

EXAMINATION REPORT
OF
GEMINI INSURANCE COMPANY
AS OF
DECEMBER 31, 2018

Office of the
Commissioner



Delaware
Department of Insurance

REPORT ON EXAMINATION
OF
GEMINI INSURANCE COMPANY
AS OF
DECEMBER 31, 2018

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink that reads "Trinidad Navarro".

Trinidad Navarro
Insurance Commissioner

Dated this 5 day of June, 2020

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April 6, 2020

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street
Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Exam Authority No. 19.007, dated May 9, 2019, an examination has been made of the affairs, financial condition and management of

Gemini Insurance Company

hereinafter referred to as the Company and incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware. The examination was conducted at the administrative office of the Company located at 475 Steamboat Road, Greenwich, Connecticut. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

The Delaware Department of Insurance (Department) performed a risk-focused financial examination of the Company. The previous regulatory examination of the Company covered the four-year period from January 1, 2010 through December 31, 2013. This examination will cover the five-year period from January 1, 2014 through December 31, 2018, and encompasses a general review of transactions during the period, the Company's business policies and practices,

as well as management and relevant corporate matters, with a determination of the financial condition of the Company as of December 31, 2018. Transactions subsequent to the examination date were reviewed where deemed necessary.

The examination of the Company was performed as part of the multi-state coordinated examination of the W. R. Berkley Corporation Group (Group) of regulated United States property and casualty insurance companies as of December 31, 2018. Delaware is the lead state for the Group. The Company is an indirect subsidiary of the W. R. Berkley Corporation (WRBC). The examination was conducted concurrently with that of the Company's affiliates.

The Companies in the Group and their state of domicile are summarized as follows:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Acadia Insurance Company	31325	IA
Admiral Indemnity Company	44318	DE
Admiral Insurance Company	24856	DE
American Mining Insurance Company	15911	IA
Berkley Assurance Company	39462	IA
Berkley Insurance Company	32603	DE
Berkley National Insurance Company	38911	IA
Berkley Regional Insurance Company	29580	IA
Berkley Specialty Insurance Company	31295	DE
Carolina Casualty Insurance Company	10510	IA
Clermont Insurance Company	33480	IA
Continental Western Insurance Company	10804	IA
Firemen's Insurance Company of Washington D.C.	21784	DE
Gemini Insurance Company	10833	DE
Great Divide Insurance Company	25224	ND
Intrepid Insurance Company	10749	IA
Key Risk Insurance Company	10885	IA
Midwest Employers Casualty Company	23612	DE
Nautilus Insurance Company	17370	AZ
Preferred Employers Insurance Company	10900	CA
Riverport Insurance Company	36684	IA
Starnet Insurance Company	40045	IA
Tri-State Insurance Company of Minnesota	31003	IA
Union Insurance Company	25844	IA
Union Standard Lloyds	43435	TX

We conducted our examination in accordance with the *National Association of Insurance Commissioners* (NAIC) *Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting 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, pursuant to the General Corporation Law of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm KPMG, LLP (KPMG). Certain auditor work papers of the 2018 KPMG audit of the Company have been incorporated into the work papers of the

examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination, and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

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

COMPANY HISTORY

The Company was incorporated as Gemini Reinsurance Company on November 9, 1995, under the laws of the State of Delaware, and commenced business on September 30, 1997. On June 5, 1997, the Company name changed to Gemini Insurance Company.

Capitalization

The Company's Certificate of Incorporation authorizes the issuance of 500,000 shares of common stock with a \$10 par value and the issuance of 100,000 shares of preferred stock with a \$10 par value. As of December 31, 2018, the Company had 430,000 common shares issued and outstanding totaling \$4,300,000 and zero preferred shares issued and outstanding. All outstanding common shares of the Company are owned by Berkley Insurance Company (BIC).

As of December 31, 2018, the Company reported gross paid in and contributed surplus of \$42,000,000.

Dividends

The Company did not pay any dividends during the period covered by this exam.

MANAGEMENT AND CONTROL

Directors

Pursuant to the general Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, all corporate powers and its business property and affairs are managed by, or under the direction, of its Board of Directors (Board).

In accordance with the Company's bylaws, the number of Directors shall consist of not less than five members, and may consist of any number of Directors as may later be determined by resolution of the Board. Directors shall be elected annually by the sole stockholder and shall hold office for one year until successors are elected and qualified, or until earlier resignation or removal. The members of the Board, serving as of December 31, 2018, each elected or appointed in accordance with the Company bylaws were as follows:

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Richard Mark Baio	Senior Vice President and Treasurer
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President
Ira Seth Lederman	Secretary
Matthew Michael Ricciardi	Senior Vice President and Assistant Secretary
James Gerald Shiel	Executive Vice President – Investments

Officers

In accordance with its bylaws, officers serving the Company shall be a Chairman of the Board, a President, an Executive Vice President, one or more Senior Vice Presidents, a Secretary, a Treasurer and a Controller. The Board may also elect other such officers as considered necessary for the proper conduct of the business of the Company. The senior officers, duly appointed in accordance with the bylaws and serving at December 31, 2018, are as follows:

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Ira Seth Lederman	Secretary
Richard Mark Baio	Senior Vice President and Treasurer
James Gerald Shiel	Executive Vice President - Investments
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President
Matthew Michael Ricciardi	Senior Vice President and Assistant Secretary
Allison Kenworthy	Assistant Treasurer
Janet Shemanske	Assistant Secretary

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* §1304. In addition, the review of Company files indicated that written correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

The Company is a member of an Insurance Holding Company System as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The Company is a wholly-owned subsidiary of BIC.

An abbreviated organizational chart of the Group holding company system as of December 31, 2018, is as follows (with the percentage control of the downstream subsidiary by the upstream direct parent shown):

<u>Entity [domicile]</u>	<u>Economic Control</u>	<u>Voting Control</u>
William R. Berkley {1}		
W. R. Berkley Corporation [DE] {2}	20.52%	20.52%
Berkley Dean & Company, Inc. [NJ]	100%	100%
Berkley Insurance Services, LLC [DE]	100%	100%
Signet Star Holdings, Inc. [DE]	100%	100%
Berkley Insurance Company [DE]	100%	100%
Admiral Insurance Company [DE]	100%	100%
Admiral Indemnity Company [DE]	100%	100%
Carolina Casualty Insurance Company [IA]	100%	100%
Clermont Insurance Company [IA]	100%	100%
Nautilus Insurance Company [AZ]	100%	100%
Berkley Assurance Company [IA]	100%	100%
Berkley Life and Health Insurance Company [IA]	100%	100%
Berkley National Insurance Company [IA]	100%	100%
Berkley Regional Insurance Company [IA]	100%	100%
Acadia Insurance Company [IA]	100%	100%
American Mining Insurance Company [IA]	100%	100%
Berkley Specialty Insurance Company [DE]	100%	100%
Continental Western Insurance Company [IA]	100%	100%
Firemen’s Insurance Company of Washington D.C. [DE]	100%	100%
Tri-State Insurance Company of Minnesota [IA]	100%	100%
Union Insurance Company [IA]	100%	100%
Gemini Insurance Company [DE]	100%	100%
Great Divide Insurance Company [ND]	100%	100%
Intrepid Insurance Company [IA]	100%	100%
Key Risk Insurance Company [IA]	100%	100%
Midwest Employers Casualty Company [DE]	100%	100%
Preferred Employers Insurance Company [CA]	100%	100%
Riverport Insurance Company [IA]	100%	100%
StarNet Insurance Company [IA]	100%	100%

{1} It was noted in a Securities and Exchange Commission filing that as of December 31, 2018, William R. Berkley beneficially owned or controlled 25,034,263 common shares of WRBC, which is publicly-traded on the New York Stock Exchange under the symbol WRB. According to the 2018 WRBC Annual Report, there were 121,995,760 outstanding common shares on December 31, 2018. This results in a 20.52% economic interest and 20.52% voting control that William R. Berkley has of WRBC. Consequently, William R. Berkley is considered an ultimate controlling entity of the Company.

{2} Other than {1} noted above, no other individual or entity owns or controls greater than 10% of WRBC as of December 31, 2018.

Agreements with Affiliates

Tax Allocation Agreement

Effective September 30, 1997, the Company and WRBC entered into an affiliated Tax Allocation Agreement (Tax Agreement). In accordance with the Tax Agreement, the Company will participate in WRBC's election to file a consolidated federal income tax return as long as the Company is a member of WRBC. For years where a consolidated federal tax return is filed, WRBC will pay or discharge, or cause to be paid or discharged, the consolidated federal tax liability of WRBC. Taxes are calculated on a separate return basis, and the Company will pay WRBC an amount equal to the federal income tax liability it would have incurred if it had filed on a separate return. Conversely, if the Company's separate return calculation results in a net operating loss, capital losses, deductions, tax credits or similar items, WRBC shall compensate the Company an amount equal to its federal income tax liability calculated on a separate return basis. In accordance with the contract, WRBC and the Company shall each pay its own state and local taxes.

As of December 31, 2013, the agreement remained in effect for all years prior to December 31, 2012. Effective January 1, 2013, the agreement was replaced by the tax provisions stipulated in the affiliated Reinsurance Pooling Agreement. The second amendment, dated July 21, 2016, added Intrepid Insurance Company as a Pool Affiliate.

Investment Advisory Agreement

Effective July 7, 1997, the Company entered into an affiliated Investment Advisory Agreement with Berkley Dean and Company, Inc. (Berkley Dean). In accordance with the agreement, Berkley Dean provides certain investment advisory and management services based

upon criteria, standards and guidelines established by the Company. The Company has ultimate and final authority over decisions and policies on purchases and sales of securities.

Computer Services Agreement

Effective July 9, 2010, the Company entered an affiliated Computer Services Agreement with Berkley Technology Services, LLC (BTS). In accordance with the agreement, BTS provides computer and data processing services to the Company including: programming, network management, operations and consulting services. The agreement authorizes BTS to contract with other service providers to satisfy the needs of the Company at its discretion. Per the agreement, BTS agrees all information disclosed by the Company shall be confidential and shall not be disclosed to any individual, corporation, other business organization or governmental agency unless required by law in conformity with the Company's privacy policy. In addition, BTS agrees to use information only for the purpose for which the Company provided it.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2018, the Company is licensed and authorized on an admitted basis to write insurance in the State of Delaware. In addition, the Company writes surplus lines insurance on an exempt/non-admitted basis in the remaining forty-nine U.S. States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Bermuda and the Cayman Islands.

Plan of Operation

The Company specializes in non-admitted programs, targeting the specific insurance needs of the surplus lines market. Coverage is provided to insureds that are not able to secure policies through the admitted insurance market. Business is mainly produced by program administrators and underwriting managers or through contacts with general agents and surplus

lines brokers. For the year ended December, 31, 2018, the Company's direct written premiums were produced by the following Profit Centers described below: Vela Insurance Services; Gemini Transportation Underwriters; Berkley Custom Insurance Managers; Berkley Professional Liability; Berkley Life Sciences.

Vela Insurance Services specializes in commercial casualty insurance on an excess and surplus lines basis. Its primary focus is on general liability insurance for construction, manufacturing and general casualty clients, as well as products liability and miscellaneous professional liability coverages distributed through wholesale insurance brokers.

Gemini Transportation Underwriters is a national provider of excess liability insurance for various domestic surface transportation industry businesses. It underwrites liability insurance policies for the railroad industry, as well as excess liability policies for the trucking, busing and other industries that use rubber-wheeled vehicles for over-the-road use.

Berkley Custom Insurance Managers focuses on the excess casualty insurance market and offers umbrella liability, pollution liability, excess liability, construction wrap-ups and completed operations coverage to wholesalers, retailers, manufacturers, insurance companies, financial institutions and construction companies.

Berkley Professional Liability specializes in professional liability insurance for publicly-traded and private entities on a worldwide basis. Its liability coverages include directors and officers, errors and omissions, fiduciary, employment practices and sponsored insurance agents' errors and omissions. Berkley Transactional, a division of Berkley Professional Liability, underwrites a full suite of transactional insurance products, including representations and warranties insurance, tax opinion insurance and contingency liability insurance.

Berkley Life Sciences offers a comprehensive spectrum of property, casualty and specialty products such as professional and management liability to the life sciences industry on a global basis, including both primary and excess liability coverages. It serves pharmaceutical and biotech companies, medical device companies, dietary supplement companies, medical and research related software developers, contract research and manufacturing organizations, research institutions and organizations, and other related businesses.

The Company's direct written premiums by source are as follows:

<u>Source</u>		<u>2018</u>	<u>Percent</u>
Vela Insurance Services		\$165,525,185	37.72%
Gemini Transportation Underwriters		149,326,936	34.03%
Berkley Custom Insurance Managers		48,053,535	10.95%
Berkley Professional Liability		28,077,514	6.40%
Berkley Life Sciences		27,996,216	6.38%
All Other Sources Combined		<u>19,843,614</u>	<u>4.52%</u>
Total		<u>\$438,823,000</u>	<u>100.00%</u>

The Company's direct written premiums by line of business are as follows:

<u>Line of Business</u>	<u>2017</u>	<u>2018</u>	<u>Percent</u>
Other Liability - Occurrence (line 17.1)	\$313,774,716	\$313,180,829	71.37%
Other Liability – Claims Made (line 17.2)	75,598,573	88,164,429	20.09%
Products Liability - Occurrence (line 18.1)	27,567,505	29,887,851	6.81%
All Other Lines of Business Combined	<u>15,990,542</u>	<u>7,589,891</u>	<u>1.73%</u>
Total	<u>\$432,931,336</u>	<u>\$438,823,000</u>	<u>100.00%</u>

The Company's direct written premiums by jurisdiction are as follows:

<u>Jurisdiction</u>	<u>2017</u>	<u>2018</u>	<u>Percent</u>
California	\$74,827,101	\$66,109,914	15.07%
Texas	50,341,330	48,147,090	10.97%
New York	31,897,435	39,363,784	8.97%
Florida	30,005,661	28,416,103	6.48%
Illinois	21,503,149	25,819,981	5.88%
All Other Jurisdictions Combined	<u>224,356,660</u>	<u>230,966,128</u>	<u>52.63%</u>
Total	<u>\$432,931,336</u>	<u>\$438,823,000</u>	<u>100.00%</u>

REINSURANCE

The Company reported the following distribution of premiums written for the year ended December 31, 2018:

	<u>2018</u>	<u>% GPW</u>	<u>2013</u>	<u>% GPW</u>
Direct business	\$ 438,823,000	100.0%	\$ 401,368,609	100.0%
Reinsurance assumed from affiliates	-	0.0%	-	0.0%
Reinsurance assumed from non-affiliates	129,552	0.0%	-	0.0%
Gross premiums written ("GPW")	<u>\$ 438,952,552</u>	<u>100%</u>	<u>\$ 401,368,609</u>	<u>100%</u>
Reinsurance ceded to affiliates	\$ 438,952,552	100.0%	\$ 404,053,513	100.7%
Reinsurance ceded to non-affiliates	-	0.0%	(2,684,904)	-0.7%
Total ceded	<u>\$ 438,952,552</u>	<u>100.0%</u>	<u>\$ 401,368,609</u>	<u>100.0%</u>
Net premiums written	<u>\$ -</u>	<u>0.0%</u>	<u>\$ -</u>	<u>0.0%</u>

Ceded Reinsurance Affiliates

Effective January 1, 2013 the Company and several of its affiliates entered into an intercompany pooling agreement. Under the terms of the agreement the Company and the other pool participants cede 100% of their direct and assumed premiums written to the lead company in the pool BIC. During 2018, the Company ceded premiums amounting to \$438,952,552 to BIC.

FINANCIAL STATEMENTS

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

- Statement of Assets and Liabilities as of December 31, 2018
- Statement of Income for the year ended December 31, 2018
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2013 to December 31, 2018

GEMINI INSURANCE COMPANY
STATEMENT OF ASSETS
AS OF DECEMBER 31, 2018

	<u>Ledger Assets</u>	<u>Nonadmitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$ 59,052,232	\$ -	\$ 59,052,232
Cash equivalents	<u>2,056,126</u>	<u>-</u>	<u>2,056,126</u>
Subtotals, cash and invested assets	<u>\$ 61,108,358</u>	<u>\$ -</u>	<u>\$ 61,108,358</u>
Investment income due and accrued	459,433	-	459,433
Uncollected premiums and agents' balances	45,372,616	2,645,237	42,727,379
Deferred premiums	7,157,108	712,802	6,444,306
Current federal and foreign income tax recoverable	7,420	-	7,420
Net deferred tax asset	712,323	-	712,323
Aggregate write-ins for other than invested assets	<u>65,656</u>	<u>65,656</u>	<u>-</u>
Total Assets	<u>\$ 114,882,914</u>	<u>\$ 3,423,695</u>	<u>\$ 111,459,219</u>

**GEMINI INSURANCE COMPANY
STATEMENT OF LIABILITIES AND SURPLUS
AS OF DECEMBER 31, 2018**

	<u>2018</u>	<u>Note</u>
Losses	\$ -	1
Reinsurance payable on paid losses and loss adjustment expenses	-	
Loss adjustment expenses	-	1
Commissions payable; contingent commissions and other similar charges	17,882	
Other expenses (excluding taxes, licenses and fees)	215,459	
Taxes, licenses, and fees (excluding federal and foreign income tax)	(1,402)	
Ceded reinsurance premiums payable (net of ceding commissions)	51,461,376	
Remittances and items not allocated	668,925	
Payable to parent; subsidiaries and affiliates	<u>31,858</u>	
Total liabilities excluding protected cell liabilities	<u>\$ 52,394,098</u>	
Total liabilities	<u>\$ 52,394,098</u>	
Common capital stock	\$ 4,300,000	
Gross paid in and contributed surplus	42,000,000	
Unassigned funds (surplus)	<u>12,765,122</u>	
Surplus as regards policyholders	<u>\$ 59,065,122</u>	
Totals of liabilities & surplus	<u>\$ 111,459,220</u>	

**GEMINI INSURANCE COMPANY
STATEMENT OF OPERATIONS
AS OF DECEMBER 31, 2018**

Underwriting Income	2018
Premiums earned	\$ -
Deductions	
Losses incurred	\$ -
Loss adjustment expenses incurred	-
Other underwriting expenses incurred	-
Total underwriting deductions	<u>\$ -</u>
Net underwriting gain (loss)	<u>\$ -</u>
 Investment Income	
Net investment income earned	\$ 1,803,642
Net realized capital gains (losses) less capital gains tax of (\$3,664)	<u>(13,786)</u>
Net investment gain (loss)	<u>\$ 1,789,856</u>
 Other Income	
Net gain (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$76,710)	\$ (76,710)
Finance and service charges not included in premium	-
Aggregate write-ins for miscellaneous income	<u>76,984</u>
Total other income	<u>\$ 274</u>
Net income before dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 1,790,130
Dividends to policyholders	<u>-</u>
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 1,790,130
Federal and foreign income taxes incurred	<u>277,641</u>
Net Income	<u><u>\$ 1,512,489</u></u>

**RECONCILIATION OF CAPITAL AND SURPLUS
For the Period from the Prior Examination
As of December 31, 2013 to December 31, 2018**

	Common Capital Stock	Surplus Notes	Gross Paid-in and Contributed Surplus	Unassigned Surplus		Total
12/31/2013	\$ 4,300,000	\$ -	\$ 42,000,000	\$ 7,767,431		\$ 54,067,431
12/31/2014	-	-	-	203,763	(1)	203,763
12/31/2015	-	-	-	975,675	(1)	975,675
12/31/2016	-	-	-	142,338	(1)	142,338
12/31/2017	-	-	-	1,615,880	(1)	1,615,880
12/31/2018	-	-	-	2,060,034	(1)	2,060,034
	<u>\$ 4,300,000</u>	<u>\$ -</u>	<u>\$ 42,000,000</u>	<u>\$ 12,765,121</u>		<u>\$ 59,065,121</u>

(1) Represents net income, change in net deferred income tax, change in non-admitted assets

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE
EXAMINATION**

There were no changes made to the Financial Statements as a result of this Examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Losses	\$ -0-
Loss Adjustment Expenses	\$ -0-

The examination liability for the aforementioned captioned items of \$0 and \$0 are the same as reported by the Company as of December 31, 2018. The Company cedes 100% of its losses and loss adjustment expenses to its affiliate, BIC. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including *NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principle No. 55 (SSAP # 55)*.

SUBSEQUENT EVENTS

During March of 2020, the World experienced a pandemic related to the COVID-19 virus. At the date of this report, the Company has not been able to quantify the effects of this pandemic on its current or future financial statements. Also, as of the date of this report, the Company was fully operational and was providing services to its policyholder.

There were no other material subsequent events noted.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no recommendations contained in the prior examination report issued by the Department as of December 31, 2013.

SUMMARY OF RECOMMENDATIONS

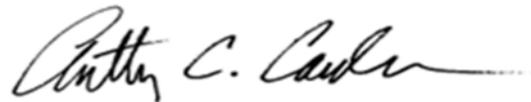
There were no recommendations as a result of this examination.

The assistance and cooperation of the consulting actuarial firm, INS Consultants, Inc., the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



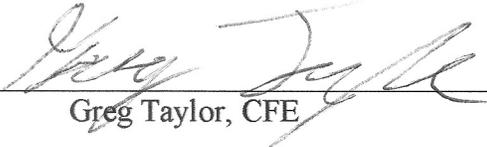
Greg Taylor, CFE
Co-Examiner In-Charge
State of Delaware



Anthony Cardone, CFE, CPA
Supervising Examiner
State of Delaware

Gemini Insurance Company

I, Greg Taylor, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to examination authority 19.007.



Greg Taylor, CFE