REPORT ON EXAMINATION

OF

CENTRE INSURANCE COMPANY

AS OF

DECEMBER 31, 2016

Trinidad Navarro
Commissioner

Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2016 of the

CENTRE INSURANCE COMPANY

is a true and correct copy of the document filed with this Department.

Attest By: ____________________

Date: June 15, 2018

In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 26 day of June, 2018.

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Trinidad Navarro
Insurance Commissioner

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Commissioner

Delaware Department of Insurance

REPORT ON EXAMINATION

OF THE

CENTRE INSURANCE COMPANY

AS OF

DECEMBER 31, 2016

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.

Trinidad Navarro
Insurance Commissioner

Dated this 26 day of June, 2018

TABLE OF CONTENTS

SALUTATION

April 30, 2018

Honorable Trinidad Navarro
Delaware Department of Insurance
Rodney Building
841 Silver Lake Blvd.
Dover, Delaware 19904

Dear Commissioner,

In compliance with instructions and pursuant to statutory provisions contained in Exam Authority No. 17.023, an examination has been made of the affairs, financial condition and management of the

CENTRE INSURANCE COMPANY

hereinafter referred to as "Company" or "CICO", incorporated under the laws of the State of Delaware as a stock company with its statutory home office located at 251 Little Falls Drive, Wilmington, Delaware 19808. The examination was conducted at the Company's administrative office located at Four World Trade Center, 53rd Floor, 150 Greenwich Street, New York, New York 10007.

SCOPE OF EXAMINATION

The Delaware Department of Insurance ("Department") performed a risk-focused financial examination of the Company. The last examination was conducted as of December 31, 2011, by the Department. This examination covered the period of January 1, 2012 through December 31, 2016, 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, 2016. Transactions subsequent to the examination date were reviewed where deemed necessary.

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, PricewaterhouseCoopers, LLP ("PwC"). Certain auditor work papers of their 2016 audit 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 as a result of this examination.

COMPANY HISTORY

The Company was originally incorporated under the laws of the State of Delaware on May 26, 1977, for the purpose of changing the corporate domicile of London Guarantee & Accident Company of New York to Delaware ("London Guarantee"). After numerous changes in ultimate control throughout the late 1970's and early 1980's, the Company was acquired by the California Compensation Insurance Company ("Cal Comp") on February 16, 1995. Cal Comp was a direct subsidiary of Business Insurance Group, Inc. and was ultimately controlled by Foundation Health Corporation. On February 17, 1995, the Company changed its name from London Guarantee to Business Insurance Company.

The Company was acquired by Superior National Insurance Group, Inc. ("SNIG") on December 10, 1998. In anticipation of this acquisition, the Company cancelled its pooling arrangement with the Business Insurance Group of companies as of October 1, 1998, and ceded reserves were returned to the Company.

Centre Solutions Holdings (Delaware) Limited ("Centre Holdings") acquired the Company from SNIG and changed its name to CICO on December 18, 1998. Concurrent with the acquisition, 100% of the Company's gross liabilities and obligations arising out of policies written prior to the acquisition were reinsured through a loss portfolio transfer ("LPT") to its prior affiliates, Cal Comp and Superior National Insurance Company ("SNIC"). The Company continued to write new and renewal workers' compensation insurance through underwriting agreements with SNIG affiliates. All risk on the workers' compensation business was ceded under a reinsurance agreement with Cal Comp. In September 2000, the SNIG and its affiliates including Cal Comp and SNIC were placed into rehabilitation by the California Department of Insurance ("CDOI"). At this time, the Company ceased writing workers' compensation insurance under the SNIG underwriting management agreements. As a result of the rehabilitation, the Company's reinsurance on the workers' compensation business was cancelled. A settlement was subsequently reached with the CDOI Receiver and the Company continues to administer the workers' compensation business originally produced prior to the Centre Holdings acquisition or through SNIG affiliates subsequent to the acquisition. In addition to the SNIG workers' compensation insurance, the Company wrote other lines of business through various other underwriting management agreements between 1998 and 2004. However, due to rating downgrades from both Standard & Poor's and Moody's on the Centre Group of companies, the last remaining line of business was placed in voluntary run-off as of March 31, 2004.

In 2007, Centre Holdings was merged into its direct parent, Centre Solutions (U.S.) Limited ("CSUS"), which is an insurance and reinsurance company domiciled in Bermuda. As a result, ownership of the Company was transferred from Centre Holdings to CSUS. The

Department approved an exemption from a Form A filing related to the merger because the transaction did not result in a change in the ultimate control or ownership of the Company.

Common Capital Stock and Paid-in Surplus

As amended, the Certificate of Incorporation authorizes the Company to issue 5,000 shares of $1,000 par value common stock. As of December 31, 2016, the Company had 5,000 shares authorized, issued and outstanding totaling $5,000,000. All shares of the Company are owned by CSUS.

As of December 31, 2016, the Company reported gross paid in and contributed surplus of $10,238,396.

Dividends

The Company paid one dividend during the examination period. In 2016 the Company paid an ordinary dividend of $10,793,638 and an extra ordinary dividend of $19,236,362 for a total dividend of $30,000,000. The dividend was properly approved by the Board of Directors (“Board”) and the Department.

MANAGEMENT AND CONTROL

Board of Directors

Pursuant to the Company’s charter and Bylaws, management of the Company is vested in a Board consisting seven members. The number of directors may be changed from time to time, by the affirmative vote of a majority of the entire Board or by action of the stockholders of the Corporation. As of December 31, 2016, the Board was comprised of the following seven members:

Name	Occupation
Ali E. Rifai New York, NY	Chairman of the Board, President and CEO Centre Insurance Company
Dawn Cummings-Fritz Schaumburg, IL	Assistant Vice President-Tax Centre Insurance Company
Stuart Diffey London, England	Senior Vice President Centre Insurance Company
Neil Freshwater London, England	Chief Executive Officer Zurich Legacy Solutions
Mark Hargrove New York, NY	Chief Risk Officer Zurich Legacy Solutions
Richard Grilli New York, NY	Senior Vice President Centre Insurance Company
John Skowronski New York, NY	Assistant Vice President Centre Insurance Company

Corporate documentation for the Company's ultimate parent company, Zurich Insurance Group Ltd ("Zurich Group"), was reviewed and it was noted that the Zurich Group Board membership is independent and in compliance with the regulatory requirements of Switzerland. Switzerland governance requirements are similar to the requirements applicable to U.S. Stock Companies. Zurich Group is traded on the Swiss Stock Exchange ("SIX").

Officers

In accordance with its bylaws, the Board elected the required executive officers. The following officers were serving as of December 31, 2016:

Ali E. Rifai	President and CEO
Stuart Diffey	Senior Vice President
Richard Grilli	Senior Vice President
Ernest Wilson	Senior Vice President and Opining Actuary
Mary Lyn DeNiro	Vice President and Corporate Secretary
Michael Rohwetterr	Vice President – Investments
Glenn Carrascoso	Vice President – Treasurer

Dawn Cummings-Fritz	Assistant Vice President – Tax
Ryan Gibbons	Assistant Vice President – Tax
Margaret Labno	Assistant Vice President – Tax
Chris Michalski	Assistant Vice President
John Skowronski	Assistant Vice President
Michael Inderbitzin	Assistant Corporate Secretary

In accordance with the Company's bylaws, the Board may by resolution passed by a majority of the entire Board, designate one or more committees, including an executive committee with each committee to consist of one or more of the directors of the Corporation. The Board voted to elect the Executive Committee from its own Board members and appointed committees as required.

The Board designated the Board of Centre Group Holdings (U.S.) Limited ("CGHUS") to act as the Audit Committee of the Company for purposes of the regulatory requirements of the Company to have an Audit Committee in accordance with the NAIC Model Audit Rule, as adopted by Delaware. As of December 31, 2016, the Board had appointed the following significant committees and members:

Executive Committee
Sole Member: Neil Freshwater
Alternate Member: Ali E. Rifai

Investment Committee
Stuart Diffey

Audit Committee
Members of the Audit Committee as of December 31, 2016, were
The Board of CGHUS which included:

- Neil Freshwater (London, England), Chairman, President & CEO of CGHUS
- Ali E. Rifai (New York, NY), Chief Legal Officer of Zurich Legacy Solutions
- Ernest Wilson (New York, NY, Senior Vice President of CGHUS

Holding Company System

The Company is a member of an Insurance Holding Company System pursuant to 18 *Del.C.* § 5001. The Company is a wholly owned subsidiary of CSUS. The Company and its direct parent are ultimately controlled by Zurich Group, which is a financial services company domiciled in Switzerland and traded on the SIX. As of December 31, 2016, no shareholder held ten percent or more of the voting shares of Zurich Group.

The following is an abbreviated organization chart that reflects the identities and interrelationships between the Company, its parents and affiliates with direct business relationships with the Company as of December 31, 2016:

Zurich Insurance Group Ltd (Switzerland)
  Zurich Versicherungs-Gesellschaft AG (Switzerland)
    Zurich Finance Company AG (Switzerland)
      Centre Group Holdings (U.S.) Limited (Delaware)
        Centre Solutions (U.S.) Limited (Bermuda)
          Centre Life Insurance Company (Massachusetts)
          Centre Insurance Company (Delaware)

Management and Service Agreements

As of December 31, 2016, the Company had no direct employees and all services were provided under various affiliated and unaffiliated management and administrative contracts. Below is a summary of all material agreements in effect as of December 31, 2016.

Affiliated Agreements

Effective January 1, 2004, the Company entered into two Intercompany Service agreements with CGHUS. Under the first agreement, CGHUS is the service provider and the Company is the service recipient. In accordance with the agreement, CGHUS provides certain services such as accounting, actuarial, administration and transaction management, finance, human resources, legal, claims, risk management, work-out, real estate analysis, payor, senior management, tax and management information services. The contract allows CGHUS to provide, or contract with affiliates, subsidiaries or third parties to provide, any or all of the services. All costs and expenses are allocated based on actual time and expenses incurred, actual usage and availability of services, value created, the size, the number, complexity, risk exposure and value of transactions involved or any other method of allocation. The agreement requires CGHUS to provide a statement to the Company no later than sixty days after each quarter and requires the Company to provide payment within thirty days after the invoice receipt.

Under the second agreement, the Company is the service provider and CGHUS is the service recipient. The agreement is a reciprocal agreement with the same terms and conditions as the first agreement. As of December 31, 2016, no services had been provided and the agreement has not been terminated.

Effective December 16, 1999, the Company entered a Tax Allocation Agreement with CGHUS and other affiliates. In accordance with the agreement, federal income tax is to be paid or received to/from CGHUS based on the Company's taxable income or taxable loss calculated on a separate return basis. The agreement requires tax balances to be estimated and settled quarterly and tax adjustments settled annually when the tax return is filed. In December 2004, the agreement was amended to relieve the Company of all indebtedness to the parent for obligations created by the Company's utilization of affiliated losses under the Tax Sharing Agreement. The amendment stipulates the Company will receive relief in any year its taxable income is offset by affiliated losses in the future.

Effective March 19, 2002, the Company is party to an Investment Services Agreement between CGHUS and Zurich Investment Services Limited ("ZIS"). In accordance with the agreement, ZIS provides cash management, reconciliation, settlement of trades and other back office functions with respect to accounts managed under the Investment Management Agreement with Deutsche Investment Management Americas, Inc. ("DeAM").

Effective January 1, 1999, CSUS, which is now the immediate parent of the Company, issued a surety bond ("Original Surety Bond") in favor of the Company. In accordance with the terms of the Original Surety Bond, CSUS guarantees the Company's net worth to be at least the greater of one million dollars or the minimum required in accordance with applicable insurance regulations. The Original Surety Bond covers the following if issued or effective on or after January 1, 1999: any insurance, reinsurance, surety or derivative contract; any obligation to purchase, repurchase, deliver or sell securities; any loans or other financial instruments, any obligation to post margin or collateral; any obligation to provide liquidity or otherwise provide funds to any other entity; and any other product or instrument similar to the items previously listed. Any-amounts paid out by CSUS are to be repaid by the Company plus 6% interest, but are subordinated to all other obligations of the Company. Effective January 1, 2000, CSUS issued an Amended and Restated Surety Bond ("Amended Surety Bond") in favor of the Company. The Amended Surety Bond is substantially the same as the Original Surety Bond with respect to the Company's guaranteed net worth and covered items, however, the Amended Surety Bond covers items issued or executed and delivered on or after January 1, 2000. Both the Original Surety Bond and Amended Surety Bond remain in effect as of December 31, 2016, without interruption of coverage between January 1, 1999 and January 1, 2000. As of December 31, 2016, there were no amounts outstanding under either surety bond. The Company was granted permission by the Department to terminate the above Surety Bonds on August 29, 2017.

Third Party Agreements

As of December 31, 2011, the Company had the following service and other agreements in effect with unaffiliated third parties:

The Company is in run-off and did not write new or renewal policies under any line of business during the year ended December 31, 2016. In 2014 the Company entered into a LPT with Swiss Reinsurance America Corporation ("Swiss Re"). Per the agreement CICO appointed, and Swiss Re agreed, at its sole cost and expense to perform (or procure the performance of) all services ("Administrative Services") required for the complete management, claims support and administration of the subject business, the subject losses, the ceded reinsurance agreements and the related agreements, such performance of the Administrative Services to commence on the effective date and continue until the termination of this agreement. Administrative Services required to be performed by a licensed third party administrator will be performed by a third party administrator procured by the reinsurer. For the avoidance of doubt, to the extent the reinsurer makes, approves or administers any payment or settlement ex gratia or that is not required under the terms and conditions of the subject business, such payment or settlement shall be payable by the reinsurer hereunder as ultimate net loss. The Company acknowledges and agrees that the Administrative Services may be performed by Centre Reinsurance (U.S.) Limited ("CRUS") pursuant to the Adverse Development Coverage Agreement ("ADC"), and the Reinsurer shall have no liability hereunder for any Administrative Services provided by CRUS pursuant to the ADC; provided that, the reinsurer shall, at the request of CICO assign any rights and remedies it has against CRUS with respect to the provision of such Administrative

Services. Thus after the effective date of the Agreement June 30, 2014, Swiss Re became the Company's claims administrator.

Effective July 1, 2000, the Company and Scudder Kemper Investments, Inc. ("SKI") entered an Investment Management Agreement. In early 2002, Deutsche Bank acquired Zurich Scudder Investments from the Company's affiliate, Zurich Financial Services. As a result of the acquisition, the services previously provided by SKI are now provided by DeAM per the terms of the original agreement and the Amended Investment Management Agreement dated March 19, 2002. In accordance with the agreement, DeAM provides various investment management, account and trade information services to the Company and the Company pays varying basis points based on the assets under management as scheduled in the agreement.

Effective August 25, 1999, the Company entered a Custodial Agreement with the Bank of New York. The agreement was amended in August 2004, to comply with the provisions outlined in the NAIC Handbook.

TERRITORY AND PLAN OF OPERATION

The Company is authorized to write various types of property and casualty insurance and reinsurance in all fifty (50) states and the District of Columbia. Currently, the Company is in run-off with two remaining direct lines of business inforce consisting primarily of workers' compensation and homeowners, based on claims paid during 2016 and remaining reserves as of December 31, 2016.

The Company has been in voluntary runoff since 2004 and does not plan on writing any new business in the future.

REINSURANCE

As of December 31, 2016, the Company continued to cede and assume risk under unaffiliated reinsurance contracts with effective dates prior to the voluntary run-off period with the following exceptions noted below.

Loss Portfolio Transfer

Effective June 30, 2014, CICO entered into a LPT with Swiss Re effectively covering the loss exposure on the remaining active deals consisting primarily of a workers' compensation block on policies written from 1995 through 2000. As a result of this treaty the Company holds no net loss and allocated loss adjustment expense (ALAE) reserves.

All ceded reinsurance listed below remains in effect with the LPT covering the Company's net position after the benefit on any inuring reinsurance. The general terms of the LPT are as follows:

- 100% LPT of CICO to Swiss Re.
- ADC provided by another Zurich legal entity for aggregate losses above $92.5M subject to the following sub-limits:
    - $70M for $1M excess $0M layer,
    - $25M for $4M excess $1M layer and
    - $25M for excess $5M layer.

As a result of this treaty the Company holds no net loss and ALAE reserves.

Assumed Reinsurance

Cigna Aviation is an assumed reinsurance book principally comes from the Cigna Aviation Excess of Loss ("XOL") program now being managed by ACE Limited. The book came to the Company via novation from an affiliate in 2001. The Company is one of several excess of loss reinsurers who participates over five years of coverage with Cigna. Cigna is a pro rata insurer of various worldwide aviation carriers and shares in industry wide losses. This account comprises five contracts incepting on July 1, 1993, 1994, 1995, 1996 and 1997.

The policies provide reinsurance coverage for gaps in Cigna's aviation reinsurance placement. Cigna Aviation is covered under the Swiss Re LPT resulting in no net liabilities retained in the company.

Ceded Reinsurance

There are two significant ceded reinsurance contracts in place. Any losses not paid by the reinsurers automatically falls under the LPT and is covered by Swiss Re. These contracts cover the workers' compensation direct business of the SNIC account. There are two main programs that encompass the reinsurance protection on SNIC's direct insurance business:

General Reinsurance Corporation ("Gen Re") wrote 100% of a workers' compensation and employers' liability business XOL reinsurance contract for the period June 1, 1995 through December 31, 1998, inclusive. Gen Re provides coverage at two layers: $1m excess of $1m and $3m excess of $2m (or, effectively, $4m excess of $1m). This reinsurance cover has attached on a paid and incurred basis.

Trustmark Insurance Company ("Trustmark") wrote 100% of a workers' compensation XOL per occurrence reinsurance contract for a portion of the 1998 accident year (May 1, 1998 through December 31, 1998). Trustmark provides reinsurance coverage at $500k excess of $500k per risk to the SNIG. There is an aggregate limit of $30m for the period.

FINANCIAL STATEMENTS

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

Statement of Assets and Liabilities
Statement of Operations
Capital Changes during the Examination Period

Assets

As of December 31, 2016

	Assets	Nonadmitted Assets	Net Admitted Assets	Note
Bonds	$ 9,790,059		$ 9,790,059	1
Cash	2,453,039		2,453,039	
Subtotals cash and invested assets	$ 12,243,098		$ 12,243,098	
Investment income due and accrued	60,816	10,388	50,429	
Uncollected premium and agents' balances in the course of collection	(1)		(1)	
Current federal and foreign income tax recoverable and interest thereon	8,632,139		8,632,139	
Net deferred tax asset	583,138	583,138		
Receivable from parent, subsidiaries and affiliates	41,472		41,472	
LPT Loss Recoverable with Swiss Reins American Corp.	37,448,374		37,448,374	
Total Assets	$ 59,009,036	$ 593,526	$ 58,415,510	

Liabilities, Surplus and Other Funds

As of December 31, 2016

		Note
Losses	$ 34,819,267	2
Loss adjustment expenses	2,958,108	2
Taxes, licenses and fees	150,000	
Remittances and items not allocated	(5,557)	
Payable to parent, subsidiaries and affiliates	4,150	
Total Liabilities	$ 37,925,968	
Common capital stock	$ 5,000,000	
Gross paid in and contributed surplus	10,238,396	
Unassigned funds (surplus)	5,251,147	
Surplus as regards policyholders	$ 20,489,543	
Totals	$ 58,415,510	

Statement of Operations

For the Year ended December 31, 2016

Premiums earned	$	-
Deductions		
Losses incurred		1,061,009
Loss adjustment expenses incurred		(967,324)
Other underwriting expenses incurred		235,731
Total underwriting deductions	$	329,416
Net underwriting gain or (loss)	$	(329,416)
Investment Income		
Net investment income earned		310,625
Net realized capital gains or (losses)		150,488
Net Investment gain	$	461,114
Other Income		
Aggregate write-ins for miscellaneous income		552,218
Total other income	$	552,218
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	$	683,915
Dividends to policyholders		-
Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	$	683,915
Federal and foreign income taxes incurred		125,066
Net Income	$	558,849
Capital and Surplus Account		
Surplus as regards policyholders, December 31 prior year	$	49,940,237
Net income	$	558,849
Change in net deferred income tax		(67,222)
Change in non admitted assets		57,678
Dividends to stockholders		(30,000,000)
Change in surplus as regards policyholders for the ye	$	(29,450,695)
Surplus as regards policyholders December 31, 2016	$	20,489,543

Reconciliation of Capital and Surplus

For the Period January 1, 2012 to December 31, 2016

Capital and Surplus at December 31, 2011	$ 21,918,782
Net Income 2012	$ 3,357,684
Net Income 2013	14,413,833
Net Income 2014	(909,485)
Net Income 2015	11,087,134
Net Income 2016	558,849
Change in Net Deferred Income Tax 2012	(522,339)
Change in Net Deferred Income Tax 2013	(10,033,252)
Change in Net Deferred Income Tax 2014	939,290
Change in Net Deferred Income Tax 2015	(9,926,513)
Change in Net Deferred Income Tax 2016	(67,222)
Change in nonadmitted assets and related items 2012	580,003
Change in nonadmitted assets and related items 2012	9,469,732
Change in nonadmitted assets and related items 2012	(360,299)
Change in nonadmitted assets and related items 2012	9,925,669
Change in nonadmitted assets and related items 2012	57,678
Dividends to Stockholders 2016	(30,000,000)
Total Changes to Surplus	$ (1,429,238)
Surplus at December 31, 2016	$ 20,489,544

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 STATEEMNT ITEMS

Note 1:
Schedule D – Bonds $9,790,059

As of December 31, 2016, the Company reported total bond investments with book adjusted carrying values in the amount of $9,790,059 and fair market values of $9,881,702.

Bonds were comprised of the following classes:

	Statement Value	% of Total
U.S. Government Bonds	$9,790,059	100%

All the bonds were categorized as Class 1 with respect to NAIC credit quality standards and were primarily publicly traded securities. Bond maturities were heavily weighted to the short-term relative to maturity with 1%, 93.7% and 5.2% maturing in less than on year, one to five years and five to ten years.

Note 2:

Losses	$ 34,819,267
Loss Adjustment Expenses	2,958,108

The Department contracted INS Consultants, Inc. ("INS"), to conduct an independent review of the loss and LAE reserves reported by CICO as of December 31, 2016. INS' analysis was performed using a risk-focused approach according to the guidelines contained in the NAIC Handbook. INS found that CICO's reserves as of December 31, 2016, are reasonably stated.

SUBSEQUENT EVENTS

On July 12, 2017, the Company filed an Amended and Restated Certificate of Incorporation of CICO with the State of Delaware Secretary of State. The amendment changed the address of the Company's registered office in the State of Delaware to 251 Little Falls Drive in the City of Wilmington and the County of New Castle. The Registered Agent in Delaware is Corporation Service Company whose mailing address in Delaware is 251 Little Falls Drive, Wilmington, Delaware 19808.

Pursuant to a Board Resolution dated May 19, 2017, the Company has relocated its main administrative office and primary location of its books and records and mailing address in New York City to 4 World Trade Center, 53rd Floor, 150 Greenwich Street, New York, New York 10007.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

The Company had the following recommendations in the prior examination report.

1. It is recommended that the Company disclose and update information related to all of its affiliated arrangements in its annual Form B and Form C filings to the Department pursuant to 18 *Del. Admin. C.* § 1801 and 18 *Del. C.* § 5005.
2. It is recommended the Company improve the quality of the supporting documentation for its Actuarial Opinion.
3. It is recommended the Company comply with the settlement provision of its affiliated administration agreement.

Based on work performed during the current examination the Company was in compliance with recommendations 1 and 2. The Company was not in compliance with recommendation 3 due to a change in the Company's operations, however, it was noted they were in compliance after the examination date.

CONCLUSION

The assistance and cooperation of the Department's consulting actuarial firm, INS, the Company's outside audit firm, PwC, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,

Richard Randour

Richard Randour, CFE, CPA
Examiner-In-Charge
Delaware Department of Insurance

Steve Guest, CFE, CPA, ACI
Supervisory Examiner
Delaware Department of Insurance