Report of the Examination of

Medica Community Health Plan

Minnetonka, Minnesota

As of December 31, 2023

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January 31, 2025

Honorable Nathan D. Houdek
Commissioner of Insurance
State of Wisconsin
101 East Wilson Street
Madison, Wisconsin 53703

Commissioner:

In accordance with your instructions, a compliance examination has been made of the affairs and financial condition of:

MEDICA COMMUNITY HEALTH PLAN
Minnetonka, Minnesota

and this report is respectfully submitted.

I. INTRODUCTION

The previous examination of Medica Community Health Plan (MCHP or the company) was conducted in 2021 as of December 31, 2020. The current examination covered the intervening period ending December 31, 2023, and included a review of such subsequent transactions as deemed necessary to complete the examination.

The examination of the company was conducted concurrently with the examination of the Medica Group. The Minnesota Department of Commerce acted in the capacity as the lead state for the coordinated examinations. Work performed by the Minnesota Department of Commerce was reviewed and relied on where deemed appropriate.

The examination was conducted using a risk-focused approach in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook*. This approach sets forth guidance for planning and performing the examination of an insurer to evaluate the financial condition, assess corporate governance, identify current and prospective risks (including those that might materially affect the financial condition, either currently or prospectively), and evaluate system controls and procedures used to mitigate those risks.

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, annual statement instructions, and Wisconsin laws and regulations. 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 at the end of the "Financial Data" section in the area captioned "Reconciliation of Surplus per Examination."

Emphasis was placed on those areas of the company's operations accorded a high priority by the examiner-in-charge when planning the examination. Special attention was given to the action taken by the company to satisfy the recommendations and comments made in the previous examination report.

The company is annually audited by an independent public accounting firm as prescribed by s. Ins 50.05, Wis. Adm. Code. An integral part of this compliance examination was the review of the independent accountant's work papers. Based on the results of the review of these work papers, alternative or additional examination steps deemed necessary for completing this examination were performed. The examination work papers contain documentation concerning the alternative or additional examination steps performed during the examination.

Independent Actuary's Review

An independent actuarial firm was engaged under a contract with the Minnesota Department of Commerce. The actuary reviewed the adequacy of MCHP's provisions for claims unpaid, accrued medical incentive pool and bonus amounts, unpaid claim adjustment expense, and aggregate health policy reserves. In addition, the Actuarial Opinion Memorandum was reviewed for reasonableness and compliance with applicable requirements. The actuary's results were reported to the examiner-in-charge. As deemed appropriate, reference is made in this report to the actuary's conclusion.

II. HISTORY AND PLAN OF OPERATION

Medica Community Health Plan was incorporated on April 8, 1996, and commenced business January 1, 1998. The company is described as a nonprofit group model health maintenance organization (HMO) insurer. An HMO insurer is defined by s. 609.01 (2), Wis. Stat., as ". . . a health care plan offered by an organization established under ch. 185, 611, 613, or 614 or issued a certificate of authority under ch. 618 that makes available to its enrolled participants, in consideration for predetermined fixed payments, comprehensive health care services performed by providers selected by the organization." Under the group model, the company contracts with a sponsoring clinic to provide primary and specialist services.

The company offers comprehensive health care coverage; all products are Qualified Health Plans (QHP) as defined by the Affordable Care Act (ACA) and fall within the metal levels Gold, Silver, and Bronze, as well as Catastrophic coverage for those under age 30 or those with hardship as deemed by the exchange. Additionally, the products follow the respective essential health benefits, above and beyond those required of QHPs by the ACA, as determined by the benchmark/default plan of the ACA for Minnesota and Wisconsin. As QHPs, all products must meet the Centers for Medicare & Medicaid Services (CMS) and statement requirements for provider network access and availability and for essential community providers.

The company offers products featuring certain provider systems, although all products are considered open access. The selection of a primary care provider or clinic is not required, and no referrals are necessary as long as care is received in-network. MCHP marketed the following products during the examination period:

- Individual Choice offers access to the largest medical network in western Wisconsin, with nearly 33,000 providers of all types at more than 6,000 offices, clinics, and hospitals in Minnesota, North Dakota, South Dakota, and western Wisconsin.
- Engage features Mayo Health System and is available in western Wisconsin and southeastern Minnesota.

The company contracts with providers in Wisconsin, Minnesota, South Dakota, and North Dakota to make health care services available to its enrollees. The provider contracts include hold-

harmless provisions for the protection of policyholders. The contracts have a one or two-year term and may be terminated immediately for breach of contract if the provider loses their license to provide contracted services. Hospitals are reimbursed using a variety of methods, including fee-for-service (FFS), discounted FFS, per case and/or per stay basis, and per diem.

The company markets policies through independent agencies, directly online, and by telephone and pays a flat dollar commission on new and renewal business.

In 2022, MCHP expanded to Maricopa County, Arizona, with an ACA product called Pinnacle, following the same product and network approach described above for Wisconsin, except catastrophic plans are not offered. The ACA product, Pinnacle, was closed effective December 31, 2024. From 2020 to 2023, MCHP expanded to eight counties in Nebraska and three counties in Iowa with two Medicare Advantage plans: Medica Advantage Solution with CHI Health (HMO) and Medica Advantage Solution H3632-001 (PPO). These are Medicare Advantage Part D (MAPD) plans that provide enhanced supplemental benefits such as dental, vision, hearing, and over-the-counter drugs. One plan was an HMO plan anchored around CHI Health Partners, and one plan is a PPO that includes CHI Health Partners, Nebraska Medicine, Bryant Health, and Methodist Health System. The HMO plan was closed on December 31, 2023, and the PPO crosswalk its membership on December 31, 2023, to a different legal entity as allowed by CMS.

According to its business plan, the company currently offers individual insurance products in Wisconsin, the company's service area is comprised of the following counties:

Ashland	Douglas	Pierce
Barron	Dunn	Polk
Bayfield	Eau Claire	Rusk
Buffalo	Jackson	Saint Croix
Burnett	La Crosse	Sawyer
Chippewa	Marathon	Trempealeau
Clark	Monroe	Vernon
Crawford	Pepin	Washburn

The company offers comprehensive health care coverage that may be changed by riders to include deductibles and copayments.

The following basic health care coverages are provided:

Physician services
Inpatient services
Outpatient services
Mental health, drug, and alcohol abuse services
Ambulance services
Special dental procedures (oral surgery)
Prosthetic devices and durable medical equipment
Newborn services
Home health care
Preventive health services
Family planning
Hearing exams and hearing aids
Diabetes treatment
Routine eye examinations
Convalescent nursing home service
Prescription drugs
Cardiac rehabilitation, physical, speech, and/or occupational therapy
Physical fitness or health education
Kidney disease treatment
Certain transplants
Chiropractic services

The company uses an actuarially determined base as a beginning point in premium determination. This rate is adjusted to reflect the age, geographic location, benefit coverage, and use of tobacco. The rate approach is uniformly applied for both new and renewing members.

III. MANAGEMENT AND CONTROL

Board of Directors

The board of directors consists of 11 members. Three directors are elected annually to serve a three-year term. Officers are appointed by the board of directors. Members of the company's board of directors may also be members of other boards of directors in the holding HMO group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Rajesh Aggarwal	Professor	2026
Brigid Bonner	President, Bonner Consulting	2025
John Buck	CEO, Whitefish Ventures	2024
Elizabeth Erickson	President and CEO	2026
Alicia Reuter	SVP, & Chief Legal Officer	2025
Peter Kelly, M.D.	Vice President and Executive Medical Director of Peri-Operative Services	2025
Ugwuji Madueke, M. D.	Associate Professor of Surgery and Director of Regional Therapies in the Division of Surgical Oncology	2027
Gaye Massey	CEO, YWCA St. Paul	2024
John Stanoch	Retired Hennepin County District Court Judge	2024
Earl Stratton	Retired Executive	2026
Mary Twinem	Retired Executive	2026

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
John Buck	Chair
Elizabeth Erickson	President & CEO
Krista Dusil	Chief Finance Officer & Treasurer, Secretary
John Stanoch	Vice Chair

Committees of the Board

The company's bylaws allow for the formation of certain committees by the board of directors. There are no committees under MCHP. Audit, Finance, Governance, and Personnel & Compensation Committees all fall under the Medica Holding Company (MHC) Board. The Medical Committee falls under the Medica Health Plans (MHP) Board.

The company has no employees, and the necessary staff is provided through a management agreement with Medica Services Company LLC (MSC).

Insolvency Protection for Policyholders

Under s. Ins 9.04 (6), Wis. Adm. Code, HMOs are required to either maintain compulsory surplus at the level required by s. Ins 51.80, Wis. Adm. Code, or provide for the following in the event of the company's insolvency:

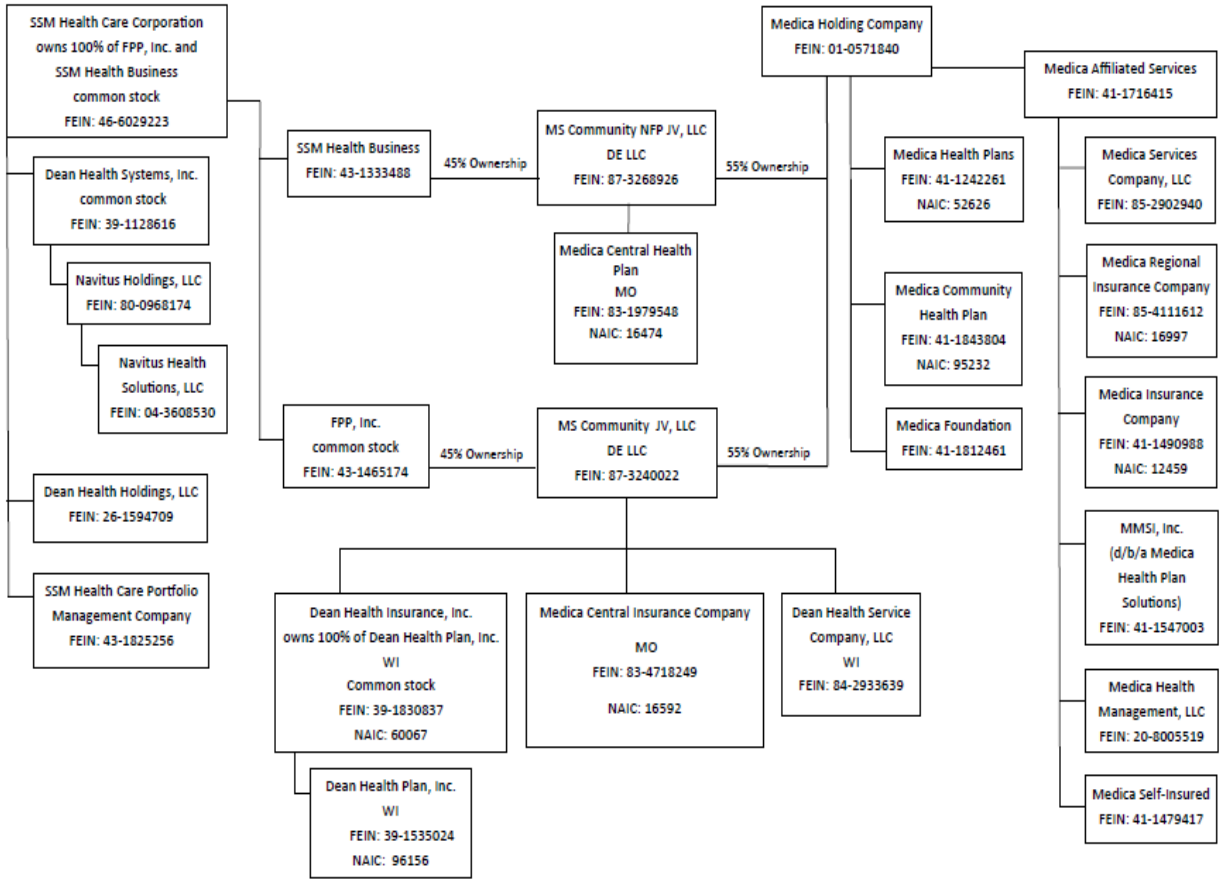
1. Enrollees hospitalized on the date of insolvency will be covered until discharged; and

2. Enrollees will be entitled to similar, alternate coverage that does not contain any medical underwriting or preexisting limitation requirements.

IV. AFFILIATED COMPANIES

The company is a member of a holding company system. Its ultimate parent is Medica Group. The organizational chart below depicts the relationships among the affiliates in the group. A brief description of the significant affiliates of the company follows the organizational chart.

Holding Company Chart
As of December 31, 2023



Medica Holding Company

Medica Holding Company is a Minnesota nonprofit corporation, organized and operated exclusively for the promotion of social welfare. As of December 31, 2023, the combined audited GAAP financial statements of Medica Holding Company reported assets of $3.8 billion, liabilities of $1.1 billion, and net assets of $2.7 billion. Operations for 2023 produced a net income of $270.7 million.

Medica Health Plans

Medica Health Plans is a nonprofit health maintenance organization that operates in the states of Minnesota, North Dakota, and South Dakota. As of December 31, 2023, MHP's audited statutory financial statement reported assets of $925.6 million, liabilities of $272.4 million, and surplus of $653.2 million. Operations for 2023 produced a net income of $28.4 million.

Medica Insurance Company

Medica Insurance Company (MIC) is a Minnesota stock property and casualty insurance company that operates in the states of Minnesota, Missouri, North Dakota, Oklahoma, South Dakota, Iowa, Nebraska, Kansas, and Wisconsin. As of December 31, 2023, MIC's audited statutory financial statement reported assets of $1.6 billion, liabilities of $537.7 million, and surplus of $1.0 billion. Operations for 2023 produced a net income of $150.7 million.

Dean Health Insurance, Inc.

Dean Health Insurance, Inc (DHI) was known as Premier Medical Insurance Inc., a Wisconsin stock insurance company. The company owns 100% of Dean Health Plan, Inc., and it is 100% owned by MS Community JV, LLC, a joint venture owned 55% by MHC and 45% by FPP, Inc., a wholly owned subsidiary of SSMHCC. DHI is also licensed in Illinois. As of December 31, 2023, DHI's audited statutory financial statement reported assets of $192.1 million, liabilities of $1.8 million, and surplus of $190.2 million. Operations for 2023 produced a net income of $484,149.

Dean Health Plan, Inc.

Dean Health Plan, Inc. (DHP) is an HMO organized to deliver healthcare services to its members. The insurer offers traditional HMO coverage as well as Point-of-Service (POS) coverage. It also participates in various government programs such as Medicare Advantage Prescription Drug, Medicaid, Medicare Cost, and Medicare Supplement. As of December 31, 2023, DHP's audited statutory financial statement reported total assets of $315.2 million, total liabilities of $134.7 million, and total surplus of $180.6 million. Operations for 2023 produced a net income of $15.6 million on revenues of $1.6 billion.

MS Community JV LLC

MSC JV is a holding company for the joint venture between SSM Health and Medica Group that owns the Dean insurance companies. The formation of this MSC JV was for the primary purpose of acquiring outstanding membership interests. As of December 31, 2023, MSC JV's audited GAAP financial statement reported assets of $555.9 million, liabilities of $165.1 million, and equity of $390.8 million. Operations for 2023 produced a net loss of $5,151.

Affiliated Agreements

Management Service Agreement

The company has entered into an administrative services agreement with Medica Services Company, LLC, effective January 1, 2022, in which administrative services are provided to the company, including provider network management, medical management, consumer experience, accounting and financial reporting, sales and marketing, enrollment and billing, member service, claims processing, underwriting, and treasury and cash management.

MCHP will pay MSC in monthly installments for services rendered in connection with MCHP's products. The agreement will continue until the mutual written agreement of the parties to terminate the agreement. MCHP may terminate this agreement: (a) at any time, for convenience upon thirty (30) calendar days' prior written notice to MSC; or (b) immediately upon written notice if MCHP has a reasonable belief that MSC is engaged in fraud or abuse with regard to the provision of Administrative Services.

V. REINSURANCE

At the time of the examination, the company had no reinsurance agreements.

V. FINANCIAL DATA

The following financial statements reflect the financial condition of the company as reported to the commissioner of insurance in the December 31, 2023, annual statement. Adjustments made as a result of the examination are noted at the end of this section in the area captioned “Reconciliation of Capital and Surplus per Examination.” Also included in this section are schedules that reflect the growth of the company and the compulsory and security surplus calculation.

Medica Community Health Plan
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 87,083,250	$	$87,083,250
Cash, cash equivalents and short-term investments	30,600,321		30,600,321
Investment income due and accrued	778,714		778,714
Uncollected premiums and agents' balances in the course of collection	159,689		159,689
Accrued retrospective premiums and contracts subject to redetermination	13,199,949		13,199,949
Amounts recoverable from reinsurers	14,871,706		14,871,706
Amounts receivable relating to uninsured plans	311,284		311,284
Receivables from parent, subsidiaries and affiliates	114,244	114,244	
Health care and other amounts receivable	2,896,878	956,796	1,940,082
Total Assets	$150,016,035	$1,071,040	$148,944,995

Medica Community Health Plan
Liabilities and Net Worth
As of December 31, 2023

Claims unpaid		$ 13,496,405
Accrued medical incentive pool and bonus payments		237,141
Unpaid claims adjustment expenses		30,300
Premiums received in advance		762,782
General expenses due or accrued		913,433
Amounts due to parent, subsidiaries, and affiliates		13,526,396
Aggregate write-ins for other liabilities (including $1,522,067 current)		1,522,067
Total Liabilities		30,488,524
Gross paid in and contributed surplus	$65,000,000	
Unassigned funds (surplus)	53,456,471	
Total Capital and Surplus		118,456,471
Total Liabilities, Capital and Surplus		$148,944,995

Medica Community Health Plan
Statement of Revenue and Expenses
For the Year 2023

Net premium income		$149,591,780
Medical and Hospital:		
Hospital/medical benefits	$ 92,253,138	
Emergency room and out-of-area	21,825,086	
Prescription drugs	16,483,969	
Incentive pool and withhold adjustments	2,837,439	
Subtotal	133,399,632	
Less		
Net reinsurance recoveries	14,304,211	
Total medical and hospital	119,095,421	
Claims adjustment expenses	1,653,231	
General administrative expenses	13,167,367	
Total underwriting deductions		133,916,019
Net underwriting gain or (loss)		15,675,761
Net investment income earned	2,871,512	
Net realized capital gains or (losses)	(408,464)	
Net investment gains or (losses)		2,463,048
Net Income (Loss)		$ 18,138,809

Medica Community Health Plan
Capital and Surplus Account
For the Three-Year Period Ending December 31, 2023

	2023	2022	2021
Capital and surplus, beginning of year	$101,107,141	$106,060,845	$139,441,569
Net income (loss)	18,138,809	(5,783,256)	(2,331,494)
Change in net unrealized capital gains/losses			493
Change in nonadmitted assets	(789,474)	829,552	2,200,277
Change in surplus notes			(33,250,000)
Net Change in capital and surplus	17,349,335	(4,953,704)	(33,380,724)
Capital and Surplus, End of Year	$118,456,476	$101,107,141	$106,060,845

Medica Community Health Plan
Statement of Cash Flow
For the Year 2023

Premiums collected net of reinsurance			$140,053,266
Net investment income			2,805,196
Total			142,858,462
Less:			
Benefit- and loss-related payments		$118,421,345	
Commissions, expenses paid and aggregate write-ins for deductions		15,392,210	
Total			133,813,555
Net cash from operations			9,044,907
Proceeds from Investments Sold, Matured or Repaid:			
Bonds	$16,537,774		
Total investment proceeds		16,537,774	
Cost of Investments Acquired—Long-term Only:			
Bonds	21,060,280		
Total investments acquired		21,060,280	
Net cash from investments			(4,522,506)
Cash Provided for/Applied from Financing and Miscellaneous Sources:			
Other cash provided (applied)		6,306,461	
Net cash from financing and miscellaneous sources			6,306,461
Net Change in Cash, Cash Equivalents, and Short-Term Investments			10,828,862
Cash, cash equivalents, and short-term investments:			
Beginning of year			19,771,458
End of Year			$30,600,320

Growth of Medica Community Health Plan

Year	Assets	Liabilities	Capital and Surplus	Premium Earned	Medical Expenses Incurred	Net Income
2023	$148,944,995	$30,488,524	$118,456,471	$149,591,780	$119,095,421	$18,138,809
2022	129,865,512	28,758,373	101,107,139	122,871,351	117,840,248	(5,783,256)
2021	134,243,554	28,182,710	106,060,844	113,841,959	95,150,702	(2,331,494)
2020	167,894,406	28,452,837	139,441,569	119,274,002	76,941,340	27,641,546

Year	Profit Margin	Medical Expense Ratio	Administrative Expense Ratio	Change in Enrollment
2023	11.9%	79.6%	9.9%	12.0%
2022	-4.6	95.9	9.9	3.5
2021	-2.0	83.6	20.2	26.4
2020	22.8	64.5	14.4	65.3

Enrollment and Utilization

Year	Enrollment	Hospital Days/1,000	Average Length of Stay
2023	14,546	247.82	4.6
2022	12,992	222.75	4.0
2021	12,554	249.24	4.8
2020	9,935	237.53	4.5

Per Member Per Month Information

	2023	2022	Percentage Change
Premiums:			
Comprehensive	$870.45	$793.85	9.7%
Medicare	844.12	834.71	1.1
Expenses:			
Hospital/medical benefits	536.07	686.20	-21.9
Emergency room and out-of-area	126.82	119.85	5.8
Prescription Drugs	95.79	96.53	-0.8
Incentive pool and withhold adjustments	16.49	(10.66)	-254.6
Less: Net reinsurance recoveries	83.12	129.22	-35.7
Total medical and hospital	692.04	762.70	-9.3
Claims adjustment expenses	9.61	2.41	298.7
General administrative expenses	76.51	76.51	0.0
Total underwriting deductions	$778.16	$841.62	-7.5

The company reported a net loss in two of the three years under examination. The losses are attributed to an increase in medical claims for both years. The year 2023 was once again profitable, breaking from prior years, with a net income of $18.1 million, which was supported by an increase in premium income and lower medical losses. Overall, MCHP has experienced a contraction of its admitted assets and surplus of 11.3% and 15.1%, respectively, during the three-year period due largely to the payment of approximately of $45.4 million to its affiliate, Medica Health Plan (MHP) to settle the principal and interest on the surplus note in 2021.

Over the examination period, despite stiff competition from other private insurers, the company managed to consistently increase its enrollment number, going from 9,935 in 2020 to 14,546 in 2023. The membership growth was largely attributed to enrollment gains in the individual and family business segment as well as the company’s entrance into the Medicare Advantage market in Nebraska.

Financial Requirements

The financial requirements for an HMO under s. Ins 9.04, Wis. Adm. Code, are as follows:

		Amount Required
1.	Minimum capital or permanent surplus	Either: $750,000, if organized on or after July 1, 1989 or $200,000, if organized prior to July 1, 1989
2.	Compulsory surplus	The greater of $750,000 or: If the percentage of covered liabilities to total liabilities is less than 90%, 6% of the premium earned in the previous 12 months; If the percentage of covered liabilities to total liabilities is at least 90%, 3% of the premium earned in the previous 12 months
3.	Security surplus	The greater of: 140% of compulsory surplus reduced by 1% of compulsory surplus for each $33 million of additional premiums earned in excess of $10 million or 110% of compulsory surplus

Covered liabilities are those due to providers who are subject to statutory hold-harmless provisions.

The company's calculation as of December 31, 2023, as modified for examination adjustments is as follows:

Assets			$148,944,995
Less:			
Special deposit			2,035,964
Liabilities			30,488,523
Net amount available to satisfy surplus requirements			116,420,508
Net premium earned			
HMO business	149,591,779		
Factor	3%		
Compulsory surplus			4,487,753
Compulsory Surplus Excess (Deficit)			$111,932,755
Net amount available to satisfy surplus requirements			$116,420,508
Compulsory surplus		$4,487,753	
Security factor		136%	
Security surplus			6,103,344
Security Surplus Excess (Deficit)			$110,317,164

In addition, there is a special deposit requirement equal to the lesser of the following:

1. An amount necessary to maintain a deposit equaling 1% of premium written in this state in the preceding calendar year.

2. One-third of 1% of premium written in this state in the preceding calendar year.

The company has satisfied this requirement for 2023 with a deposit of $1,500,000 with the state treasurer.

Reconciliation of Capital and Surplus per Examination

No adjustments were made to the surplus as a result of the examination. The amount of surplus reported by the company as of December 31, 2023, is accepted.

VI. SUMMARY OF EXAMINATION RESULTS

Compliance with Prior Examination Report Recommendations:

There were two specific comments and recommendations in the previous examination report. The actions taken by the company as a result of the comment(s) and recommendations were/was as follows:

1. Form D Filing—It is recommended that the company file with is office the appropriate filings and documents as required by s. 617.21 (2), Wis. Stat. and s. Ins 40.04 (2), Wis. Adm. Code.

   Action—Compliance.

2. Corporate Governance— It is recommended that the company have its directors, officers, and key employees complete a conflict-of-interest questionnaire annually as required by the directive of the Office of the Commissioner of Insurance.

   Action—Noncompliance.

Summary of Current Examination Results

This section contains comments and elaboration on those areas where adverse findings were noted or where unusual situations existed. Comment on the remaining areas of the company's operations is contained in the examination work papers.

Conflict of Interest Statements

A directive of the Office of the Commissioner of Insurance is to maintain annually a record of the signed disclosures of the company’s directors, officers, and key employees. During the current examination, a review was made of the company’s conflict of interest disclosure forms and the review disclosure forms disclosed that either some individuals listed on the jurat page were not completing the conflict-of-interest disclosure forms during the examination period or the disclosure forms were misplaced. This was an issue that was also present during the last examination period.

It is again recommended that the company have its directors, officers, and key employees complete conflict-of-interest disclosure forms annually as required by the directive of the Office of the Commissioner of Insurance and maintain a record of the signed disclosures.

Biographical Affidavits

Pursuant to s. Ins 6.52 (5), Wis. Adm. Code, "A report shall be provided by each domestic insurer to which this rule applies with respect to the appointment or election of any new director, trustee or officer elected or appointed within 15 days after such an appointment or election..." It was noted that some directors/officers, listed on the annual financial statement jurat page as of December 31, 2023, and subsequent to 2023 as newly appointed director/officer, did not have a biographical affidavit on file with the commissioner's office.

It is recommended that the insurer promptly file biographical affidavits of newly elected or appointed directors, trustees, and officers within 15 days of their election or appointment in accordance with s. Ins 6.52 (5), Wis. Adm. Code.

VII. CONCLUSION

The Medica Community Health Plan is described as a nonprofit group model health maintenance organization insurer. The company offers traditional insurance products to the Individual market.

While the company consistently increased its membership each year, over the three-year period, the company experienced a contraction of its assets and surplus over the same period, essentially due to the settling of surplus note principal and interest.

As of December 31, 2023, MCHP's statutory financial statements reported total assets of $148.9 million, total liabilities of $30.5 million, and equity of $118.4 million. Operations for 2023 produced a net income of $18.1 million.

The current examination was conducted in coordination with the State of Minnesota as the lead state. Wisconsin placed reliance on the lead state's work as deemed applicable. As of the date of this report, the lead state was in the process of finalizing the examination report. The Wisconsin team was fully participant in the coordinated examination; however, the two recommendations are specific to the Wisconsin entity. In addition, there were no adjustments to the surplus or reclassifications of account balances as a result of this examination. The company has complied with one out of the two recommendations made on the previous examination.

VIII. SUMMARY OF COMMENTS AND RECOMMENDATIONS

1. Page 22 - Conflict of Interest Statements—It is again recommended that the company have its directors, officers, and key employees complete conflict of interest disclosure forms annually as required by a directive of the Office of the Commissioner of Insurance and maintain a record of the signed disclosures.

2. Page 22 - Biographical Affidavits—It is recommended that the insurer promptly file biographical affidavits of newly elected or appointed directors, trustees, and officers within 15 days of their election or appointment in accordance with s. Ins 6.52 (5), Wis. Adm. Code.

IX. ACKNOWLEDGMENT

The courtesy and cooperation extended during the course of the examination by the officers and employees of the company are acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination:

Name	Title
Vickie Ostien	Insurance Financial Examiner
Ian Anderson	Insurance Financial Examiner
Adam Donovan, CISSP	IT Specialist
Terry Lorenz, CFE	Quality Control Specialist
Jerry DeArmond, CFE	Reserve Specialist

Respectfully submitted,

Abdel-Aziz Kondoh
Examiner-in-Charge