

FILED
AUG 11 2021
Department of Insurance
State of Idaho *AM*

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

IDAHO COUNTIES RISK MANAGEMENT
PROGRAM, UNDERWRITERS

Certificate of Authority No. 1674
NAIC No. 36480

Docket No. 18-3946-21

**ORDER ADOPTING REPORT
OF EXAMINATION AS OF
DECEMBER 31, 2019**

The Idaho Department of Insurance (“Department”), in accordance with Idaho Code § 41-219(1) and (5), has examined the affairs, transactions, accounts, records, and assets of Idaho Counties Risk Management Program, Underwriters (“ICRMP”), for the period of January 1, 2015, through December 31, 2019, and has prepared a corresponding Report of Examination (“Report”) pursuant to Idaho Code § 41-227, which, by this order, is adopted as filed.

FINDINGS OF FACT

1. ICRMP is an Idaho-domiciled reciprocal insurer, organized under a joint powers agreement pursuant to chapter 23, title 67, and chapter 29, title 41, Idaho Code. ICRMP is authorized to transact property and casualty insurance, excluding workers’ compensation, in Idaho under Certificate of Authority No. 1674.

2. The Department completed an examination of ICRMP pursuant to Idaho Code

§ 41-219(1) and (5) on or about July 6, 2021. The Report sets forth the Department's findings.

3. Pursuant to Idaho Code § 41-227(4), the Department's examiner-in-charge filed the verified Report with the Department on July 6, 2021, and the Department transmitted a copy of the Report to ICRMP on the same date. A copy of the verified Report is attached as Exhibit A.

4. Pursuant to Idaho Code § 41-227(4), ICRMP had 30 days from service of the Report to make a written submission or rebuttal with respect to any matters contained in the Report. No such written submissions or rebuttals were received by the Department from ICRMP.

CONCLUSIONS OF LAW

5. Idaho Code § 41-227(5)(a) provides that, after "the period allowed for the receipt of written submissions or rebuttals" expires, the Director "shall fully consider and review the report, together with any written submissions or rebuttals and relevant portions of the examiner's work papers" and shall enter an order adopting the report of examination as filed or with modifications or corrections, rejecting the report and reopening the examination, or calling for an investigatory hearing.

6. Having fully considered the Report, the Director concludes that, regarding the matters examined, the Report's comments, findings, and recommendations are appropriate and are incorporated herein as if set forth in full.

ORDER

NOW, THEREFORE, based on the foregoing, IT IS HEREBY ORDERED that the Report is ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(8), that the adopted Report is a public record and shall not be subject to the exemptions from disclosure provided in chapter 1, title 74, Idaho Code.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that, within 30 days of the issuance of the adopted Report, ICRMP shall file with the Department's chief examiner affidavits executed by each of its directors stating under oath that they have received a copy of the adopted Report and related orders.

DATED AND EFFECTIVE this 10th day of August, 2021.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within 14 days of the service date of this order. The agency will dispose of the motion for reconsideration within 21 days of its receipt, or the motion will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within 28 days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within 21 days to grant or deny a motion for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 11th day of August, 2021, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXAMINATION AS OF DECEMBER 31, 2019, to be served upon the following by the designated means:

Idaho Counties Risk Management Program, Underwriters
Morgan Knab, Controller
3100 Vista Avenue, Ste. 300
Boise, ID 83705
mknab@icrmp.org

☐ first class mail
☒ certified mail
☐ hand delivery
☒ email

Eric Fletcher
Chief Examiner
Idaho Department of Insurance
700 W. State Street, 3rd Floor
Boise, ID 83720-0043
eric.fletcher@doi.idaho.gov

☐ first class mail
☐ certified mail
☐ hand delivery
☒ email

Karl T. Klein
Deputy Attorney General
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

☐ first class mail
☐ certified mail
☒ hand delivery
☐ email



DEPARTMENT OF INSURANCE

STATE OF IDAHO



REPORT OF EXAMINATION

Of

IDAHO COUNTIES RISK MANAGEMENT PROGRAM, UNDERWRITERS
(property and casualty)
(NAIC Company Code: 36480)

As of
December 31, 2019



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Boise, Idaho
July 6, 2021

The Honorable Dean L. Cameron
Director of Insurance
State of Idaho
700 West State Street
P.O. Box 83720
Boise, Idaho 83720-0043

Dear Director:

Pursuant to your instructions, in compliance with Section 41-219 (1), Idaho Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2019, of the financial condition and corporate affairs of:

Idaho Counties Risk Management Program, Underwriters
3100 W. Vista Suite 300
Boise, Idaho 83705

Hereinafter referred to as the "Company", which has its offices in Boise, Idaho. The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

Period Covered

We have performed our single-state examination of Idaho Counties Risk Management Program, Underwriters. The last exam was completed as of December 31, 2014. This examination covers the period of January 1, 2015 through December 31, 2019.

Examination Procedures Employed

Our examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* to determine compliance with accounting practices and procedures in conformity with the applicable laws and insurance rules promulgated by the Idaho Department of Insurance (Department). 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 Account 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 was identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to the Company.

The examination determined the risks associated with identified key functional areas of the Company's operation and considered mitigating factors. Interviews were held with the senior management of the Company to gain an understanding of the entity's operating profile and control environment.

The Company retained the services of a certified public accounting firm, Johnson Lambert, LLP, to audit its financial records for the years under examination. The firm allowed the examiners access to requested work papers prepared in connection with its audits. The external audit work was relied upon where deemed appropriate.

The examination relied on the findings of actuarial firm contracted by the Department to verify reserves.

A letter of representation certifying that management disclosed all significant matters and records was obtained from management and included in the examination working papers.

Status of Prior Examination Findings

Our examination included a review to determine the current status of the four exception conditions commented upon in our preceding Report of Examination, dated March 3, 2017, which covered the period from January 1, 2010 to December 31, 2014. We determined that the Company satisfactorily addressed all of those exception conditions.

SUMMARY OF SIGNIFICANT FINDINGS

Our examination did not disclose any material adverse findings or any adjustments that impacted the Company's reported capital and surplus.

SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the spreading Novel Coronavirus Disease, COVID-19, a pandemic. On March 13, 2020, the United States declared the COVID-19 pandemic a national emergency. COVID-19 has created economic disruptions on a global scale, which has led to uncertainty about the overall economic impact on financial markets. At this time, the full effect of COVID-19 on the Company is unknown. In a coordinated effort, the Company and the Department will continue to monitor the effects of the pandemic to the Company.

COMPANY HISTORY

General

The Company was organized pursuant to the Joint Powers Act, under the authority of Idaho Code §§ 67-2326 to 67-2333. It commenced business operations on November 29, 1985.

The original business name of the entity was "Idaho Counties Reciprocal Management Company." It was recognized and treated as an "insurance fund" and as an extension of the Idaho Association of Counties (IAC). It was subsequently determined that the Company would be required to be licensed as an insurer and separate entity, pursuant to Title 41, Chapter 29, Idaho Code. On February 1, 1986 it was issued a certificate of authority to write all property and casualty lines of business excluding workers compensation.

By resolution of the Board of Trustees, effective October 6, 1993, "Reciprocal" was deleted from the original business name and replaced with "Risk." On December 16, 1993, "Underwriters" was added to the name in order to comply with Idaho Code § 41-2905(1). The full business

name of the entity, as revised, became and is currently known as *“Idaho Counties Risk Management Program, Underwriters.”*

The Company was founded for the purpose of providing property and casualty insurance coverages for public agencies of the State of Idaho. The original Joint Powers Subscriber Agreement (JPSA) granted the Company authority to plan, organize, direct, control, and finance the Company, allowing for additional coverage to be obtained through reinsurance companies.

Idaho Code § 67-2327 defines a public agency as *“...any city or political subdivision of this state, including, but not limited to counties; school districts; highway districts; and port authorities; instrumentalities of counties; cities or any political subdivision created under the laws of the state of Idaho; any agency government; and any city or political subdivision of another state.”*

The original membership was limited to counties which were also members of the IAC. Effective September 21, 1989, an amendment to the JPSA, allowed any political subdivision in the State of Idaho (but not the State) to apply for membership.

The entities for which coverage is provided are known as subscriber members. Twenty-six members formed the foundation of the Company in 1985. Each member is independent of the other and premiums are established for each subsequent fiscal year on an annual basis by the Board. An individual member’s premium shall be limited to the amount set for that policy year, unless the member requests additional coverage. The policies are non-assessable. Premium incentives may be offered to those faithfully participating in loss prevention and safety programs. Conversely, premiums may be increased based on changes in risk, violations of safety or loss prevention programs or for other reasons established and/or approved by the Board.

An Executive Director is appointed by the Board of Trustees (Board) to supervise the business of the Company and carry out other functions delegated by the Board.

Dividends and Capital Contributions

The following policyholder dividends were issued to the Idaho School Board Association during the examination period:

<u>Year</u>	<u>Amount</u>
2015	\$ 300,000
2016	\$ 300,000
2017	\$ 300,000
2018	\$ 300,000
2019	<u>\$ 300,000</u>
Total	<u>\$ 1,500,000</u>

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

Surplus Debentures

There were no surplus debentures during the examination period.

CORPORATE RECORDS

The Board guides and oversees the management and control of the Company. The JPSA states that the Board shall be comprised of nine elected officials, six of whom shall be county commissioners and three of whom shall hold elective office in other political subdivisions. Each member of the Board shall serve from the date of the first Board meeting in the year succeeding election/appointment through the conclusion of their term when a succeeding Board member is seated or for another term if the Board member is re-elected/reappointed.

The meetings of the Board were conducted on a frequent basis for all years under examination. Teleconferences were also conducted on an as-needed basis. In general, the type of information/transactions discussed, reviewed and/or approved in the Board meetings included the following: review of current financial statements, review and approval of credit card transactions and operating cash disbursements, authorization of claims settlements, ratification of investment transactions, approval of major agreements, approval of annual budget, and approval of premium rates.

The Prior Examination Report as of December 31, 2014, was distributed to the Board prior to the July 5, 2017, meeting and reviewed at the Board of Trustees meeting on July 5, 2017, in accordance with Idaho Code § 41-227(6)(a).

MANAGEMENT AND CORPORATE GOVERNANCE

The JPSA states that the Board shall be comprised of nine elected officials. The following persons served as Trustees of the Company as of December 31, 2019:

<u>Name & Address</u>	<u>Principal Occupation</u>
Jack Buell, Chairman* St. Maries, Idaho	Commissioner Benewah County
Marc Shigeta, Vice-Chairman** New Plymouth, Idaho	Commissioner Payette County
Justin McCleod Nez Perce, Idaho	Commissioner Lewis County

Kent McClellan Burley, Idaho	Commissioner Minidoka County
Vaughn Rasmussen Georgetown, Idaho	Commissioner Bear Lake County
Greg Shenton Dubois, Idaho	Commissioner Clark County
Garrett Nancolas Caldwell, Idaho	Mayor City of Caldwell
Brian Blad Pocatello, Idaho	Mayor City of Pocatello
Craig Rockwood Iona, Idaho	President Iona Cemetery Board

**On February 2, 2021, Marc Shigeta was appointed as Chairman and Jack Buell left the Board. The Company is currently searching for a new Trustee.*

***On February 2, 2021, Craig Rockwood was appointed as Vice-Chairman.*

The JPSA authorizes the Board to form committees and advisory panels on an as needed basis. As of December 31, 2019, the Company had an Audit Committee which was comprised of the entire Board. No other committees were appointed by the Board during the period under examination.

Contracts and Agreements

During the examination period, the Company was party to the following major contracts and agreements:

Service Agreements

The Company has service agreements with Idaho Association of Highway Districts, Association of Idaho Cities and Idaho Association of Counties. Under these agreements, the above entities agree to exclusively endorse the Company as its preferred provider of insurance and risk management services to their members.

The Company has a dividend agreement in place with the Idaho School Board Association. Under this agreement, the Company provides a stable dividend payment for years in which the Company does not experience individual severe property loss claims. The dividend of \$300,000 is payable 60 days after the expiration of the policy containing a dividend plan endorsement, unless reduced or eliminated for a single occurrence of \$1 million (reduced by 50%) or multiple claims of \$1 million each.

Investment Services Agreement

The Company entered into an investment services agreement with KeyBank. Under this agreement, KeyBank agrees to take custody of the Company's investments and to provide investment management services to Company.

FIDELITY BONDS AND OTHER INSURANCE

The minimum fidelity coverage suggested by the NAIC for an insurer of the Company's size and premium volume is not less than \$500,000. As of December 31, 2019, the Company had sufficient fidelity bond coverage subject to a loss limit of \$2,000,000 with a deductible of \$25,000.

The Company also self-insured against property and general liability risks through a Public Entity Multi-Lines Insurance Policy written by the Company.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

During the period under examination, the Company provided a number of benefits to full-time employees. Benefits included, but were not limited to: health and dental insurance, life insurance, retirement through the Public Employees Retirement System of Idaho, parental leave, bereavement leave, paid time off and recognition of ten holidays each year.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2019, the Company was only licensed in the State of Idaho. It provides property and liability coverages to its members, which are public entities. Aside from insurance, the Company also provides the following services to its members: legal consulting, conference workshops, sample forms, training and local government advocacy. All of the policies provided were marketed through various agents. Main business operations were conducted at its headquarters located at Boise, Idaho.

GROWTH OF THE COMPANY

The following represents the Company's premium activity and its relationship to surplus over the examination period:

<u>Year</u>	<u>Gross Premium Written</u>	<u>Surplus</u>	<u>Premium to Surplus Ratio</u>
2015	\$ 28,791,042	\$ 28,552,133	101%
2016	\$ 29,363,448	\$ 34,145,630	86%
2017	\$ 30,554,780	\$ 25,221,983	121%
2018	\$ 32,043,580	\$ 25,061,599	128%
2019	\$ 33,632,504	\$ 25,189,636	134%

LOSS EXPERIENCE

The following represents the Company's loss experience and its relationship to net premium income over the examination period:

<u>Year</u>	<u>Net Premium Earned</u>	<u>Losses & LAE Incurred</u>	<u>Expenses Incurred</u>	<u>Total Losses & LAE and Expenses</u>	<u>Losses to Premium Ratio</u>
2015	\$ 23,228,326	\$ 16,587,460	\$ 6,490,398	\$ 23,077,858	99%
2016	\$ 24,095,779	\$ 13,735,159	\$ 6,160,546	\$ 19,895,705	83%
2017	\$ 24,572,214	\$ 28,205,155	\$ 6,624,962	\$ 34,830,117	142%
2018	\$ 25,281,630	\$ 19,283,868	\$ 6,451,608	\$ 25,735,476	102%
2019	\$ 26,533,063	\$ 21,877,228	\$ 6,612,125	\$ 28,489,353	107%

In 2017, the Company experience unusual weather-related losses.

REINSURANCE

Assumed

During the examination period, the Company did not assume any reinsurance business.

Ceded

The Company obtained its reinsurance coverages through a reinsurance intermediary, Arthur J. Gallagher & Co (AJG). Reinsurance premiums were calculated by the reinsurers and presented by AJG in an annual reinsurance proposal. The Company's reinsurance policies are effective on

October 1st, apart from a large block of school business which has an effective date of July 1st. Ceded premium amounts are remitted to the reinsurers through AJG at the beginning of each policy year. As a result, there are two separate reinsurance programs; one for policies with an October 1st effective date, and one for policies with a July 1st, effective date.

The coverage structure for the ceded business effective for policy year 2019-2020 is summarized as follows:

<u>Effective Date</u>	<u>Entity Type Covered</u>	<u>Type</u>	<u>Reinsurer</u>	<u>Business Covered</u>	<u>Company Retention</u>	<u>Reinsurer Limits</u>
October 1st	Public Entity	Excess of Loss	General Reinsurance Corporation	General Liability	\$750,000 per occurrence or member	\$5,000,000 aggregate
October 1st	Public Entity	N/A**	Ace Property & Casualty Insurance Company	Airport Liability	None	Varies, \$2,000,000 - \$5,000,000 per airport
October 1st	Public Entity	N/A**	XL Insurance (Indian Harbor) *	Cyber Liability	\$25,000 to \$50,000	\$10,000,000
July 1st	Schools	Excess of Loss	General Reinsurance Corporation	Liability for: Automotive, General, Sexual Molestation or Abuse, Educators, Student Practicum	\$500,000 per accident, occurrence or claim	\$10,000,000 aggregate
July 1st	Schools	N/A**	XL Insurance (Indian Harbor) *	Cyber Liability	\$10,000 to \$50,000	\$10,000,000 aggregate
July 1st	Public Entity & Schools	Excess of Loss	Counties Reinsurance Limited*	Property Liability	\$250,000 to \$1,000,000 depending upon peril	\$1,100,000,000 aggregate for all reinsureds

* Unauthorized insurer in Idaho

**These are not standard reinsurance agreements as the claims related to these agreements are handled and paid directly by either the reinsurers or its intermediaries. Deductibles related to these agreements are paid by members of the Company. In addition, many of these agreements do not include standard provisions of a reinsurance agreement. To account for the coverage/risk transfer for the policyholders from the Company to the named insurance company on the policy, the Company has accounted for these agreements as though they are reinsurance agreements.

All of the reinsurers are authorized insurers in the State of the Idaho except those noted above. In addition, all of the above agreements are in compliance with Statement of Statutory Accounting Principle 62R with regard to transfer of risk and Title 41 of Idaho Code.

ACCOUNTS AND RECORDS

The Company's accounting records are maintained at its home office located at Boise, Idaho. To maintain the general ledger, QuickBooks software is utilized. Statutory annual statement software used is FIS. Clearwater Analytics is used for investment tracking.

The independent audits for all years under examination were performed by Johnson Lambert, LLP, Park Ridge, Illinois. Audit workpapers were relied upon where deemed appropriate. Workpapers and other document as requested were provided to the examiners during the examination.

STATUTORY DEPOSITS

Pursuant to Idaho Code §§ 41-313 & 41-316A, the Company was required to maintain a deposit in an amount equal to \$1,000,000. The examination confirmed that as of the examination date, the Company maintained a statutory deposit with the State of Idaho consisting of four United States Treasury Notes with a par value of \$1,099,000.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2019. 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.

Statement of Assets and Liabilities

Assets

Bonds	\$48,974,034
Common Stocks	4,714,422
Real estate:	
Properties held for the production of income	3,924,948
Cash	5,104,021
Other invested assets	688,284
Receivables for securities	1,577
Investment income due and accrued	333,907
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	709,554
Deferred premiums, agents' balances and installments booked but deferred and not yet due	10,833,699
Reinsurance:	
Amounts recoverable from reinsurers	1,659,836
Furniture and equipment, including health care delivery assets	58,925
Total Assets	<u>\$77,003,207</u>

Liabilities, Surplus and Other Funds

Losses	\$23,813,028
Loss adjustments expenses	7,494,182
Commissions payable, contingent commissions and other similar changes	976,894
Other expenses	156,401
Unearned premiums	19,055,066
Provision for reinsurance	318,000
Total Liabilities	<u>\$51,813,571</u>
Unassigned funds (surplus)	<u>\$25,189,636</u>
Surplus as regards policyholders	<u>\$25,189,636</u>
Total Liabilities, Surplus and Other Funds	<u>\$77,003,207</u>

Statement of Income

Underwriting Income	
Premiums earned	<u>\$26,533,063</u>
Losses incurred	\$15,558,464
Loss expenses incurred	6,318,764
Other underwriting expenses incurred	<u>6,612,125</u>
Total underwriting deductions	<u>\$28,489,353</u>
Net underwriting gain of (loss)	<u>\$ (1,956,290)</u>
Investment Income	
Net investment income earned	\$ 1,255,766
Net realized capital gains (losses)	<u>525,723</u>
Net investment gain	<u>\$ 1,781,489</u>
Other Income	
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$ (174,801)
Dividends to policyholders	<u>300,000</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>\$ (474,801)</u>
Net Income	<u>\$ (474,801)</u>

Capital and Surplus Account

Surplus as regards policyholders, December 31, prior year	<u>\$25,061,599</u>
Net income	(474,801)
Change in net unrealized capital gains or (losses)	627,117
Change in nonadmitted assets	724
Change in provision for reinsurance	(25,000)
Aggregate write-ins for gains and losses in surplus	<u>(2)</u>
Change in surplus as regards policyholders for the year	<u>\$ 128,037</u>
 Surplus as regards policyholders, December 31 current year	 <u>\$25,189,636</u>

Reconciliation of Capital and Surplus

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Surplus as regards policyholders, December 31	\$27,757,152	\$28,552,133	\$34,145,630	\$25,221,980	\$25,061,599
Net Income	905,693	5,151,084	(9,463,509)	1,152,651	(474,801)
Change in net unrealized capital gains or (losses)	59,128	431,913	6,687,500	(1,382,315)	627,117
Change in nonadmitted assets	2,160	5,498	3,113	(724)	724
Change in provision for reinsurance	(172,000)	5,000	(132,000)	70,000	(25,000)
Other gains/losses in surplus	0	3	2	6	(2)
Change in surplus as regards policyholder for the year	794,781	5,593,495	(8,923,644)	(160,382)	128,037
Surplus as regards policyholders, December 31	\$28,552,133	\$34,145,630	\$25,221,980	\$25,061,599	\$25,189,636

Analysis of Changes in Financial Statements Resulting from Examination

There were no adjustments to surplus resulting from the examination.

Comments on Financial Statement Items

There were no adverse findings or material changes to the financial statements resulting from the examination.

SUMMARY OF RECOMMENDATIONS

There were no findings or recommendations resulting from the examination.

ACKNOWLEDGEMENT

Glenn A. Tobleman, FSA, FCAS, MAAA and Valerie Hanley of Lewis & Ellis, Inc., performed the actuarial phases of the examination. Joanna Latham, AES, CISA, CPA, CFE, CRISC of Jennan Enterprises, LLC performed the Information Systems review, In addition to the undersigned, Jan M. Moenck, CFE, CIA, CBA, CFSA, CISA, CIRD and Sara Schumacher, CPA, CFE, CPCU, CIE, MCM, ARe, of Risk and Regulatory Consulting, LLC, participated in the examination representing the Idaho Department of Insurance. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers, employees, and representatives of the Company.

Respectfully submitted,

A handwritten signature in black ink, reading "Mark D. Griggs", is written over a horizontal line.

Mark D. Griggs, CFE, CPA
Examiner-in-Charge
Risk and Regulatory Consulting, LLC
Representing the Idaho Department of Insurance

A handwritten signature in black ink, reading "Jessie L. Adamson", is written in a cursive style.

Jessie L. Adamson, CFE
Deputy Chief Examiner
Idaho Department of Insurance

AFFIDAVIT OF EXAMINER

Connecticut
Hartford

Mark D. Griggs, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Idaho Counties Risk Management Program, Underwriters for the period January 1, 2015 through December 31, 2019, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.

Mark D. Griggs

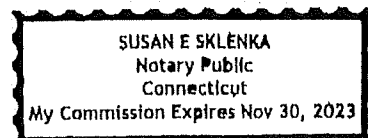
Mark D. Griggs, CFE, CPA
Examiner-in-Charge
Risk and Regulatory Consulting, LLC
Representing the Idaho Department of Insurance

Subscribed and sworn before me on this ____6th____ day of _July____, 2021_____.

Susan E. Sklenka

Notary Public

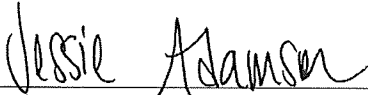
My commission expires ____November 30, 2023_____.



AFFIDAVIT OF EXAMINER

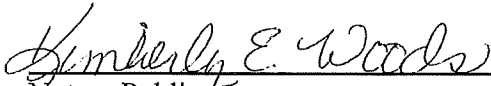
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Jessie L. Adamson, being duly sworn, deposes and says that they are a duly appointed Examiner for the Department of Insurance of the State of Idaho, that they have made an examination of the affairs and financial condition of Idaho Counties Risk Management Program, Underwriters for the period January 1, 2015 through December 31, 2019, that the information contained in the report consisting of the foregoing pages is true and correct to the best of their knowledge and belief; and that any conclusions and recommendations contained in this report are based on the facts disclosed in the information.

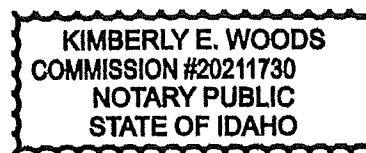


Jessie L. Adamson, CFE
Deputy Chief Examiner
Idaho Department of Insurance

Subscribed and sworn before me on this 6th day of July, 2021.



Notary Public



My commission expires 04/05/2027 [date].