary

The Company's bylaws require that an Audit Committee be organized, and provides guidance for other optional committees. Each committee shall consist of three (3) or more directors.

Committees and the respective committee members of the Company as of the December 31, 2015 were as follows:

Audit Committee

<u>Name and Location</u>	<u>Title and Principal Occupation</u>
William R. Moreton, Chair	President, Moreton & Company
Joseph D. Rich	Vice President, Woodbury Corporation
William E. Tingey	Chief Financial Officer, Moreton & Company

Investment Committee

<u>Name</u>	<u>Title and Principal Occupations</u>
William R. Moreton, Chair	President, Moreton & Company
Steven R. Hymas	Vice President & Secretary, Town & Country Life Insurance Company
John T. Crandall	Executive Vice President & Manager, George K. Baum & Company

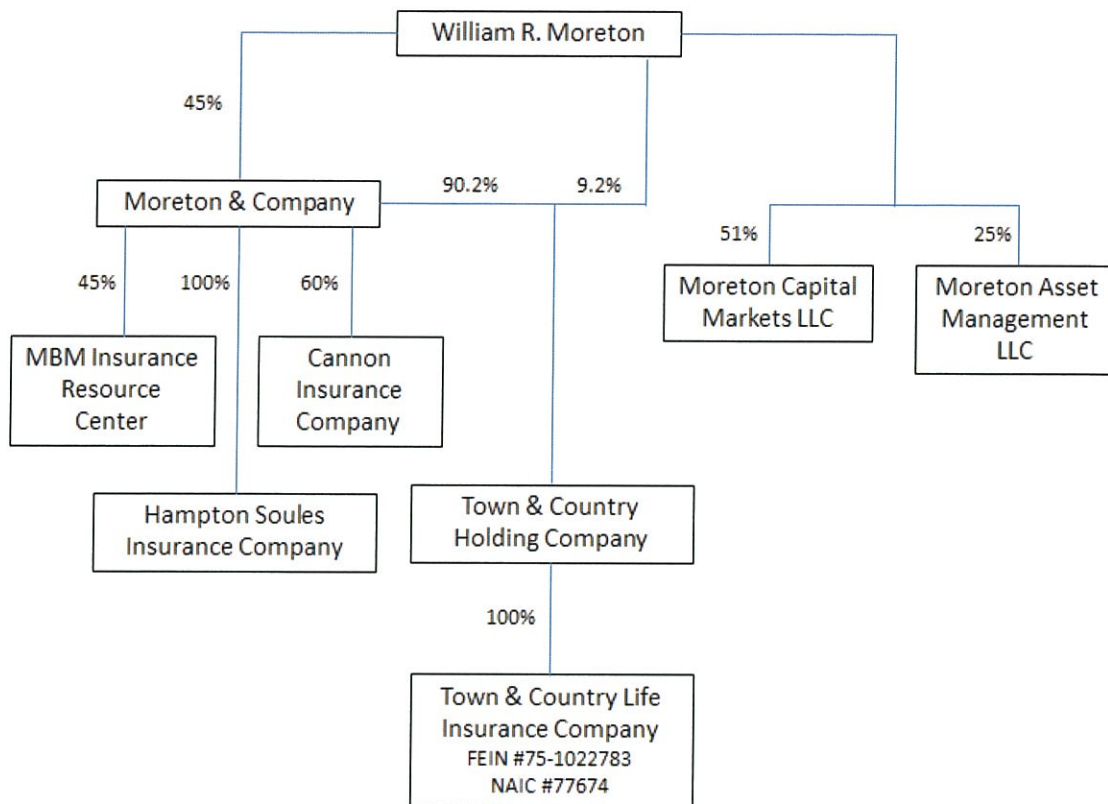
Executive Committee

<u>Name and Location</u>	<u>Title and Principal Occupations</u>
William R. Moreton, Chair	President, Moreton & Company
Steven R. Hymas	Vice President & Secretary, Town & Country Life Insurance Company
William E. Tingey	Chief Financial Officer, Moreton & Company

Holding Company

The Company is wholly-owned by Town & Country Holding Company (TCHC), which is 90.2% owned by Moreton & Company. As of December 31, 2015, William R. Moreton owned 44.5% of Moreton & Company and 9.2% of TCHC and therefore, had 49.4% ownership interest in the Company as the ultimate controlling person.

The following organizational chart depicts the holding company system as of December 31, 2015:



An affiliated entity, The Moreton Group LLC, was not included in the organizational chart of the holding company system and was not reported in Schedule Y of the Annual Statement for the year ended December 31, 2015. The Company borrowed \$500,000 from The Moreton Group LLC on April 29, 2015, which was not reported in Schedule Y, Part 2 – Summary of Insurer’s Transactions with any Affiliates.

Utah Code Annotated (U.C.A.) § 31A-1-301(5) defines an affiliate as a person who controls, is controlled by, or is under common control with, another person. It states that a corporation is an affiliate of another corporation, regardless of ownership, if substantially the same group of individuals manage the corporations. Statement of Statutory Accounting Principles (SSAP) No. 25, paragraph 4, defines an affiliate as an entity that is within the holding company system or a party that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the reporting entity. SSAP No. 24, paragraph 4, further defines an affiliate as any person that is directly or indirectly, owned or controlled by the same person or by the same group of persons that, directly or indirectly, own or control the reporting entity.

The ultimate controlling person of the holding company system, William R. Moreton, owns 24% of The Moreton Group LLC.

U.C.A. § 31A-1-301(29)(d) states that there is a rebuttable presumption of control in a person who directly or indirectly owns, controls, holds with the power to vote, or holds proxies to vote 10% or more of the voting securities of another person. SSAP No. 25, paragraph 5, states, "Control shall be presumed to exist if a reporting entity and its affiliates directly or indirectly, own, control, hold with the power to vote, or hold proxies representing 10% or more of the voting interests of the entity." Therefore, The Moreton Group LLC is an affiliate of the Company and should be included in the holding company system.

We recommend that The Moreton Group LLC be reported as part of the holding company system associated with the Company in Schedule Y of the Annual Statement and that all transactions with affiliates be reported in Schedule Y, Part 2 – Summary of Insurer's Transactions With Any Affiliates.

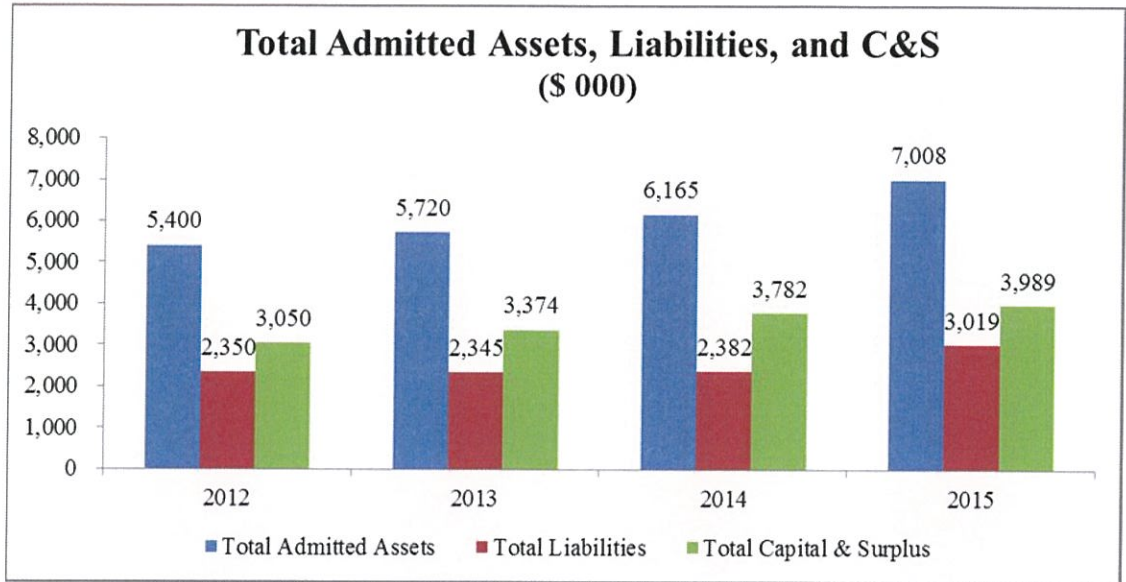
TERRITORY AND PLAN OF OPERATION

The Company is currently licensed to conduct business in the following five states: Arizona, Idaho, Illinois, Oklahoma, and Utah. As of the date of our examination, the Company had 141 individual and 83 agency producers.

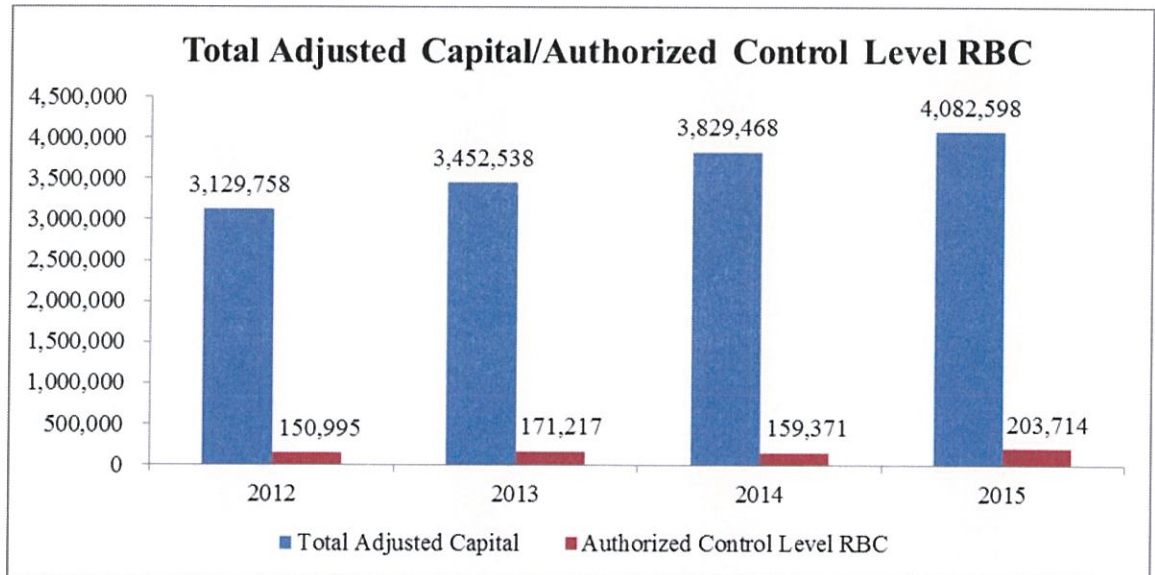
The Company offers deferred annuity, group short-term disability, and group dental insurance products. However, the Company actively writes only group dental insurance, which is marketed through its network of individual and agency products and affiliations with Total Dental Administrators, Inc. and Moreton & Company.

GROWTH OF COMPANY

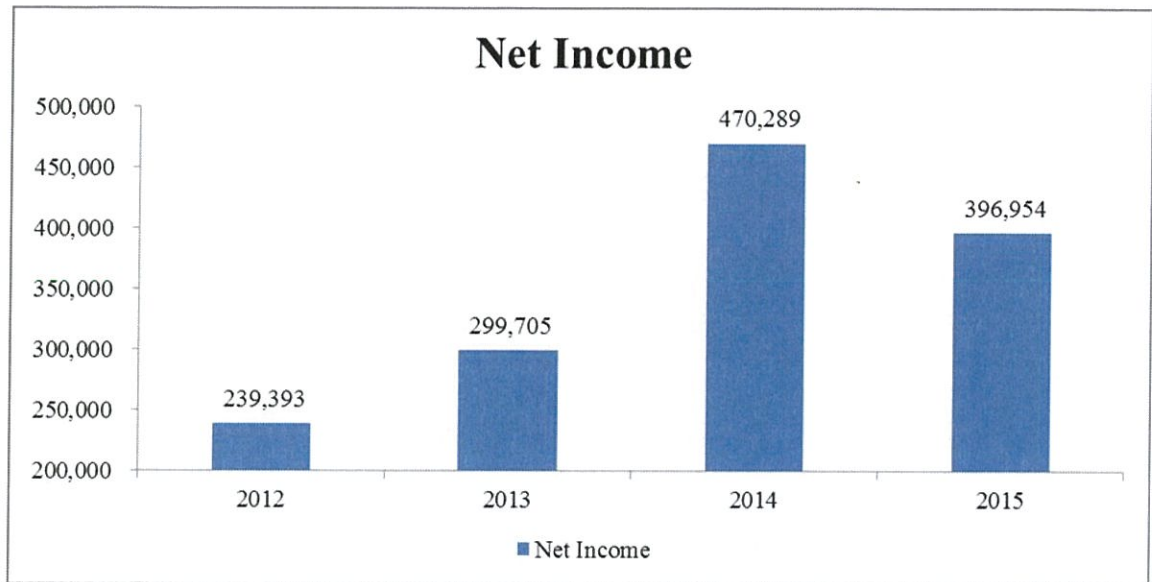
The Company's total admitted assets have increased 30% from 2012 to 2015. During the same period total liabilities increased 28%. These increases can be attributed primarily to the continued growth of the group dental product line. The Company created a new dental plan in 2015. During the same period, capital & surplus increased 31%.



The Company's total adjusted capital increased 30% from 2012 to 2015. The RBC ratio remained strong over the course of the examination period.



Net income increased 96% from 2012 to 2014 and then declined slightly from 2014 to 2015 by 16%. This decrease can be attributed to a large capital gain in 2014 and a small capital loss in 2015.



REINSURANCE

Assumed

Effective September 1, 2013, the Company entered into an indemnity quota share reinsurance agreement with Companion Life Insurance Company (Companion). Under the terms of this agreement, the Company would reinsure 25% of all group term life insurance and 15% of all short-term disability and voluntary short-term disability policies for which Moreton & Company is the active agent of record. As of the examination report date, no policies have been written under this arrangement and no reinsurance activity has occurred.

Ceded

The Company neither maintained, nor entered into any ceded reinsurance arrangements during the examination period.

ACCOUNTS AND RECORDS

Borrowed Money

The Company borrowed \$500,000 from The Moreton Group LLC, an affiliated entity, in April 2015. The Company did not file Form D, Prior Notice of Transaction, with the Utah Insurance Department until requested by the Department analyst in June 2016. The Company subsequently submitted a Form D, as requested.

Utah Code Annotated (U.C.A.) § 31A-16-106(1)(b)(i) states that such transactions may not be entered into unless the insurer has notified the commissioner in writing of its

intention to enter into the transaction at least 30 days prior to entering into the transaction, or within any shorter period the commissioner may permit, if the commissioner has not disapproved the transaction within the period. The notice for an amendment or modification shall include the reasons for the change and financial impact on the domestic insurer. Utah Administrative Rule R590-70, Insurance Holding Companies, establishes Form D as the means of notification of intent to enter such transactions.

We recommend that the Company provide prior notice of material transactions, as defined in U.C.A. § 31A-16-106(1)(b)(i)(B) and in compliance with the notification requirements in § 31A-16-106(1)(b)(i) and the reporting requirements in Utah Administrative Rule R590-70.

The borrowed \$500,000 and accrued interest from The Moreton Group LLC was properly reported on Line 22 of page 3, Liabilities, Surplus, and Other Funds, in the 2015 Annual Statement. In addition, this debt was reported in the Notes to Financial Statements, in accordance with SSAP No. 15, Debt and Holding Company Obligations, and the 2015 Life, Accident and Health Annual Statement Instructions for Notes to Financial Statements, Note 11, Debt. However, some applicable details of this debt were not disclosed in Note 11. The following items were not disclosed in Note 11: (1) date issued, (2) pertinent information concerning the kind of borrowing (e.g., debentures, commercial paper outstanding, bank loans, capital notes, and lines of credit), (3) carrying value of debt, and (4) the effective interest rate.

We recommend that details of debt held by the Company be properly reported in the Notes to Financial Statements, in accordance with SSAP No. 15, Debt and Holding Company Obligations, including the disclosure of all applicable items required by the Annual Statement Instructions.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Utah Insurance Department and present the financial condition of the Company for the period ending December 31, 2015. The accompanying COMMENTS ON FINANCIAL STATEMENTS reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

TOWN & COUNTRY LIFE INSURANCE COMPANY
BALANCE SHEET
as of December 31, 2015

ASSETS

	Net Admitted Assets
Bonds	\$ 2,556,224
Preferred stocks	860,166
Common stocks	521,952
Mortgage loans on real estate	1,648,753
Cash and short-term investments	1,312,788
Investment income due and accrued	29,712
Uncollected premiums and agents' balances in the course of collection	23,708
Net deferred tax asset	54,609
Total Assets	\$ 7,007,912

LIABILITIES, SURPLUS AND OTHER FUNDS

	Current Year
Aggregate reserve for life contracts	\$ 1,799,502
Aggregate reserve for accident and health contracts	818
Liability for deposit-type contracts	17,250
Contract claims: accident and health	390,475
Premiums and annuity considerations received in advance	148,958
Commissions to agents due or accrued	19,750
General expenses due or accrued	9,320
Taxes, licenses and fees due or accrued, excluding federal income taxes	28,800
Current federal and foreign income taxes	290
Borrowed money and interest thereon	510,151
Asset valuation reserve	93,351
Total Liabilities	\$ 3,018,665
Common capital stock	1,000,000
Gross paid in and contributed surplus	405,450
Unassigned funds (surplus)	2,583,797
Total Surplus	3,989,247
Total Liabilities, Surplus and Other Funds	\$ 7,007,912

TOWN & COUNTRY LIFE INSURANCE COMPANY
SUMMARY OF OPERATIONS
for the Year Ended December 31, 2015

Premiums and annuity considerations	\$ 4,036,241
Net investment income	124,699
Amortization of Interest Maintenance Reserve (IMR)	2,236
Total income	<u>\$ 4,163,176</u>
Annuity benefits	41,676
Disability benefits and benefits under accident and health contracts	2,622,984
Surrender benefits and withdrawals for life contracts	51,196
Interest and adjustments on contract or deposit-type contract funds	597
Payments on supplementary contracts with life contingencies	6,855
Increase in aggregate reserves for life and accident and health contracts	(30,636)
Total benefits and reserves	<u>\$ 2,692,672</u>
Commissions on premiums, annuity considerations and deposit-type contract funds	\$ 276,482
General insurance expenses	760,812
Insurance taxes, licenses and fees, excluding federal income taxes	21,700
Total expenses	<u>1,058,994</u>
Total expenses, benefits and reserves	<u>3,751,666</u>
Net gain before dividends to policyholders and federal income taxes	411,510
Dividends to policyholders	0
Net gain after dividends to policyholders and before federal income taxes	<u>411,510</u>
Federal and foreign income taxes incurred	6,471
Net gain after dividends and taxes and before realized capital gains (losses)	405,039
Net realized capital gains (losses)	(8,085)
Net income	<u><u>\$396,954</u></u>

TOWN & COUNTRY LIFE INSURANCE COMPANY
RECONCILIATION OF CAPITAL AND SURPLUS
2012 through 2015

	2012*	2013*	2014*	Per Exam 2015
Capital and surplus, December 31, prior year	\$ 2,894,066	\$ 3,049,970	\$ 3,374,231	\$ 3,782,183
Net income	239,393	299,705	470,289	396,954
Change in net unrealized capital gains (losses)	7,470	76,734	(102,775)	(39,795)
Change in net deferred income tax	(20,188)	(35,432)	(18,229)	(30,921)
Change in nonadmitted assets	32,660	31,903	38,199	58,813
Change in asset valuation reserve	(4,051)	1,481	31,022	(46,066)
Dividends to stockholders	(99,380)	(50,130)	(10,554)	(131,921)
Net change in capital and surplus for the year	155,904	324,261	407,952	207,064
Capital and surplus, December 31, current year	<u>\$ 3,049,970</u>	<u>\$ 3,374,231</u>	<u>\$ 3,782,183</u>	<u>\$ 3,989,247</u>

* Per the regulatory financial statements filed with the Utah Insurance Department.

COMMENTS ON FINANCIAL STATEMENTS

Capital and surplus

\$3,989,247

The Company's capital and surplus was determined to be the same as reported in the Company's annual statement as of December 31, 2015. No adjustments were made to surplus as a result of the examination.

The Company's minimum capital requirement was \$400,000 as defined in U.C.A. § 31A-5-211(2)(a). As defined by U.C.A. § 31A-17 Part 6, the Company had total adjusted capital of \$4,082,598, which significantly exceeded the company action level risk-based capital (RBC) requirement of \$203,714 by \$3,878,884.

SUBSEQUENT EVENTS

There were no material subsequent events noted for inclusion in this report.

ACKNOWLEDGEMENT

T. Michael Presley, FCAS, MAAA, Consulting Actuary, of Risk & Regulatory Consulting, LLC, performed the actuarial phases of the examination. Kristina Gaddis, CFE, CISA, AES, Senior Examiner, of Risk & Regulatory Consulting, LLC, performed the information systems review. Jaimee George, CFE, PIR, Analysis Manager, supervised the examination. In addition, Corey Larsen, Financial Analyst, and Natasha Robinson, Financial Examiner, participated in the examination representing the Utah Insurance Department. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers and representatives of the Company.

Respectfully submitted,



David L. Flores, CPA, CFE, PIR
Examiner-in-Charge
Utah Insurance Department