

STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER



FINANCIAL EXAMINATION  
OF  
GENERAL INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON

NAIC CODE 24732  
December 31, 2009

Participating States:  
Washington  
Indiana  
Illinois

General Insurance Company of America  
Order No. 11-156  
Exhibit A

**SALUTATION**

Seattle, Washington  
June 21, 2011

The Honorable Mike Kreidler, Commissioner  
Washington State Office of the Insurance Commissioner (OIC)  
Insurance Building-Capitol Campus  
302 Sid Snyder Avenue SW, Suite 200  
Olympia, WA 98504

The Honorable Joseph Torti, III  
Chair, NAIC Financial Condition (E) Committee  
Superintendent  
State of Rhode Island  
Department of Business Regulation  
Division of Insurance  
1511 Pontiac Avenue, Building 69-2  
Cranston, RI 02920

The Honorable Monica J. Lindeen  
NAIC Secretary, Western Zone  
Commissioner  
Montana Office of the Commissioner of Securities and Insurance  
840 Helena Avenue  
Helena, MT 59601

Dear Commissioners and Superintendent:

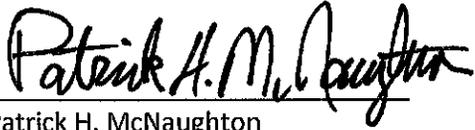
In accordance with your instructions, and in compliance with the statutory requirements of RCW 48.03.010, an Association examination was made of the corporate affairs and financial records of

**General Insurance Company of America**  
of  
Seattle, Washington

hereinafter referred to as "GICA," or the "Company" at the home office of the Liberty Mutual group of companies (Liberty Mutual) located at 175 Berkeley Street, Boston, Massachusetts 02116. This report is respectfully submitted showing the financial condition and related corporate matters of GICA as of December 31, 2009.

CHIEF EXAMINER'S AFFIDAVIT

I hereby certify I have read the attached Report of the Financial Examination of General Insurance Company of America of Seattle, Washington. This report shows the financial condition and related corporate matters as of December 31, 2009.



Patrick H. McNaughton  
Chief Examiner

6-21-2011

Date

## TABLE OF CONTENTS

<b>SCOPE OF THE EXAMINATION</b> .....	1
<b>INSTRUCTIONS</b> .....	1
<b>COMMENTS AND RECOMMENDATIONS</b> .....	2
<b>COMPANY PROFILE</b> .....	2
Company History .....	2
Capitalization .....	2
Territory and Plan of Operation .....	2
Growth of Company .....	3
Affiliated Companies .....	3
Intercompany Agreements.....	4
<b>MANAGEMENT AND CONTROL</b> .....	4
Board of Directors (BOD).....	4
Officers .....	4
Conflict of Interest.....	4
Fidelity Bond and Other Insurance.....	4
Officers', Employees', and Agents' Welfare and Pension Plans.....	5
<b>CORPORATE RECORDS</b> .....	5
<b>UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES</b> .....	5
<b>REINSURANCE</b> .....	5
<b>STATUTORY DEPOSITS</b> .....	6
<b>ACCOUNTING RECORDS AND INFORMATION SYSTEM</b> .....	6
<b>SUBSEQUENT EVENTS</b> .....	6
<b>FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS</b> .....	7
<b>FINANCIAL STATEMENTS</b> .....	7
Assets, Liabilities, Surplus and Other Funds.....	8
Statement of Income and Capital and Surplus Account.....	9
Four Year Reconciliation of Surplus.....	10
<b>NOTES TO THE FINANCIAL STATEMENTS</b> .....	11
<b>ACKNOWLEDGMENT</b> .....	12
<b>AFFIDAVIT</b> .....	13

## SCOPE OF THE EXAMINATION

This examination covers the period January 1, 2006 through December 31, 2009 and comprises a risk focused review of the books and records of the Company. The examination followed statutory requirements contained in the Washington Administrative Code (WAC), the Revised Code of Washington (RCW), and the guidelines recommended by the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (FCEH). The examination included identification and disposition of material transactions and events occurring subsequent to the date of examination through the end of field work on April 13, 2011.

Corporate records, external reference materials, and various aspects of the Company's operating procedures and financial records were reviewed and tested during the course of this examination and are commented upon in the following section of this report. In addition, the Company's Certified Public Accountants' (CPA's) work papers were reviewed and utilized, where possible, to facilitate efficiency in the examination.

This examination was performed in compliance with the 2009 NAIC FCEH which requires the examiner to consider the Company's risk management process, corporate governance structure, and control environment. The examiners utilized the information obtained during the examination to assess the Company's overall potential risks both currently and on an on-going basis, allowing the examiners to focus on the Company's greatest areas of risk, and providing assurance on the Company's financial statements as of the examination date.

This examination was classified as a coordinated lead state examination. Indiana was designated the lead state of the coordinated examination and examiners from the states of Washington, Indiana, and Illinois participated and assessed the financial condition and corporate affairs of the Company.

## INSTRUCTIONS

The examiners reviewed the Company's filed 2009 NAIC Annual Statement as part of the statutory examination. This review was performed to determine if the Company completed the NAIC Annual Statement in accordance with the NAIC Annual Statement Instructions and to determine if the Company's accounts and records were prepared and maintained in accordance with Title 48 RCW, Title 284 WAC, and the NAIC Statements of Statutory Accounting Principles (SSAP) as outlined in the NAIC Accounting Practices and Procedures Manual (AP&P).

The following summarizes the exception noted while performing this review:

### **1. Amended and Restated Reinsurance Pooling Agreement**

On January 1, 2009, all of GICA's reinsurance agreements were assigned to the lead pool company, Peerless Insurance Company (PIC), as part of the Amended and Restated Reinsurance Pooling Agreement, Article II, Section 202, and the accounts were reported by PIC in 2009. However, the original reinsurance treaties were not changed to reflect the assignment to PIC nor were the activities under the treaties reported in Schedule F of the Company's 2009 NAIC Annual Statement.

**The Company is instructed pursuant to RCW 48.05.280 to adequately disclose the details of the intercompany reinsurance arrangement in the NAIC Annual Statement, Notes to Financial**

Statements, to accurately reflect the assignment to PIC and to report the legal nature and transfer of liabilities.

### **COMMENTS AND RECOMMENDATIONS**

None

### **COMPANY PROFILE**

#### **Company History**

The Company was incorporated under the laws of the state of Washington on March 20, 1923 and began active business on May 1, 1923. The Company is authorized to write property, inland marine, general casualty, vehicle, surety, and ocean marine insurance.

As of December 31, 2009, GICA was wholly-owned by its parent, Safeco Corporation. On September 22, 2008, all of the outstanding and issued common stock shares of Safeco Corporation were acquired by LIH US P&C Corporation, a Delaware corporation and a direct wholly-owned subsidiary of Liberty Insurance Holdings, Inc. (LIHI), which in turn is a Delaware corporation that at the time was more than 93% owned by Liberty Mutual Insurance Company (LMIC), a Massachusetts domiciled stock insurance company and an indirect, wholly-owned subsidiary of Liberty Mutual Holding Company Inc. (LMHC), with the remaining percentage of LIHI owned by other indirect, wholly-owned subsidiaries of LMHC.

#### **Capitalization**

As of December 31, 2009, the Company's authorized capital was \$5 million, which consisted of 20,000 shares of issued and outstanding common stock at a par value of \$250 per share and all authorized shares were issued and outstanding. Total capital and surplus as of December 31, 2009 was \$547,998,085.

There has been no change in the par value or the number of issued and outstanding common shares of the Company since the last examination.

#### **Territory and Plan of Operation**

GICA is licensed in all 50 states, Guam, Puerto Rico, and the U.S. Virgin Islands. For 2009, the Company's direct business consisted of approximately 60 percent auto and 20 percent commercial multiple peril. Over 59 percent of GICA's direct written premiums were in the states of California, Texas, Louisiana, New York and Washington.

The Company was a participant with PIC and other Liberty Mutual affiliated insurance companies in the Amended and Restated Reinsurance Pooling Agreement, where the mix of business for the pooled companies was approximately 50 percent commercial lines, 43 percent personal, and 7 percent surety, based on net earned premiums.

With over 57,000 appointed independent agents and brokers nationwide (including over 2,300 in Washington State), GICA is part of Liberty Mutual's Agency Markets (Agency Markets) strategic business unit. Claim offices are maintained throughout the United States to service the Company's claimants.

### Growth of Company

The following reflects the growth of the Company as reported in its filed NAIC Annual Statements for the four year period under examination:

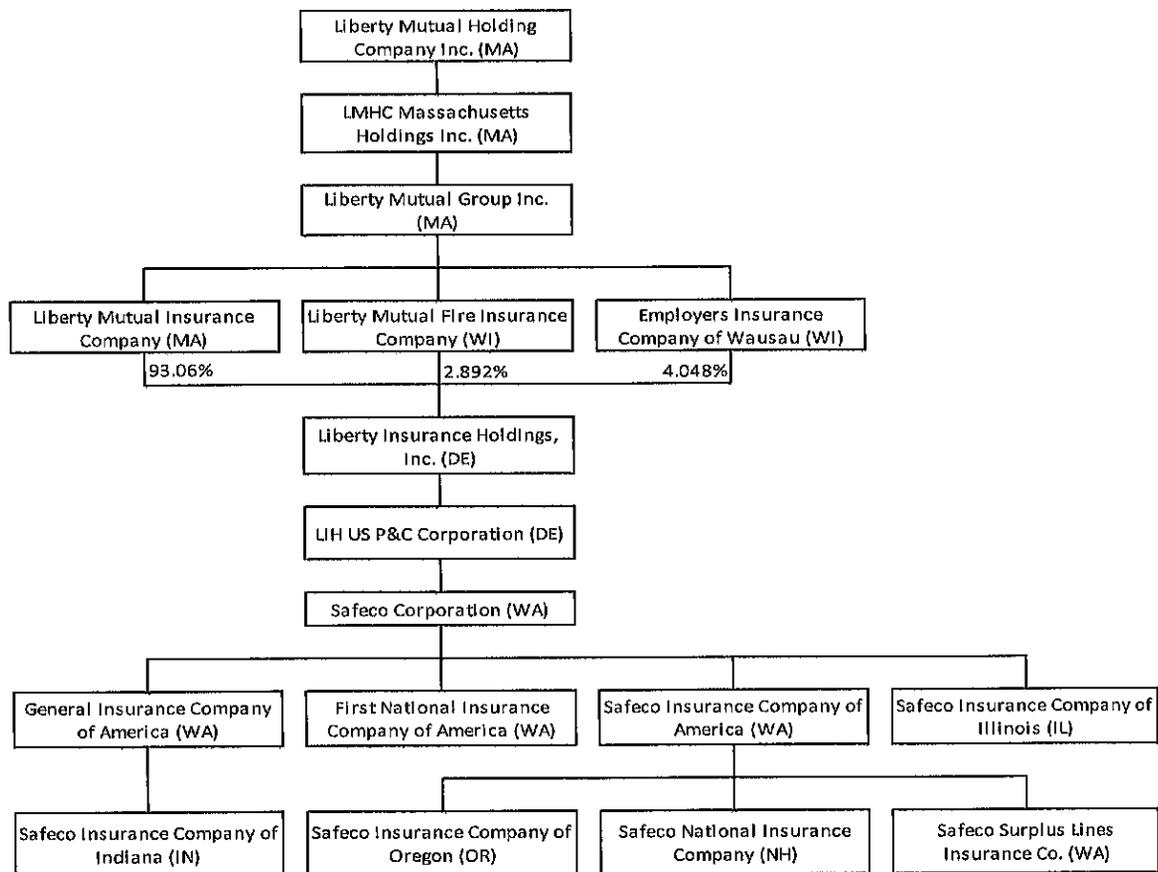
<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital &amp; Surplus</u>	
2009	\$2,260,231,867	\$1,712,233,782	\$547,998,085	
2008	2,302,042,774	1,854,423,971	447,618,803	
2007	2,432,373,782	1,838,026,406	594,347,376	
2006	2,702,742,949	1,826,146,338	876,596,611	

<u>Year</u>	<u>Premium Earned</u>	<u>Net Underwriting Gain (Loss)</u>	<u>Net Investment Gain (Loss)</u>	<u>Net Income</u>
2009	\$ 963,840,745	\$ 40,479,716	\$ 80,476,846	\$ 87,723,771
2008	1,271,834,736	33,878,242	60,157,872	74,041,694
2007	1,286,157,811	83,535,267	124,565,428	168,842,382
2006	1,293,751,725	149,543,577	139,892,810	225,897,128

### Affiliated Companies

The following is an abbreviated organization chart as of December 31, 2009:



GICA is a wholly-owned subsidiary of Safeco Corporation, a non-insurance holding company incorporated under the laws of the state of Washington. In turn, Safeco Corporation is controlled by its

ultimate parent, LMHC, a non-publicly traded corporation incorporated under the laws of the state of Massachusetts.

### **Intercompany Agreements**

As of December 31, 2009, the Company had the following intercompany agreements in force, with the effective date indicated:

Intercompany Short-Term Borrowing Agreement	November 1, 2007
Federal Tax Sharing Agreement (Amendment No. 4)	September 22, 2008
Investment Management Agreements	September 22, 2008
Cash Management Agreement	September 22, 2008
Management Services Agreement	January 1, 2009
Amended and Restated Reinsurance Pooling Agreement (Endorsement No. 2)	January 1, 2009
Services Agreement (Amendment No. 7)	January 1, 2009

## **MANAGEMENT AND CONTROL**

### **Board of Directors (BOD)**

Directors of the Company as of December 31, 2009:

Gary R. Gregg	Chairman of the Board
John D. Doyle	
Michael J. Fallon	
Joseph A. Gilles	
Scott R. Goodby	
Christopher C. Mansfield	

### **Officers**

Officers of the Company as of December 31, 2009:

Gary R. Gregg	President and Chief Executive Officer
Michael J. Fallon	Chief Financial Officer and Treasurer
Anthony A. Fontanes	Chief Investment Officer and Executive Vice President
Joseph A. Gilles	Executive Vice President
Scott R. Goodby	Chief Operating Officer and Executive Vice President
Dexter R. Legg	Secretary

### **Conflict of Interest**

All BOD and officers signed a conflict of interest statement as of December 31, 2009. The purpose of the statement is to detect any activities or participation on the part of the BOD and officers that could possibly be interpreted as a conflict of interest. No exceptions were noted during our review.

### **Fidelity Bond and Other Insurance**

The Company is a named insured under a financial institution bond that provides \$15 million of directors' and officers' liability insurance issued to LMHC and its subsidiaries. The fidelity coverage carried by the Company exceeds the NAIC minimum recommended amount.

The Company was also a named insured on various insurance policies issued to LMHC and its subsidiaries that provided property coverage for buildings and contents and comprehensive commercial general liability. These policies were in effect during the period covered by this examination and provided coverage for the Company.

**Officers', Employees', and Agents' Welfare and Pension Plans**

The Company does not have any direct employees, so it does not have any direct obligations for a defined benefit plan, deferred compensation arrangement, compensated absences or other post retirement benefit plans.

Liberty Mutual offers its eligible full-time and part-time employees medical, dental and vision coverage; disability insurance; employee and dependent life insurance and accidental death and dismemberment coverage; retirement benefit plan; and an opportunity to participate in the 401(k) savings plan. Long term care insurance is also offered.

**CORPORATE RECORDS**

The Company's Articles of Incorporation, Bylaws, and minutes of the BOD and committees were reviewed for the period under examination. All BOD meetings were conducted with a quorum present. Investment purchases, transfers, and disposals were ratified by the BOD and noted in the minutes.

**UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

<u>Year</u>	<u>Losses</u>	<u>Loss Adjustment Expenses</u>
2009	\$864,827,432	\$205,900,191
2008	891,773,290	207,882,820
2007	878,701,037	209,208,686
2006	867,930,439	221,600,829

As shown above, the reserves carried by the Company for unpaid losses and loss adjustment expenses were \$864,827,432 and \$205,900,191, respectively, as of December 31, 2009.

The actuarial consulting firm contracted by the Indiana Department of Insurance, Merlinos & Associates, Inc., reviewed the unpaid losses and loss adjustment expense reserves of the Peerless Insurance Company Pool (Peerless Pool), which includes GICA, and concluded that the reserves for the insurance companies in the Peerless Pool were within a range of reasonable estimates. Therefore, the Company's loss and loss adjustment expense reserves were accepted as reasonable and no adjustments were proposed to the amounts reported in the Company's 2009 NAIC Annual Statement.

**REINSURANCE**

In accordance with the Peerless Pool's intercompany Amended and Restated Reinsurance Pooling Agreement, GICA cedes 100 percent of its business to PIC before PIC retrocedes to GICA its 9.2 percent pool participation percentage. In its 2009 NAIC Annual Statement, GICA reported \$931,024,740 net premiums written and \$514,759,013 net paid losses. As of December 31, 2009, the Company had \$18,609,125 in aggregate unsecured amounts recoverable from PIC.

### **STATUTORY DEPOSITS**

The Company maintained the following statutory deposits as of December 31, 2009:

<b><u>State</u></b>	<b><u>Type</u></b>	<b><u>Book Value</u></b>	<b><u>Fair Value</u></b>
Arizona	Bond	\$ 5,541,330	\$ 6,027,418
California	Bond	55,547,235	59,894,078
Delaware	Bond	162,116	167,679
Georgia	Bond	162,116	167,679
Idaho	Bond	3,604,272	3,788,995
Massachusetts	Bond	432,310	447,144
Montana	Bond	89,119	99,031
Nevada	Bond	162,116	167,679
New Mexico	Bond	391,499	414,876
North Carolina	Bond	359,788	361,004
Oregon	Bond	9,060,886	9,244,270
Washington	Bond	5,373,664	6,392,474
<b>Total</b>		<b><u>\$80,886,451</u></b>	<b><u>\$87,172,327</u></b>

### **ACCOUNTING RECORDS AND INFORMATION SYSTEM**

The Company maintains its accounting records on a Statutory Accounting Practices (SAP) basis for NAIC Annual Statement reporting. The Company is audited annually by the certified public accounting firm of Ernst & Young LLP. The Company received an unqualified opinion for all years under review. The Company's accounting procedures, internal controls, and transaction cycles were reviewed during the planning and testing phase of the examination and no exceptions were noted.

The Company's Information Technology (IT) environment was reviewed during the planning and testing phase of the examination, focusing on the following Control Objectives for Information and related Technology (COBIT) Framework domains:

- Plan and Organize
- Acquire and Implement
- Deliver and Support
- Monitor and Evaluate

The IT systems and controls were evaluated to gain an understanding of general IT control risks and assess the effectiveness of these controls. Appropriate mitigating and internal controls have been implemented to reduce residual risk to appropriate levels.

### **SUBSEQUENT EVENTS**

Effective April 14, 2010, LIH US P&C Corporation, the parent of Safeco Corporation, was renamed Liberty Mutual Agency Corporation.

On February 1, 2011, the BOD voted to accept Gary R. Gregg's resignation as the Chairman of the BOD, President and Chief Executive Officer, and Director of the Company. J. Paul Condrin, III, President of Liberty Mutual's Commercial Markets strategic business unit, was elected to take Mr. Gregg's place until the next annual meeting or until his successor is elected.

There were no additional material events impacting the Company between the examination date and the last day of our field work.

#### **FOLLOW UP ON PREVIOUS EXAMINATION FINDINGS**

All previous report instructions and comments have been addressed and corrected.

#### **FINANCIAL STATEMENTS**

The following financial statements show the financial condition of General Insurance Company of America as of December 31, 2009:

Assets, Liabilities, Surplus and Other Funds  
Statement of Income and Capital and Surplus Account  
Four Year Reconciliation of Surplus

**General Insurance Company of America**  
**Assets, Liabilities, Surplus and Other Funds**  
**December 31, 2009**

	<u>Balance Per Company</u>	<u>Examination Adjustments</u>	<u>Balance Per Examination</u>
<b>Assets</b>			
Bonds	\$1,701,440,016	\$0	\$1,701,440,016
Stocks			
Preferred stocks	17,970,230		17,970,230
Common stocks	18,354,661		18,354,661
Mortgage loans on real estate			
First liens	15,660,130		15,660,130
Cash, cash equivalents, and short-term investments	103,959,856		103,959,856
<b>Subtotals, cash and invested assets</b>	<u><b>1,857,384,893</b></u>	<u><b>0</b></u>	<u><b>1,857,384,893</b></u>
Investment income due and accrued	21,505,060		21,505,060
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	36,449,767		36,449,767
Deferred premiums, agents' balances and installments booked but deferred and not yet due	258,811,213		258,811,213
Accrued retrospective premiums	1,502,332		1,502,332
Amounts recoverable from reinsurers	18,609,125		18,609,125
Net deferred tax asset	55,434,700		55,434,700
Guaranty funds receivable or on deposit	1,703,263		1,703,263
Receivables from parent, subsidiaries and affiliates	1,089,450		1,089,450
Aggregate write-ins for other than invested assets	7,742,064		7,742,064
<b>Total Assets</b>	<u><b>\$2,260,231,867</b></u>	<u><b>\$0</b></u>	<u><b>\$2,260,231,867</b></u>
<b>Liabilities, Surplus and Other Funds</b>			
Losses	\$864,827,432	\$0	\$864,827,432
Reinsurance payable on paid losses and loss adjustment expenses	55,754,833		55,754,833
Loss adjustment expenses	205,900,191		205,900,191
Commissions payable, contingent commissions and other similar charges	24,506,544		24,506,544
Other expenses	29,092,699		29,092,699
Taxes, licenses and fees	8,819,167		8,819,167
Current federal and foreign income taxes	2,828,451		2,828,451
Unearned premiums	423,304,339		423,304,339
Advance premium	3,013,114		3,013,114
Dividends declared and unpaid: Policyholders	781,078		781,078
Ceded reinsurance premiums payable	1,083,978		1,083,978
Amounts withheld or retained by company for account of others	(278,975)		(278,975)
Drafts outstanding	30,230,522		30,230,522
Payable to parent, subsidiaries and affiliates	1,527,699		1,527,699
Payables for securities	15,427,684		15,427,684
Aggregate write-ins for liabilities	45,415,026		45,415,026
<b>Total Liabilities</b>	<u><b>1,712,233,782</b></u>	<u><b>0</b></u>	<u><b>1,712,233,782</b></u>
Aggregate write-ins for special surplus funds	10,466,785		10,466,785
Common capital stock	5,000,000		5,000,000
Gross paid in and contributed surplus	170,891,058		170,891,058
Unassigned funds (surplus)	361,640,242		361,640,242
<b>Surplus as regards policyholders</b>	<u><b>547,998,085</b></u>	<u><b>0</b></u>	<u><b>547,998,085</b></u>
<b>Total Liabilities, Surplus and Other Funds</b>	<u><b>\$2,260,231,867</b></u>	<u><b>\$0</b></u>	<u><b>\$2,260,231,867</b></u>

**General Insurance Company of America**  
**Statement of Income and Capital and Surplus Account**  
**For the Year Ended December 31, 2009**

	<u>Balance Per Company</u>	<u>Examination Adjustments</u>	<u>Balance Per Examination</u>
<b>Underwriting Income</b>			
Premiums earned	\$963,840,745	\$0	\$963,840,745
<b>Deductions</b>			
Losses incurred	488,813,155		488,813,155
Loss adjustment expenses Incurred	114,436,853		114,436,853
Other underwriting expenses incurred	319,960,654		319,960,654
Aggregate write-ins for underwriting deductions	<u>150,367</u>		<u>150,367</u>
Total underwriting deductions	<u>923,361,029</u>	<u>0</u>	<u>923,361,029</u>
<b>Net underwriting gain or (loss)</b>	<b><u>40,479,716</u></b>	<b><u>0</u></b>	<b><u>40,479,716</u></b>
<b>Investment Income</b>			
Net investment income earned	84,664,667		84,664,667
Net realized capital gains or (losses)	<u>(4,187,821)</u>		<u>(4,187,821)</u>
<b>Net investment gain or (loss)</b>	<b><u>80,476,846</u></b>	<b><u>0</u></b>	<b><u>80,476,846</u></b>
<b>Other Income</b>			
Net gain or (loss) from agents' or premium balances charged off	(4,266,410)		(4,266,410)
Finance and service charges not included in premiums	8,217,447		8,217,447
Aggregate write-ins for miscellaneous income	<u>(5,576,898)</u>		<u>(5,576,898)</u>
<b>Total other income</b>	<b><u>(1,625,861)</u></b>	<b><u>0</u></b>	<b><u>(1,625,861)</u></b>
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	119,330,701		119,330,701
Dividends to policyholders	<u>4,123,899</u>		<u>4,123,899</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	115,206,802		115,206,802
Federal and foreign income taxes incurred	<u>27,483,031</u>		<u>27,483,031</u>
<b>Net income</b>	<b><u>\$87,723,771</u></b>	<b><u>\$0</u></b>	<b><u>\$87,723,771</u></b>
<b>Capital and Surplus Account</b>			
Surplus as regards policyholders, December 31 prior year	<u>\$447,618,803</u>	<u>\$0</u>	<u>\$447,618,803</u>
<b>Gains and (losses) in surplus</b>			
Net income	87,723,771		87,723,771
Change in net unrealized capital gains or (losses)	5,665,895		5,665,895
Change in net deferred income tax	530,527		530,527
Change in nonadmitted assets	(2,837,049)		(2,837,049)
Aggregate write-ins for gains and losses in surplus	<u>9,296,138</u>		<u>9,296,138</u>
<b>Change in surplus as regards policyholders for the year</b>	<b><u>100,379,282</u></b>	<b><u>0</u></b>	<b><u>100,379,282</u></b>
<b>Surplus as regards policyholders, December 31 current year</b>	<b><u>\$547,998,085</u></b>	<b><u>\$0</u></b>	<b><u>\$547,998,085</u></b>

**General Insurance Company of America**  
**Four Year Reconciliation of Surplus**  
**For the Years Ended December 31,**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Capital and Surplus, December 31, previous year	<u>\$447,618,803</u>	<u>\$594,347,376</u>	<u>\$876,596,611</u>	<u>\$814,260,758</u>
Net income or (loss)	87,723,771	74,041,694	168,842,382	225,897,128
Change in net unrealized capital gains or (losses)	5,665,895	(63,901,178)	(24,712,419)	14,100,953
Change in net unrealized foreign exchange capital gain or (loss)		(1,831,622)	1,581,525	(484,663)
Change in net deferred income tax	530,527	(2,391,370)	(2,144,602)	(12,236,810)
Change in nonadmitted assets	(2,837,049)	(30,161,156)	(816,121)	122,963
Cumulative effect of changes in accounting principles		7,325,440		
Dividends to stockholders		(123,000,000)	(425,000,000)	(170,000,000)
Aggregate write-ins for gains and losses in surplus	<u>9,296,138</u>	<u>(6,810,381)</u>		<u>4,936,282</u>
Change in surplus as regards policyholders for the year	<u>100,379,282</u>	<u>(146,728,573)</u>	<u>(282,249,235)</u>	<u>62,335,853</u>
Capital and Surplus, December 31, current year	<u><u>\$547,998,085</u></u>	<u><u>\$447,618,803</u></u>	<u><u>\$594,347,376</u></u>	<u><u>\$876,596,611</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

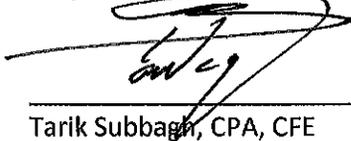
The Company has no special consents or permitted practices from the state of Washington.

**ACKNOWLEDGMENT**

Acknowledgment is hereby made of the cooperation extended to the examiners by the officers and employees of General Insurance Company of America and its affiliates during the course of this examination.

In addition to the undersigned, Michael V. Jordan, CPA, CFE, MHP, Assistant Chief Examiner; John Jacobson, AFE, CISA, AES, Automated Examination Specialist; Susan Campbell, CPA, FLMI, CFE, Reinsurance Specialist; Timothy F. Hays, CPA, JD, Investment Specialist; Randy E. Fong, AFE, Examiner-in-Charge; Edsel R. Dino, Financial Examiner; Katy Bardsley, CPA, Financial Examiner; and Zairina Othman, Financial Examiner; all from the Washington State Office of the Insurance Commissioner, and examiners representing the Indiana Department of Insurance and Illinois Department of Insurance, participated in the examination and in the preparation of this report.

Respectfully submitted,



---

Tarik Subbagh, CPA, CFE  
Property and Casualty Field Supervising Examiner  
State of Washington

