STATE OF MISSOURI

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DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

RE: Examination Report of Caterpillar Insurance Company as of December 31, 2005

ORDER

After full consideration and review of the report of the financial examination of Caterpillar Insurance Company for the period ended December 31, 2005, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Douglas M. Ommen, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo., adopt such report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, the findings and conclusions of the examination report are incorporated by reference and deemed to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo.

Based on such findings and conclusions, I hereby ORDER Caterpillar Insurance Company, to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) implement, and verify compliance with, each item mentioned in the General Comments and/or Recommendations section of such report; (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this March 7, 2007.

Douglas M. Ommen

DOUGLAS M. OMMEN, Director
Department of Insurance, Financial Institutions
and Professional Registration

REPORT OF
FINANCIAL EXAMINATION

CATERPILLAR INSURANCE COMPANY

As Of
December 31, 2005

STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

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December 19, 2006
St. Louis, Missouri

Honorable Alfred W. Gross, Commissioner
State Corporation Commission
Bureau of Insurance
Commonwealth of Virginia
Chair of the NAIC Financial Condition (E) Committee

Honorable Ann Womer Benjamin, Director
Ohio Department of Insurance
Secretary of the Midwestern Zone, NAIC

Honorable Douglas M. Ommen, Director
Department of Insurance, Financial Institutions and Professional Registration
301 West High Street, Room 630
Jefferson City, MO 65101

Lady and Gentlemen:

In accordance with your financial examination warrant, a comprehensive financial examination has been made of the records, affairs and financial condition of

Caterpillar Insurance Company

also referred to as "Caterpillar" or the "Company." The Company's administrative office is located at 2120 West End Avenue, Nashville, Tennessee 37203, telephone number (615) 341-8147. This examination began on August 14, 2006 and concluded December 19, 2006.

SCOPE OF EXAMINATION

Period Covered

The previous examination of Caterpillar Insurance Company was performed as of December 31, 2002. The examination was conducted by examiners from the state of Missouri.

The current full scope association financial examination covers the period from January 1, 2003 through December 31, 2005. The examination was conducted by examiners from the Missouri Department of Insurance, Financial Institutions and Professional Registration ("the Department") representing the Midwestern Zone of the NAIC. No other zones participated in this examination.

This examination also included material transactions or events occurring after December 31, 2005.

COMMENTS PRIOR EXAMINATION

The comment and recommendation from the prior Report of Financial Examination, as of December 31, 2002, is listed below. The Company's response and the item's current status are also indicated.

Comment: Conflict of interest
"It is recommended that the Company obtain annual disclosure of conflict of interest statements from its directors, officers and senior managers. These statements should be retained and should be available for review during the financial examinations."

Response:
"We agree with the examination results and intend to implement a system to maintain annual conflict of interest statements for the officers and directors of Caterpillar Insurance Company within our Legal Department in Nashville. They will be made available for review during financial examinations in accordance with the Examination Report recommendations."

Current status:
The Company appears to have complied with the recommendation from the prior examination report.

HISTORY

General

On March 2, 2000, Caterpillar Insurance Holdings Inc., a Delaware insurance holding company and a wholly owned subsidiary of Caterpillar Inc., filed a Form A with the Department to acquire Integral Insurance Company. On April 4, 2000, the Department approved the acquisition. On June 1, 2000, the acquisition was completed. The name of the Company was changed to Caterpillar Insurance Company on June 5, 2000.

Capital Stock

The articles of incorporation authorize the Company to issue 5,000,000 shares of common stock with a par value of $3.50 per share. As of December 31, 2005, 1,000,000 shares were issued and outstanding resulting in common capital stock of $3,500,000. At year-end 2005, the Company also reported gross paid in and contributed surplus of $37,170,000. Capital contributions have been made as follows:

Year	Amount
2000	$4,500,000
2001	2,670,000
2003	15,000,000
2005	15,000,000
Total	$37,170,000

Dividends

The Company has not declared or paid any dividends to the stockholder since June 2000, when the Company was acquired by Caterpillar Insurance Holdings Inc.

Management

The Board of Directors consists of nine members duly elected at the annual meeting of the stockholder as authorized by the Company's articles of incorporation. The directors duly elected and serving as of December 31, 2005, were as follows:

Name and Address	Affiliation
Kent M. Adams Brentwood, TN	President Caterpillar Financial Services Corporation
David L. Bomberger Peoria, IL	President Caterpillar Investment Management Ltd.
Brian P. LePage Franklin, TN	Vice-President (Chief Actuary) Caterpillar Insurance Company
Steven B. Resnick Brentwood, TN	Vice-President (Treasurer) Caterpillar Insurance Company
Larry K. Smith Unionville, TN	Vice-President Caterpillar Insurance Company
Lavona G. Russell Brentwood, TN	Vice-President (Operations) Caterpillar Insurance Company
Jeffrey L. Pridgen Brentwood, TN	Vice-President Caterpillar Insurance Company
James R. Bynum Brentwood, TN	Vice-President Caterpillar Insurance Company
Michael D. Reeves Smyrna, GA	President Caterpillar Insurance Company

The officers elected and serving as of December 31, 2005, were as follows:

Name	Office
Michael D. Reeves	President
Donald J. Meyers	Secretary
Steven B. Resnick	Treasurer

Conflict of Interest

The Company's ultimate parent, Caterpillar Inc., has established a "Code of Worldwide Business Conduct." Each year, senior company managers are required to affirm their knowledge and understanding of the Code of Conduct and to report any events or activities that might cause an impartial observer to conclude that the Code has not been followed. These affirmations are sent to the Director, Office of Business Practices for review.

The affirmations provided by the Company's officers and directors were reviewed for the period under examination. There were no exceptions noted on any of the affirmations.

Corporate Records

The Company's articles of incorporation and by-laws were reviewed. There were no changes to either the articles or the by-laws during the examination period.

The minutes of the meetings of the Stockholder and of the Board of Directors were also reviewed for the period under examination. The minutes appeared to properly document and approve applicable corporate events and transactions.

Acquisitions, Mergers, and Major Corporate Events

None.

Surplus Debentures

On April 15, 2004, the Department approved the issuance of a surplus note from the Company to Caterpillar Financial Services Corporation, the principal amount not to exceed $50 million. On July 29, 2004, the Department approved the repayment of $35 million of principal. On August 1, 2005, the Company, with Department approval, repaid $15 million of principal plus interest of $1,789,667. At year-end 2005, the Company had no outstanding surplus debentures.

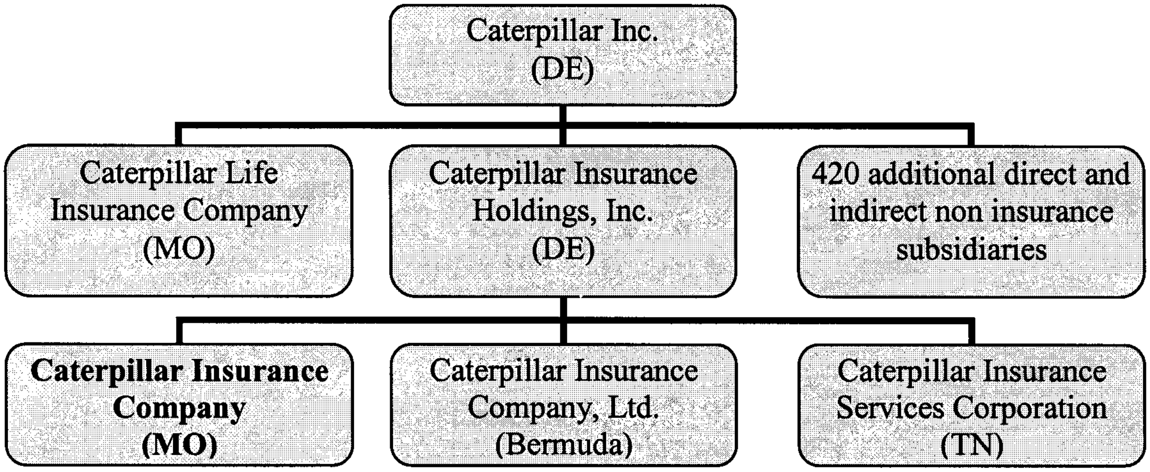
AFFILIATED COMPANIES

Holding Company, Subsidiaries and Affiliates

The Company is a member of an insurance holding company system as defined by Section 382.010 RSMo. The ultimate controlling person in the insurance holding company system is Caterpillar, Inc., a publicly traded corporation primarily engaged in manufacturing commercial construction equipment and engines.

Organizational Chart

The organizational chart below represents the companies within the insurance holding company system of Caterpillar, Inc. All subsidiaries are wholly owned. A complete list of all companies within the holding company system is included within the annual statement.



Intercompany Transactions

During the period under examination the Company was party to the following intercompany management and services agreements.

Tax Sharing Agreement

On June 1, 2000, the Company entered into a Tax Sharing Agreement with Caterpillar Insurance Holdings Inc. Under the agreement, the parties file a consolidated federal income tax return. Taxes are allocated on a separate return basis with current credit for any net operating loss or other items utilized in the consolidated return.

Investment Management Agreement

On June 1, 2000, the Company appointed Caterpillar Investment Management Ltd. as investment manager with full and complete discretionary power and authority to manage the Company's investments. Caterpillar Investment Management Ltd.'s authority includes, but is not limited to, selection of investments per the investment policy; sale of assets and reinvestment of proceeds; selection of brokers; and establishment of terms and conditions for making investments. The investment management fee, payable quarterly, is based upon the market value of assets, with separate fee schedules for fixed income and equity investments. The Company incurred $142,150 in investment management fees in 2005.

General Agency Agreement

On April 1, 2003, the Company entered into a General Agency Agreement with Caterpillar Insurance Services Corporation. Under the agreement, Caterpillar Insurance Services Corporation solicits, receives and accepts proposals and binds contracts for insurance under all lines which the Company is authorized to write. Caterpillar Insurance Services Corporation also collects and remits premium to the Company. Fees related to this agreement are paid under the Management Agreement described below.

Program Administrative Agreement

On January 1, 2003, the Company entered into a Program Administrative Agreement with Caterpillar Product Services Corporation. Under the terms of the agreement, Caterpillar Product Services Corporation will charge and collect service contract fees, administer contract holder claims and maintain accurate records in connection with the Company's issuance of contractual liability insurance policies to Caterpillar Product Services Corporation. Fees related to this agreement are paid under the Management Agreement described below.

Management Agreement

On June 1, 2005, the Company, Caterpillar Life Insurance Company, Caterpillar Insurance Company Ltd. and Caterpillar Product Services Corporations (collectively, the "members") entered into a Management Agreement with Caterpillar Insurance Services Corporation, Caterpillar Insurance Holdings Inc., Caterpillar Financial Services Corporation and Caterpillar Inc. (collectively, the "providers"). Under the agreement, the providers furnish the members with necessary services including, but not limited to, financial management, warranty administration, risk management and reinsurance, actuarial services, human resources, internal audit, information technology, communication services, purchasing services and mailing and central processing facilities. Members pay the providers a monthly fee equal to the cost of the services provided. The allocation of shared expenses is consistent with provisions of Regulation 30 of the New York Insurance Department.

Fees paid under the Management Agreement were $8,042,819 in 2005; $8,360,148 in 2004 and $883,406 in 2003.

FIDELITY BOND AND OTHER INSURANCE

The Company is a named insured on a Crimeguard policy purchased by Caterpillar Inc. with a limit of $25 million and a deductible of $5 million. The limit exceeds the NAIC suggested minimum. However, the high deductible creates a gap between the NAIC suggested minimum and the Company's coverage.

The Company is also a named insured on an Executive and Organization Liability policy purchased by its parent. The policy provides an aggregate limit of liability of $20 million with a $2.5 million deductible ($10 million deductible for securities claims).

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no employees. Services are provided to the Company by employees of affiliates under agreements described in "Intercompany Transactions". Employees of the affiliates are provided benefits typical of the industry: medical benefits (including vision and dental care), retirement benefits, a 401(k) plan, incentive compensation, life insurance, disability insurance, family and medical leave, vacation, paid holidays, educational assistance, employee assistance and flexible spending accounts.

STATUTORY DEPOSITS

Deposits with the State of Missouri

The funds on deposit with the Department of Insurance, Financial Institutions and Professional Registration as of December 31, 2005, as reflected below, were sufficient in par and market value to meet the minimum requirement of $1,200,000 in accordance with Section 379.098 RSMo – Security Deposits.

Type of Security	Par Value	Market Value	Statement Value
US Treasury Note	$ 2,550,000	$ 2,528,274	$2,557,920

Deposits with other states

The Company also has funds on deposit with various other states. Those funds on deposit (including $2,532 in money market accounts) as of December 31, 2005, were as follows:

State	Security	Par Value	Market Value	Statement Value
Alabama	US Treasury Note	$ 1,025,000	$ 1,025,164	$ 1,023,095
Arizona	US Treasury Note	105,000	105,542	106,296
Florida	US Treasury Note	260,000	255,502	260,081
Georgia	US Treasury Note	40,000	39,985	40,450
Idaho	Valley & Adams ID	255,000	252,572	260,502
Louisiana	US Treasury Note	75,000	74,361	75,233
Maine	US Treasury Note	305,000	302,401	305,947
Massachusetts	US Treasury Note	560,000	555,649	560,288
Nevada	US Treasury Note	205,000	203,407	205,169
New Hampshire	US Treasury Note	505,000	501,293	504,923
New Mexico	US Treasury Note	310,000	307,725	309,953
North Carolina	US Treasury Note	135,000	134,744	136,313
Oregon	US Treasury Note	310,000	304,637	310,097
	Valley & Adams ID	115,000	113,905	117,481
South Carolina	US Treasury Note	210,000	206,367	210,066
Virginia	US Treasury Note	510,000	501,177	510,160
Totals		$ 4,925,000	$ 4,884,431	$ 4,936,054

INSURANCE PRODUCTS AND PRACTICES

Territory and Plan of Operations

The Company is licensed in Missouri under Chapter 379 RSMo (Insurance other than life) to write property, liability, fidelity and surety, accident and health and miscellaneous insurance. The Company is also licensed in the District of Columbia and all other states, except Rhode Island.

The Company provides various forms of insurance to Caterpillar Inc. customers and dealers to support the purchase or lease of Caterpillar Inc. equipment. The Company writes dealer equipment policies covering property damage exposure to Caterpillar dealers' inventories (floor plan). The Company writes contractual liability policies covering extended service contracts and warranties on Caterpillar equipment and engines. The Company writes inland marine coverage for contractors' equipment.

The Company also provides group accident and health coverage to retirees of Caterpillar Inc. This business, stop-loss medical coverage issued to a voluntary employee benefit association (VEBA), is 100% ceded to Caterpillar Life Insurance Company, an affiliate.

Policy Forms and Underwriting; Advertising and Sales Materials; Treatment of Policyholders

The Department of Insurance, Financial Institutions and Professional Registration has a separate market conduct staff that performs a review of these issues and generates a market conduct report. There has been no market conduct examination of the Company since its inception.

REINSURANCE

General

The Company's reinsurance and premium activity on a direct written, assumed and ceded basis for the period under examination is detailed below:

	2003	2004	2005
Direct written premiums	$ 99,931,135	$ 233,150,004	$ 149,274,439
Reinsurance assumed	-	3,261,836	(540,790)
Reinsurance ceded	84,849,023	198,134,988	101,024,355
Net written premiums	$ 15,082,112	$ 38,276,852	$ 47,709,294

Assumed

The Company assumes business under a fronting arrangement with ACE INA Overseas Insurance Company, Ltd. (Bermuda). The arrangement covers policies written in states where the Company was not licensed: Connecticut in 2004 and Rhode Island in 2004 and 2005.

Ceded

Quota Share Agreement (1)

The Company is party to a quota share agreement with Caterpillar Life Insurance Company, an affiliate. Under the agreement, the Company cedes 100% of Retiree Medical coverage to Caterpillar Life Insurance Company. The Company receives ceding commission equal to 5% of gross written premium. Premiums ceded under this contract were $103,800,000 in 2004 and $0 in 2005.

Quota Share Agreement (2)

The Company is party to a quota share agreement with an affiliate, Caterpillar Insurance Company Ltd., (Bermuda). Under the agreement the Company cedes 90% of non-excluded business in all states except California, Florida and Wyoming. The ceding percentages for those states are 50%, 49% and 79%, respectively. The agreement covers the Company's warranty programs for engines and machinery. Among the excluded lines of business are inland marine, including Contractors' Equipment and Dealer Floor Plan, and accident and health, including Retiree Medical coverage. The Company receives ceding commission of 5% of gross written premium. Ceded premiums under this agreement were $84,820,335 in 2003; $88,156,692 in 2004 and $94,278,993 in 2005. At year-end 2005; $203,434,000 was recoverable under this agreement which was collateralized by a trust agreement.

Excess of Loss

Through an intermediary, Willis Re, the Company and its affiliate, Caterpillar Insurance Company Ltd. (Bermuda) are parties to First Property per Risk and Second Property per Risk Excess of Loss agreements. The reinsurers include domestic and foreign companies. The agreements cover excess liability under policies classified as Inland Marine, Contractors Equipment Physical Damage or Dealer Floor Plan and Inventory Protection Plan business. The contracts include an unauthorized reinsurance clause requiring unauthorized reinsurers to fund reserves for losses and loss adjustment expenses through funds withheld, cash advances or letters of credit.

Under the First Property per Risk agreement, the Company retains $200,000 each risk, each loss. The reinsurers have a limit of liability of $4.8 million each risk, each loss with a $9.6 million limit for any one loss occurrence. The reinsurers' limit of liability for all losses occurring during the contract period is $19.2M. Premiums under the agreement are equal to 13.793% of gross net written premium subject to a minimum premium of $3,464,800.

Under the Second Property per Risk agreement, the Company retains $5 million each risk, each loss. The reinsurers have a liability limit of $5 million each risk, each loss with a $5 million limit for any one occurrence. The reinsurers' total limit of liability is $10 million for all losses occurring during the contract period. Premiums under the agreement are equal to 2.307% of gross net earned premium subject to a minimum premium of $260,000.

Property Catastrophe Excess of Loss

Through an intermediary, Willis Re, the Company and its affiliate, Caterpillar Insurance Company Ltd. (Bermuda) are parties to a Property Catastrophe Excess of Loss agreement. The reinsurers include domestic and foreign companies. The agreements cover excess liability under policies classified as Inland Marine, Contractors Equipment Physical Damage or Dealer Floor Plan and Inventory Protection Plan business. The contract includes an unauthorized reinsurance clause requiring unauthorized reinsurers to fund reserves for losses and loss adjustment expenses through funds withheld, cash advances or letters of credit.

The agreement provides three layers of coverage. The Company's three retention levels are $1 million (layer 1), $5 million (layer 2) and $10 million (layer 3). The reinsurers' limits, each occurrence, are: $4 million (layer 1), $5 million (layer 2) and $5 million (layer 3). The reinsurers' limits, all loss occurrences, are: $8 million (layer 1), $10 million (layer 2) and $10 million (layer 3). Premiums, based upon gross net earned premium, are 3.191% (layer 1), 1.95% (layer 2), and 1.064% (layer 3), with minimum premiums of $360,000, $219,960 and $120,000 per layer, respectively.

ACCOUNTS AND RECORDS

The Company's financial statements for the period January 1, 2003 to December 31, 2005, were audited by PricewaterhouseCoopers LLP, Certified Public Accountants. Reserves and related actuarial items as of December 31, 2005, were reviewed and certified by Brian P. LePage, ACAS, MAAA, Vice-President and Chief Actuary of the Company.

The Department retained Jon Michelson, FCAS, MAAA, of Expert Actuarial Services, LLC, to review the adequacy of the Company's reserves and related liabilities. Mr. Michelson found that the Company's year end reserves: met the requirements of Missouri insurance laws; were computed in accordance with accepted actuarial standards and practices; made a reasonable provision, in the aggregate, for the Company's loss and loss expense obligations under its contracts; and, made reasonable provision for the long-duration unearned premium obligations of the Company under its contracts.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company as of December 31, 2005, and the results of operations for the year then ended. Any examination adjustments to the amounts reported in the annual statement or comments regarding such are made in the "Notes to the Financial Statements" which follow the Financial Statements.

There may have been additional differences found in the course of this examination which are not shown in the "Notes to the Financial Statements." These differences were determined to be immaterial in relation to the financial statements and therefore were only communicated to the Company and noted in the workpapers for each individual annual statement item.

ASSETS

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 92,178,756	$ -	$ 92,178,756
Cash and short-term investments	11,538,212	-	11,538,212
Receivables for securities	1,056,034	-	1,056,034
Investment income due and accrued	650,301	-	650,301
Uncollected premiums	6,680,895	-	6,680,895
Deferred premiums	496,432	49,643	446,789
Amounts recoverable from reinsurers **NOTE 1**	10,895,769	-	10,895,769
Net deferred tax asset	4,708,416	2,571,350	2,137,066
Guaranty funds receivable or on deposit	15,016	-	15,016
Receivables from parent; subsidiaries and affiliates	56,050	-	56,050
Prepaid expenses	193,917	193,917	-
Premium tax refund **NOTE 2**	1,797,432	-	1,797,432
Advance claims payments	604,986	-	604,986
Totals	$ 130,872,216	$ 2,814,910	$ 128,057,306

LIABILITIES, SURPLUS AND OTHER FUNDS

Losses	$ 10,319,394
Loss adjustment expenses	140,457
Other expenses	115,000
Taxes; licenses and fees **NOTE 2**	-
Current federal and foreign income taxes	1,424,323
Unearned premiums	62,420,180
Ceded reinsurance premiums payable **NOTE 1**	14,429,344
Payable to parent; subsidiaries and affiliates	1,149,042
Premium Deficiency	4,126
Deferred ceding commissions	2,186,877
Total liabilities	$ 92,188,743
Common capital stock	$ 3,500,000
Gross paid in and contributed surplus	37,170,000
Unassigned funds (surplus)	(4,801,437)
Surplus as regards policyholders	$ 35,868,563
Totals	$ 128,057,306

INCOME STATEMENT

Premiums earned	$	28,556,230
Losses incurred		22,632,642
Loss expenses incurred		575,173
Other underwriting expenses incurred		8,403,873
Premium deficiency		(750,778)
Total underwriting deductions		30,860,910
Net underwriting gain (loss)		(2,304,680)
Net investment income earned		2,929,870
Net realized capital gains		55,890
Net investment gain		2,985,760
Miscellaneous Income		12,859
Total other income		12,859
Net income before dividends to policyholders		693,939
Dividends to policyholders		-
Net income; after dividends to policyholders		693,939
Federal and foreign income taxes incurred		1,528,641
Net income	$	(834,702)

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders; December 31 prior year	$ 37,842,896
Net income	(834,702)
Change in net deferred income tax	1,923,135
Change in nonadmitted assets	(1,273,099)
Change in surplus notes	(16,789,667)
Surplus adjustments paid in	15,000,000
Change in surplus as regards policyholders for the year	(1,974,333)
Surplus as regards policyholders; December 31 current year	$ 35,868,563

EXAMINATION CHANGES

Surplus as regards policyholders per Company, December 31, 2005:

Common capital stock		$ 3,500,000	
Gross paid in and contributed surplus		37,170,000	
Unassigned funds (surplus)		(4,801,437)	
Total surplus as regards policyholders			$ 35,868,563

	Increase Surplus	Decrease Surplus	
Amounts recoverable from reinsurers **NOTE 1**	10,895,769	-	
Ceded reinsurance premiums payable **NOTE 1**	-	10,895,769	
Premium tax refund **NOTE 2**	1,797,432	-	
Taxes; licenses and fees **NOTE 2**	-	1,797,432	
Totals	12,693,201	12,693,201	
Net Increase/(Decrease) in Surplus			-

Surplus as regards policyholders per Examination, December 31, 2005:

Total surplus per Company	$ 35,868,563	
Net Examination Change	-	
Total surplus per Examination		$ 35,868,563

NOTES TO FINANCIAL STATEMENTS

NOTE 1	Amounts recoverable from reinsurers	10,895,769
	Ceded reinsurance premiums payable	14,249,344

The Company netted reinsurance recoverables against ceded reinsurance premiums payable. SSAP 62, Property and Casualty Reinsurance specifically prohibits the netting of reinsurance recoverables and ceded premiums payable.

NOTE 2	Premium tax refund	1,797,432
	Taxes, licenses and fees	0

The Company reported a premium tax refund from the state of Missouri as a negative liability in the financial statements. The Company should have reported the refund as an asset.

GENERAL COMMENTS OR RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

None.

ACKNOWLEDGEMENT

The assistance and cooperation extended by Caterpillar Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, John Rehagen, AFE, and Michael Gruner, AFE, examiners for the Missouri Department of Insurance, Financial Institutions and Professional Registration participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I, Thomas J. Cunningham, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

Thomas J. Cunningham, CPA, CFE
Examiner-in-Charge
Missouri Department of Insurance, Financial Institutions and Professional Registration

Sworn to and subscribed before me this 20th day of December, 2006.
My commission expires:

1/17/08

Notary Public

LORETTA E. MUESSIG
Notary Public-Notary Seal
STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP. JAN. 17, 2008

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with the National Association of Insurance Commissioners procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

Christiana Dugopolski, CPA, CFE
Audit Manager
Missouri Department of Insurance, Financial Institutions and Professional Registration