

STATE OF MISSOURI



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

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

RE: Examination Report of United Dental Care of Missouri, Inc. as of December 31, 2010

ORDER

After full consideration and review of the report of the financial examination of United Dental Care of Missouri, Inc. for the period ended December 31, 2010, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, John M. Huff, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo., adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant findings, subsequent events, company history, corporate records, management and control, fidelity bond and other insurance, pension, stock ownership and insurance plans, territory and plan of operations, growth of the company and loss experience, reinsurance, accounts and records, statutory deposits, financial statements, financial statement changes resulting from examination, and comments on financial statement items.

Based on such findings and conclusions, I hereby ORDER, that the report of the Financial Examination of United Dental Care of Missouri, Inc. as of December 31, 2010, be and is hereby ADOPTED as filed and for United Dental Care of Missouri, Inc. 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, if any, mentioned in the Comments on Financial Statement Items and/or Summary of 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 15th day of November, 2011.



A handwritten signature in black ink, appearing to read "John M. Huff".

John M. Huff, Director
Department of Insurance, Financial Institutions
and Professional Registration

REPORT OF THE
FINANCIAL EXAMINATION OF
UNITED DENTAL CARE OF MISSOURI, INC.

AS OF
DECEMBER 31, 2010

FILED
NOV 25 2011
DIRECTOR OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION



STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION
JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

SCOPE OF EXAMINATION	2
PERIOD COVERED.....	2
PROCEDURES.....	2
RELIANCE UPON OTHERS	2
SUMMARY OF SIGNIFICANT FINDINGS	2
SUBSEQUENT EVENTS.....	3
COMPANY HISTORY.....	3
GENERAL.....	3
CAPITAL CONTRIBUTIONS	3
DIVIDENDS	3
MERGERS AND ACQUISITIONS	4
CORPORATE RECORDS.....	4
MANAGEMENT AND CONTROL.....	4
BOARD OF DIRECTORS	4
SENIOR OFFICERS.....	5
COMMITTEES	5
HOLDING COMPANY, SUBSIDIARIES AND AFFILIATES	5
ORGANIZATIONAL CHART.....	6
INTERCOMPANY TRANSACTIONS	6
FIDELITY BOND AND OTHER INSURANCE.....	8
PENSION, STOCK OWNERSHIP AND INSURANCE PLANS	8
TERRITORY AND PLAN OF OPERATIONS.....	8
GROWTH OF THE COMPANY AND LOSS EXPERIENCE.....	9

REINSURANCE.....	9
ACCOUNTS AND RECORDS	9
STATUTORY DEPOSITS	10
DEPOSITS WITH THE STATE OF MISSOURI.....	10
DEPOSITS WITH OTHER STATES.....	10
FINANCIAL STATEMENTS.....	10
ASSETS.....	11
LIABILITIES, SURPLUS AND OTHER FUNDS.....	11
STATEMENT OF INCOME.....	12
CAPITAL AND SURPLUS ACCOUNT	12
FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION.....	12
COMMENTS ON FINANCIAL STATEMENT ITEMS.....	12
SUMMARY OF RECOMMENDATIONS	12
ACKNOWLEDGMENT.....	13
VERIFICATION.....	13
SUPERVISION.....	14

Kansas City, MO
August 31, 2011

Honorable Joseph Torti, III, Deputy Director and
Superintendent of Banking and Insurance
Rhode Island Department of Business Regulation
Chair, NAIC Financial Condition (E) Committee

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
Midwestern Zone Secretary

Honorable John M. Huff, Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65102

Gentlemen:

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

United Dental Care of Missouri, Inc.

hereinafter referred to as such, as UDC, or as the Company. Its administrative office is located at 2323 Grand Boulevard, Kansas City, MO 64108, telephone number 816-474-2345. The fieldwork for this examination began on March 1, 2011, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

We have performed our full scope association financial examination of United Dental Care of Missouri, Inc. The last examination was completed as of December 31, 2005 and was conducted by examiners from the State of Missouri representing the Midwestern Zone of the National Association of Insurance Commissioners (NAIC) with no other zone participating. This examination covers the period of January 1, 2006 through December 31, 2010. The examination also includes the material transactions and/or events occurring subsequent to the examination date which are noted in this report.

Procedures

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (Handbook) except where practices, procedures and applicable regulations of the Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) and statutes of the State of Missouri prevailed. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company. After obtaining information, it was determined that a modified risk assessment approach would be the most effective and efficient examination approach considering the Company's corporate governance and business risks. This examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and annual statement instructions.

All accounts and activities of the Company were considered in accordance with the risk-focused examination approach. Key activities for UDC included: Investments, Claims, Premiums, Related Party Transactions, Federal Income Taxes, and Other Underwriting Expenses.

Reliance Upon Others

The examination relied heavily upon information provided by the Company and its management. Where the examiners have deemed appropriate, this information has been tested or verified with external sources. The examiners also relied upon information supplied by the Company's independent auditor, PricewaterhouseCoopers LLP (PWC), of Minneapolis, MN, for its audits covering the periods from January 1, 2009 through December 31, 2009 and January 1, 2010 through December 31, 2010. Information relied upon included fraud risk analysis, narrative descriptions of processes and controls, and legal representation letters.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2010 through the date of this report.

COMPANY HISTORY

General

United Dental Care of Missouri, Inc. was incorporated on January 26, 1993 under the general business laws of the State of Missouri. The Company obtained a prepaid dental insurer license on August 5, 1993, under Chapter 354 RSMo (Health Services Corporations--Health Maintenance Corporations--Prepaid Dental Plans). UDC is a prepaid dental plan that provides dental memberships to groups and individuals in Missouri and Kansas.

UDC was a wholly owned subsidiary of United Dental Care, Inc., which in turn was a wholly owned subsidiary of Protective Life Insurance Company (PLIC). Effective December 31, 2001, Fortis Inc. (Fortis) completed the acquisition of PLIC's Dental Benefits division, which included UDC. At the time, Fortis was a wholly owned subsidiary of Fortis N.V. and Fortis SA/NA. On February 5, 2004, Fortis was merged with and into Assurant, Inc. (Assurant) and an Initial Public Offering of Assurant stock was held. Fortis N.V. and Fortis SA/NA retained 36% ownership of Assurant until January 21, 2006 when Fortis N.V. and Fortis SA/NA sold an additional 20% of their ownership interests in a secondary public offering and concurrently sold exchangeable bonds, due January 28, 2008, which were mandatorily exchangeable for their remaining 16% ownership interest.

After the Fortis merger with Assurant, the Company was an indirect subsidiary of Assurant, Inc. Effective October 14, 2005, United Dental Care, Inc., the direct parent of UDC, merged into its direct parent, Dental Care Holdings, Inc. Dental Care Holdings, Inc. subsequently merged into Interfinancial, Inc. effective October 17, 2005, resulting in UDC becoming a wholly-owned subsidiary of Interfinancial, Inc.

Capital Contributions

The Company received a \$2,000,000 capital contribution from its parent company, Interfinancial, Inc., in the second quarter of 2006.

Dividends

No stockholder dividends were paid for the period under examination.

Mergers and Acquisitions

Effective January 21, 2006, Fortis SA/NV sold an additional 20% of its ownership interest in Assurant, Inc., in a second public offering. Concurrently, Fortis SA/NV sold exchangeable bonds, which were due January 28, 2008, that were mandatorily exchangeable for its remaining 16% ownership interest, leaving Assurant, Inc. as the ultimate controlling entity of UDC.

CORPORATE RECORDS

A review was conducted of the Articles of Incorporation and Bylaws for the examination period. The Articles of Incorporation were amended and restated effective May 28, 2008, changing the par value of the common stock to \$50, in order to comply with statutory requirements for capital of at least \$50,000 as required by Section 354.707.1 RSMo (Capital, Surplus, Security Required). No changes were made to the Company's Bylaws during the examination period.

The minutes of the Board of Directors' meetings and stockholder's meetings were reviewed for proper approval of corporate transactions. In general, the minutes appear to properly reflect and approve the Company's policies, investment transactions, and major transactions and events for the period under examination.

MANAGEMENT AND CONTROL**Board of Directors**

The management of the Company is vested in a Board of Directors appointed by the sole shareholder. The Bylaws specify that the number of Directors may be determined by resolution of the shareholders. The sole shareholder has determined the size of the Board shall be one, which as of December 31, 2010 was as follows:

<u>Name</u>	<u>Address</u>	<u>Title</u>
Stacia N. Almquist	Shawnee, KS	Board Member and President of UDC

The Board member is an Officer of the Company, indicating a lack of independence in the Company's governance. This is not unusual given the ownership structure of the Company as a subsidiary within a major corporation. To ascertain independence and prudent corporate governance standards, the composition of the Board of Directors of Assurant was reviewed. Assurant's Board is composed of twelve directors of which eleven are reported as independent.

Senior Officers

The Bylaws state that the elected officers of the Company shall consist of a president, one or more vice presidents, a secretary, and a treasurer. Other officers may be elected as required by law or as needed as determined by the Board. The senior officers elected by the Board and serving as of December 31, 2010 were as follows:

<u>Name</u>	<u>Address</u>	<u>Title – Area of Responsibility</u>
Stacia N. Almquist	Shawnee, KS	President
Danny J Galginaitis	Germantown, WI	Vice President
Gary L. Lau	Mequon, WI	Vice President
Chad G. Bullard	Hiram, GA	Vice President
Kenneth D. Bowen	Liberty, MO	Secretary
Amy J. Goerke	Kansas City, MO	Treasurer

Committees

UDC's Bylaws do not require committees and the Board relies on the Audit and Investment Committee at the Assurant level with all transactions and information presented to the Board of Directors.

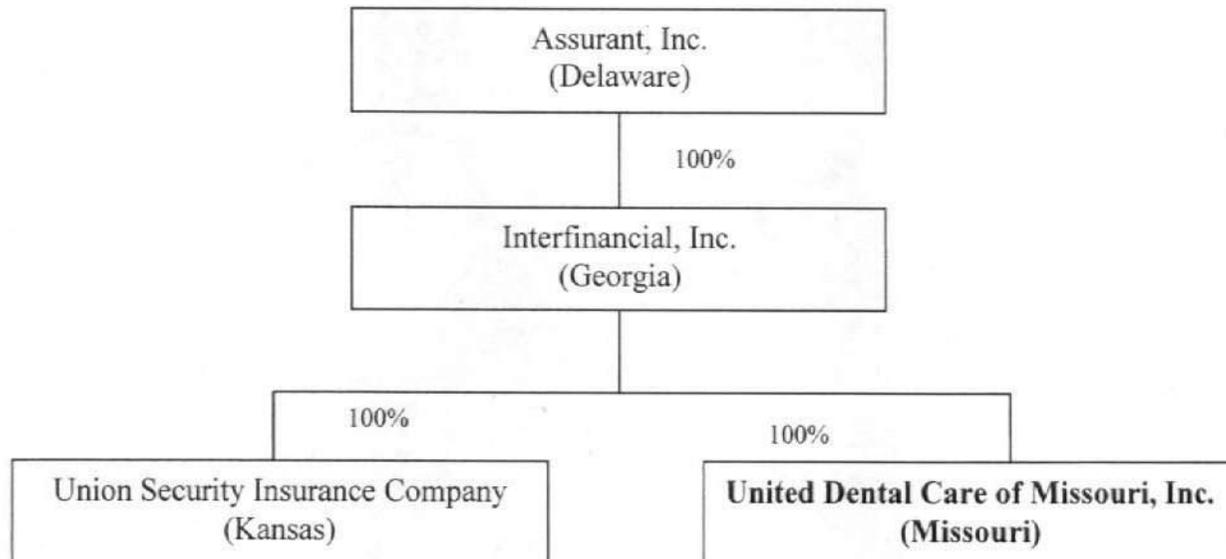
Holding Company, Subsidiaries and Affiliates

UDC is a member of an Insurance Holding Company System as defined by Section 382.010 RSMo (Definitions). An Insurance Holding Company System Registration Statement was filed by Assurant, on behalf of itself and the Company for each year of the examination period. The Company is a wholly-owned subsidiary of Interfinancial, Inc., a holding company entity, which in turn is a wholly-owned subsidiary of Assurant, Inc., a provider of specialized insurance products and related services. Assurant is the ultimate controlling entity and publicly traded corporation on the NYSE under the symbol AIZ with no single shareholder owning 10% or more of its outstanding shares.

The Company's affiliate, Union Security Insurance Company (USIC), provides all administrative and management services for the Company, as described in further detail of the Intercompany Transactions section of this report. USIC's major products are group disability, dental, life, medical, and preneed products.

Organizational Chart

The ultimate parent, Assurant, has various subsidiaries, both insurance and noninsurance entities, which are too numerous to be included in this report. Therefore, only entities that have direct and indirect ownership of UDC and entities that have transactions with UDC are listed. The following organizational chart depicts the ownership of UDC as of December 31, 2010.

**Intercompany Transactions**

The Company is a party to the intercompany agreements outlined below.

1. **Type:** Administrative Services Agreement
- Parties:** UDC and USIC
- Effective:** January 1, 2002
- Terms:** USIC agrees to support the operation of UDC by providing various administrative and management services. These services include, but are not limited to, provider services, customer services, sales and marketing, information technology, accounting and actuarial, tax advice, claim and benefit payments, legal, human resource, broker and agent, and other general office services. In consideration for the services provided, UDC agrees to pay the fully allocated costs incurred by USIC and any third party provided services not directly paid by UDC within 45 days after receipt of notice. USIC will determine the costs on a fair and equitable basis, using reasonable estimates where necessary or appropriate.

2. **Type:** Investment Management Agreement
Parties: UDC and Assurant
Effective: January 1, 2002
Terms: Assurant shall provide UDC with investment management services as requested by UDC or as Assurant deems appropriate for the proper administration of the UDC's investment portfolio. Services shall include providing general investment advice, accounting services, establishing and providing instructions regarding brokerage and custodial accounts, and all other functions necessary to manage the investment portfolio of UDC. In consideration for the services provided, UDC agrees to pay each calendar quarter a fee as agreed upon, which shall not exceed 25 basis points of the market value of the investment portfolio as of June 30 of the immediate preceding year. Fees shall be paid within 45 days of the end of each quarter.
3. **Type:** Federal Tax Allocation Agreement
Parties: UDC and Assurant
Effective: September 4, 2009
Terms: A consolidated tax return will be filed by Assurant for each taxable year the Company is a member of the combined group. The tax liability or refund due from or to each member of the affiliated group will be computed as if each member filed a separate stand-alone federal return. Settlements shall be made within 30 days of the filing of the actual consolidated federal tax return with the Internal Revenue Service or estimated tax payments, except where a refund is due to the combined group. In the case of a refund, Assurant may defer payment to the other members of the combined group for a period not to exceed 30 days from the receipt of the refund.

The following table summarizes the fees paid and/or received in the years under examination (2006 through 2010), between UDC and its affiliates, pursuant to the intercompany agreements described above.

Net Amounts Paid or (Received) by UDC

<u>Agreement</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Admin Services with USIC	\$691,024	\$703,961	\$634,772	\$736,881	\$491,501
Investment Mgt with Assurant	1,332	3,742	3,721	1,229	684
Total Fees Paid	<u>\$692,356</u>	<u>\$707,703</u>	<u>\$638,493</u>	<u>\$738,110</u>	<u>\$492,185</u>

FIDELITY BOND AND OTHER INSURANCE

UDC is a named insured on a standard financial institution bond and crime policy providing fidelity and crime coverage, purchased through its parent, Assurant, with a single loss liability of \$10,000,000 and an aggregate liability limit of \$20,000,000 with a \$250,000 deductible. This level of coverage complies with the suggested minimum amount of fidelity insurance according to NAIC guidelines.

The Company is also a named insured on various other policies purchased by Assurant, which include but are not limited to general liability, excess general liability, property coverage, directors' and officers' liability, cyber risk liability, and umbrella liability.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no direct employees. Services are provided to the Company by the employees of USIC, an affiliate of the Company, and Assurant, the ultimate parent company, through written agreements.

Assurant's and USIC's employee benefits include a 401(k) savings plan, a qualified pension plan, an employee stock purchase plan, paid vacation and sick leave, as well as various insurance coverage benefits including, but not limited to, medical, dental, life, short-term and long-term disability, and accidental death and dismemberment insurance.

TERRITORY AND PLAN OF OPERATIONS

The Company is licensed by the DIFP under Chapter 354 RSMo to offer prepaid dental plans to organizations and/or individuals desiring such services as provided by a network of dentists. Specific predetermined dental services are provided to eligible members by independent dental providers or entities contracting with the Company, who in turn are compensated at a fixed per capita rate, usually on a monthly basis. In consideration for the dental coverage that is provided, the covered or eligible member is required to pay for the coverage through periodic payroll deductions, bank drafts or direct billings. Emergency services when the member is out of the coverage area as well as specialty services not covered by capitation fees are recorded as incurred and reported to the Company. The Company's product is marketed through USIC under the Administrative Services Agreement, as described in the Intercompany Transactions section of this report.

The Company is licensed and conducts business in the states of Missouri and Kansas. As of December 31, 2010, services were provided to approximately 18,635 members, representing a significant decline from member enrollment of 33,084 members as of December 31, 2005.

GROWTH OF THE COMPANY AND LOSS EXPERIENCE

The trends indicated below are a direct result of steadily decreasing membership due to increased competition. While the Company shows a medical loss ratio below the industry average, it generally shows a high administrative expense ratio, which decreased during 2010 due to cost saving measures implemented by the Company. Capital and surplus has remained relatively constant with only small net gains and losses each year.

	2006	2007	2008	2009	2010
Member					
Months	345,526	288,310	274,347	255,682	230,891
Net Written					
Premiums	\$2,898,012	\$2,429,555	\$2,222,511	\$2,013,889	\$1,896,620
Total					
Revenues	2,867,380	2,383,518	2,296,368	2,085,556	1,926,798
Hospital and					
Medical					
Benefits	2,030,026	1,651,127	1,483,902	1,392,923	1,332,864
Administrative					
Expenses	936,792	816,809	801,085	730,341	601,730
Total Capital					
and Surplus	2,491,640	2,501,142	2,541,827	2,528,457	2,550,349
Net Written					
Premium to					
Surplus	116.3%	97.1%	87.4%	79.6%	74.4%
Medical Loss					
Ratio	70.8%	69.3%	64.6%	66.8%	69.2%
Administrative					
Expense					
Ratio	32.7%	34.3%	34.9%	35.0%	31.2%

REINSURANCE

The Company did not engage in any assumed or ceded reinsurance transactions during the examination period.

ACCOUNTS AND RECORDS

UDC is an affiliate of USIC, which uses the brand name of Assurant Employee Benefits (AEB). Through an administrative services agreement with USIC, the Company obtains information technology, administrative, claims, financial, employee, and other services. Assurant Corporate Technology provides infrastructure support for business unit applications. These services include data center maintenance and support, managing voice communication systems, managing data communications, providing data security, maintaining appropriate disaster recovery

programs, and providing desktop support. AEB provides product level support, including application development and support, technology and strategic planning, project management, IT compliance functions, and IT financial controls.

PricewaterhouseCoopers, LLP of Minneapolis, MN, issued audited statutory financial statements of the Company for the years 2008, 2009, and 2010. PricewaterhouseCoopers, LLP of Milwaukee, WI, issued audited statutory financial statements of the Company for the years 2006 and 2007.

The 2010 Statement of Actuarial Opinion was issued by Eric Vandenberg, FSA, MAAA, an officer of USIC. The 2008 and 2009 Statements of Actuarial Opinion were issued by Cuilan Li, FSA, MAA, an officer of USIC. The 2006 and 2007 Statements of Actuarial Opinion were issued by Matthew A. Silverstein, FSA, MAA, an officer of USIC.

STATUTORY DEPOSITS

Deposits with the State of Missouri

The funds on deposit with the DIFP as of December 31, 2010, as reflected below, were sufficient to meet the deposit requirements for the State of Missouri in accordance with RSMo Section 354.707 (Capital, Surplus, Security Required—Bond to be Deposited or Filed with Director). Funds on deposit as of December 31, 2010 were as follows:

<u>Type of Security</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>Statement Value</u>
U.S. Treasury Note	\$55,000	\$57,769	\$55,565

Deposits with Other States

The Company also has funds on deposit with the State of Kansas. Those funds on deposit as of December 31, 2010, were as follows:

<u>Type of Security</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>Statement Value</u>
U.S. Treasury Note	\$100,000	\$105,398	\$101,027

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of United Dental Care of Missouri, Inc. for the period ending December 31, 2010. Any examination adjustments to the amounts reported in the financial statements and/or comments regarding such are made in the “Comments on Financial Statement Items”. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items". These differences were determined to be immaterial concerning their effect on the financial statements and therefore were only communicated to the Company and noted in the workpapers for each individual activity.

	<u>Assets</u>		
	Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	\$ 156,592	\$ -	\$ 156,592
Cash and Short-term Investments	2,449,076	-	2,449,076
Investment Income Due and Accrued	1,388	-	1,388
Uncollected Premiums and Agents' Balances in the Course of Collection	21,181	349	20,832
Net Deferred Tax Asset	20,867	-	20,867
Receivable from Parent, Subsidiaries and Affiliates	126,022	1,118	124,904
Health Care and Other Amounts Receivable	64,791	64,791	-
TOTAL ASSETS	\$ 2,839,917	\$ 66,258	\$ 2,773,659

Liabilities, Surplus and Other Funds

Claims Unpaid	\$ 26,828
Unpaid Claims Adjustment Expenses	565
Aggregate Health Policy Reserves	67,942
Premiums Received in Advance	26,189
General Expenses Due or Accrued	56,294
Current Federal and Foreign Income Taxes	17,776
Remittance and Items Not Allocated	22,164
Amounts Due to Parent or Affiliates	3,497
Aggregate Write-Ins for Liabilities:	
Unclaimed Funds	2,055
TOTAL LIABILITIES	\$ 223,310
Common Capital Stock	50,000
Gross Paid In and Contributed Surplus	4,659,918
Unassigned Funds (Surplus)	(2,159,569)
Total Capital and Surplus	\$ 2,550,349
TOTAL LIABILITIES AND SURPLUS	\$ 2,773,659

Statement of Income

Underwriting Income:	
Net Premium Income	\$ 1,896,620
Change in Unearned Premium Reserves and Reserve for Rate Credits	3,804
Fee-for- Service	26,374
Deductions:	
Hospital and Medical - Other Professional Services	1,332,864
Claims Adjustment Expenses, Including Cost Containment Expenses	8,395
General Administrative Expenses	593,335
Net Underwriting Gain or (Loss)	\$ (7,796)
Investment Income:	
Net Investment Income Earned	\$ 8,052
Net Income Before Federal and Foreign Income Taxes	\$ 256
Federal and Foreign Income Taxes Incurred	29,293
NET INCOME	\$ (29,037)

Capital and Surplus Account

Capital and Surplus Prior Reporting Year, December 31, 2009	\$ 2,528,457
Net Income (Loss)	(29,037)
Change in Net Deferred Income Tax	16,337
Change in Non-Admitted Assets	34,592
Net Change in Surplus for 2010	\$ 21,892
Capital and Surplus End of Reporting Period, December 31, 2010	\$ 2,550,349

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None

COMMENTS ON FINANCIAL STATEMENT ITEMS

None

SUMMARY OF RECOMMENDATIONS

None

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of United Dental Care of Missouri, Inc. during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kim Dobbs, CFE, Valerie Hasting, AFE, and Timothy Carroll examiners for the MO DIFP, participated in this examination.

VERIFICATION

State of Missouri)
County of)

I, Leslie A. Nehring, CPA, CFE, 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 United Dental Care of Missouri, Inc., 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.

[Handwritten Signature]
Leslie A. Nehring, CPA, CFE
Examiner-In-Charge
MO DIFP

Sworn to and subscribed before me this 31st day of August, 2011.

My commission expires: Oct 25, 2014 *[Handwritten Signature]*
Notary Public



ROBERT CLARK
My Commission Expires
October 25, 2014
Jackson County
Commission #10076459

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 NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed, except where practices, procedures and applicable regulations of the MO DIFP and statutes of the State of Missouri prevailed.



Mark A. Nance, CFE, CPA

Audit Manager

Missouri Department of Insurance, Financial
Institutions and Professional Registration