STATE OF NORTH DAKOTA

BISMARCK, NORTH DAKOTA

REPORT OF EXAMINATION

OF

AGRARIA
INSURANCE COMPANY

JAMESTOWN, NORTH DAKOTA

AS OF
DECEMBER 31, 2020

STATE OF NORTH DAKOTA

INSURANCE DEPARTMENT

I, the undersigned, Commissioner of Insurance of the State of North Dakota do hereby certify that I have compared the annexed copy of the Report of Examination of the

Agraria Insurance Company

Jamestown, North Dakota

as of December 31, 2020, with the original on file in this Department and that the same is a correct transcript therefrom and of the whole of said original.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in the City of Bismarck, this 1st day of March, 2022.

Jon Godfread
Insurance Commissioner

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Jamestown, North Dakota
November 17, 2021

Honorable Jon Godfread
Insurance Commissioner
North Dakota Insurance Department
600 East Boulevard Avenue
Bismarck, ND 58505-0320

Dear Commissioner:

Pursuant to your instructions and statutory requirements, an examination has been made of the books, records and financial condition of

Agraria Insurance Company
Jamestown, North Dakota

Agraria Insurance Company, hereinafter referred to as “AIC” or the “Company”, (also known as Farmers Union Mutual Insurance Company, or “FUMIC ND” until April 1, 2020) was last examined as of December 31, 2015, by the North Dakota Insurance Department, hereinafter referred to as the “Department.”

The present examination was conducted as of December 31, 2020, by representatives of the Department.

SCOPE OF EXAMINATION

This examination was a multi-state, risk focused financial condition examination conducted in accordance with N.D.C.C. (“N.D.C.C.”) § 26.1-03-19.3 and observed guidelines and procedures contained in the NAIC Financial Condition Examiners Handbook. The examination was conducted to determine the Company’s financial condition, its compliance with statutes, and to review its corporate affairs and insurance operations. This statutory examination covers the period of January 1, 2016 through December 31, 2020, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this statutory examination.

The examination was conducted in accordance with examination policies and standards established by the Department and procedures recommended by the NAIC. In accordance with the NAIC Financial Condition Examiners Handbook, the examination was planned and performed 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. The examination also included 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. Statements were prepared by management and are therefore the responsibility of management. 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.

A concurrent, coordinated examination was conducted on the following affiliated company:

Affiliate	Domicile
Farmers Union Mutual Insurance Company	Arkansas

STATUS OF PRIOR EXAMINATION FINDINGS

This examination included a review to determine the current status of the four exception conditions commented upon in the preceding Report on Examination which covered the period from January 1, 2011, to December 31, 2015. The Department determined that the Company had satisfactorily addressed all of these items

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings or material changes in the financial statements.

SUBSEQUENT EVENTS

No material subsequent events were noted.

HISTORY

General

The Company was incorporated on March 20, 1944, as a mutual insurance company under the laws of the State of North Dakota. The Company was founded by Farmers Educational and Cooperative Union of America, North Dakota Division ("NDFU") members in order to provide more insurance product options for Farmers Union Service Association, LTD ("FUSA") to market to its members. The Company is licensed to write property and casualty and accident and health business as specified in N.D.C.C. § 26.1-12-11.

On January 1, 2018, the Company affiliated with Farmers Union Mutual Insurance Company of Arkansas ("FUMIC AR"), in operation since 1934, via affiliation agreement, cost sharing and management agreement, and reinsurance pooling agreement.

On April 1, 2020, the Company reorganized into a mutual insurance holding company by creating Agraria Mutual Group, Inc. ("AMG"), a mutual holding company and Farmers Union Holding Company ("FUHC"), an intermediate stock holding company. The Company converted to a stock company and changed its name to Agraria Insurance Company ("AIC").

MANAGEMENT AND CONTROL

Shareholders

The Company is wholly owned by FUHC, which is wholly owned by the mutual holding company, AMG. Membership of AMG consists of all AIC policyholders. All of the Company's policyholders, are required to pay membership dues to NDFU, or their states' equivalent, based on their state of residence.

Board of Directors

The Company's business is managed by a Board of Directors consisting of nine members elected annually by FUHC. FUHC Directors are elected annually for one-year terms by the AMG Directors. For the purpose of electing AMG directors, members are assigned to one of the seven geographic NDFU districts; one director is chosen from each of the seven districts and two directors are elected at large. AMG and NDFU Director elections are carried at their respective annual meetings which are each held conterminously with the annual NDFU convention, thus requiring both entities' Director candidates and voting delegates to be members of NDFU and AIC policyholders.

The Bylaws require Directors to hold meetings at least quarterly at such time and place as the Board may fix by resolution.

At December 31, 2020, the Boards of Directors were consistent throughout the AMG and NDFU holding companies. Directors duly elected and serving at December 31, 2020, together with their addresses and business affiliations are as follows:

Name and Address	Business Affiliation
Mark Watne Jamestown, ND	President & Chairman NDFU and AMG companies
Robert Kuylen South Heart, ND	Farming
Wesley Niederman Elgin, ND	Farming/Ranching
Ronda Throener Cogswell, ND	Farming/Ranching
Shane G. Sickler Gladstone, ND	Farming/Ranching
Michelle L. Ziesch Pettibone, ND	Farming/Ranching
Robert Finken Douglas, ND	Farming

Tyler V. Stafslien Ryder, ND	Farming
Jon A. Iverson Langdon, ND	Farming

Officers

Officers are elected by the Board of Directors and serve until the next annual meeting of the Board. Elected officers serving with their respective duties as of December 31, 2020, are as follows:

Officer	**Title**
Mark Watne	President
Robert Kuylen	Vice President
Mark Anderson	Chief Executive Officer
Kristi Schlosser Carlson	Secretary
Tania Falk	Treasurer

Committees

Investment Committee

During the examination period, the Board designated an investment committee to manage and oversee the Company's investments and investment manager. As of December 31, 2020, the Investment Committee was comprised of:

Member	**Title**
Mark Watne	President
Robert Kuylen	Vice President
Mark Anderson	Chief Executive Officer
Tania Falk	Chief Financial Officer

Audit Committee

Since the reorganization, the AMG Audit Committee has served as the audit committee for the Company. During the period under examination the Company's independent auditor, Brady Martz & Associates, P.C. ("BMA"), conducted annual audits of the Company's books and records. During those audits, the main contacts were the CEO, Mark Anderson and the CFO, Tania Falk. The Company indicated that BMA conducts an exit interview with the Audit Committee, consisting of the full Board, at the completion of field work. Minutes concluded that BMA presented the Audit Reports from 2016 through 2020 to the Audit Committee.

CORPORATE RECORDS

Articles of Incorporation & Bylaws

The Articles of Incorporation and Bylaws were amended and restated in conjunction with the 2020 mutual holding company reorganization. Changes largely related to the structural change and no unusual or unexpected revisions were noted compared to the pre-reorganization Articles and Bylaws.

Board of Directors and Policyholders

The minutes of the Board of Directors and policyholders for the period under examination were read.

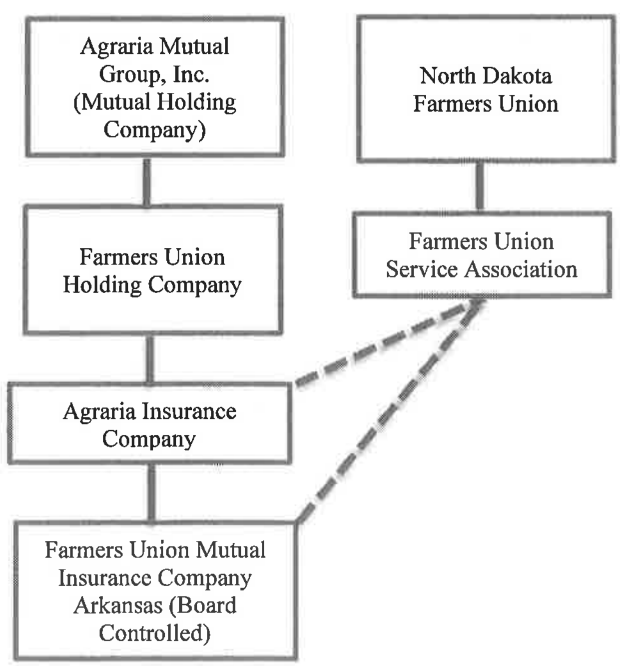
The minutes of the various meetings indicate that meetings were well attended and held in accordance with the Bylaws and Articles of Incorporation. The deliberations of the board were adequately documented and support the Company's transactions and events.

Conflict of Interest

The procedure for disclosure of any conflict requires that every director, officer, trustee, or responsible employee of the Company annually sign a conflict of interest form. The signed statements are reviewed by the Board of Directors. The conflict of interest statements for the years 2016 through 2020 were reviewed and no material conflicts were disclosed.

HOLDING COMPANIES, RELATED PARTIES, AND AFFILIATES

The relationship of the Company to its subsidiaries, related parties, and affiliates at December 31, 2020, is shown in the following organizational chart:



In 2020, the Company formed AMG, a mutual holding company, FUHC, an intermediate stock holding company, and changed its name to "Agraria Insurance Company." The Company's Form A testimony relating to this restructuring indicated the change was to facilitate capital raising options. At December 31, 2020, no material operations, other than those necessary to administer Company's functions, were noted within AMG or FUHC.

Farmers Union Mutual Insurance Company of Arkansas ("FUMIC AR")

The Company entered into an affiliation agreement with FUMIC AR on November 1, 2017. Key terms of this affiliation included Board control, a Cost Sharing and Management Agreement, and a Reinsurance Pooling Agreement.

At December 31, 2020, the AIC-FUMIC AR Affiliation Agreement did not address, define, or allow the specific "pre-pool" expenses outlined within the "Payroll & Travel Allocations" worksheet, which allocates expenses among the AMG Companies and the NDFU Companies, nor did it specify any basis, rate, or methods used to determine those allocations. Likewise, the Cost Sharing and Management Agreement addresses reimbursable expense allocations between the pool participants, but does not allow for or specify any "pre-pool" expense allocation, only "post-pool" allocations "based upon each company's pooling participation percentage as determined by the Pooling Agreement".

Under the terms of the Reinsurance Pooling Agreement at December 31, 2020, FUMIC AR agrees to cede 100 percent of its net premiums and losses to the Company's pool and receive a 3 percent retrocession. "Pre-pool" and other indirect expenses such as shared management, however, are allocated to FUMIC AR at a rate that is not specified or allowed in either the Cost Sharing and Management Agreement or the Reinsurance Pooling Agreement.

It is recommended that Management amend the AIC-FUMIC AR Cost Sharing and Management Agreement terms to allow allocation and reimbursement of "pre-pool" shared and indirect expenses as outlined within the "Payroll & Travel Allocations" worksheet.

The Examiners did note that transactions and conditions indicating the presence of an affiliated relationship between AMG and NDFU and its subsidiaries existed at December 31, 2020. The legal evaluation of the AMG Companies' relationship with NDFU and its subsidiaries was not specifically investigated or evaluated under the scope of this examination.

AFFILIATED AND RELATED PARTY SERVICE AGREEMENTS

Agency Contract

Effective April 1, 2020, the Company amended its exclusive agency agreement with FUSA. The Company's directors are elected by the Agraria Mutual Group members, and those individuals also served on the FUSA Board of Directors at December 31, 2020. Similarly, the CEO and CFO for the Company also served as officers of FUSA.

The Company appointed FUSA as its exclusive agent and representative. FUSA is responsible for entering into agreements with agents and assumes the obligation for compensating each appointee. FUSA provides all advertising, marketing and promotion of the Company's insurance policies. In return, the Company pays the FUSA agency a gross commission of 3 percent above the rate paid to the producing agents for its services. In addition, the Company will pay FUSA a contingency profit bonus of 25 percent of the combined pool's underwriting profit. Under this contract, the total amount paid by the Company to FUSA in 2020 was $11,490,173.

The examination noted that the FUSA agency contract did not specify base commission rates for the producing agents, only the over-ride rate for the FUSA agency and the profit-sharing rate. As the Company is bound to an exclusive distribution agreement with FUSA, a non-affiliated, related party, ambiguities surrounding the AIC-FUSA agency contract are a material, solvency concern.

The Company verbally represented to the Examiners that the 25 percent profit sharing program paid to the FUSA agency was available to be distributed to both FUSA and independent agents but did not fulfil a request for documentation supporting this assertion. The evaluation and review of the contracts and compensation paid to FUSA's contracted and independent agents was outside the scope of this examination, however, transactions and conditions indicating the presence of affiliated relationships among these entities did exist at December 31, 2020.

It is recommended that the Group revise its agency contracts with FUSA to specify the standard base commission rate and ensure agent compensation is fair, equitable, and arm's length.

Lease Agreement

The Company shares certain facilities with NDFU and FUSA. Effective January 1, 2020, the Company amended its January 1, 2016 property lease agreement with NDFU. The expenses related to these shared facilities are allocated by NDFU and FUSA to the Company and reimbursed, at cost, by the Company. In 2020, the Company paid expense reimbursements to NDFU totaling $456,388, including building rent of $19,808.75 monthly or $237,705 annually. The Company also paid $409,124 in expense reimbursements to FUSA.

Cost Allocation Agreement

Effective April 1, 2020, AMG, FUSA and NDFU entered into an agreement where services and assets may be made available on a cost-sharing basis. Under this agreement, the Providing Party must be able to demonstrate that the cost is necessary for the performance of the Receiving Party's operations, is not duplicative of services already being performed or assets already owned by the Receiving Party, and is reasonable and prudent.

Allocable costs under this agreement include the AMG annual member meeting, NDFU state convention, and employee payroll and travel expenses based on established allocation formulae that reflect fair economic apportionment of each cost, mutually agreed upon by the Providing and Receiving parties. Fixed assets are explicitly excluded from allocation under this agreement.

FUSA owns all of the office equipment, furniture and fixtures, automobiles and other fixed assets required for AMG entities to operate. AMG entities pay a rental charge of actual depreciation plus an interest rate factor at the prime-lending rate as of September 30th of the calendar year applied to the net book value of the rented assets. The 2020 rent expense totaled $135,093.

The 2020 allocated technology and other expenses for the Company were $368,874 from FUSA and $34,526 from NDFU.

Shared services, particularly salaries, are not properly allocated among NDFU, FUSA, and the AMG companies. Issues identified include:

- CEO interview disclosed an AMG/FUSA time allocation that did not follow the amounts actually expensed to these two entities.
- CFO allocation of 25 percent of all indirect expenses among NDFU, AIC, FUMIC AR, and FUSA is unreasonable considering the size and scope differences of each entity.

Per SSAP 70, expense allocations:

> "should be based on a method that yields the most accurate results."

It is recommended that the Group conduct an expense time study for all individuals within the group who have time-based salary allocations, and submit the results to the Department to ensure accurate expense allocations among holding company and non-holding company entities, pursuant to SSAP 70.

<u>**Other Affiliated or Related Party Transactions**</u>

Article IV of the Bylaws requires that all policyholders of the Company be members of NDFU or another state Farmers Union as may be determined by the board. In 2020, the Company remitted $729,250 representing membership dues.

Article VII of the Bylaws provides that the directors shall set aside a sum equal to five percent of the annual net income of the Company before taxes as an educational fund to be used in teaching cooperation, all of which shall be paid to NDFU. Educational fund expenses for 2020 were $483,088.

FIDELITY BOND AND OTHER INSURANCE

At December 31, 2020, the Company was protected against fraudulent or dishonest acts of its employees by a fidelity bond. The bond insures the Company and affiliates up to $1,500,000, which is in compliance with the NAIC suggested minimum amount of fidelity insurance.

The Company has other types of coverage including: cyber liability, professional liability, directors and officers liability, and employment practices liability.

STATUTORY DEPOSITS

The book value of securities held in a custodial account and vested with the North Dakota Insurance Commissioner for the benefit of all policyholders totaled $1,000,000 at December 31, 2020.

TERRITORY AND PLAN OF OPERATION

At December 31, 2020, the Company was authorized to transact the business of insurance in North Dakota, South Dakota, Iowa, Wisconsin, and Utah, but only produced business in North Dakota. As of September 30, 2021, the Company also insured South Dakota and Utah risks.

The Company also assumed risks, including crop hail and private passenger auto, from insureds outside of its direct writing territory.

The primary lines of business written by the Company consists of farmowners, homeowners and commercial multiple perils. As noted above, the Company has an exclusive agency agreement with its affiliate, FUSA, for sale of the Company's products.

REINSURANCE

The Company's ceded reinsurance program is managed and brokered by reinsurance intermediary, Holborn Corporation. The following is a summary of the Company's significant reinsurance treaties in force at December 31, 2020:

Reinsurance Ceded

Type	Limit	Retention	Premium Rate	Minimum Premium
Casualty Excess of Loss	$ 850,000	$ 250,000	5.15%	$ 416,120
Casualty Clash	2,000,000	1,100,000	0.89%	22,500
Property Per Risk	4,500,000	500,000	1.63%	872,000
1st Excess Catastrophe*	17,000,000	3,000,000	6.54%	3,447,600
2nd Excess Catastrophe*	35,000,000	20,000,000	1.40%	737,100
3rd Excess Catastrophe*	15,000,000	55,000,000	0.44%	292,500
4th Excess Catastrophe*	5,000,000	70,000,000	0.13%	85,313
Aggregate Catastrophe	5,000,000	12,000,000	2.58%	1,360,000
Aggregate Stop Loss	7,800,000	75% Loss Ratio	0.85%	442,000
Total				$7,675,113

*Excess catastrophe limits are 97.5% of stated amount. The four shaded excess catastrophe layers work together and can also be considered as one "tower" of $75 million of coverage in excess of a $3 million catastrophe claim event.

Reinsurance Assumed

The Company assumed risks, including crop hail and private passenger auto, from other insurers under various contracts. None of these contracts were considered significant to warrant inclusion within this report.

All treaties contained an insolvency clause and entire agreement clause as required by N.D.C.C. § 26.1-02-21.

ACCOUNTS AND RECORDS

The Company's accounting procedures, internal controls, and transaction cycles were reviewed during the course of the examination.

The Company is audited annually by an outside firm of independent certified public accountants. The work papers of this firm were made available to the Examiners and were used to extent deemed appropriate for this examination.

Safekeeping Agreement

During the period under examination, the Company's securities were held by The Bank of North Dakota ("BND") and National Financial Services, LLC ("Fidelity"). The Company has safekeeping agreements in place with both BND and Fidelity that contained all of the provisions required by N.D. Admin. Code § 45-03-23-02.

Third-Party Agreements

During the period under examination, the Company used the services of Holborn Corporation as reinsurance intermediary and Stonebridge Capital Advisors, L.L.C as investment advisor. The Company also used the services of the independent claims adjusting firm, Heinrich & Company to assist with claim adjustment overflow.

Internal Complaints Log

At December 31, 2020, the Company had a complaints log that was compliant with N.D.C.C. § 26.1-01-03(10). Complaints logged during the examination period were reviewed and found to be adequately remediated.

FINANCIAL STATEMENTS

The following pages present a Statement of Assets, Liabilities, Surplus, and Other Funds as of December 31, 2020. This statement is followed by supporting statements and reconciliations presented in the following order:

Summary of Income, Year 2020
Reconciliation of Capital and Surplus, January 1, 2016, through December 31, 2020

These financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2020. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Agraria Insurance Company
Statement of Assets
December 31, 2020

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$87,346,455		$87,346,455
Stocks:			
Common	25,772,922		25,772,922
Cash	25,682,237		25,682,237
Investment Income Due and Accrued	848,201		848,201
Premiums in Course of Collection	1,763,617	$1,485	1,762,132
Installments Booked but Deferred and Not Yet Due	5,042,682		5,042,682
Amounts Recoverable from Reinsurers	348,208		348,208
Funds Held by Reinsured Companies	5,380,856		5,380,856
Other Reinsurance Receivables	20,459		20,459
Federal and Foreign Tax Recoverable	202,105		202,105
Net Deferred Tax Asset	2,163,826		2,163,826
Electronic Data Processing Equipment and Software	7,148,558	7,148,558	
Receivable from Parent, Subsidiaries and Affiliates	60,739		60,739
Prepaid Expenses	238,609	238,609	
TOTAL ADMITTED ASSETS	$162,019,474	$7,388,652	$154,630,822

Agraria Insurance Company
Statement of Liabilities, Surplus, and Other Funds
December 31, 2020

Losses		$12,305,247
Reinsurance Payable on Paid Losses and Loss Adjustment Expenses		1,337,000
Loss Adjustment Expenses		1,189,077
Commissions Payable		3,057,008
Other Expenses		1,989,481
Taxes, Licenses, and Fees		747,416
Unearned Premiums		41,522,213
Advance Premium		1,982,368
Ceded Reinsurance Premiums Payable		1,421,000
Funds Held by Company Under Reinsurance Treaties		251,000
Remittances and Items Not Allocated		14,897
Payable to Parent, Subsidiaries, or Affiliates		74,373
Aggregate write-ins for other liabilities:		
Minimum Pension Liability		2,444,458
Reinsurance Pool General Expense Payable		233,087
Total Liabilities		68,568,625
Common Capital Stock	$ 1,000	
Unassigned Funds (Surplus)	86,061,196	
Surplus as Regards Policyholders		$86,062,197
TOTAL LIABILITIES, CAPITAL, AND SURPLUS		$154,630,822

Agraria Insurance Company
Statement of Income
December 31, 2020

Underwriting Income

Premiums earned		$80,998,659
Deductions:		
Losses	$47,465,902	
Loss Adjustment Expenses Incurred	5,388,904	
Other Underwriting Expenses Incurred	26,027,360	
Total Underwriting Deductions		78,882,166
Net Underwriting Gain or (Loss)		$ 2,116,493

Investment Income

Net investment income earned	$ 2,404,044	
Net realized capital gains (losses)	73,408	
Net investment gains (losses)		$ 2,477,452

Other Income

Miscellaneous Income	$(1,403)	
Total Other Income		$(1,403)
Net Income Before Federal Income Taxes		4,592,542
Federal and Foreign Income Taxes Incurred		1,169,708
Net Income		$3,422,834

Agraria Insurance Company
Reconciliation of Capital and Surplus Account
January 1, 2016, Through December 31, 2020

	2016	2017	2018	2019	2020
Capital and Surplus, December 31, Prior Year	$61,159,643	$63,605,847	$69,832,376	$74,272,770	$80,934,652
Net Income	1,310,757	5,572,829	5,189,689	5,435,133	3,422,834
Net Unrealized Capital Gains or (Losses)	300,346	1,391,890	(1,360,938)	3,385,073	3,439,240
Net Deferred Income Tax Change	(553,071)	(1,939,669)	(9,053)	877,3778	616,291
Change in Nonadmitted Assets	2,012,560	1,680,561	652,353	(2,805,532)	(1,945,037)
Transferred from Surplus (Stock Dividend)		0	0	0	1,000
Transferred from Capital (Stock Dividend)		0	0	0	(1,000)
Dividends to Stockholders	0	0	0	0	(30,000)
Aggregate Write-ins for Gains and (Losses) in Surplus	(624,389)	(479,082)	(31,657)	(230,169)	(375,784)
Change in Surplus for the Year	2,446,203	6,226,529	4,440,394	6,661,882	5,127,545
Capital and Surplus, December 31, Current Year	$63,605,847	$69,832,376	$74,272,770	$80,934,652	$86,062,197

CONCLUSION

The financial condition of the Company, as of December 31, 2020, as determined by this examination is summarized as follows:

Admitted Assets		$154,630,822
Total Liabilities	$68,568,626	
Total Capital and Surplus	86,062,196	
Liabilities, Capital and Surplus		$154,630,822

No adjustments of the balance sheet amounts reported by the Company in its 2020 Annual Statement were made by this examination.

Since the last examination conducted as of December 31, 2015, the Company's admitted assets have increased $45,745,101, its total liabilities have increased $20,842,548, and its surplus as regards policyholders has increased $24,902,553.

In addition to the undersigned, Joseph Detrick, CPA, CISA, CFE, AES and Jenny Jeffers, CISA, AES of Jennan Enterprises, Clarissa Crisp, CFE, Mark Griggs, CPA, CFE, Andrew Chandler, ACAS, MAAA, and Andy Bougie, CFE, CIA, CFE of Risk and Regulatory Consultants, LLC and North Dakota Insurance Department Chief Examiner Matt Fischer, CFE participated in this examination.

The courteous cooperation extended by the officers and employees of the Company during the course of the examination is gratefully acknowledged.

Respectfully submitted,

Colton Schulz, CFE, CFE (Fraud)
Supervising Examiner
North Dakota Insurance Department

COMMENTS & RECOMMENDATIONS

It is recommended that Management amend the AIC-FUMIC Cost Sharing and Management Agreement terms to allow allocation and reimbursement of "pre-pool" shared and indirect expenses as outlined within the "Payroll & Travel Allocations" worksheet.

It is recommended that the Group revise its agency contracts with FUSA to specify the standard base commission rate and ensure agent compensation is fair, equitable, and arm's length.

It is recommended that the Group conduct an expense time study for all individuals within the group who have time-based salary allocations and submit the results to the Department to ensure accurate expense allocations among holding company and non-holding company entities, pursuant to SSAP 70.

EXHIBIT
A

The written rebuttal received by the Department was removed at the request of the Company.