

REPORT ON EXAMINATION  
OF THE  
HOMESITE INSURANCE COMPANY OF NEW YORK  
AS OF  
DECEMBER 31, 2002

DATE OF REPORT

MAY 14, 2004

EXAMINER

BERNARD LOTT

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STATE OF NEW YORK  
INSURANCE DEPARTMENT  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

May 14, 2004

Honorable Gregory V. Serio  
Superintendent of Insurance  
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 22086 dated August 6, 2003 attached hereto, I have made an examination into the condition and affairs of Homesite Insurance Company of New York as of December 31, 2002, and submit the following report thereon.

The examination was conducted at the Company's administrative offices located at 99 Bedford Street, Boston MA, 02111.

Wherever the designations "the Company" or "Homesite" appear herein without qualification, they should be understood to indicate Homesite Insurance Company of New York.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York Insurance Department.

## 1. SCOPE OF EXAMINATION

This is the first financial examination of the Company after the report on organization, which was conducted as of June 24, 1999. This examination covered the period from June 25, 1999 through December 31, 2002. Transactions occurring subsequent to this period were reviewed where deemed appropriate.

The examination comprised a complete verification of assets and liabilities as of December 31, 2002. The examination included a review of income, disbursements and company records deemed necessary to accomplish such analysis or verification and utilized, to the extent considered appropriate, work performed by the Company's independent public accountants. A review or audit was also made of the following items as called for in the Examiners Handbook of the National Association of Insurance Commissioners:

- History of Company
- Management and control
- Corporate records
- Fidelity bond and other insurance
- Territory and plan of operation
- Growth of Company
- Business in force by states
- Loss experience
- Reinsurance
- Accounts and records
- Financial statements

## 2. DESCRIPTION OF COMPANY

The Company was incorporated in New York on January 25, 1999. Homesite is a wholly-owned subsidiary of Homesite Securities Company LLC. The Company's ultimate parent is Homesite Group Incorporated. The Company became licensed on July 22, 1999 and commenced business on that date.

Capital paid in of \$1,000,000 consisted of 10,000 shares of common stock at \$100 par value per share. Gross paid in and contributed surplus was \$4,000,000. These amounts have not changed since the report on organization.

### A. Management

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than thirteen nor more than twenty-one members. At December 31, 2002, the board of directors was comprised of only twelve members. The following shows the names and residence of the board of directors and their principal business affiliation as of December 31, 2002:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Robert Chung Boston, MA	Director of Business Development, Homesite Insurance Company of New York
Fabian Fondriest Concord, MA	President, Homesite Insurance Company of New York
Joan Haughton Bronx, NY	Call Center Manager, Homesite Insurance Company of New York

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Stephen B. Keep Plymouth, MA	Customer Service Manager, Homesite Insurance Company of New York
Robin Marderosian Shrewsbury, MA	Legal Supervisor, Homesite Insurance Company of New York
James Morahan, Jr. Foxboro, MA	Vice President – Finance, Homesite Insurance Company of New York
Manuel Rios Duxbury, MA	Vice President – Underwriting, Homesite Insurance Company of New York
Joseph Rutigliano Newburgh, NY	Call Center Supervisor, Homesite Insurance Company of New York
Anthony Scavongelli Duxbury, MA	Vice President – General Counsel, Homesite Insurance Company of New York
Peter Settel Duxbury, MA	Vice President – Information Technology, Homesite Insurance Company of New York
Stephen Stayton Duxbury, MA	Vice President – Actuarial, Homesite Insurance Company of New York
Bennett Verniero Wellesley, MA	Vice President – Marketing, Homesite Insurance Company of New York

It is recommended that the Company comply with Section 1201(a)(5)(B)(v) of the New York Insurance Law and Article III, Section 2 of its by-laws and maintain at least thirteen members of its board of directors.

Article III, Section 4 of the Company's by-laws state that there shall be at least four regularly scheduled quarterly board meetings each year. During calendar year 2002 the Company's board had one actual meeting and one action carried by unanimous written consent in lieu of an actual meeting. It is recommended that the Company comply with its by-laws and hold four regularly scheduled quarterly meetings of its board of directors.

A review of the minutes of the board of directors' meetings held during the examination period indicated that the meetings were generally well attended and each person that was a board member at the examination date had an acceptable record of attendance. The review, however, noted that several former board members, elected throughout the period covered by this examination, did not attend at least half of the meetings for which they were eligible to attend.

Members of the board have a fiduciary responsibility and must evince an ongoing interest in the affairs of the insurer. It is essential that board members attend meetings consistently and set forth their views on relevant matters so that the board may reach appropriate decisions. Individuals who fail to attend at least one-half of the regular meetings do not fulfill such criteria. It is recommended that board members who are unable or unwilling to attend meetings consistently should resign or be replaced.

As of December 31, 2002, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Fabian J. Fondriest	President
Anthony M. Scavongelli	Vice President and General Counsel
James T. Morahan, Jr.	Vice President and Treasurer
Manuel Z. Rios	Vice President
Peter B. Settel	Vice President
Bennett C. Verniero	Vice President

B. Territory and Plan of Operation

As of December 31, 2002, the Company was licensed to write business only in New York. Homesite offers only homeowners' insurance coverage.

The Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
4	Fire
5	Miscellaneous property damage
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
12	Collision
13	Personal injury liability
14	Property damage liability
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine

Based on the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$1,700,000.

The following schedule shows the direct premiums written by the Company for each year covered by this examination:

DIRECT PREMIUMS WRITTEN

<u>Calendar Year</u>	<u>New York State</u>	<u>Total United States</u>	Premiums Written in New York State as a <u>Percentage of United States Premiums</u>
1999	\$0	\$0	0.00%
2000	\$209,545	\$209,545	100.00%
2001	\$346,256	\$346,256	100.00%
2002	\$917,219	\$917,219	100.00%

C. Reinsurance

Assumed

The Company did not assume any reinsurance business.

Ceded

The Schedule F data as contained in the Company's filed annual statements was found to accurately reflect its reinsurance transactions.

At December 31, 2002, the Company had the following ceded reinsurance program in place:

<u>Type of treaty</u>	<u>Cession</u>
<u>Homeowners:</u>	
Property – Excess of Loss (3 Layers)	\$850,000 excess of \$150,000 each risk, subject to a maximum recovery of \$2,000,000 on all risks involved in one occurrence.
Liability – Excess of Loss (1 Layer)	\$850,000 excess of \$150,000 each occurrence.
Quota Share	90% Quota share

The quota share business is limited to insurance written by Homesite, pursuant to agreement(s) between and GMAC Insurance Holdings, Inc., its affiliates and/or subsidiaries and Homesite. It also includes business reinsured by Homesite: from GMAC Insurance Holdings, Inc., its affiliates and/or subsidiaries; and from Ranchers and Farmers Mutual Insurance Company, where such business is written pursuant to agreement(s) between GMAC Insurance Holdings, Inc., its affiliates and/or subsidiaries and Homesite. A review of the Company's ceded reinsurance contracts effective as of December 31, 2002 noted the following deficiencies:

i. Multiple Reinsureds

The Company is one of several affiliates listed as cedants on both the excess of loss and quota share agreements. The Company does not have a pooling arrangement with the participating affiliates. It is the Department's position that a domestic insurer cannot participate in a reinsurance agreement with multiple cedants without a pooling agreement. The pooling agreement should contain participating percentages for each affiliate and the method of its premium allocation. However, the Department has accepted the following wording in lieu of a pooling agreement, which should be contained in such reinsurance agreements, usually as a mutual offset clause:

“Each party to this contract agrees to honor the terms set forth herein as if the contract were a separate agreement between the reinsurer and each individual named reinsured. Balances payable or recoverable by any reinsurer or each individual named reinsurer or individual named reinsured shall not serve to offset any balances payable or recoverable to or from any other reinsured party to the contract. Reports and remittances made to the reinsurer in accordance with the applicable articles are to be in sufficient detail to identify both the reinsurer's loss obligations due each reinsured and each reinsured's premium remittances under the report”.

It is recommended that the Company comply with Department guidelines concerning multiple reinsureds.

ii. Insolvency Clause

Section 1308(a)(2)(A) of the New York Insurance Law provides that:

“No credit shall be allowed, as an admitted asset or deduction from liability, to any ceding insurer for reinsurance ceded...unless... the reinsurance shall be payable by the assuming insurer on the basis of the liability of the ceding insurer under the contracts reinsured without diminution because of the insolvency of the ceding insurer...”

The insolvency clause in the excess of loss agreements contained provisions that are in conflict with the required conditions set forth in Section 1308 of the New York Insurance Law.

The excess of loss agreements contain the following insolvency clause:

“In the event of the insolvency of the Company, any sums due from the Reinsurers shall be payable directly to the Company’s liquidator, receiver, conservator or statutory successor immediately upon demand, with reasonable provision for verification, on the basis of the claims allowed against the Company by any court of competent jurisdiction or by any liquidator, receiver, conservator or statutory successor, without diminution...”

(Emphasis added.)

The insolvency clause contained in the excess of loss agreements is in conflict with the required conditions set forth in Section 1308 of the New York Insurance Law. It is recommended that the Company conform the insolvency clause of its excess of loss agreement to comply with Section 1308 of the New York Insurance Law.

iii. Offset Clause

The offset clause of the excess of loss agreements does not require that the right of offset, in the event of insolvency, conform to Section 7427 of the New York Insurance Law. It is recommended that the Company amend its offset clause to state that in the event of the insolvency of the ceding company, offsets shall only be permitted in accordance with Section 7427 of the New York Insurance Law.

iv. Arbitration Clause

The arbitration clauses contained in the Company's reinsurance contracts do not state that arbitration must take place in New York. The Company is one of several affiliates listed as cedants on both the excess of loss and quota share agreements. The Company does not have a pooling arrangement with the participating affiliates. It is recommended that the arbitration clauses of the Company's reinsurance agreements be amended to state that arbitration take place in New York State.

Unauthorized Reinsurance

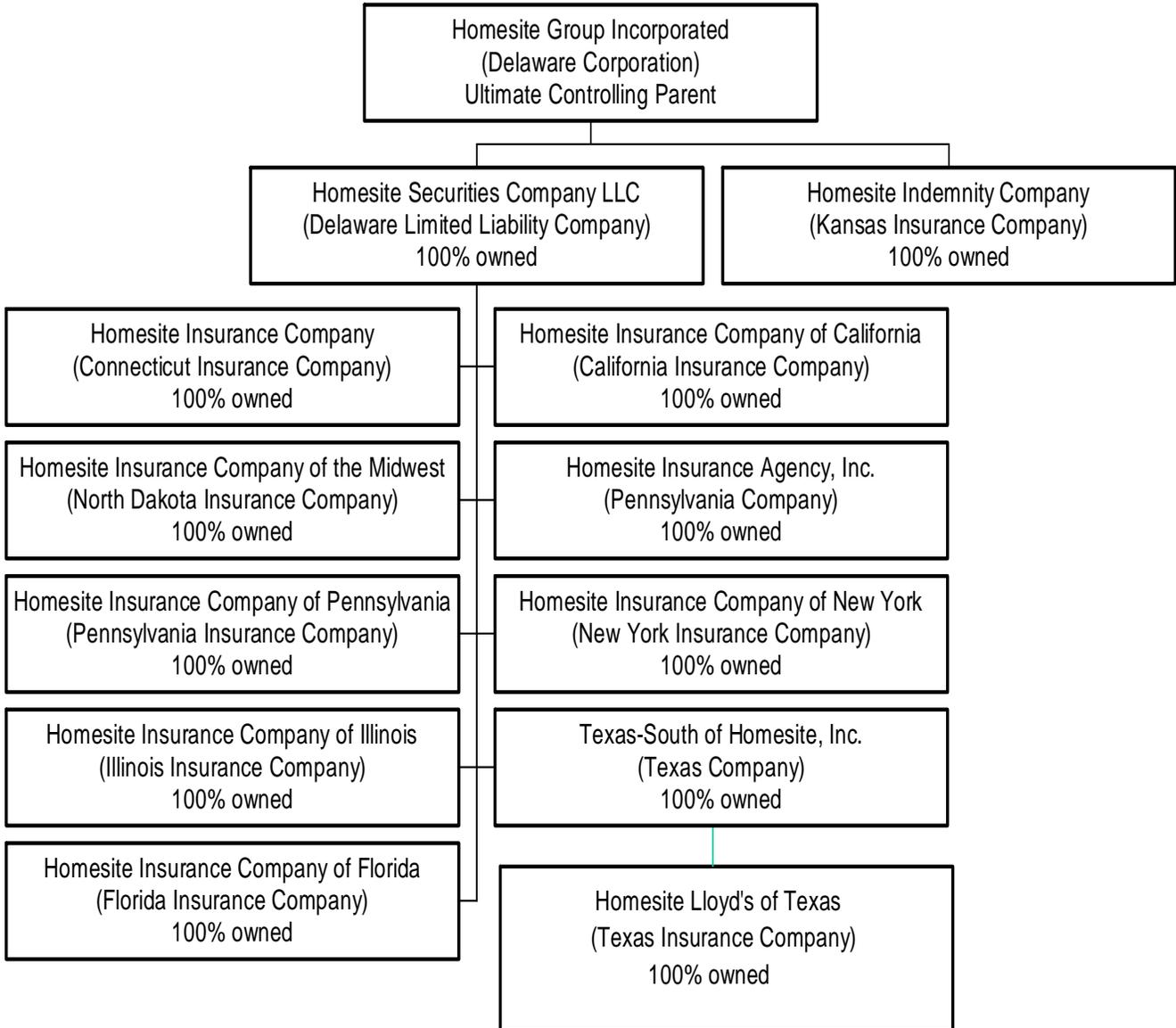
A letter of credit obtained by the Company in order to take credit for cessions made to an unauthorized reinsurer was reviewed for compliance with Department Regulation 133. No exceptions were noted.

D. Holding Company System

Homesite is a member of the Homesite Group of companies. The Company is a wholly-owned subsidiary of Homesite Securities Company LLC, a Delaware limited liability company, which in turn is 100% owned by Homesite Group Incorporated ("HGI"), the ultimate parent.

As a member of a holding company system, the Company files registration statements pursuant to Article 15 of the New York Insurance Law and Department Regulation 52. A review of these filings indicated that the filings were complete and filed in a timely manner.

The following is a chart of the holding company system at December 31, 2002:



At December 31, 2002, the Company was party to the following agreements with other members of its holding company system.

#### Tax Allocation Agreement

The Company maintains a tax allocation agreement with its parent company, whereby a consolidated federal income tax return is filed on behalf of Homesite. Examination review noted that the agreement had not been filed with the Department pursuant to Circular Letter No.33 (1979). It is recommended that the Company submit its tax allocation agreement to the Department for approval pursuant to Circular Letter No. 33 (1979).

#### Service Agreement

The Company entered into a service agreement, effective June 8, 1999, with HGI. The agreement engages HGI to provide personnel, legal services and management information systems and facilities support to the Company on a cost allocation/reimbursement basis. Pursuant to the agreement, HGI also provides for procurement support (including assistance in procuring office supplies and equipment and related services) and other services that may be requested from time to time by Homesite, on mutually agreeable terms.

#### E. Abandoned Property Law

Section 1316 of the New York Abandoned Property Law provides that amounts payable to a resident of this state from a policy of insurance, if unclaimed for three years, shall be deemed to be abandoned property. Such abandoned property shall be reported to the comptroller on or before the first

day of April each year. Such filing is required of all insurers regardless of whether or not they have any abandoned property to report.

As of the examination date the Company had not filed any abandoned property reports for the period covered by this examination. It is recommended that the Company file abandoned property reports on a timely basis pursuant to the provisions of Section 1316 of the New York Abandoned Property Law.

F. Significant Operating Ratios

The following ratios have been computed as December 31, 2002, based upon the results of this examination:

Net premiums written in 2002 to surplus as regards policyholders	12%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	13%
Premiums in course of collection to surplus as regards policyholders	3%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

The underwriting ratios presented below are on an earned-incurred basis and encompass the period covered by this examination (June 25, 1999 through December 31, 2002):

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	\$475,396	72.04%
Other underwriting expenses incurred	882,855	133.78
Net underwriting loss	<u>(698,340)</u>	<u>(105.82)</u>
Premiums earned	<u>\$659,911</u>	<u>100.00%</u>

F. Accounts and Records

Certified Public Accountant (“CPA”) Engagement Letter

Examination review of the audit engagement contract entered into between the Company's ultimate parent, Homesite Insurance Group, and its certified public accountant firm, PricewaterhouseCoopers LLP, revealed that the contract was not in compliance with Section 89.2 of New York Regulation 118, which provides as follows:

"Every insurer subject to this Part shall retain an independent Certified Public Accountant (CPA) who agrees by written contract with such insurer to comply with the provisions of section 307(b) of the Insurance Law, this Part and the Code of Professional Conduct adopted by the American Institute of Certified Public Accountants (AICPA). Such contract must specify that:(a) on or before May 31st, the CPA shall provide an audited financial statement of such insurer and of any subsidiary required by section 307(b)(1) of the Insurance Law together with an opinion on the financial statements of such insurer and any such subsidiary for the prior calendar year and an evaluation of the insurer's and any such subsidiary's accounting procedures and internal control systems as are necessary to the furnishing of the opinion;(b) any determination by the CPA that the insurer has materially misstated its financial condition as reported to the superintendent or that the insurer does not meet the minimum capital or surplus to policyholder requirements set forth in the Insurance Law shall be given by the CPA, in writing, to the superintendent within 15 calendar days following such determination; and(c) the workpapers and any communications between the CPA and the insurer relating to the audit of the insurer shall be made available for review by the superintendent at the offices of the insurer, at the Insurance Department or at any other reasonable place designated by the superintendent. The CPA must retain for review such workpapers and communications in accordance with the provisions of Part 243 of this Title (Regulation 152). More specifically, such workpapers and communications must be retained by the CPA for the period specified in sections 243.2(b)(7) and (c) of this Title. For the purposes of this subdivision, the workpapers and communications shall be deemed to have been created on the date the filings required by section 89.2(a) of this Part was submitted to the superintendent."

It is recommended that the Company incorporate the provisions of Part 89.2 of Department Regulation 118 into its audit engagement letter with its certified public accountant.

Investment Guidelines

A review of the Homesite's written investment guidelines noted that the board of directors had not approved them. It is recommended that the Company's written investment guidelines be submitted to its board of directors for approval.

Records

Section 325(a) of the New York Insurance Law provides that:

“...every domestic insurer ... shall, except as hereinafter provided, keep and maintain at its principal office in this state its charter and by-laws ... and its books of account, and if a domestic stock corporation a record containing the names and addresses of its shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof, and if a domestic corporation the minutes of any meetings of its shareholders, policyholders, board of directors and committees thereof...”

Section 325(b) states that:

“...a domestic insurer ... may keep and maintain its books of account without this state if, in accordance with a plan adopted by its board of directors and approved by the superintendent, it maintains in this state suitable records in lieu thereof...”

A review of the books and records kept and maintained in the Company’s principal office in this state found that the required records were present with the exception of its books of account. It is recommended that the Company comply with Section 325(a) of the New York Insurance Law by keeping and maintaining its books of account in its principal office in New York State.

In addition, it is recommended that the Company’s board of directors adopt a plan for keeping and maintaining its books of account outside of New York State and submit this plan to the Superintendent for approval, in accordance with Section 325(b) of the New York Insurance Law.

### 3. FINANCIAL STATEMENTS

#### A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination. This statement is the same as the balance sheet filed by the Company in its 2002 annual statement:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$5,254,996	\$0	\$5,254,996
Cash and short-term investments	342,705	0	342,705
Premiums and agents' balances in course of collection	128,369	0	128,369
Reinsurance recoverables on loss and loss adjustment expense payments	5,284	0	5,284
Interest, dividends and real estate income due and accrued	62,641	0	62,641
Receivable from parent, subsidiaries and affiliates	<u>7,308</u>	<u>0</u>	<u>7,308</u>
Total assets	<u>\$5,801,303</u>	<u>\$0</u>	<u>\$5,801,303</u>

Liabilities, Surplus and Other FundsLiabilities

Losses		\$ 183,109
Loss adjustment expenses		33,475
Commissions payable, contingent commissions and other similar charges		20,467
Other expenses (excluding taxes, licenses and fees)		19,640
Taxes, licenses and fees (excluding federal and foreign income taxes)		31,581
Federal and foreign income taxes		2,936
Unearned premiums		352,148
Advance premiums		22,885
Ceded reinsurance premiums payable (net of ceding commissions)		<u>87,603</u>
Total liabilities		\$ 753,844

Surplus and Other funds

Common capital stock	\$1,000,000	
Gross paid in and contributed surplus	4,000,000	
Unassigned funds (surplus)	<u>47,459</u>	
Surplus as regards policyholders		<u>5,047,459</u>
Total liabilities, surplus and other funds		<u>\$5,801,303</u>

NOTE: The Company indicated that the Internal Revenue Service has not performed nor notified the Company that it planned to perform an audit of the Company's Federal income tax returns for any year covered by this examination. With the exception of any impact that might be caused from any examination changes contained in this report, the examiner is unaware of any potential exposure of the Company to any further tax assessments and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased \$47,459 during the period covered by this examination, June 25, 1999 through December 31, 2002, detailed as follows:

Underwriting Income

Premiums earned		\$ 659,911
Deductions:		
Losses incurred	\$349,783	
Loss adjustment expenses incurred	125,613	
Other underwriting expenses incurred	<u>882,855</u>	
Total underwriting deductions		<u>1,358,251</u>
Net underwriting gain or (loss)		\$ (698,340)

Investment Income

Net investment income earned	\$718,776	
Net realized capital gains	<u>24,195</u>	
Net investment gain or (loss)		742,971

Other Income

Finance and service charges not included in premiums	\$ <u>22,298</u>	
Total other income		<u>22,298</u>
Net income before federal and foreign income taxes		\$ 66,929
Federal and foreign income taxes incurred		<u>19,470</u>
Net income		\$ <u>47,459</u>

Capital and surplus Account

Surplus as regards policyholders per report on organization as of June 24, 1999			\$5,000,000
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	<u>\$47,459</u>	<u>\$ 0</u>	
	<u>\$47,459</u>	<u>\$ 0</u>	
Net increase (decrease) in surplus			<u>47,459</u>
Surplus as regards policyholders per report on examination as of December 31, 2002			<u>\$5,047,459</u>

#### **4. LOSSES AND LOSS ADJUSTMENT EXPENSES**

The examination liability for the captioned items of \$216,584 is the same as reported by the Company as of December 31, 2002. The examination analysis was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and in its filed annual statements.

#### **5. MARKET CONDUCT ACTIVITIES**

During the course of this examination, a review was made of the manner in which the Company conducts its business and fulfills its contractual obligations to policyholders and claimants. The review was general in nature and is not to be construed to encompass the more precise scope of a market conduct investigation, which is the responsibility of the Market Conduct Unit of the Property Bureau of this Department.

The general review was directed at practices of the Company in the following areas:

- A. Sales and advertising
- B. Underwriting
- C. Rating
- D. Claims and complaint handling

The review disclosed that the Company failed to acknowledge pertinent communications in its claim files, pursuant to Section 216.4(a) of Department Regulation 64. In addition, the claim files reviewed contained no notification to the claimant as to whether the claim had been accepted or rejected by the insurer, pursuant to Section 216.6(c) of Regulation 64. It is recommended that the Company comply with the requirements of Department Regulation Number 64.

## 6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>		<u>PAGE NO.</u>
A	<u>Management</u>	
i.	It is recommended that the Company comply with Section 1201(a)(5)(B)(v) of the New York Insurance Law and Article III, Section 2 of its by-laws and maintain at least thirteen members of its board of directors.	4
ii.	It is recommended that the Company comply with its by-laws and hold four regularly scheduled quarterly meetings of its board of directors.	4
iii.	It is recommended that board members who are unable or unwilling to attend meetings consistently should resign or be replaced.	5
B	<u>Reinsurance</u>	
i.	It is recommended that the Company comply with Department guidelines concerning multiple reinsureds.	8
ii.	It is recommended that the Company conform the insolvency clause of its excess of loss agreement to comply with Section 1308 of the New York Insurance Law.	9
iii.	It is recommended that the Company amend its offset clause to state that in the event of the insolvency of the ceding company, offsets shall only be permitted in accordance with Section 7427 of the New York Insurance Law.	9
iv.	It is recommended that the arbitration clause of both the excess of loss and quota share agreements be amended to state that arbitration should take place in New York State.	10
C	<u>Holding Company System</u>	
	It is recommended that the Company submit its tax allocation agreement to the Department for approval pursuant to Department Circular Letter No. 33 (1979).	12

<u>ITEM</u>		<u>PAGE NO.</u>
D	<u>Abandoned Property Law</u>	
	It is recommended that the Company file abandoned property reports on a timely basis pursuant to the provisions of Section 1316 of the New York Abandoned Property Law.	13
E	<u>Accounts and records</u>	
i.	<u>CPA Engagement Letter</u>	
	It is recommended that the Company incorporate the provisions of Section 89.2 of Department Regulation 118 into its audit engagement letter with its certified public accountant.	14
ii.	<u>Investment Guidelines</u>	
	It is recommended that the Company's written investment guidelines be submitted to its board of directors for approval.	14
iii.	<u>Records</u>	
(a)	It is recommended that the Company comply with Section 325(a) of the New York Insurance Law by keeping and maintaining its books of account in its principal office in New York State.	15
(b)	In addition, it is recommended that the Company's board of directors adopt a plan for keeping and maintaining its books of account outside of New York State and submit this plan to the Superintendent for approval, in accordance with Section 325(b) of the New York Insurance Law.	15
F	<u>Market Conduct Activities</u>	
	It is recommended that the Company comply with the requirements of Department Regulation Number 64.	20

Respectfully submitted,

\_\_\_\_\_/S/  
Bernard Lott  
Senior Insurance Examiner

STATE OF NEW YORK     )  
                                  )SS:  
                                  )  
COUNTY OF NEW YORK    )

BERNARD LOTT, being duly sworn, deposes and says that the foregoing report, subscribed to by him, is true to the best of his knowledge and belief.

\_\_\_\_\_/S/  
Bernard Lott

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

Appointment No 22086

STATE OF NEW YORK  
INSURANCE DEPARTMENT

I, GREGORY V. SERIO, Superintendent of Insurance of the State of New York,  
pursuant to the provisions of the Insurance Law, do hereby appoint:

**Bernard Lott**

*as proper person to examine into the affairs of the*

**HOMESITE INSURANCE COMPANY OF NEW YORK**

*and to make a report to me in writing of the condition of the said*

**COMPANY**

*with such other information as he shall deem requisite.*

*In Witness Whereof, I have hereunto subscribed by the  
name and affixed the official Seal of this Department, at  
the City of New York,*

*this 6<sup>th</sup> day of August, 2003*



  
\_\_\_\_\_  
GREGORY V. SERIO  
Superintendent of Insurance