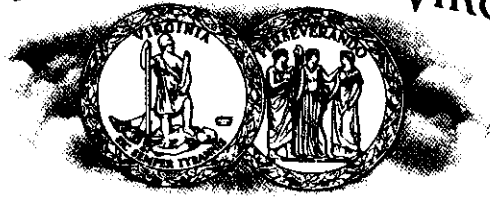


**EXAMINATION REPORT**  
**on**  
**AUGUSTA MUTUAL INSURANCE COMPANY**  
**Staunton, Virginia**  
**as of**  
**December 31, 2006**

**COMMONWEALTH OF VIRGINIA**  
**STATE CORPORATION COMMISSION**  
**BUREAU OF INSURANCE**

# COMMONWEALTH OF VIRGINIA

ALFRED W. GROSS  
COMMISSIONER OF INSURANCE  
STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE



P.O. BOX 1157  
RICHMOND, VIRGINIA 23218  
TELEPHONE: (804) 371-9741  
TDD/VOICE: (804) 371-9206  
<http://www.state.va.us/scc>

I, Alfred W. Gross, Commissioner of Insurance of the Commonwealth of Virginia, do hereby certify that the annexed copy of the Examination Report of Augusta Mutual Insurance Company as of December 31, 2006, is a true copy of the original report on file with this Bureau.

**IN WITNESS WHEREOF**, I have hereunto set my hand  
and affixed to the original the seal of the Bureau at the City  
of Richmond, Virginia this 14<sup>th</sup> day of December, 2007

A handwritten signature in cursive script that reads "Alfred W. Gross".

---

Alfred W. Gross  
Commissioner of Insurance

(SEAL)



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Richmond, Virginia  
September 14, 2007

Honorable Alfred W. Gross  
Commissioner of Insurance  
Commonwealth of Virginia  
Richmond, Virginia

Dear Sir:

Pursuant to your instructions and by authority of § 38.2-1317 of the Code of Virginia, an examination of the records and affairs of the

**AUGUSTA MUTUAL INSURANCE COMPANY**  
**Staunton, Virginia**

hereinafter referred to as the Company, has been completed. The report thereon is submitted for your consideration.

**DESCRIPTION**

The Company is a mutual assessment property and casualty insurer licensed under Chapter 25 of Title 38.2 of the Code of Virginia. The last examination made by representatives of the State Corporation Commission Bureau of Insurance (Bureau) was as of December 31, 2004. This examination covers the two-year period from January 1, 2005 through December 31, 2006.

**HISTORY**

The Company was organized on June 4, 1870, and was first granted a charter by the Circuit Court of Augusta County on August 14, 1871. On September 22, 1906, the Company was granted a new charter with the name East Augusta Mutual Fire Insurance Company, Incorporated. This charter was amended on June 6, 1933, May 1, 1953 and January 24, 1964 to enlarge the territory of operations and to permit the insurance of more types of risks. The latter amendment also restated the articles of incorporation. The Company's name was changed to Augusta Mutual Insurance Company by charter amendment on December 6, 1977.

The purposes and powers of the Company according to the charter, as amended, are as follows:

The conduct of a mutual assessment fire insurance business, within the widest definition of Section 38.1-659, Code of Virginia of 1950, as amended from time to time.

The powers of this corporation are those permitted to a mutual assessment fire insurance company under Chapter 2 of Title 13.1 of the Code of Virginia, as amended from time to time.

On January 27, 1982, The Nelson County Mutual Fire Insurance Company (Nelson) merged into the Company, leaving the Company as the surviving corporation. All Nelson policies in good standing became policies of the Company. The State Corporation Commission (Commission) approved the merger effective January 27, 1982.

On February 25, 1993, Bedford Mutual Insurance Company, Inc. (Bedford Mutual) merged into the Company, leaving the Company as the surviving corporation. All Bedford Mutual policies in good standing became policies of the Company upon renewal. The Commission approved the merger effective March 4, 1993.

On January 1, 1999, Albemarle Home Mutual Fire Insurance Company (Albemarle) merged into the Company, leaving the Company as the surviving corporation. All Albemarle policies in good standing became policies of the Company upon renewal. The Commission approved the merger effective January 1, 1999.

### **MANAGEMENT AND CONTROL**

Management of the Company is vested in a board of not less than nine and not more than fifteen directors, including the president and vice president, each of whom must be a member of the Company. All of the directors are elected by the members at the annual meeting, with at least three directors elected each year. A quorum at any meeting shall consist of a majority of the members of the board.

The board may by resolution designate three or more of their members to constitute an executive committee which, to the extent provided in the resolution, has all powers of the board except to levy assessments.

The bylaws of the Company provide that the officers shall be a president, a vice president, an executive vice president, one or more vice presidents, a secretary, a treasurer

and, at the option of the board, such other officers as the board may designate. Their term of office is one year.

The Company's directors, officers and committees at December 31, 2006 were as follows:

<b><u>Directors</u></b>	<b><u>Principal Occupation</u></b>
Richard P. Chaffin	Developer Forest, Virginia
George A. Coyner, II	Supervisor Little Debbie Stuarts Draft, Virginia
Robert B. Dunlap	Farmer Staunton, Virginia
Carl L. Freed, Jr.	Farmer Crimora, Virginia
David B. Hewitt	Farmer Swoope, Virginia
W. Dan Maupin	Farmer Charlottesville, Virginia
Samuel F. McClure	Real Estate Appraiser Stonewall Appraisal Company Staunton, Virginia
Dale C. Smith	Retired Staunton, Virginia
Robert D. Thompson	Banker Planters Bank and Trust Company Stuarts Draft, Virginia
Joseph F. Williams	Farmer Greenville, Virginia

**Officers:**

George A. Coyner, II	President
Robert D. Thompson	Vice President
James V. Guynn	Executive Vice President
Fred A. Shultz	Secretary and Treasurer

**Executive Committee**

George A. Coyner, II  
 Robert B. Dunlap  
 Samuel F. McClure  
 Robert D. Thompson

**Investment Committee**

James V. Guynn  
 Samuel F. McClure  
 Fred A. Shultz  
 Robert D. Thompson  
 Joseph F. Williams

**Compensation Committee**

Carl L. Freed, Jr.  
 David B. Hewitt  
 Dale C. Smith  
 Robert D. Thompson  
 Joseph F. Williams

**Long Range Planning and Property Committee**

Richard P. Chaffin  
 George A. Coyner, II  
 James V. Guynn  
 W. Dan Maupin, III  
 Fred A. Shultz

**Proxy Committee**

Robert B. Dunlap  
 David B. Hewitt  
 Samuel F. McClure  
 Fred A. Shultz

**Audit Committee**

George A. Coyner, II  
 Dale C. Smith  
 Mary Taylor  
 Robert D. Thompson

**Human Resource Committee**

George A. Coyner, II  
 Dale C. Smith  
 Robert D. Thompson  
 Joseph F. Williams

**RELATED PARTY TRANSACTIONS**

Two officers and one director of the Company are directors, as well as shareholders, of Augusta Insurance Agency, Inc. (Agency). The Agency markets various lines of insurance through other insurance companies, and is also an appointed agent of the Company. In 2005 and 2006, the Agency paid the Company \$2,680 and \$0, respectively, for rental of office space and for utilization of staff personnel. The Company paid commissions of \$198,589 and \$211,342 to the Agency and insurance

premiums of \$10,730 and \$13,600 in 2005 and 2006, respectively, for its property, workers' compensation and commercial auto coverages.

### **FIDELITY BOND AND OTHER INSURANCE**

The Company had insurance in force at December 31, 2006, providing coverage in the amount of \$265,000 to insure against losses arising from dishonest acts of its officers and employees. The Company had a directors' and officers' liability policy in force at December 31, 2006. The coverage was for \$1,000,000 with a retention of \$10,000 on each director or officer for each loss event. In addition, the Company had business owners, commercial auto, workers compensation, employers liability coverages, and commercial umbrella liability in force at December 31, 2006.

### **TERRITORY AND PLAN OF OPERATION**

The Company is currently licensed as a mutual assessment property and casualty insurer under Chapter 25 of Title 38.2 of the Code of Virginia and may operate throughout Virginia. The Company is licensed to write the following business:

Fire	Inland Marine
Miscellaneous Property	Liability Other Than Auto
Farm Multiple Peril	Automobile Liability
Homeowners Multiple Peril	Automobile Physical Damage
Commercial Multiple Peril	

Business is solicited by 302 agents and 58 corporate agencies. Commissions paid range from 15 to 25% of assessments, depending upon the type of services rendered.

All applications for insurance are submitted to the Company's underwriter and if the risk is accepted, a term type of policy is issued. The usual term for a homeowners, mobile homeowners, farmowners or commercial policy is one year. Some short-term policies are issued (usually six months or less) on livestock and builders' risks. Additional coverages are available to the Company's members by endorsement to fire or homeowners policies containing the standard provisions provided for by the Code of Virginia.

Assessments are generally levied and payable annually in advance. An installment plan is available on premiums in excess of \$200, payable on a semi-annual basis, and those in excess of \$500, payable on a quarterly basis. Assessments rates vary according to classification of risks, subject however, to a minimum charge of \$100 on personal policies and \$200 to \$400 on commercial policies.

Losses are adjusted in the Staunton area by salaried personnel of the Company and by independent adjusters. An independent adjuster is employed to adjust claims outside of the Staunton area.

### GROWTH OF THE COMPANY

The following data, obtained from annual statements filed with the Bureau and from examination reports, reflect the growth of the Company in the ten-year period ending December 31, 2006:

<u>Year</u>	<u>Admitted</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Surplus</u>
1997	\$10,534,171	\$3,073,908	\$7,460,263
1998	10,768,387	3,587,305	7,181,082
1999	11,620,824	3,589,054	8,031,770
2000	12,662,645	3,995,339	8,667,306
2001	13,884,119	4,666,989	9,217,130
2002	14,426,686	5,911,865	8,514,821
2003	16,503,083	7,143,181	9,359,902
2004	18,258,303	7,180,104	11,078,199
2005	20,845,068	7,803,451	13,041,617
2006	22,383,744	7,463,348	14,920,396

<u>Year</u>	<u>Premiums</u>	<u>Loss and Loss</u>	<u>Other</u>	<u>Net</u>
	<u>Earned</u>	<u>Adjustment Expenses</u>	<u>Underwriting Expenses</u>	<u>Underwriting Gains or (Losses)</u>
1997	\$3,959,325	\$1,663,531	\$1,497,125	\$798,669
1998	4,169,520	2,537,226	2,260,121	(627,827)
1999	4,512,525	2,418,011	1,943,738	150,776
2000	4,725,144	2,472,355	1,848,754	404,035
2001	5,276,293	2,555,645	2,358,486	362,162
2002	5,987,790	3,691,967	2,839,280	(543,457)
2003	7,259,175	4,231,935	2,919,080	108,160
2004	7,940,780	2,968,971	3,213,277	1,758,532
2005	8,405,173	2,854,116	3,407,649	2,143,408
2006	8,912,944	3,766,070	3,511,626	1,635,248

## REINSURANCE

As of December 31, 2006, the Company was reinsured under the following excess of loss reinsurance agreements through the reinsurance intermediary, Axiom Intermediaries, LLC. These agreements are described briefly as follows:

<u>Type of Agreement</u>	<u>Business Covered</u>	<u>Company's Retention</u>	<u>Reinsurers' Limit of Liability</u>
First Excess of Loss (Section A)	Property	\$70,000	\$430,000 in excess of \$70,000, each and every loss, any one risk; subject to an occurrence limitation of \$860,000
First Excess of Loss (Section B)	Casualty	\$70,000	\$430,000 in excess of \$70,000, each and every loss occurrence
First Excess of Loss (Section C)	Property and Casualty	\$70,000	\$70,000 each and every loss occurrence in excess of \$70,000 each and every loss occurrence
Second Excess of Loss	Property	\$500,000	\$500,000 each and every loss, any one risk, excess of \$500,000 each and every loss, any one risk; subject to an occurrence limitation of \$1,000,000
Second Excess of Loss	Casualty	\$500,000	\$500,000 in excess of \$500,000, each and every loss occurrence
Automatic Property Excess Cession	Property	\$1,000,000 subject to underlying excess of loss coverage	\$1,000,000 each loss, each and every risk, excess of \$1,000,000 each loss, each and every risk; subject to an occurrence limit of \$2,000,000

<u>Type of Agreement</u>	<u>Business Covered</u>	<u>Company's Retention</u>	<u>Reinsurers' Limit of Liability</u>
First Property Catastrophe Excess of Loss	Property per Occurrence	\$500,000	\$500,000 ultimate net loss each and every loss occurrence in excess of \$500,000 ultimate net loss each and every loss occurrence; subject to a limit of liability of \$500,000 in respect of any one loss occurrence
Second Property Catastrophe Excess of Loss	Property per Occurrence	\$1,000,000 subject to underlying excess of loss coverage	\$3,000,000 ultimate net loss each and every loss occurrence in excess of \$1,000,000 ultimate net loss each and every loss occurrence; subject to a limit of liability of \$3,000,000 in respect of any one loss occurrence
Third Property Catastrophe Excess of Loss	Property per Occurrence	\$4,000,000 subject to underlying excess of loss coverage	\$8,000,000 ultimate net loss each and every loss occurrence in excess of \$4,000,000 ultimate net loss each and every loss occurrence; subject to a limit of liability of \$8,000,000 in respect of any one loss occurrence

As of December 31, 2006, the Company was reinsured under the following excess of loss reinsurance agreement through the reinsurance intermediary, Guy Carpenter & Company. The agreement is described as follows:

<u>Type of Agreement</u>	<u>Business Covered</u>	<u>Company's Retention</u>	<u>Reinsurers' Limit of Liability</u>
Facultative Binding Authority	Personal, Farm and Commercial Umbrella	5% of the first \$1,000,000 subject only to excess of loss reinsurance	95% of the Company's net liability of the first \$1,000,000 and 100% of \$4,000,000 in excess of \$1,000,000 for each policy

All of the above agreements contain an insolvency clause and a guarantee of the intermediary's credit.

## **SCOPE**

This is a full scope financial condition examination initiated and conducted under the provisions of Article 4, Chapter 13 of Title 38.2 of the Code of Virginia. The examination covers the period from January 1, 2005, through December 31, 2006. Assets were verified and liabilities were established at December 31, 2006. A review of income and disbursements for the period was made to the extent deemed necessary.

The items comprising the Balance Sheet for which Specific Risk Analyses (SRA) were required had medium or low risk assessments as determined from the *National Association of Insurance Commissioners Examiners Handbook*. Analytical review procedures were applied for non-SRA items.

In addition, the following items were reviewed, several of which are discussed separately under their respective captions in this report.

- History
- Management and Control
- Corporate Records
- Related Party Transactions
- Conflict of Interest
- Territory and Plan of Operation
- Fidelity Bond and Other Insurance
- Growth of the Company
- Reinsurance
- Accounts and Records
- Financial Statements

## **FINANCIAL STATEMENTS**

There follows a statement of financial condition as of December 31, 2006, a statement of income for the period ending December 31, 2006, a reconciliation of surplus for the period under review, and a statement of cash flow as of December 31, 2006. The financial statements are presented in accordance with Statutory Accounting Principles.

**ASSETS**

	<u>Assets</u>	<u>Nonadmitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$5,802,448		\$5,802,448
Common stocks	4,230,875	(881,199)	5,112,074
Real estate	970,482		970,482
Cash and short-term investments	9,493,870		9,493,870
Investment income due and accrued	114,815		114,815
Uncollected premiums and agents' balances in the course of collection	69,161		69,161
Deferred premiums, agents' balances and installments booked but deferred and not yet due		(571,024)	571,024
Amounts recoverable from reinsurers	114,145		114,145
Current federal income tax recoverable	110,652		110,652
Net deferred tax asset	6,740		6,740
Electronic data processing equipment and software	18,333		18,333
Totals	<u>\$20,931,521</u>	<u>(\$1,452,223)</u>	<u>\$22,383,744</u>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

Losses		\$1,300,971
Loss adjustment expenses		89,085
Commissions payable, contingent commissions and other similar changes		218,817
Other expenses		258,244
Taxes, licenses and fees		100,700
Unearned premiums		5,308,474
Advance premium		174,540
Ceded reinsurance premiums payable		<u>12,517</u>
Total liabilities		\$7,463,348
Unassigned funds (surplus)	<u>14,920,396</u>	
Surplus as regards policyholders		<u>14,920,396</u>
Totals		<u><u>\$22,383,744</u></u>

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**STATEMENT OF INCOME**

UNDERWRITING INCOME

Premiums earned	<u>\$8,912,944</u>
Deductions:	
Losses incurred	\$2,942,076
Loss expenses incurred	823,994
Other underwriting expenses incurred	<u>3,511,626</u>
Total underwriting deductions	<u>\$7,277,696</u>
Net underwriting gain	<u>\$1,635,248</u>

INVESTMENT INCOME

Net investment income earned	\$574,337
Net realized capital gains	<u>48,166</u>
Net investment gain	<u>\$622,503</u>
Net income before federal income taxes	\$2,257,751
Federal income taxes incurred	<u>651,323</u>
Net income	<u>\$1,606,428</u>

**RECONCILIATION OF CAPITAL AND SURPLUS**  
**FOR PERIOD UNDER REVIEW**

	<u>2005</u>	<u>2006</u>
Surplus as regards policyholders, December 31, previous year	<u>\$11,078,199</u>	<u>\$13,041,617</u>
Net income	\$1,776,709	\$1,606,428
Change in net unrealized capital gains	319,122	513,087
Change in net deferred income tax	(83,340)	(205,410)
Change in nonadmitted assets	<u>(49,073)</u>	<u>(35,326)</u>
Change in surplus as regards policyholders for the year	<u>\$1,963,418</u>	<u>\$1,878,779</u>
Surplus as regards policyholders, December 31, current year	<u><u>\$13,041,617</u></u>	<u><u>\$14,920,396</u></u>

**CASH FLOW****Cash From Operations**

Premiums collected net of reinsurance	\$8,637,547
Net investment income	597,351
Total	<u>\$9,234,898</u>
Benefit and loss related payments	\$3,812,422
Commissions, expenses paid and aggregate write-ins for deductions	3,500,184
Federal income taxes paid	693,000
Total	<u>\$8,005,606</u>
Net cash from operations	<u>\$1,229,292</u>

**Cash From Investments**

Proceeds from investments sold, matured or repaid:	
Bonds	\$759,730
Stocks	2,035,536
Total investment proceeds	<u>\$2,795,266</u>
Cost of investments acquired (long-term only):	
Bonds	\$1,727,361
Stocks	2,077,905
Other invested assets	92,500
Total investments acquired	<u>\$3,897,766</u>
Net cash from investments	<u>(\$1,102,500)</u>
Net change in cash and short-term investments	<u>\$126,792</u>

**RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS**

Cash and short-term investments:	
Beginning of year	\$9,367,078
End of year	9,493,870
Net change in cash and short-term investments	<u>\$126,792</u>

## RECOMMENDATIONS FOR CORRECTIVE ACTION

### Management and Control

1. During the review of the Company's Information Systems, it was noted the Company does not have a comprehensive disaster recovery plan. The Company also does not have an agreement in place with a third party vendor to supply the hardware and software needs in the event of a catastrophe.

The Examiners recommend the Company develop, implement and maintain a disaster recovery plan to include all essential departments within the Company.

2. Code of Virginia § 38.2-1318 B states, in part "...in conducting the examination, the examiner shall observe, to the extent practicable, those guidelines and procedures set forth in the Examiners' Handbook..." During the Examiners' review of the Company's custodial agreement (Agreement) with the bank custodian in effect as of December 31, 2006, it was noted that the Agreement did not contain certain safeguards as outlined in the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook provides that verification of securities may be established through a signed confirmation certificate from a bank, trust company, or securities depository if the written custodial agreement contains satisfactory safeguards and controls.

The Examiners recommend that the Company amend its existing custodial agreement to include the proper safeguards as outlined in the Handbook and that the Agreement be maintained in accordance with the Handbook since the guidelines may change from time to time.

3. During the review of cash controls, the Examiners noted the Company uses an accounting software as its financial database. The software is only on the Secretary/Treasurer's computer and it is accessed using only one log-in identification. If another employee has to enter information into this software it is done using the Secretary/Treasurer's computer and log-in identification.

The Examiners recommend adding this software to at least one other computer and establishing independent log-in identifications and passwords for each user.

4. The Examiners also noted the following exceptions during the review of cash:
  - a. The general ledger is not reviewed by anyone other than the Secretary/Treasurer who is also responsible for maintaining the general ledger;
  - b. The operating checking account is reconciled utilizing a spreadsheet. However, the Secretary/Treasurer, who also maintains the general ledger, inputs amounts directly from the general ledger into the spreadsheet which is then used to perform the bank reconciliation;
  - c. There are no reviews of the wire transfers performed by the Secretary/Treasurer.

The Examiners recommend the Company ensure that adequate controls are implemented to mitigate the exceptions noted above.

5. During the examination, the Examiners noted the accounting software, on which the general ledger information is maintained, is only backed up once a quarter. This backup is not performed in conjunction with the daily and weekly system backups.

The Examiners recommend the Company perform all of their system backups in a consistent manner.

6. According to § 38.2-1349 of the Code of Virginia, transactions between a reinsurance intermediary broker and an insurer it represents shall only be entered into pursuant to a written authorization, specifying the responsibilities of each party. The Company stated in its Request for Information Regarding Reinsurance Intermediaries filing that its arrangement with each of the reinsurance intermediaries was in writing, but the Company was not able to provide a written agreement for one of the specified reinsurance intermediary brokers.

The Examiners recommend that the Company enter into a written authorization with any reinsurance intermediary that it utilizes.

7. During the Examiners' review of claims, it was noted that several of the loss abstract forms located in the claims files did not reconcile to the Company's claims system. The differences resulted from either the loss abstract form being incomplete or the information being entered incorrectly into the claims system.

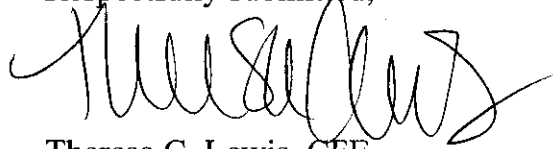
The Examiners recommend the Company ensure that the information included in the claims files and claims system is accurate and complete.

**CONCLUSION**

The courteous cooperation extended by the Company's officers and employees during the course of the examination is hereby gratefully acknowledged.

In addition to the undersigned, Mario A. Cuellar, CFE, Jennifer K. Crawley, CFE, T. Bradford Earley, CFE, CPCU, AIAF and Sheila E. Freeman, AFE of the Bureau participated in the work of the examination.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Theresa C. Lewis', written in a cursive style.

Theresa C. Lewis, CFE  
Senior Insurance Examiner



# AUGUSTA MUTUAL INSURANCE COMPANY

13 Idlewood Blvd.  
Staunton, VA 24401-9355

COMMONWEALTH OF VIRGINIA  
BUREAU OF INSURANCE

07 DEC -6 AM 9:56

December 4th, 2007

Certified mailing 70053110000326796022

David H. Smith  
Chief Examiner  
Commonwealth of Virginia  
State Corporation Commission  
Bureau of Insurance  
P.O. Box 1157  
Richmond, Virginia 23218

Re: BOI Examination Report as of December 31<sup>st</sup>, 2006

Dear Mr. Smith:

We acknowledge receipt of your November 13<sup>th</sup>, 2007 correspondence and a copy of the first draft of the examination report as addressed in the above on November 14<sup>th</sup>, 2007. This report was sent to me with the November 13<sup>th</sup>, 2007 'cover letter' to the attention of Mr. George A. Coyner, II, President.

On receipt of the final examination report we anticipate the following responses to the **RECOMMENDATIONS FOR CORRECTIVE ACTION:**

1. **Augusta Mutual is actively pursuing a comprehensive disaster recovery plan for operations with third party vendors for computer software and hardware in the event of a catastrophe. It is expected that this disaster recovery plan will be effective some time in the first quarter of 2008.**
2. **Augusta Mutual's custodial agreement with SunTrust has been changed to include the certain safeguards as outlined in the NAIC Financial Condition Examiners Handbook.**
3. **The accounting software, financial database, is now accessed by another independent log-in identification and password on another computer other than the Secretary / Treasurer's.**

4. a. The general ledger is now reviewed by another person other than the Secretary / Treasurer.
- b. The spread sheet data is now imputed by someone other than the Secretary / Treasurer.
- c. Wire transfers are reviewed by another person other than the Secretary / Treasurer.
5. The general ledger shall be backed-up consistent with other systems.
6. Augusta Mutual shall require all reinsurance intermediaries arrangements be supported by written authorizations.
7. Augusta Mutual experienced an unusual 'turn-over' of data entry personnel in claims resulting with deficiencies in data entry and accountability of vital information. Augusta Mutual will be more diligent in personnel training in claim entry functions and the reconciliation of payments.

Hopefully, the above response to your November 13<sup>th</sup>, 2007 communication is acceptable.

Sincerely,



**J. Vaughn Guynn**  
**EXECUTIVE VICE PRESIDENT**