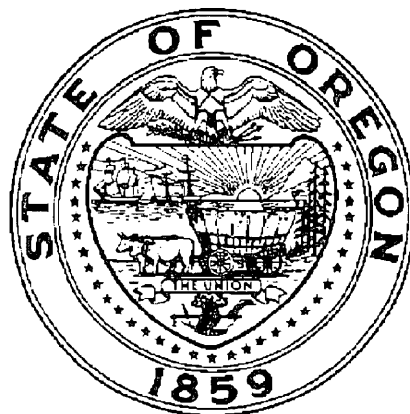


STATE OF OREGON
DEPARTMENT OF
CONSUMER & BUSINESS
SERVICES
DIVISION OF FINANCIAL
REGULATION



REPORT OF FINANCIAL EXAMINATION
OF
ENUMCLAW PROPERTY & CASUALTY INSURANCE
COMPANY
ENUMCLAW, WASHINGTON

AS OF

DECEMBER 31, 2018

STATE OF OREGON

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

DIVISION OF FINANCIAL REGULATION

REPORT OF FINANCIAL EXAMINATION

OF

**ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
ENUMCLAW, WASHINGTON**

NAIC COMPANY CODE 11232

AS OF

DECEMBER 31, 2018

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SALUTATION

August 28, 2019

Honorable Cameron Smith, Director
Department of Consumer and Business Services
Division of Financial Regulation
State of Oregon
350 Winter Street NE
Salem, Oregon 97301-3883

Dear Director:

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

ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
1460 Wells Street
Enumclaw, Washington, 98022
NAIC Company Code 11232

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

SCOPE OF EXAMINATION

We have performed our regular, single-state, full-scope examination of Enumclaw Property and Casualty Insurance Company. The examination was conducted in conjunction with the examination of the parent property and casualty insurer, Mutual of Enumclaw Insurance Company, and a separate report of examination will be prepared for that entity. The last examination of this property and casualty insurer was completed as of December 31, 2013. This examination covers the period of January 1, 2014, to December 31, 2018.

We conducted our examination pursuant to ORS 731.300 and in accordance with ORS 731.302(1) which allows the examiners to consider the guidelines and procedures in the NAIC *Financial Condition Examiners Handbook*. The handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in ORS 731.302 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report, but separately communicated to other regulators and the Company.

COMPANY HISTORY

The Company was incorporated on November 27, 2001, as a stock, multiple line, property and casualty insurer in the state of Washington and commenced business there on January 25, 2002.

In 2015, the Parent reorganized itself pursuant to the provisions of ORS 731.363, ORS 732.015 – 732.175, and ORS 732.600 – 732.630 by doing the following: reincorporating as a domestic insurer, forming an Oregon mutual insurance holding company, converting from an Oregon mutual insurer into an incorporated Oregon stock insurer, and becoming a wholly owned subsidiary of the Oregon mutual insurance holding company. Mutual policyholders of the Company or any other subsidiary that issues mutual insurance policies, including Mutual of Enumclaw Insurance Company, were granted membership interests in the Oregon mutual insurance holding company. There are no plans to issue shares of the Company to the public, any director or officer of the Oregon mutual holding company, or to any other persons except for the granting of membership interests.

The Company now writes non-assessable policies, meaning that if the company has adverse losses or expenses, it cannot assess the policyholders to replenish surplus.

Capitalization

As of December 31, 2018, the Company had 600,000 shares of common stock authorized, of which 300,000 shares are outstanding with a par value of \$10 per share totaling \$3,000,000. The Company reported \$3,100,000 in gross paid in and contributed surplus, which was unchanged from the prior Report of Examination.

Dividends to Stockholders and Other Distributions

During the period under examination, the Company did not declare or pay any dividend to its stockholder or make any distribution.

CORPORATE RECORDS

Board Minutes

In general, the review of Board meeting minutes of the Company indicated that the minutes support the transactions of the Company and clearly describe the actions taken by its directors. A quorum as defined by the Company's Bylaws, met at all of the meetings held during the period under review.

The Company's Bylaws authorize the Board to establish committees as it deems necessary. Further, the Company's Board has created committees that oversee and support the Mutual of Enumclaw Insurance Group; an Audit Committee, a Finance Committee, a Board Governance Committee, and an Investment Committee.

The minutes indicated the Board directly approves the CEO's compensation through its Compensation Committee and indirectly approves the compensation of senior executives through

approval of an Annual Performance Compensation Plan. This process complies with the provisions of ORS 732.320(3).

Articles of Incorporation

The Company's restated Articles of Incorporation were most recently amended on August 14, 2014, to reincorporate as an Oregon domestic for-profit stock insurance company. The Articles of Incorporation conformed to the Oregon Insurance Code.

Bylaws

The Company's Bylaws were last restated on February 16, 2016, and were amended and restated to make minor changes associated with its conversion. The Bylaws conformed to Oregon statutes.

MANAGEMENT AND CONTROL

Board of Directors

The Bylaws, in Article III, state the affairs of the Company shall be managed by the Board of not less than seven (7) and not more than fourteen (14), the specific number to be set by resolution of the Board. As of December 31, 2018, the Company was governed by an eight member Board of Directors as follows:

<u>Name and Address</u>	<u>Principal Affiliation</u>	<u>Member Since</u>
Anthony Lawrence Baruffi Seattle, Washington	Chief Investment Officer McMillen & Company	2014
Tadashi Andrew Fujimoto * Meridian, Idaho	Director & CEO AmeriBen/BEC Group	2007
Laurinda Mackenzie Portland, Oregon	Chief Executive Officer Anesthesiology Group	2015

<u>Name and Address</u>	<u>Principal Affiliation</u>	<u>Member Since</u>
Eric Paul Nelson Kent, Washington	President & CEO Mutual of Enumclaw Insurance Co.	2010
Donald Edward Powell Richland, Washington	Attorney & Partner Powell & Gunter	2008
Janey Lynn Repensek Seattle, Washington	Chief Operating & Financial Officer Seattle Opera	2007
Norman Joseph Smith Roseburg, Oregon	President & CEO The Ford Family Foundation	2015
David Merle Waldo Parma, Idaho	President Field-Waldo Insurance, Inc.	1994

*Chairman

The examiners noted David Merle Waldo was granted a term limit waiver by board resolution as allowed in the Bylaws.

Under Oregon law, ORS 732.305, at least five (5) or one-quarter of the Directors, whichever is fewer, must be residents of Oregon and a majority of Directors must be non-salaried officers of the Company. The Company was in compliance with this statute. The Directors as a group had experience in law, insurance, accounting and management, in accordance with the provisions of ORS 731.386.

Officers

Principal officers serving at December 31, 2018, were as follows:

<u>Name</u>	<u>Title</u>
Eric Paul Nelson	President & CEO
Andrew Chen	Vice President, Finance & CFO
Alice Park Cameron	Vice President, Personal Underwriting
Cori Nicole Medrano	Vice President, Commercial Underwriting
Megan Anne Hall	Vice President, Product Management
Richard Frank Hawkins	Vice President, Marketing

Michele Jean Wyatt
David Alan Wilson
Sandra Jean Williams
Thomas Taylor
Athan Michael Shinas

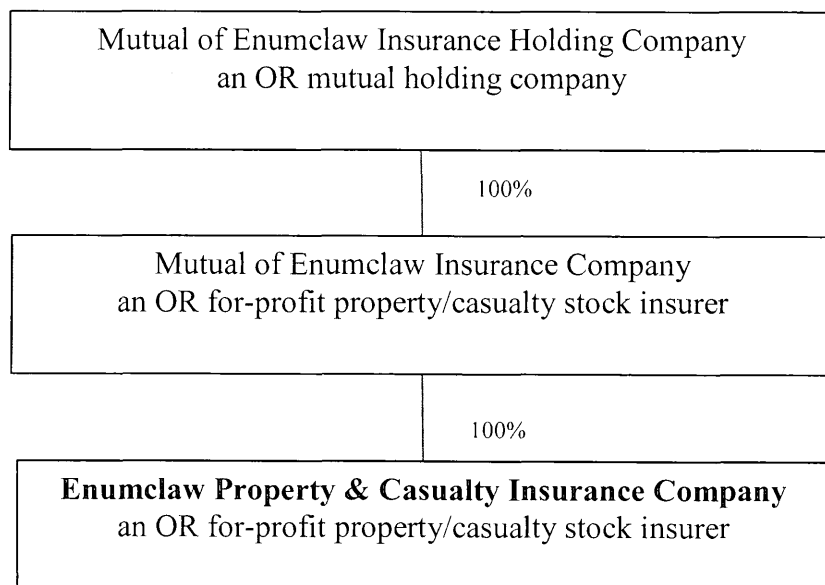
Vice President, Claims
Chief Information Officer
Vice President, Administration
Chief Risk Officer
Secretary and General Counsel

Conflict of Interest

The Company's Board adopted a formal statement of policy concerning conflict of interest for all Directors, officers and responsible employees. Board members, senior officers and key employees are required to annually sign a conflict of interest declaration. 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

An insurance holding company registration statement was filed by the Company in accordance with the provisions of ORS 732.552, ORS 732.554, and Oregon Administrative Rule (OAR) 836-027-0020(1). The following organizational chart depicts the relationships of the Company within the holding company system:



A description of each of the entities above is as follows:

Mutual of Enumclaw Insurance Holding Company is an Oregon domiciled mutual holding company. It was formed pursuant to the re-domestication from Washington to Oregon in 2015 and is the ultimate controlling entity. It owns 100% of the Company and would be the ultimate controlling entity.

Mutual of Enumclaw Insurance Company (MOE) is an Oregon domiciled for-profit P&C stock insurer incorporated in 1898 and reincorporated on August 11, 1899 under the Mutual Insurance Law of the State of Washington. MOE is a 100% owner of the Company and is considered the direct parent.

INTERCOMPANY AGREEMENTS

The following agreements are in place between the Parent and the Company:

Intercompany Quota Share Reinsurance Agreement

Effective January 1, 2013, an Intercompany Quota Share Reinsurance Agreement between MOE and the Company was entered into. Under the terms of the agreement, MOE assumes 100% of all the Company's gross premiums, losses and expenses. MOE is also liable for the pro rata share of loss adjustment expenses, extra contractual obligations and losses in excess of policy limits. The Company is required to report within 30 days following the end of each month all premiums written and earned, ceding commissions, losses and LAE paid and incurred, salvage and subrogation, and the outstanding loss and LAE reserve and premiums unearned at the end of the month. Settlement of any outstanding balances in the intercompany accounts are due within 45 days following the end of each quarter.

With the two entities commonly managed and staffed, expenses will be allocated between MOE and the Company, taking into consideration factors such as premium volume, policy counts, underwriting profitability, or any other factor deemed significant. The Company allows the Company a ceding commission equivalent to the allocated expenses. The Agreement remains effective until terminated by either party, which requires 12 months' prior notice in writing.

Tax Allocation Agreement

Effective January 30, 2004, a Consolidated Federal Income Tax Sharing Agreement was entered into between MOE and the Company. The agreement requires the two entities to allocate federal income tax provisions on a separate company, reporting entity basis. Allocation is based on separate return calculations with current credit for net losses. Amounts are to be settled within 90 days of the filing of the consolidated income tax return, or within 90 days of the receipt of a refund, when a refund is due to the reporting entity's parent. The Agreement may be amended at any time for provisions relating to changes in Statement of Statutory Accounting Principles or for changes in state insurance laws and regulations.

FIDELITY BOND AND OTHER INSURANCE

The examination of insurance coverages involved a review of adequacy of limits and retentions, and the solvency of the insurers providing the coverages. The insurance coverages are provided through insurance policies issued by unaffiliated carriers. Coverage protected just the company. The group as a whole is insured up to \$10,000,000 per occurrence, after a \$75,000 deductible per single loss, against losses from acts of dishonesty and fraud by its employees and agents. Fidelity bond coverage was found to meet the coverage recommended by the NAIC.

Other insurance coverages in force at December 31, 2018, were found to be adequate, and are as follows:

Cyber and Cyber Excess Policy	Director's and officer's
Property	Automobile Liability
General Liability	Workers' compensation
Insurance company professional liability	

TERRITORY AND PLAN OF OPERATION

The Company is licensed in the States of in Alaska, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, and Washington. Direct premiums written in 2018 were:

<u>State</u>	<u>Direct Premiums Written</u>	<u>Percentage</u>
Idaho	\$ 12,245,157	10.3%
Oregon	26,250,598	22.1%
Utah	14,363,523	12.1%
Washington	<u>66,037,631</u>	<u>55.5%</u>
Total	<u>\$ 118,896,909</u>	<u>100.0%</u>

The following is a breakdown of the direct premiums written in 2018:

<u>Lines of Business</u>	<u>Premium</u>	<u>Percentage</u>
Fire	\$ 3,563,807	3.0%
Allied lines	2,285,921	1.9%
Homeowners multiple peril	36,946,991	31.1%
Inland marine	2,052,200	1.7%
Other liability - occurrence	3,462,271	2.9%
Private passenger auto liability	47,122,639	39.6%
Auto physical damage	<u>23,463,080</u>	<u>19.7%</u>
Totals	<u>\$ 118,896,909</u>	<u>100.0%</u>

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 where a report of examination was published by the Oregon Division of Financial Regulation.

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Net Income (Loss)</u>
2014	8,501,323	653,052	7,848,271	88,061
2015	8,207,816	305,202	7,902,614	54,343
2016	8,243,859	286,571	7,957,288	54,674
2017	8,248,425	191,377	8,057,048	99,761
2018*	8,276,391	87,709	8,188,682	131,633

*Per examination

REINSURANCE

Assumed

None.

Ceded

An Intercompany Quota Share Reinsurance Agreement between the MOE and the Company was described under intercompany agreements above.

Risk Retention

The Company did not retain risk on any one subject in excess of 10% of its surplus as regards policyholders. The Company complied with the provisions of ORS 731.504.

Insolvency Clause

The reinsurance agreements each contained an insolvency clause that specified payments would be made to a statutory successor without diminution in the event of insolvency in compliance with ORS 731.508(3).

ACCOUNTS AND RECORDS

In general, the Company's records and source documentation supported the amounts presented in the Company's December 31, 2018, annual statement and were maintained in a manner by which the financial condition was readily verifiable pursuant to the provisions of ORS 733.170.

STATUTORY DEPOSIT

As of the examination date, the Company maintained two U.S. Treasury Notes with a par value of \$1 million each on file with the Oregon Division of Financial Regulation. In addition, the Company reported one U.S. Treasury Bond with a par value of \$200,000 as a deposit held for the Nevada Department of Business and Industry and one U.S. Treasury Bond with a par value of \$315,000 held for the New Mexico Office of Superintendent of Insurance. The Oregon deposit was verified from the records of the Division of Financial Regulation. All deposits were confirmed through Wells Fargo Bank.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

There were no comments or recommendations made from the prior examination performed by the Washington Office of the Insurance Commissioner.

SUBSEQUENT EVENTS

There were no events subsequent to the examination date that would have a material impact on the Company's solvency.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Division of Financial Regulation and present the financial condition of the

Company for the period ending December 31, 2018. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements. These statements include:

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

ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
ASSETS
As of December 31, 2018

Assets	Balance per Company	Examination Adjustments	Balance per Examination	Notes
Bonds	\$ 6,756,755	\$ -	\$ 6,756,755	1
Cash, cash equivalents and short-term investments	1,337,850		1,337,850	1
Aggregate write-ins for invested assets	<u>-</u>	<u>-</u>	<u>-</u>	
Subtotal, cash and invested assets	<u>8,094,605</u>	<u>\$ -</u>	<u>8,094,605</u>	
Investment income due and accrued	53,363	-	53,363	
Receivable from parent, subsidiaries and affiliates	128,423		128,423	
Aggregate write-ins for other than invested assets	<u>-</u>	<u>-</u>	<u>-</u>	
Total Assets	<u>\$ 8,276,391</u>	<u>\$ -</u>	<u>\$ 8,276,391</u>	

ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2018

	Balance per Company	Examination Adjustments	Balance per Examination	Notes
Losses	\$ -	\$ -	\$ -	2
Loss adjustment expenses	-	-	-	2
Other expenses	5,615	-	5,615	
Taxes, licenses and fees (excl. FIT)	47,103	-	47,103	
Unearned premiums	-	-	-	
Current FIT payable	34,991	-	34,991	
Aggregate write-ins for liabilities	-	-	-	
Total Liabilities	<u>\$ 87,709</u>	<u>\$ -</u>	<u>\$ 87,709</u>	
Common capital stock	\$ 3,000,000	\$ -	\$ 3,000,000	
Gross paid-in and contributed capital	3,100,000	-	3,100,000	
Unassigned funds (surplus)	<u>2,088,682</u>	<u>-</u>	<u>2,088,682</u>	
Surplus as regards policyholders	<u>8,188,682</u>	<u>-</u>	<u>8,188,682</u>	
Total Liabilities, Surplus and other Funds	<u>\$ 8,276,391</u>	<u>\$ -</u>	<u>\$ 8,276,391</u>	

ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
STATEMENT OF INCOME
For the Year Ended December 31, 2018

	Balance per Company	Examination Adjustments	Balance per Examination	Notes
Underwriting income				
Premium earned	\$ -	\$ -	\$ -	
Deductions				
Losses incurred	-	-	-	
Loss adjustment expenses incurred	-	-	-	
Other underwriting expenses	-	-	-	
Aggregate write-ins for underwriting deductions	-	-	-	
Total underwriting deductions	<u>-</u>	<u>-</u>	<u>-</u>	
Net underwriting gain or (loss)	-	-	-	
Investment income				
Net investment income earned	168,215	-	168,215	
Net realized gains or (losses)	<u>(1,256)</u>	<u>-</u>	<u>(1,256)</u>	
Net investment gain or (loss)	166,959	-	166,959	
Other income				
Net gain or (loss) from agents' or premium balances charges off	-	-	-	
Finance and service charges not included in premiums	-	-	-	
Aggregate write-ins for miscellaneous income	-	-	-	
Total other income	<u>-</u>	<u>-</u>	<u>-</u>	
Net income before dividends to policyholders and income taxes	166,959	-	166,959	
Dividends to policyholders	-	-	-	
Federal income taxes incurred	<u>35,325</u>	<u>-</u>	<u>35,325</u>	
Net income	<u>\$ 131,633</u>	<u>\$ -</u>	<u>\$ 131,633</u>	

ENUMCLAW PROPERTY & CASUALTY INSURANCE COMPANY
RECONCILIATION OF SURPLUS SINCE THE LAST EXAMINATION
For the Year Ended December 31,

	2018	2017	2016	2015	2014
Surplus as regards policyholders, December 31, previous year	<u>\$ 8,057,048</u>	<u>\$ 7,957,288</u>	<u>\$ 7,902,614</u>	<u>\$ 7,848,271</u>	<u>\$ 7,760,210</u>
Net income (loss)	131,633	99,791	54,674	54,343	88,061
Change in net unrealized capital gains or (losses)	-	-	-	-	-
Change in net deferred income tax	-	-	-	-	-
Change in non-admitted assets	-	-	-	-	-
Change in provision for reinsurance	-	-	-	-	-
Change in surplus notes	-	-	-	-	-
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	-	-	-	-	-
Distributions to parent (cash)	-	-	-	-	-
Change in treasury stock	-	-	-	-	-
Examination adjustment	-	-	-	-	-
Aggregate write-ins for gains and losses in surplus	-	-	-	-	-
Change in surplus as regards policyholders for the year	<u>131,633</u>	<u>99,791</u>	<u>54,674</u>	<u>54,343</u>	<u>88,061</u>
Surplus as regards policyholders, December 31, current year	<u>\$ 8,188,682</u>	<u>\$ 8,057,048</u>	<u>\$ 7,957,288</u>	<u>\$ 7,902,614</u>	<u>\$ 7,848,271</u>

NOTES TO FINANCIAL STATEMENTS

Note 1 – Invested Assets

At year-end 2018, the Company's long-term bond investments were in US obligations, municipal obligations, US special revenue bonds and corporate issues. The Company did have a moderate exposure to mortgaged-backed and asset-backed securities. Most of MBS/ABS issues were investment rated, with a carrying book value of \$1.1 million, which comprised 16.5% of the total long-term bond portfolio and 13.8 % of all invested assets.

A comparison of the major investments over the past five years is as follows:

<u>Year</u>	<u>A</u> <u>Bonds</u>	<u>B</u> <u>Cash and</u> <u>Short-term</u>	<u>Ratio</u> <u>A/</u> <u>Total Assets</u>	<u>Ratio</u> <u>B/</u> <u>Total Assets</u>
2014*	6,606,792	1,707,574	77.7%	20.1%
2015	6,095,821	1,876,991	74.3%	22.9%
2016	7,921,428	181,577	96.1%	2.2%
2017	7,332,940	857,906	88.9%	10.4%
2018*	6,756,755	1,337,850	81.6%	16.2%

*Balance per examination.

As of December 31, 2018, sufficient invested assets were invested in amply secured obligations of the United States, the State of Oregon, or in FDIC insured cash deposits, and the Company was in compliance with ORS 733.580

Effective October 1, 2009, the Company entered into a custodial agreement with Wells Fargo Bank N.A. The agreement did not contain all of the relevant protections described in OAR 836-027-0200(4)(a) through (l).

I recommend the Company revise their Custodial Agreement with Wells Fargo Bank to include all of the relevant protections pursuant to the provisions of OAR 836-0200(4)(a) through (l)

Note 2 – Actuarial Reserves

The Company did not report any unpaid loss or LAE reserves on their December 31, 2018 Annual Statement as all of their business is 100% assumed by Mutual of Enumclaw Insurance Company. A review of the unpaid loss and LAE reserves for Mutual of Enumclaw Insurance Company was performed by David Dahl, FCAS, MAAA, Property & Casualty actuary for the Oregon Division of Financial Regulation, which included the assumed portion from EPC. As part of the review,

Mr. Dahl examined the supporting statements prepared by the Company's opining actuary, Derik Freihaut, FCAS, MAAA, Principle and Consulting Actuary for Pinnacle Actuarial Resources, Inc.

Mr. Dahl's review was based on the data, methods and calculations used in the Actuarial Report supporting the Actuarial Opinion as of December 31, 2018; the data, methods, and calculations used by the Company to establish its loss and LAE liabilities; the Company's reserve position as measured by the appointed actuary's range; and independent actuarial tests as necessary. He also relied on work performed by the examiners who reviewed the underlying data used to create the annual statement filing. Mr. Dahl concluded that the reserves were reasonably stated.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There were no adjustments to the Company's surplus; however, the following is a summary of the recommendations made in this report of examination.

Page

- 21 I recommend the Company revise its Custodial Agreement with Wells Fargo Bank to include all of the relevant protections pursuant to the provisions of OAR 836-0200-027(4)(a) through (l)

CONCLUSION

During the five year period covered by this examination, the surplus of the Company has increased from \$7,760,210 as presented in the December 31, 2013, report of examination, to \$8,188,682, as shown in this report. The comparative assets and liabilities are:

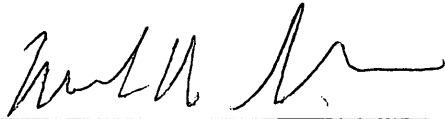
	December 31,		
	<u>2018</u>	<u>2013</u>	<u>Change</u>
Assets	\$ 8,276,391	\$ 8,658,097	\$ (381,706)
Liabilities	<u>87,709</u>	<u>897,887</u>	<u>(810,178)</u>
Surplus	<u>\$ 8,188,682</u>	<u>\$ 7,760,210</u>	<u>\$ 428,472</u>

ACKNOWLEDGMENT

The cooperation and assistance extended by the officers and employees of the Company during the examination process are gratefully acknowledged.

In addition to the undersigned, Tho Le, AFE, and Maanik C. Gupta, insurance examiners, and David Dahl, FCAS, MAAA, Property & Casualty Actuary for the State of Oregon, Department of Consumer and Business Services, Division of Financial Regulation, all participated in this examination.

Respectfully submitted,



Mark A. Giffin, CFE
Senior Financial Examiner
Division of Financial Regulation
Department of Consumer and Business Services
State of Oregon

AFFIDAVIT

STATE OF OREGON)

County of Marion)

Mark A. Giffin, CFE, being duly sworn, states as follows:

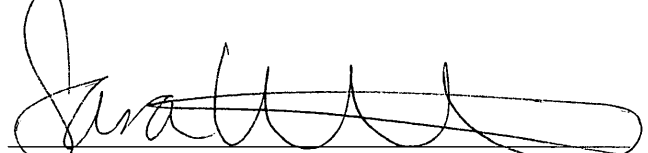
1. I have authority to represent the state of Oregon in the examination of Enumclaw Property & Casualty Insurance Company, Enumclaw, Washington.
2. The Division of Financial Regulation of the Department of Consumer and Business Services of the State of Oregon is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report. The examination of Enumclaw Property & Casualty Insurance Company was performed in a manner consistent with the standards and procedures required by the Oregon Insurance Code.

The affiant says nothing further.



Mark A. Giffin, CFE
Senior Financial Examiner
Division of Financial Regulation
Department of Consumer and Business Services
State of Oregon

Subscribed and sworn to before me this 17 day of October, 2019.



Notary Public in and for the State of Oregon

My Commission Expires: 12/17/21

