STATE OF OREGON
DEPARTMENT OF
CONSUMER & BUSINESS SERVICES

INSURANCE DIVISION

REPORT OF FINANCIAL EXAMINATION

OF

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
PORTLAND, OREGON

AS OF

DECEMBER 31, 2013

STATE OF OREGON

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

INSURANCE DIVISION

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PORTLAND, OREGON

NAIC COMPANY CODE 35955

AS OF

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SALUTATION

April 10, 2015

Honorable Laura Cali, Insurance Commissioner
Department of Consumer and Business Services
State of Oregon
350 Winter Street NE
Salem, Oregon 97301-3883

Dear Commissioner

In accordance with your instructions and guidelines in the National Association of Insurance Commissioners (NAIC) Examiners Handbook, pursuant to ORS 731.300 and 731.302, respectively, we have examined the business affairs and financial condition of

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
10260 SW Greenburg Road, Suite 448
Portland, Oregon 97223

NAIC Company Code 35955

hereinafter referred to as the "Company." The following report is respectfully submitted.

SCOPE OF EXAMINATION

We have performed our examination of California Casualty General Insurance Company of Oregon. The examination was conducted in conjunction with the multi-state examination of insurers within the California Casualty Group, under the lead of the California Department of Insurance. The last examination of the Oregon domestic insurer was completed as of December 31, 2009. This examination covers the period of January 1, 2010, to December 31, 2013.

We conducted our examination pursuant to ORS 731.300 and in accordance with the NAIC *Financial Condition Examiners Handbook.* 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 including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with statutory accounting principles, annual statement instructions, and Oregon statutes and administrative rules.

All accounts and activities of the Company were considered in accordance with the risk focused examination process.

COMPANY HISTORY

California Casualty Group (CCG) was formed in 1914 by Carl G. Brown, Sr., as a customer-owned insurance company under the name of California Casualty Indemnity Exchange, which originally wrote workers' compensation risks in California. In 1917, the Company began offering automobile insurance, with homeowner's coverage starting in 1954. Effective

October 1, 1997, CCG exited the workers' compensation line, placing all existing business in run-off.

In 1951, CCG pioneered what is currently an industry trend by seeking endorsement of its affinity insurance programs by the California Teachers Association (CTA) to provide auto and home insurance to its members. It still serves CTA and its members and have expanded nationally with over 100 other endorsements from groups including the National Education Association (NEA); many police, state trooper, and firefighter associations; and universities and medical centers.

CCG formed the Company in 1977 as the California Casualty General Insurance Company, and it commenced business in March 1978, as a California domiciled stock insurance company. The director of the Department of Consumer and Business Services (DCBS) approved the redomestication of the Company from California to Oregon on February 7, 2005. Concurrently, the Company adopted its current name.

Capitalization

Article Six of the Articles of Incorporation authorize the Company to issue thirty thousand (30,000) shares of stock with a par value of $100 per share. Of these, 26,020 shares have been issued, and 100% of the outstanding shares are owned by California Casualty Insurance Company. Gross paid in and contributed surplus of $12,200,000 remained unchanged during the exam period.

Dividends to Stockholders and Other Distributions

From 2010 to 2013, the Company did not declare or pay dividends nor make distributions to its parent.

CORPORATE RECORDS

Board Minutes

The Company's Board meeting minutes support the Company's transactions and clearly describe its directors' and officers' actions. A quorum met at all of the meetings held during the period under review.

The Company's Bylaws authorize committees, but no committees were formed during the period under examination. Instead, the Advisory Board of the upstream parent, California Casualty Indemnity Exchange (CCIE), created and delegated responsibilities to four separate committees: 1) an Audit and Financial Review Committee; 2) a Nominating/Compensation/ Governance Committee; 3) an Investment Policy Review Committee, and; 4) a Contribution Committee. On December 2, 2009, the Board formally adopted a resolution to designate the Audit and Financial Review Committee of CCIE to serve as the Company's Audit Committee, to comply with provisions of the NAIC Annual Financial Reporting Model Regulation. The examiners reviewed the minutes of all committee meetings held during the period under examination.

Articles of Incorporation

The Articles of Incorporation were filed with the Oregon Insurance Division on February 7, 2005. No changes were made during the period under examination. The Articles of Incorporation conformed to the Oregon Insurance code.

Bylaws

No changes were made to the restated Bylaws, which conformed to Oregon Statutes.

Statutory Deposit

At year-end 2013, the Company maintained deposits with the Oregon Insurance Division in the amount of $1,400,000 (par value) for the protection of all policyholders. An additional $250,000 (par value) is held as special deposits.

In addition, the Company maintained deposits in California in the amount of $100,000 (par value) and with New Mexico in the amount of $300,000 (par value). These deposits were verified from the records of the respective state insurance departments.

MANAGEMENT AND CONTROL

Board of Directors

Management and control of the Company was vested in a Board of Directors, comprised of five advisory board members of the Exchange, CCIE, which included two Oregon residents to meet the requirements of ORS 732.305. All directors would be considered external Directors, as none are employed by any of the CCG companies. Article Eight of the Company's Articles of Incorporation state the number of directors shall be five (5). As of December 31, 2013, the Company was governed by a five member Board of Directors as follows:

Name and Address	Principal Affiliation	Member Since
William R. Dahlman* Studio City, CA	Retired	2009
Wayne S. Diviney Clifton, VA	Retired	2011
Jon H. Hamm Sacramento, CA	Chief Executive Officer California Association of Highway Patrolmen	2009
Lynne F. Siegel Portland, OR	Philanthropist Strategies for Philanthropy	2005
Thomas H. Tongue Portland, OR	Attorney Dunn Carney Allen Higgins & Tongue LLP	2005

*Chairman

Officers

Principal Officers serving at December 31, 2013, were as follows:

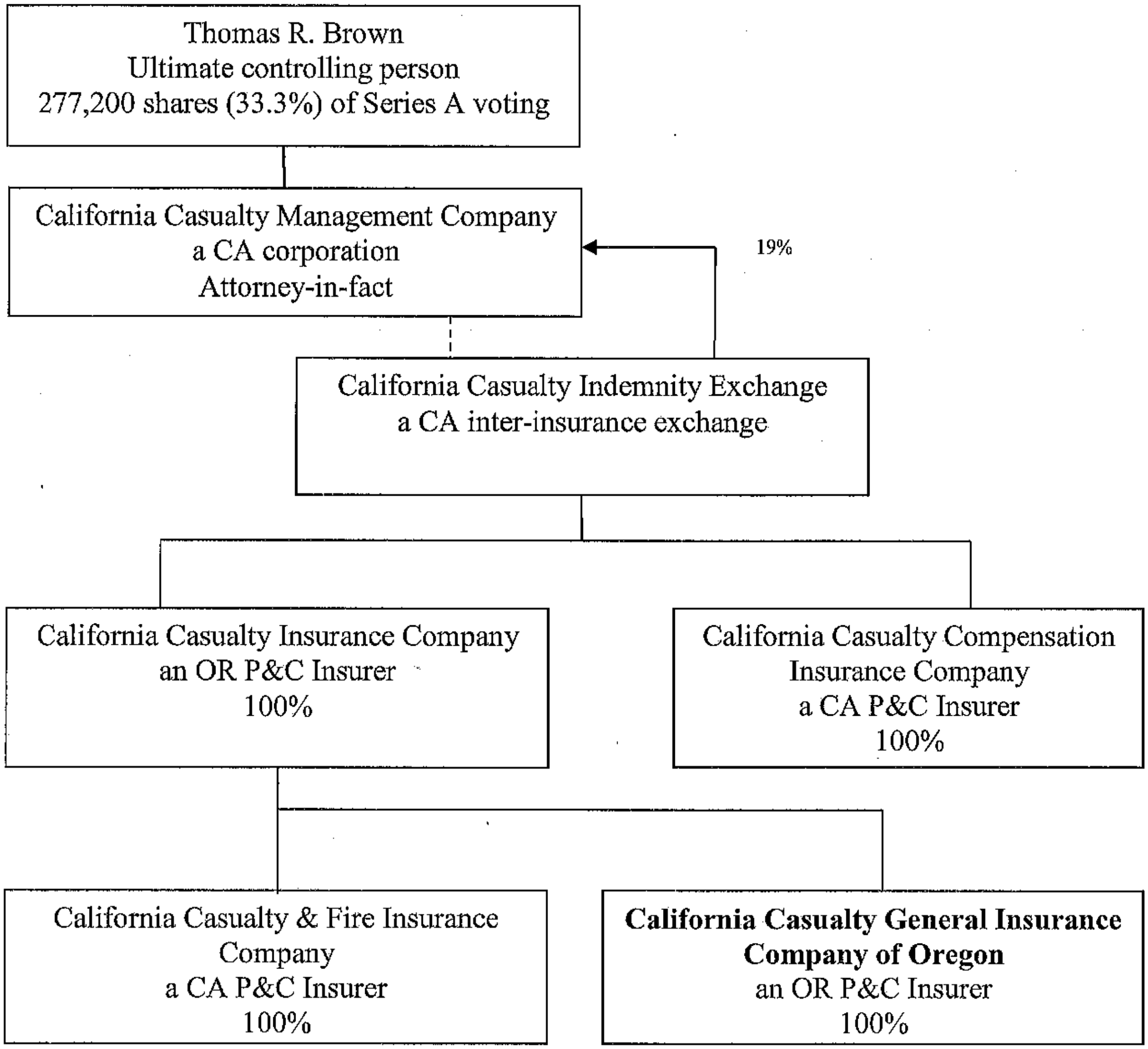
Officer	**Office**
Carl "Beau" Brown	President
James R. Englese	Secretary
Michael A. Ray	Chief Financial Officer

Conflict of Interest

The Company is party to the California Casualty Code, a comprehensive code of business ethics and conduct, which requires officers, directors, and selected responsible employees to annually report any conflicts of interest or violations of ethical business practices to the Company. From a review of the completed conflict of interest statements, it appeared that the affected personnel performed due diligence in completing the statements. No material conflicts of interest were noted.

Insurance Company Holding System

The Company is part of an insurance company holding system in which an individual, Thomas R. Brown, is the ultimate controlling person. The organization is divided into the Management Group represented by California Casualty Management Company (CCMC) and the California Casualty Group represented by the five insurance companies. CCMC is the attorney-in-fact for CCIE, also called the Exchange. CCIE is not incorporated, but it does own a portion of CCMC and collects dividends from its investment. It owns, directly and indirectly, 100% of the insurance companies, as shown in the following chart:



A brief description of the entities listed in the above chart is as follows:

California Casualty Management Company (CCMC) is a California corporation formed to be the attorney-in-fact of California Casualty Insurance Exchange. It manages all business of the insurers under a management agreement described below.

California Casualty Insurance Exchange (CCIE) is a California domiciled inter-insurance exchange, also known as a reciprocal. CCIE, as an exchange, is a special form of insurance organization that is not a corporation, but is ultimately owned by its subscribers, all of whom are policyholders. Policyholders who buy insurance must first join to become subscribers.

To join, each subscriber to CCIE approves a written Underwriters Agreement that appoints CCMC to perform all business functions on the subscriber's behalf. Under California law, an exchange is considered the insurer, while each subscriber is an insured. CCIE owns 186,000 common shares of CCMC, 158,722 of which are voting shares and would represent an 18.7% ownership and control. Additionally, CCIE owns 100% of two insurance subsidiaries:

California Casualty Compensation Insurance Company (CCCIC) is a California domiciled property and casualty insurer. It currently holds the remaining workers' compensation risks, as well as any non-personal lines risks, within the CCG. These lines have been in run-off since 1997.

California Casualty Insurance Company (CCIC) is an Oregon domiciled property and casualty insurer. CCIC redomesticated from California to Oregon in 2012 with approval from both states insurance departments. CCIC owns 100% of the Company's capital stock and would be considered its direct parent. In addition to the Company, CCIC also owns the following affiliated insurer:

California Casualty & Fire Insurance Company (CCFIC) is a California domiciled property and casualty insurer.

INTERCOMPANY AGREEMENTS

Management Agreement

Effective January 1, 1994, all of the CCG insurers became party to a Management Agreement covering all insurance business operations through CCMC. After the Company redomesticated to Oregon, the contract was amended on February 7, 2005, to reflect the new name of the Company. The contract covers marketing, underwriting, collection of premiums, adjusting, defending or prosecuting claims, losses and other legal actions, accounting and recordkeeping, preparation of accounting and statistical reports and statements, reinsurance and investments. CCMC is paid a monthly fee of up to 125% of expenses on behalf of the CCG. Included in the management fee is an annual incentive fee of up to 10% of the Group's calendar year pre-tax income, calculated after giving effect to such incentive fee. The agreement has been approved by both the California Department of Insurance and the Oregon Insurance Division.

Tax Allocation Agreement

Effective January 1, 1999, all CCG insurers became party to a tax allocation agreement through CCIE. Under the terms of the agreement, the federal income tax liability shall be determined for the group and allocated to each subsidiary in a ratio of net taxable income of the individual subsidiaries to the total group's net taxable income. Any credits, such as net operating losses, capital losses, alternative minimum tax (AMT), operating losses or other credits shall be reimbursed to CCIE or the subsidiary eligible for such credit. Amounts owing shall be settled within 90 days, in accordance with SSAP No. 10, paragraph 13. Intercompany amounts not settled within 90 days are to be treated as loans or advances and non-admitted.

Intercompany Pooling Agreement

During the period covered by this examination, the Company was part of CCG's pooling arrangement as described in the Reinsurance section below. Effective January 1, 2011, changes were made requiring proportionate sharing of expenses in uncollectable recoverables, restricting purchase of reinsurance by subsidiary insurers, providing for a twelve month written notice of termination, and that pool participants be subject to joint and several liability.

FIDELITY BOND AND OTHER INSURANCE

At December 31, 2013, CCMC was covered for up to $3,000,000 single loss limit, $3,000,000 aggregate limit, after a $250,000 deductible against losses from acts of dishonesty and fraud by its employees. A policy amendment named the Company as an insured. This coverage met the limits recommended by the NAIC Financial Condition Examiners Handbook. CCIE employs all the employees, while CCMC leases or owns all the equipment and property used by the companies in their operations. CCMC and CCIE carried adequate coverages in force at December 31, 2013 as follow:

Management liability
General liability
Excess liability
Umbrella excess liability
Property and inland marine
Business automobile liability
Employees and officers liability

TERRITORY AND PLAN OF OPERATION

As of December 31, 2013, the Company was authorized to write property and casualty excluding workers' compensation business in Oregon. The Company was licensed in a total of seventeen states at year-end 2013 and reported direct written business in twelve of these states, as follows:

State	Direct Premiums Written
Arizona	$ 8,853,330
California	-
Idaho	2,663,116
Illinois	6,596,086
Iowa	1,237,984
Kansas	-
Kentucky	2,604,369
Missouri	4,923,573
Nebraska	1,431,165
Nevada	-
New Mexico	-
Ohio	10,698,547
Oregon	16,097,142
Utah	2,845,369
Washington	8,101,060
Wisconsin	-
Wyoming	2,061,664
Total	$68,113,405

At year-end 2013, the Company wrote the following lines of direct business:

	Direct Premium	Percentage
Homeowners	$14,665,339	21.5%
Inland Marine	129,203	0.2%
Earthquake	220,597	0.3%
Auto PIP	2,408,789	3.5%
Auto Liability	27,700,797	40.7%
Auto Physical Damage	22,988,679	33.8%
Total	$68,113,405	100.0%

GROWTH OF THE COMPANY

Growth of the Company over the past five years is reflected in the following schedule. Amounts were derived from Company's annual statements, except in those years the Oregon Insurance Division issued an examination report.

Year	Assets	Liabilities	Capital and Surplus	Net Income (Loss)
2009*	$ 95,823,588	$ 62,296,958	$ 33,526,629	$ 975,694
2010	99,621,815	65,248,850	34,372,965	862,837
2011	136,271,951	101,419,108	34,852,843	478,873
2012	104,099,281	70,726,057	33,373,224	(457,524)
2013*	103,618,400	70,832,180	32,786,221	(552,147)

*Per examination

LOSS EXPERIENCE

The following exhibit reflects the annual underwriting results of the Company over the last five years. The amounts were compiled from copies of the Company's annual statements and, where indicated, from the previous examination reports.

Year	(1) Premium Earned	(2) Losses and LAE Incurred	(3) Other Underwriting Expenses Incurred	(2)+(3)/(1) Combined Ratio
2009*	$ 26,362,022	$ 20,047,954	$ 7,152,262	103.2%
2010	26,025,118	19,767,111	7,385,277	104.3%
2011	25,706,768	19,745,727	7,400,124	105.6%
2012	25,940,466	20,723,697	7,875,592	110.2%
2013*	26,640,796	21,152,136	7,991,181	109.4%

*Per examination

REINSURANCE

During the period covered by this examination, the Company was party to an Intercompany Pooling Agreement with CCIE, last amended effective July 1, 2006. CCIE and its subsidiaries CCIC, CCFIC, CCGIC and CCCIC participate in an intercompany pooling arrangement whereby each participating affiliate cedes 100% of its direct and assumed business to CCIE. Personal lines of business (homeowners and auto) are pooled separately from workers' compensation and miscellaneous commercial lines which are in run-off. Under the pooling agreement personal lines business is retroceded to and assumed by CCIC, CCFIC, and CCGIC according to their respective pooling percentages. Pooling percentages for the personal lines of business are:

California Casualty Insurance Exchange (CCIE)	70.00%
California Casualty General Insurance Company of Oregon (CCGIC)	12.00%
California Casualty & Fire Insurance Company (CCFIC)	10.00%
California Casualty Insurance Company (CCIC)	8.00%
Total	100.00%

CCG ceased writing new workers' compensation and commercial lines of business effective October 1, 1997. All workers' compensation and miscellaneous commercial lines of business are retroceded to and assumed by CCCIC.

The pooling agreement contains a satisfactory insolvency clause, in accordance with the provisions of ORS 731.508(3). In addition, it was determined that the pooling agreement provided for risk transfer in accordance with the requirements of SSAP No. 62.

Under terms of the pooling agreement, only CCIE cedes direct personal lines of business to non-affiliates under excess of loss, catastrophe, and quota share treaties before pooling. Each pool participant has a contractual right of direct recovery from the excess of loss, catastrophe, and quota share reinsurers.

ACCOUNTS AND RECORDS

In general, the Company's records and source documentation supported the amounts presented in the Company's December 31, 2013, annual statement and were maintained in a manner by which the financial condition was readily verifiable pursuant to the provisions of ORS 733.170. The Company has a system in place to account for unclaimed funds and has filed the proper reports on abandoned property with Department of State Lands pursuant to the provisions of ORS 98.352.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no recommendations made in the 2009 report of examination. A formal follow-up report was not prepared.

FINANCIAL STATEMENTS

The following examination financial statements show the financial condition of California Casualty General Insurance Company of Oregon as of December 31, 2013:

Statement of Assets
Statement of Liabilities, Surplus, and Other Funds
Income Statement
Reconciliation of Capital and Surplus Since the last Examination

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
ASSETS
As of December 31, 2013

ASSETS	Balance per Company	Examination Adjustments	Balance per Examination	Note
Bonds	$ 43,358,366	$ -	$ 43,358,366	1
Cash, cash equivalents and short-term investments	567,892	-	567,892	1
Aggregate write-ins for invested assets	-	-	-	
Subtotal, cash and invested assets	$ 43,926,258	$ -	$ 43,926,258	
Investment income due and accrued	374,275	-	374,275	
Premiums and considerations				
Uncollected premiums, agents' balances in course of collection	353,930	-	353,930	
Deferred premiums, agents' balances and installments booked but deferred and not yet due	43,594,173	-	43,594,173	
Reinsurance				
Amounts recoverable from reinsurers	4,898,911	-	4,898,911	
Current FIT recoverable	280,764	-	280,764	
Receivable from parent, subsidiaries and affiliates	10,190,088	-	10,190,088	
Aggregate write-ins for other than invested assets	-	-	-	
Total Assets	$103,618,400	$ -	$103,618,400	

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2013

Liabilities, Surplus and Other Funds	Balance per Company	Examination Adjustments	Balance per Examination	Note
Losses	$ 8,904,777	$ -	$ 8,904,777	2
Reinsurance payable on paid loss and loss adjustment expenses	966,930	-	966,930	
Loss adjustment expenses	3,427,603	-	3,427,603	2
Other expenses	49,295	-	49,295	
Taxes, licenses and fees	153,023	-	153,023	
Unearned premiums	13,867,699	-	13,867,699	
Advanced premium	197,057	-	197,057	
Ceded reinsurance premiums payable	32,607,508	-	32,607,508	
Amounts withheld or retained by company for account of others	421,014	-	421,014	
Payable to parent, subsidiaries and affiliates	10,195,616	-	10,195,616	
Aggregate write-ins for liabilities	41,658	-	41,658	
Total Liabilities	$ 70,832,180	$ -	$ 70,832,180	
Common capital stock	2,602,000	-	2,602,000	
Gross paid in and contributed surplus	12,200,000	-	12,200,000	
Unassigned funds (surplus)	17,984,221	-	17,984,221	
Surplus as regards policyholders	32,786,221	-	32,786,221	
Total Liabilities, Surplus and other Funds	$103,618,400	$ -	$103,618,400	

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
INCOME STATEMENT
For the Year Ended December 31, 2013

	Balance per Company	Examination Adjustments	Balance per Examination	Note
Underwriting Income				
Premiums earned	$26,640,796	$ -	$26,640,796	
Deductions				
Losses incurred	16,346,242	-	16,346,242	
Loss expenses incurred	4,805,894	-	4,805,894	
Other underwriting expenses incurred	7,991,181	-	7,991,181	
Aggregate write-ins for underwriting deductions	-	-	-	
Total underwriting deductions	29,143,317	-	29,143,317	
Net underwriting gain or (loss)	(2,502,521)	-	(2,502,521)	
Investment Income				
Net investment income earned	1,347,677	-	1,347,677	
Net realized capital gains or (losses)	73,358	-	73,358	
Net investment gain or (loss)	1,421,035	-	1,421,035	
Other Income				
Net gain or (loss) from agents' or premium balances charged off	(120,765)	-	(120,765)	
Finance and service charges not included in premiums	247,233	-	247,233	
Aggregate write-ins for miscellaneous income	-	-	-	
Total other income	126,467	-	126,467	
Net income before dividends and federal & foreign income taxes	(955,018)		(955,018)	
Dividends to policyholders	-	-	-	
Federal and foreign income taxes incurred	(402,871)	-	(402,871)	
Net income	$ (552,147)	$ -	$ (552,147)	

CALIFORNIA CASUALTY GENERAL INSURANCE COMPANY OF OREGON
RECONCILIATION OF SURPLUS FOR THE PERIOD SINCE THE LAST EXAMINATION
For the Year Ended December 31, 2013

	2013	2012	2011	2010
Surplus as regards policyholders, December 31, previous year	$33,373,224	$34,852,843	$34,372,965	$33,526,629
Net income	(552,147)	(457,524)	478,873	862,837
Change in net unrealized capital gains or (losses)	-	-	-	-
Change in net deferred income tax	(31,961)	(1,163,001)	(28,529)	(7,551)
Change in nonadmitted assets	(2,896)	140,907	29,534	(8,951)
Change in provision for reinsurance	-	-	-	-
Change in surplus notes	-	-	-	-
Surplus (contributed to) withdrawn from protected cells	-	-	-	-
Cumulative effects of changes in accounting principles	-	-	-	-
Capital changes:				-
Paid in	-	-	-	-
Transferred from surplus (Stock Dividend)	-	-	-	-
Transferred to surplus	-	-	-	-
Surplus adjustments:				-
Paid in	-	-	-	-
Transferred to capital (Stock Dividend)	-	-	-	-
Transferred from capital	-	-	-	-
Net remittances from or (to) Home Office	-	-	-	-
Dividends to stockholders (cash)	-	-	-	-
Change in treasury stock	-	-	-	-
Aggregate write-ins for gains and losses in surplus	-	-	-	-
Change in surplus as regards policyholders for the year	(587,004)	(1,479,619)	479,878	846,336
Surplus as regards policyholders, December 31, current year	$32,76,221	$33,373,224	$34,852,843	$34,372,965

NOTES TO FINANCIAL STATEMENTS

Note 1 – Invested Assets

Most of the Company's long-term bond investments were in US obligations, US federal agency bonds, municipal obligations, and corporate issues. The Company did have a moderate exposure to mortgaged-backed and asset-backed securities. All MBS/ABS issues were investment rated at year-end 2013, but the carrying book value of $19.0 million comprised 44.0% of the total long-term bond portfolio, and 43.4% of all invested assets.

Short-term deposits consisted of deposits with Blackrock Provident Institutional Funds Money Market held in the custodial account at Bank of New York Mellon Trust Company.

A comparison of the major investments over the past five years shows the following:

	A	B	Ratio	Ratio
Year	**Bonds**	**Cash and Short-term**	**A/ Total Assets**	**B/ Total Assets**
2009*	$ 44,237,735	$ 367,574	46.2%	0.4%
2010	45,269,992	529,479	45.4%	0.5%
2011	45,077,986	654,715	33.1%	0.5%
2012	43,396,474	1,794,063	41.7%	1.7%
2013*	43,358,366	567,892	41.8%	0.5%

The Board of Directors approved the investment transactions in each of the years under review, pursuant to ORS 733.740. As of December 31, 2013, sufficient invested assets were invested in amply secured obligations of the United States in compliance with ORS 733.580.

Effective March 14, 2005, the Company entered into a custodial agreement with Bank of New York Trust Company, NA (now New York Mellon Trust Company). The agreement contained all of the relevant protections described in OAR 836-027-0200(4)(a) through (l).

Note 2 – Actuarial Reserves

As described earlier in this report, the Company participated in an intercompany reinsurance pooling arrangement, whereby 100% of the direct business was ceded to the Pool, and 12% of the nationwide pool was retroceded back to the Company. As a result, all loss reserves, LAE reserves, premiums and considerations, unearned premium reserves, and any other amount to be actuarially determined were booked at the end of each reporting period in an amount equal to 12% of the pooled amounts.

Giovanni Muzzarelli, FCAS, CERA, MAAA, actuary with the California Department of Insurance, and David Dahl, FCAS, MAAA, actuary with the Oregon Insurance Division, reviewed California Casualty Group's losses and loss adjustment expense reserves as of December 31, 2013. During their separate reviews, they examined the Statement of Actuarial Opinion and supporting statements for the California Casualty Insurance Companies as of December 31, 2013, prepared by F. Judy Jao, FCAS, MAAA, Vice President and Actuary for CCG.

Mr. Muzzarelli reviewed the reconciliation of the data used in the Actuarial Report to the data in Schedule P and found them to be consistent. He did not review the underlying data used to create the annual statement filing, but relied upon the work performed by the examiners.

The actuaries further reviewed the Statements of Actuarial Opinion and the supporting report. In general, they found that Ms. Jao used appropriate actuarial methods, and the indicated loss and LAE reserves included in the report were reasonable.

Ms. Jao, the appointed actuary, opined that the reserves for loss and LAE carried by California Casualty General Insurance Company of Oregon as of December 31, 2013, were reasonable. Both Mr. Dahl and Mr. Muzzarelli concurred that the loss reserves of California Casualty General Insurance Company of Oregon were reasonably stated as of December 31, 2013.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There were no adjustments made to the Company's surplus as a result of this examination, and no recommendations or comments made.

CONCLUSION

During this examination period, Company surplus decreased from $33,526,630, as presented in the December 31, 2009, examination report to $32,786,220 as shown in this report. The comparative assets and liabilities are:

	December 31,		
	2013	2009	Change
Assets	$103,618,400	$ 95,823,588	$ 7,794,812
Liabilities	70,832,180	62,296,958	8,535,222
Surplus	$ 32,786,220	$ 33,526,630	$ (740,410)

ACKNOWLEDGMENT

The cooperation and assistance of the Company's officers and employees during the examination are gratefully acknowledged.

In addition to the undersigned, David F. Dahl FCAS, MAAA, property and casualty actuary, for the State of Oregon, Department of Consumer and Business Services, Insurance Division, participated on the examination.

The California Department of Insurance (CDI) examiners provided us with their California Casualty Group (CCG) examination work papers. This facilitated our review of common systems and practices. I would like to thank the following CDI examination team members:

Ber Vang, CFE, AES, CISA – Senior Insurance Examiner (Supervisor & IT Supervisor)
Li S. Lim, CFE – Senior Insurance Examiner (Specialist) & Examiner-in-Charge
Joe Detrick – IT specialist (Jennan Enterprises)
Mei Gu, CFE, Allen Lau, Sam Chiu, AFE, and Laurence Voiculescu – Assistant Examiners
Giovanni Muzzarelli, FCAS, CERA, MAAA – actuary for CDI
Robert Depp – Claims Specialist, CPCU
Anne Tong, CFE – Supervising Insurance Examiner

Respectfully submitted,

Mike Phillips

Mike Phillips, CFE, CPA, AES
Financial Examiner
Department of Consumer and Business Services
State of Oregon

AFFIDAVIT

STATE OF OREGON)
) ss
County of Marion)

Mike Phillips, CFE, CPA, AES, being duly sworn, and states as follows:

1. I have authority to represent the state of Oregon in the examination of California Casualty General Insurance Company of Oregon, Portland, Oregon.

2. The Insurance Division of the Department of Consumer and Business Services of the state of Oregon is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report. The examination of California Casualty General Insurance Company of Oregon was performed in a manner consistent with the standards and procedures required by the Oregon Insurance Code.

The affiant says nothing further.

Mike Phillips

Mike Phillips, CFE, CPA, AES
Financial Examiner
Department of Consumer and Business Services
State of Oregon

Subscribed and sworn to me this 29 day of May, 2015.

Linda J Rothenberger

Notary Public for the State of Oregon

My Commission Expires: 3/22/2017

OFFICIAL SEAL
LINDA J ROTHENBERGER
NOTARY PUBLIC-OREGON
COMMISSION NO. 476327
MY COMMISSION EXPIRES MARCH 22, 2017