

Report  
of the  
Examination of  
WMAC Credit Insurance Corporation  
Madison, Wisconsin  
As of December 31, 2007

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# State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

**Jim Doyle**, Governor  
**Sean Dilweg**, Commissioner

**Wisconsin.gov**

January 28, 2009

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Honorable Sean Dilweg  
Commissioner of Insurance  
State of Wisconsin  
125 South Webster Street  
Madison, Wisconsin 53703

Commissioner:

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

WMAC CREDIT INSURANCE CORPORATION  
Madison, Wisconsin

and this report is respectfully submitted.

## I. INTRODUCTION

The previous examination of WMAC Credit Insurance Corporation (hereinafter also the company or WCIC) was conducted in 2003 as of December 31, 2002. The current examination covered the intervening period ending December 31, 2007, and included a review of such 2008 transactions as deemed necessary to complete the examination.

The examination consisted of a review of all major phases of the company's operations and included the following areas:

- History
- Management and Control
- Corporate Records
- Conflict of Interest
- Fidelity Bonds and Other Insurance
- Employees' Welfare and Pension Plans
- Territory and Plan of Operations
- Affiliated Companies
- Growth of Company
- Reinsurance
- Financial Statements
- Accounts and Records
- Data Processing

Emphasis was placed on the audit of 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 the completion of this examination were performed. The examination work papers contain documentation with respect to the alternative or additional examination steps performed during the course of the examination.

## II. HISTORY AND PLAN OF OPERATION

The company was organized on November 10, 1980, as MGIC Credit Insurance Corporation, to assume second-lien mortgage guaranty risks that were written on a direct basis by AMBAC Indemnity Corporation (hereinafter also AMBAC), formerly MGIC Indemnity Corporation. On February 28, 1985, the company's former parent, Wisconsin Mortgage Assurance Corporation (hereinafter also WMAC), was placed into liquidation as a result of bankruptcy proceedings of its former indirect parent, Baldwin-United Corporation. Concurrent with the liquidation of WMAC, the company was placed into rehabilitation, under the control of the Office of the Commissioner of Insurance, and was allowed to run off its existing book of mortgage guaranty insurance policies on second mortgages. The company has not written any new insurance risks since February 28, 1985.

Effective January 13, 1995, the company's rehabilitation proceedings were terminated, but the company remained under the control of the Commissioner. Effective December 31, 1995, control of the company was transferred to WMAC Investment Corporation, an affiliate of Leucadia National Corporation. On August 6, 2001, PMI Mortgage Insurance Co. (hereinafter also PMI) acquired 100% of the company.

The company is licensed to write credit insurance in the states of New York, Tennessee, and Wisconsin. Pursuant to s. Ins 6.75 (2) (j), Wis. Adm. Code, junior-lien mortgages may be written under the credit insurance line of authority. At year-end 2007, the company did not report any direct premiums written as it has completed the run off of its business. Currently PMI management has no future business plans for this company.

### III. MANAGEMENT AND CONTROL

#### Board of Directors

The board of directors consists of 13 members who are elected annually, each of whom is an officer of PMI. Officers are elected at the annual board meetings and are to hold those positions until the earlier of their resignation or removal by the board of directors. As inside directors, they receive no specific compensation for serving on the board.

The board of directors serving at the time of this examination consists of the following persons:

<b>Name and Residence</b>	<b>Principal Occupation</b>	<b>Term Expires</b>
Victor J. Bacigalupi Pleasant Hill, California	PMI Senior Executive Vice President, General Counsel and Secretary	2008
Charles F. Broom Fremont, California	PMI Director, Senior Vice President of Human Resources and Development	2008
Walter G. Campion Danville, California	PMI Senior Vice President of Claims and Policy Servicing	2008
Glen S. Corso Lafayette, California	PMI Senior Vice President of Investor and Corporate Relations	2008
David H. Katkov Alamo, California	PMI President and Chief Operating Officer	2008
Donald P. Lofe, Jr. Danville, California	PMI Executive Vice President and Chief Financial Officer	2008
Mark F. Milner Moraga, California	PMI Senior Vice President and Chief Risk Officer	2008
Peter C. Pannes San Anselmo, California	PMI Senior Vice President of Sales	2008
Janet W. Parker Oakland, California	PMI Executive Vice President of Risk Management	2008
Daniel L. Roberts El Dorado Hills, California	PMI Executive Vice President and Chief Information Officer	2008
Rhonda R. Rossman Albany, California	PMI Vice President and Treasurer	2008
Anthony D. Shore Elkin Park, Pennsylvania	PMI Vice President, Assistant General Counsel	2008
Larry S. Smith Alamo, California	PMI Chairman of the Board of Directors and Chief Executive Officer	2008

## Officers of the Company

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

<b>Name</b>	<b>Office</b>	<b>2007* Compensation</b>
Larry S. Smith	Chairman of the Board of Directors and Chief Executive Officer	\$5,314,973
David H. Katkov	President & Chief Operating Officer	1,039,139
Thomas H. Jeter	Senior Vice President, Chief Accounting Officer & Corporate Controller	389,988
Anthony D. Shore	Vice President and Secretary	414,586
Donald P. Lofe, Jr.	Executive Vice President & Chief Financial Officer	822,650
Victor J. Bacigalupi	Executive Vice President	2,334,944
Andrew D. Cameron	Senior Vice President	436,041
Ray D. Chang	Senior Vice President & Treasurer	343,851
Kenneth S. Dailey	Actuary	255,233

\* Compensation reported above was the total amount received by the individual in 2007 for their performance as an officer in The PMI Group, Inc.

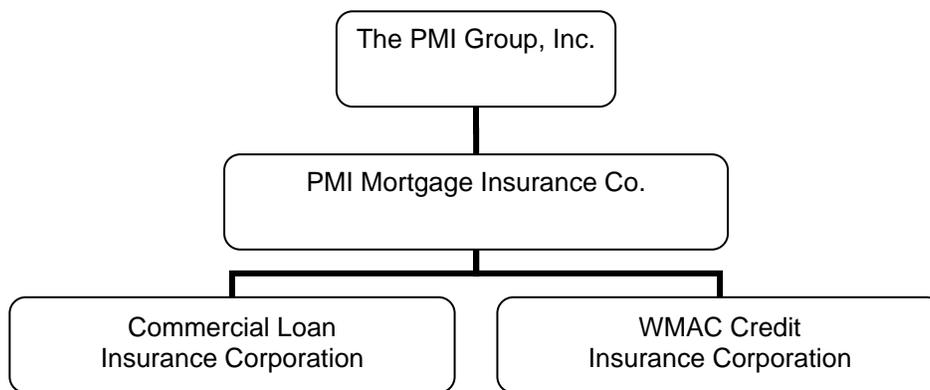
## Committees of the Board

The company's bylaws allow for the formation of certain committees by the board of directors. At the time of the examination there were no committees established by the board.

#### IV. AFFILIATED COMPANIES

WMAC Credit Insurance Corporation is a member of a holding company system referred to as “The PMI Group, Inc.” The organizational chart below depicts the relationships among the affiliates in the group. A brief description of the significant affiliates follows the organizational chart.

##### Organizational Chart As of December 31, 2007



##### **The PMI Group, Inc.**

The PMI Group, Inc. (hereinafter also TPG), is an insurance holding company organized in December 1993 pursuant to the laws of the state of Delaware. TPG was originally a wholly owned subsidiary of Allstate Insurance Company (Allstate), an insurance subsidiary of The Allstate Corporation. In an April 18, 1995, initial public offering, Allstate sold 36.75 million shares of TPG common stock, representing a 70% ownership interest of TPG. Subsequent to the 1995 public offering of TPG, Allstate divested all of its remaining 30% ownership interest in TPG through an exchange of 12.9 million shares of TPG common stock to redeem outstanding Allstate exchangeable notes, and through the sale of 2.8 million shares of TPG common stock that remained in Allstate’s ownership following the Allstate exchange note redemptions.

Through its subsidiary, PMI Mortgage Insurance Co., TPG provides private mortgage guaranty insurance to mortgage lenders in the United States. Other TPG subsidiaries provide

mortgage guaranty reinsurance, private mortgage guaranty insurance in Australia, New Zealand, the European Union, Hong Kong and Canada, home finance industry risk management products and services, and title insurance.

As of December 31, 2007, TPG's audited financial statements reported total assets of \$5.07 billion, total liabilities of \$2.56 billion, and shareholders' equity of \$2.51 billion. Operations for 2007 produced a net loss of \$915.3 million on revenues of \$1.19 billion.

#### **PMI Mortgage Insurance Co.**

PMI Mortgage Insurance Co. was incorporated November 10, 1972, as an Arizona stock mortgage guaranty insurance company. From 1973 until 1994, PMI was a wholly owned subsidiary of Allstate Insurance Company. Effective November 28, 1994, Allstate contributed all of the outstanding capital stock of PMI to TPG.

PMI writes residential mortgage guaranty insurance, providing primary insurance coverage on first-lien mortgage loans and, beginning in 1997, providing a government-sponsored mortgage pool insurance product that is used as an element of credit enhancement for secondary market mortgage loan securities transactions. PMI is licensed to engage in mortgage guaranty insurance in all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

As of December 31, 2007, PMI's audited statutory financial statements reported total admitted assets of \$3,682,586,137, total liabilities of \$3,187,128,826, and policyholders' capital and surplus of \$495,457,311. Operations for 2007 produced a net loss of \$258,776,991 on premium revenues of \$670,457,946.

#### **Commercial Loan Insurance Corporation**

Commercial Loan Insurance Corporation (hereinafter also CLIC) was organized on December 21, 1966, and was purchased by PMI on August 6, 2001. CLIC is licensed to sell mortgage guaranty insurance in all states except Connecticut, Michigan, and New York. CLIC is also licensed to write business in the District of Columbia and Guam. CLIC formerly issued mortgage guaranty insurance for loans on commercial property risks. CLIC suspended writing new business in 1985, and its existing book of business is currently in run-off.

As of December 31, 2007, CLIC's statutory financial statement reported assets of \$11,485,981, liabilities of \$431,555, and policyholder surplus of \$11,054,426. Operations for 2007 produced net income of \$637,090, mostly attributable to net investment income earned.

### **Agreements with Affiliates**

WCIC has no employees of its own and all of its operations are conducted by employees of PMI in accordance with the business practices and internal controls of that organization. In addition to ongoing common management and control by this upstream affiliate, various written agreements and undertakings affect the company's relationship to its affiliates. A brief summary of these agreements follows:

WMAC Credit Insurance Corporation and PMI Mortgage Insurance Co. entered into a cost allocation agreement effective January 1, 2002, with an initial term of five years ending January 1, 2007. Subsequent renewals can be made for terms up to three years at a time. Pursuant to the agreement, PMI is to provide services essential to the day-to-day operation of WCIC, which include: financial, accounting and reporting services; legal services; banking and investment services; other administrative services and management services. In consideration of the services provided to WCIC under this agreement, WCIC agrees to pay to PMI \$12,000 annually in equal quarterly payments. Payments are to be made within 30 days of the end of each calendar quarter. This agreement may be terminated by either party by giving 90-day written notice, if the other party becomes dissolved, merged into another company (relating to WCIC), placed into conservation or liquidation proceedings (relating to PMI), or if the other party has materially breached the terms and conditions of the agreement and such breach has not been cured within 30 days of receipt of written notice.

It was discovered during the examination that the agreement had not been renewed by both parties for an additional three-year period after it expired on January 1, 2007. This was brought to the company's attention and on April 23, 2009, the two parties agreed to renew and extend the Cost Allocation Agreement for a three-year period beginning January 1, 2007, through December 31, 2009.

Effective April 10, 1995, as amended March 22, 1999, and December 10, 2003, WMAC Credit Insurance Corporation entered into a tax-sharing agreement with The PMI Group, Inc., and certain affiliates of the PMI Group. Under this agreement, TPG files a consolidated U.S. Federal Income Tax Return that includes WCIC and other affiliates of the holding company group. The agreement sets forth the rights and obligations of the parties to the agreement with respect to the determination and settlement of federal income tax liabilities as well as the allocation of PMI Group's consolidated U.S federal income tax liability in accordance with a rational, systematic formula. The agreement provides for computation of tax, settlement of balances between affiliates, tax-sharing, filing the return, audits and other adjustments, dispute resolution and other administrative requirements. The agreement calls for the settling of estimated U.S. federal tax payments within 30 days of filing of those payments. Final settlement is due within 30 days of the filing of the consolidated U.S. federal tax return.

## **V. REINSURANCE**

The company does not cede or assume insurance risks and is not party to any reinsurance treaties.

## **VI. FINANCIAL DATA**

The following financial statements reflect the financial condition of the company as reported to the Commissioner of Insurance in the December 31, 2007, annual statement. Also included in this section are schedules that reflect the growth of the company, NAIC Insurance Regulatory Information System (IRIS) ratio results for the period under examination, and the compulsory and security surplus calculation. Adjustments made as a result of the examination are noted at the end of this section in the area captioned "Reconciliation of Surplus per Examination."

**WMAC Credit Insurance Corporation**  
**Assets**  
**As of December 31, 2007**

	<b>Assets</b>	<b>Nonadmitted Assets</b>	<b>Net Admitted Assets</b>
Bonds	\$4,881,604	\$ 0	\$4,881,604
Cash, cash equivalents, and short-term investments	1,000,279	0	1,000,279
Investment income due and accrued	93,204	0	93,204
Net deferred tax asset	<u>46,832</u>	<u>41,676</u>	<u>5,156</u>
<b>Total Assets</b>	<b><u>\$6,021,919</u></b>	<b><u>\$41,676</u></b>	<b><u>\$5,980,243</u></b>

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

Current federal and foreign income taxes	\$ 30,205
Payable to parent, subsidiaries, and affiliates	3,639
Write-ins for liabilities:	
Reserve for contingencies	<u>2,794</u>
<b>Total liabilities</b>	<b>36,638</b>
Common capital stock	\$ 1,000,000
Gross paid in and contributed surplus	39,000,000
Unassigned funds (surplus)	<u>(34,056,395)</u>
<b>Surplus as regards policyholders</b>	<b><u>5,943,605</u></b>
<b>Total Liabilities and Surplus</b>	<b><u>\$5,980,243</u></b>

**WMAC Credit Insurance Corporation**  
**Summary of Operations**  
**For the Year 2007**

**Underwriting Income**

Deductions:

Other underwriting expenses incurred	<u>\$ 15,854</u>	
Total underwriting deductions		<u>\$ 15,854</u>
Net underwriting gain (loss)		<u>(15,854)</u>

**Investment Income**

Net investment income earned	<u>284,754</u>	
Net investment gain (loss)		284,754

Net income (loss) after dividends to policyholders but before federal and foreign income taxes		268,900
Federal and foreign income taxes incurred		<u>30,170</u>

Net Income		<u>\$238,730</u>
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**WMAC Credit Insurance Corporation**  
**Cash Flow**  
**For the Year 2007**

Net investment income		\$ <u>288,542</u>
Total		288,542
Commissions, expenses paid, and aggregate write-ins for deductions	\$ 15,854	
Federal and foreign income taxes paid (recovered)	<u>34,510</u>	
Total deductions		<u>50,364</u>
Net cash from operations		238,178
Proceeds from investments sold, matured, or repaid:		
Bonds	<u>\$391,165</u>	
Total investment proceeds		391,165
Cost of investments acquired (long-term only):		
Bonds	<u>388,538</u>	
Total investments acquired		<u>388,538</u>
Net cash from investments		2,627
Cash from financing and miscellaneous sources:		
Other cash provided (applied)	<u>1,238</u>	
Net cash from financing and miscellaneous sources		<u>1,238</u>
<b>Reconciliation:</b>		
Net change in cash, cash equivalents, and short-term investments		242,043
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>758,236</u>
End of Year		<u>\$1,000,279</u>

**WMAC Credit Insurance Corporation  
Compulsory and Security Surplus Calculation  
December 31, 2007**

Assets		\$5,980,243
Less security surplus of insurance subsidiaries		0
Less liabilities		<u>36,638</u>
Adjusted surplus		5,943,605
Annual premium:		
Lines other than accident and health	\$ 0	
Factor	<u>20%</u>	
Compulsory surplus (subject to a minimum of \$2 million)		<u>2,000,000</u>
Compulsory Surplus Excess (or Deficit)		<u>\$3,943,605</u>
Adjusted surplus (from above)		\$5,943,605
Security surplus: (140% of compulsory surplus, factor reduced 1% for each \$33 million in premium written in excess of \$10 million, with a minimum factor of 110%)		<u>2,800,000</u>
Security Surplus Excess (or Deficit)		<u>\$3,143,605</u>

**WMAC Credit Insurance Corporation  
Reconciliation and Analysis of Surplus  
For the Five-Year Period Ending December 31, 2007**

The following schedule is a reconciliation of total surplus during the period under examination as reported by the company in its filed annual statements:

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Surplus, beginning of year	\$5,705,522	\$5,474,974	\$5,250,247	\$5,036,708	\$4,823,619
Net income	238,730	237,316	227,846	203,262	213,110
Change in net deferred income tax	(6,014)	38,434	(25,687)	(24,370)	52,340
Change in nonadmitted assets	<u>5,367</u>	<u>(45,202)</u>	<u>22,568</u>	<u>34,647</u>	<u>(52,361)</u>
Surplus, End of Year	<u>\$5,943,605</u>	<u>\$5,705,522</u>	<u>\$5,474,974</u>	<u>\$5,250,247</u>	<u>\$5,036,708</u>

**WMAC Credit Insurance Corporation  
Insurance Regulatory Information System  
For the Five-Year Period Ending December 31, 2007**

The company's NAIC Insurance Regulatory Information System (IRIS) results for the period under examination are summarized below. Unusual IRIS results are denoted with asterisks and discussed below the table.

<b>Ratio</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
#1 Gross Premium to Surplus	0%	0%	0%	0%	0%
#2 Net Premium to Surplus	0	0	0	0	0
#3 Change in Net Premiums Written	0	(99)*	999*	(95)*	(17)
#4 Surplus Aid to Surplus	0	0	0	0	0
#5 Two-Year Overall Operating Ratio	0	0	0	0	0
#6 Investment Yield	5.0	5.2	5.0	5.5	6.7
#7 Gross Change in Surplus	4	4	4	4	4
#8 Net Change in Adjusted Surplus (established in 2005)	4	4	4	NA	NA
#9 Liabilities to Liquid Assets	1	1	1	1	2
#10 Agents' Balances to Surplus	0	0	0	0	0
#11 One-Year Reserve Development to Surplus	0	0	0	0	0
#12 Two-Year Reserve Development to Surplus	0	0	0	0	0
#13 Estimated Current Reserve Deficiency to Surplus	0	0	0	0	0

The change in net premiums written ratio (ratio #3) reflects the percentage change from the prior year in net premiums written by the company. In 2004, 2005 and 2006 the change

in writings IRIS ratio was exceptional and was at (95%), 999% and (99%), respectively. The fluctuations in premium writings are immaterial and seem reasonable for a company in run-off. The business has been in run-off since 1985 and in 2005 the company completed the run-off of its business.

#### **Growth of WMAC Credit Insurance Corporation**

<b>Year</b>	<b>Admitted Assets</b>	<b>Liabilities</b>	<b>Surplus as Regards Policyholders</b>	<b>Net Income</b>
2007	\$5,980,243	\$36,638	\$5,943,605	\$238,730
2006	5,745,262	39,740	5,705,522	237,316
2005	5,523,351	48,377	5,474,974	227,846
2004	5,315,870	65,623	5,250,247	203,261
2003	5,131,790	95,081	5,036,709	213,110
2002	4,900,798	77,179	4,823,619	(25,572)

<b>Year</b>	<b>Gross Premium Written</b>	<b>Net Premium Written</b>	<b>Premium Earned</b>	<b>Loss and LAE Ratio</b>	<b>Expense Ratio</b>	<b>Combined Ratio</b>
2007	\$ 0	\$ 0	\$ 0	0.0%	0.0%	0.0%
2006	0	0	0	0.0	0.0	0.0
2005	2,631	2,631	2,656	0.0	652.9	652.9
2004	55	55	405	0.0	29,751.3	29,751.3
2003	1,001	1,001	1,200	0.0	1,708.3	1,708.3
2002	1,201	1,201	1,328	0.0	1,304.7	1,304.7

The company ceased writing new insurance business in 1985 and has been in run-off. The company completed the run-off of its business in 2005. Premiums written have decreased during the years under examination as its former book of policies expired or were terminated due to their nonrenewal by the insureds. Expenses relative to written premiums have increased, as the revenue stream that supported the run-off operations decreased year after year. Surplus has steadily increased during the period under examination primarily due to limited operational expenses, because of the company being in run-off, and a steady stream of earned income from its investment portfolio. Currently, the company does not plan to write any new business in the future as management evaluates its strategic alternatives. The company indicated that any changes regarding its intention to write new business would be filed with the Office of the Commissioner of Insurance.

**Reconciliation of Surplus per Examination**

No adjustments were made to surplus as a result of the examination. The amount of surplus of \$5,943,605 reported by the company as of December 31, 2007, is accepted.

## VII. SUMMARY OF EXAMINATION RESULTS

### Compliance with Prior Examination Report Recommendations

There were six specific comments and recommendations in the previous examination report. Comments and recommendations contained in the last examination report and actions taken by the company are as follows:

1. Bylaws—It is recommended the company abide by or amend its bylaws to reflect actual practices of the company.

Action—Compliance.

2. Executive Compensation—It is recommended that the company complete the Wisconsin Report on Executive Compensation (Form 22-060) in accordance with its instructions.

Action—Compliance.

3. Biographical Reports—It is recommended that the company file biographical reports on its directors within 15 days of election pursuant to s. Ins 6.52, Wis. Adm. Code.

Action—Compliance.

4. Affiliated Agreements—It is recommended the company comply with the holding company regulations of ch. Ins 40, Wis. Adm. Code, in the future.

Action—Compliance.

5. Custodial Agreement—It is recommended that the company amend its custodial agreement to provide indemnification against the securities that may be held by a subcustodian pursuant to the language suggested by the NAIC Financial Examiner's Handbook.

Action—Compliance.

6. Investments—It is recommended that the company complete Schedule DA, Part 1 in accordance with the NAIC Annual Statement Instructions – Property and Casualty.

Action—Compliance.

### **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**

In 1989 the Commissioner issued a directive requiring that on an annual basis, each director, officer, senior executive, or fiduciary of a Wisconsin-domiciled insurer disclose to the insurer's board of directors any personal circumstance that could potentially give rise to a conflict of interest. However, the company was unable to provide the required signed conflict of interest disclosure forms for all required individuals for all years under examination. It is recommended that annually each director, officer, and key employee of the company complete a conflict of interest disclosure as required by the Commissioner's directive, and that the company retains copies of each year's disclosure forms with company records so that they may be available for review by this office.

### **VIII. CONCLUSION**

Policyholders' surplus has increased from \$4,823,619 as of year-end 2002 to \$5,943,605 as of year-end 2007. This represents an increase of 23.2% during the period under examination and is mostly attributable to investment gains, WCIC's only source of income, which adequately covers its expenses.

PMI Mortgage Insurance Co. purchased WCIC on August 6, 2001, from WMAC Investment Corporation. The company suspended accepting new business in 1985 and completed the run-off of its business in 2005. The company has no direct employees and a majority of the allocated expenses WCIC incurs relates to various administrative services and management services PMI provides to run off its business.

The examination of WMAC Credit Insurance Corporation resulted in one recommendation which was not a repeat recommendation. There were no adjustments to surplus and no reclassifications of account balances. The examination recommendation pertains to the retention of completed conflict of interest statements for review by this office.

## IX. SUMMARY OF COMMENTS AND RECOMMENDATIONS

1. Page 20 - Conflict of Interest—It is recommended that annually each director, officer, and key employee of the company complete a conflict of interest disclosure as required by the Commissioner's directive, and that the company retains copies of each year's disclosure forms with company records so that they may be available for review by this office.

## X. 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:

<b>Name</b>	<b>Title</b>
Ana J. Careaga	Insurance Financial Examiner
Victoria Y. Chi	Insurance Financial Examiner Advanced, Data Processing Audit Specialist
Jerry C. DeArmond	Insurance Financial Examiner Advanced, Loss Reserve Specialist
Satinderjit K. Dhillon	Insurance Financial Examiner
Amy J. Malm	Insurance Financial Examiner
Frederick H. Thornton	Insurance Financial Examiner Advanced, Exam Planning & Quality Control Specialist

Respectfully submitted,

John E. Litweiler  
Examiner-in-Charge