



STATE OF NEW YORK
INSURANCE DEPARTMENT
AGENCY BUILDING ONE
EMPIRE STATE PLAZA
ALBANY, NEW YORK 12257

REPORT ON EXAMINATION

OF THE

UNITED FRONTIER MUTUAL INSURANCE COMPANY

AS OF

DECEMBER 31, 1999

DATE OF REPORT:

APRIL 27, 2001

EXAMINER:

WARREN YOUNGS

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STATE OF NEW YORK
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April 27, 2001

Honorable Gregory Serio
Superintendent of Insurance
Albany, New York 12257

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 21544, dated June 6, 2000, attached hereto, I have made an examination into the condition and affairs of the United Frontier Mutual Insurance Company as of December 31, 1999 and submit the following report thereon.

The examination was conducted at the Company's home office located at 195 Davison Road, Lockport, New York 14094.

Whenever the designations "the Company" or "UFMIC" appear herein without qualification, they should be understood to indicate the United Frontier Mutual Insurance Company.

1. SCOPE OF EXAMINATION

The prior examination was conducted as of December 31, 1995. This examination covered the four year period from January 1, 1996 through December 31, 1999, and was limited in its scope to a review or audit of only those balance sheet items considered by this Department to require analysis, verification or description, including: invested assets, inter-company balances, loss and loss adjustment expense reserves and the provision for reinsurance. 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 was also made to ascertain what action was taken by the Company with regard to comments and recommendations contained in the prior report on examination.

This report is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was organized in 1877 as The Farmers Mutual Insurance Company of Orleans and Niagara Counties, for the purpose of transacting business as an assessment cooperative fire insurance company.

In 1970, the Department permitted the Company to change its name to the Niagara Orleans Mutual Insurance Company.

This Department, on January 1, 1984, issued a certificate permitting the Company to do business as an advance premium cooperative insurance company and to issue non-assessable policies.

On July 1, 1986, the Niagara and Erie County Farmers' Protective Association merged into the Niagara Orleans Mutual Insurance Company. On January 1, 1987, the Frontier Co-operative Fire Insurance Company merged into the Niagara Orleans Mutual Insurance Company. The merged companies at this time petitioned the Superintendent for approval to change the Company's name to the United Frontier Mutual Insurance Company. Permission was granted for the use of the new name effective January 1, 1987.

On July 1, 1999, The Alliance Mutual Insurance Company merged into the United Frontier Mutual Insurance Company.

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 nine nor more than twenty-five members. As of the examination date, the board of directors was comprised of twenty members.

At least three board meetings and three executive committee meetings were held in each of the years during the period under examination, thereby complying with Section 6624(b) of the New York Insurance Law.

The directors as of December 31, 1999, were as follows:

<u>Director</u>	<u>Principal Business Affiliation</u>
Franklin W. Broadwell Waterport, NY	Insurance Agent
Richard C. Cherry Akron, NY	Insurance Agent
David W. Cloy Ransomville, NY	Farmer; Meat processor
Carolyn R. Flansburg Albion, NY	Assistant Secretary of UFMIC
John Gavenda Albion, NY	Attorney
Cole W. Hardenbrook Kendall, NY	Insurance agent; Chairman of the Board of UFMIC; Director and Secretary of United Frontier Insurance Agency
Lynn Hill Albion, NY	Retired
David A. Langendorfer East Aurora, NY	President of UFMIC; Director and President of United Frontier Insurance Agency
Roy A. Laubacker Lockport, NY	Real Estate Agent; Director of United Frontier Insurance Agency
John W. Long Albion, NY	Farmer
Glenn D. Maxon Holley, NY	Farmer
Ray C. Middaugh Lockport, NY	Insurance agent; Director of United Frontier Insurance Agency
Roger Millis Waterport, NY	Farmer

<u>Director</u>	<u>Principal Business Affiliation</u>
David H. Muck Williamsville, NY	Equipment operator
Harry E. Muck Getzville, NY	Vice-Chairman of the Board of UFMIC; Director of United Frontier Insurance Agency
Donald B. Noell Williamsville, NY	Insurance agent; Director of United Frontier Insurance Agency
Elmer H. Schuler Lockport, NY	Retired
Leon A. Wendt North Tonawanda, NY	Accountant; Insurance Agent
Thomas S. Wronski Lockport, NY	Treasurer of UFMIC; Treasurer of United Frontier Insurance Agency
Lloyd V. Ziemendorf Niagara Falls, NY	Insurance Agent; Secretary of UFMIC; Director and Vice-President of United Frontier Insurance Agency

Richard C. Cherry resigned from the board effective April 4, 2000 and David A. Langendorfer resigned from the board effective August 1, 2000.

The minutes of all of the Board of Directors' meetings and committees thereof held during the examination period were reviewed. Such review indicated that all of the meetings were well attended. Each of the directors had a satisfactory attendance record for the board meetings held.

Each of the director's qualifications, as set forth in Article IV of the Company's charter and Article II Section 1 of its by-laws, was reviewed and it appears that each director was duly qualified.

Article II Section 5 of the Company's by-laws indicates that the directors that are to be elected at the next Annual meeting, must be nominated by a Nominating Committee of not less than three directors. Company management advised in a conversation on December 7, 2000, that there were no Nominating Committee meetings. Without such meeting, there is no indication of how directors are nominated.

Inasmuch as the Nominating Committee is responsible for determining who will be nominated as directors of the Company, it is imperative that formal committee meetings be held. By not having formal meetings, it can not be determined if the nomination of directors took place in accordance with Article II Section 5 of the Company's by-laws.

It is noted that the Company did provide the formal minutes for the Nominating Committee meeting held on February 8, 2001.

Nevertheless, it is recommended that the Nominating Committee have formal meetings and that minutes of all Nominating Committee meetings be maintained, as required by Section 6611(a)(3) of the New York Insurance Law.

At executive committee meetings held on December 4, 1996 and December 9, 1998, and at a Salary and Benefits committee meeting held on September 22, 1999, decisions were made with regard to directors' fees. Article II Section 3 of the by-laws requires the board to fix the compensation of the directors. In addition, Section 712(a)(3) of the New York Business Corporation Law prohibits committees of the board from fixing the compensation of the directors for serving on the board or on any committee, thereof.

Thus, it is recommended that the Company adhere to all the provisions of its by-laws and of the New York Business Corporation Law in the future. It is noted that a similar recommendation was included in the previous report on examination.

At December 31, 1999, the officers of the Company were as follows:

Chairman of the Board	Cole W. Hardenbrook
Vice-Chairman of the Board	Harry E. Muck
President	David A. Langendorfer
Secretary	Lloyd V. Ziemendorf
Treasurer	Thomas S. Wronski
Vice President	David M. Langendorfer
Vice President	Betty Jane Ziemendorf
Vice President	Joseph K. Canale
Assistant Secretary	Carolyn R. Flansburg
Assistant Treasurer	Carol A. Wunderlich

At the annual board of directors meeting held on April 4, 2000, Donald B. Noell was elected Chairman, Thomas S. Wronski was elected President, Roy A. Laubacker was elected Secretary and Lloyd V. Ziemendorf was elected Treasurer.

B. Territory and Plan of Operation

The Company is licensed to transact business within the entire State of New York. The Company writes in New York State only.

<u>Calendar Year</u>	<u>Direct Premiums Written</u>
1996	\$2,169,148
1997	2,187,473
1998	2,333,284
1999	3,483,428

As of December 31, 1999, 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>Kind of Insurance</u>
4	Fire
5	Miscellaneous property
6	Water Damage
7	Burglary and theft
8	Glass
12	Collision
13	Personal injury liability
14	Property damage liability
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine (inland marine only)

The Company was also licensed as of December 31, 1999, to accept and cede reinsurance as provided in Section 6606 of the Insurance Law of the State of New York.

Based upon the lines of business for which the Company is licensed, and pursuant to the requirements of Articles 13, 41 and 66 of the New York Insurance Law, as of December 31, 1999, the Company is required to maintain a minimum surplus to policyholders in the amount of \$415,675.

At December 31, 1999, the Company wrote insurance through independent agents and several director-agents.

The Company's predominate lines of business are fire, homeowners multiple peril and commercial multiple peril, which accounted for 11.4%, 42.2% and 27.5%, respectively, of the Company's 1999 direct written business.

C. Reinsurance

The Company assumes only a very minor volume of business, from the NAMICO Reinsurance Facility.

The examiner reviewed all ceded reinsurance contracts effected during the examination period. These contracts contained the required standard clauses including insolvency clauses meeting the requirements of Section 1308 of the New York Insurance Law.

As of December 31, 1999, the Company had the following excess of loss reinsurance program in place:

Property 2 layers	\$470,000 in excess of \$30,000 any one loss, any one risk, subject to a further limit of \$1,000,000 in any one loss occurrence.
Casualty 3 layers	\$980,000 in excess of \$20,000 any one loss occurrence.
Casualty Clash	\$2,000,000 in excess of \$1,000,000 in any one loss occurrence.

As of December 31, 1999, the Company also maintained catastrophe excess of loss coverage on a per occurrence basis:

Property 3 layers	95% of \$1,850,000 in excess of \$150,000.
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As of December 31, 1999, the Company had in effect a "Property Facultative Reinsurance Agreement", which provided for a maximum cession equal to the lesser of 50% of the gross liability of the Company or \$500,000. Risks where total insured value exceeds \$1,000,000 may be underwritten on an offer and acceptance basis.

All of the Company's cessions were to authorized reinsurers.

Since the date of the prior examination, December 31, 1995, the Company's net retention on its property and casualty business has remained at \$30,000 and \$20,000, respectively.

D. Holding Company System

The Company had one subsidiary in its holding company system at December 31, 1999. The Company's subsidiary, United Frontier Insurance Agency, Inc., was organized in 1989; however, it did not commence business until March 9, 1990. On October 26, 1989, the Department took no exception to the Company organizing the subsidiary and to it purchasing 102 common stock shares at \$50 per share, for a total investment of \$5,100.

The general purpose of the subsidiary, which has a broker's license, is to assist the Company's agents in the placement of certain lines not written by the Company.

On June 3, 1993, the Department allowed the Company to purchase one additional share of the subsidiary's common stock for \$5,000 and on March 4, 1999, it was allowed to purchase another share for \$3,000, bringing the Company's total investment in the subsidiary to 104 shares at a cost of \$13,100.

E. Significant Operating Ratios

The following ratios have been computed as of December 31, 1999, based upon the results of this examination:

Net premiums written in 1999 to Surplus as regards policyholders	.39 to 1
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	31.50%
Premiums in course of collection to Surplus as regards policyholders	1.34%
Investment Yield	4.10%

Except for the Investment Yield ratio, the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

The benchmark range for the Investment Yield ratio is greater than 4.50% and less than 10.00%. The Company has failed this ratio during the last two years under examination. The reason for these failures can be traced, in part, to the Company not providing for an adequate return on its real estate investment.

The underwriting ratios presented below are on an earned-incurred basis and encompass the four-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses incurred	\$3,507,407	50.99%
Loss adjustment expenses incurred	1,104,843	16.06%
Other underwriting expenses incurred	2,727,027	39.65%
Net underwriting gain (loss)	<u>(461,198)</u>	<u>(6.70)%</u>
Premiums earned	<u>\$6,878,079</u>	<u>100.00%</u>

F. Abandoned Property

During the period covered by this examination, the Company filed reports with the state comptroller although not always in accordance with the requirements of Section 1316 of the New York Abandoned Property Law. The Company did file the reports required by Section 1316 of the New York Abandoned Property Law in 2000. In correspondence dated, March 8, 2001, Company management indicated that it would follow the requirements of Section 1316 of the New York Abandoned Property Law in the future.

It is noted that the Company did have unwritten procedures related to the handling of unclaimed funds.

G. Rental Fee for Company's Home Office

During 1998 and 1999 the Company failed to charge itself a sufficient amount of rent for the occupancy of its home office building. This charge is an offset to its real estate expenses and should provide for a return on its investment.

Thus, it is recommended that the Company charge itself a reasonable rental for the occupancy of its own building. This amount must be in excess of the expenses for operating the home office building (including taxes, depreciation and a return on its investment).

H. Accounts and Records

As was previously stated, the Company merged with The Alliance Mutual Insurance Company effective July 1, 1999. From the merger date through the date of this examination, the Company maintained two books of accounts. The Company maintained

reconciling information from its two books of accounts to its annual statement. However, this information was difficult to use and sometimes inaccurate.

Section 6611(a)(1) of the New York Insurance Law states that “Every co-operative property/casualty insurance company shall keep and maintain books of account and records in such manner as will show fully and truly the condition, affairs and business of such corporation and facilitate the preparation and verification of its annual statements.”

As indicated above, the Company’s books of account and records do not facilitate the verification of its annual statements. Thus, it is recommended that the Company maintain its books of account and records in such manner as will facilitate the verification of all its financial statements filed with this Department, as required by Section 6611(a)(1) of the New York Insurance Law. It is noted that a recommendation regarding compliance with Section 6611(a)(1) of the New York Insurance Law was included in the prior report on examination.

3. FINANCIAL STATEMENTS

A. Balance sheet

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination as of December 31, 1999. This statement is the same as the balance sheet filed by the Company. The figures included in these financial statements have been rounded.

<u>Assets</u>	<u>Ledger Assets</u>	<u>Non-Ledger Assets</u>	<u>Not Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$5,199,686	\$0	\$0	\$5,199,686
Common stocks	1,680,846	707,912	0	2,388,758
Mortgage loans on real estate	47,048	0	0	47,048
Real estate	621,511	0	0	621,511
Cash on hand and on deposit	443,902	0	0	443,902
Short-term investments	400,000	0	0	400,000
Other invested assets	1	0	0	1
Agents' balances or uncollected premiums	442,147	0	0	442,147
Reinsurance recoverables on loss and loss adjustment expense payments	45,921	0	0	45,921
Interest, dividends and real estate income due and accrued	0	36,626	0	36,626
Receivable from parent, subsidiaries and affiliates	1,596	0	0	1,596
Equities and deposits in pools and associations	<u>57,647</u>	<u>0</u>	<u>146</u>	<u>57,501</u>
Total assets	<u>\$8,940,305</u>	<u>\$744,538</u>	<u>\$146</u>	<u>\$9,684,697</u>

Liabilities & Surplus

Losses		\$693,077
Loss adjustment expenses		178,308
Other expenses (excluding taxes, licenses and fees)		93,134
Unearned premiums		1,832,046
NYS fire fee collected in advance		<u>139</u>
Total liabilities		\$2,796,704
Required surplus	\$415,675	
Unassigned funds (surplus)	<u>6,472,318</u>	
Surplus as regards policyholders		<u>\$6,887,993</u>
Total liabilities and surplus as regards policyholders		<u>\$9,684,697</u>

The Internal Revenue Service did not audit the Company's federal income tax returns during the period under examination. Audits covering subsequent tax years have yet to commence. The examiner is unaware of any potential exposure of the Company to any further tax assessment and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased by \$2,719,781 during the four-year examination period, January 1, 1996 to December 31, 1999, detailed as follows:

Statement of Income

Underwriting Income

Premiums earned		\$6,878,079
Losses incurred	\$3,507,407	
Loss adjustment expenses incurred	1,104,843	
Other underwriting expenses incurred	<u>2,727,027</u>	
Total underwriting deductions		<u>7,339,277</u>
Net underwriting gain (loss)		\$(461,198)

Investment Income

Net investment income earned	\$1,224,530	
Net realized capital gains or (losses)	<u>117,767</u>	
Net investment gain or (loss)		1,342,297

Other Income

Net gain from agents' or premium balances charged off	\$8,579	
Finance and service charges not included in premiums	121,502	
Aggregate write-ins for miscellaneous income	<u>(16,316)</u>	
Total other income		<u>113,765</u>
Net income before federal income taxes		\$994,864
Federal income taxes incurred		<u>501,410</u>
Net income (loss)		<u>\$493,454</u>

Capital and Surplus Account

Surplus as regards policyholders, December 31, 1995, per prior report on examination			\$4,168,212
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income or loss	\$493,454	\$0	
Net unrealized capital gains or (losses)	455,568	0	
Change in not-admitted assets	15,657	0	
Increase in Ledger Assets: Alliance Merger	1,754,915	0	
Aggregate write-ins for gains and losses in surplus	<u>187</u>	<u>0</u>	
Total gains and losses	<u>\$2,719,781</u>	<u>\$0</u>	
Net increase in surplus as regards policyholders			<u>2,719,781</u>
Surplus as regards policyholders, December 31, 1999, per report on examination			<u>\$6,887,993</u>

4. LOSSES

The examination liability of \$693,077 is the same as the amount reported by the Company in its 1999 filed annual statement.

The Department's 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. It appears that the Company's loss reserves were adequate as of December 31, 1999.

5. LOSS ADJUSTMENT EXPENSES

The examination liability of \$178,308 is the same as the amount reported by the Company in its 1999 filed annual statement.

The Department's 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. It appears that the Company's loss adjustment expense reserves were adequate as of December 31, 1999.

6. MARKET CONDUCT ACTIVITIES

In the course of this examination, a review was made of the manner in which the Company conducts its business practices and fulfills its contractual obligations to policyholders and claimants. The review was general in nature and is not to be construed to encompass the generally more precise scope of a market conduct investigation.

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

- 1) Sales and advertising
- 2) Underwriting
- 3) Rating
- 4) Treatment of policyholders and claimants

Except as noted below, no unfair practices were encountered.

Sections 3425 and 3426 of the Insurance Law

During the review of non-renewal notices issued by the Company, it was found that the Company issued non-renewal notices that did not contain the specific reason for non-renewal in violation of Section 3425(d)(1) and Section 3426(e)(2) of the New York Insurance Law.

In correspondence, dated February 8, 2001, Company management indicated that corrective action would be taken to ensure compliance with Sections 3425 and 3426 of the New York Insurance Law in the future. Nevertheless, it is recommended that the Company comply with all the provisions of Sections 3425 and 3426 of the New York Insurance Law.

7. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report contained comments and recommendations as follows: (page numbers refer to the prior report on examination):

<u>Item</u>	<u>Page No.</u>
A. Recommendation that the Company establish and maintain written documentation verifying that Department Regulation 30 has been followed in allocating expenses among all the major expense groups, not just the loss adjustment expense group. Recommendation that the Company perform the required analysis on at least an annual basis. Recommendation that if management of the Company decides to make adjustments to the percentages determined based upon the time studies, that written documentation be maintained to support such adjustments.	10-12

<u>Item</u>	<u>Page No.</u>
The Company has complied with these recommendations.	
B. Recommendation that in the future the Company ensure that all of its custodian agreements are within the framework of the guidelines established by this Department for the contents of such agreements.	12-14
The Company has complied with this recommendation.	
C. Recommendation that the Company adhere to all the provisions of its by-laws and the applicable provisions of the New York Business Corporation Law, henceforth.	14-16
The Company has not complied with this recommendation. See Section 2(A) of this report.	
D. Recommendation that all of the Company's investments be authorized or approved in accordance with Section 1411(a) of the New York Insurance Law.	16
The Company has complied with this recommendation.	
E. Recommendation that the Company take the steps necessary to bring itself into compliance with Section 6611(a)(4)(C) of the New York Insurance Law with regard to having the required number of signatures on Company checks.	17
The Company has complied with this recommendation.	
F. Recommendation that in future financial statements filed with this Department, the Company only include dividends declared but unpaid on stocks which are included in the ex-dividend section of the NAIC's Valuation of Securities manual.	17-18

Item Page No.

The Company has substantively complied with this recommendation.

G. Recommendation that the Company increase the amount of fidelity insurance it carries to at least the amount recommended by the NAIC, for a company of its size. 18

The Company was not in compliance with this recommendation as of December 31, 1999; however, it brought itself into compliance in 2000, prior to the commencement of this examination. Therefore, the recommendation will not be repeated.

H. Recommendation that the Company take appropriate action with regard to the internal control weakness of not having a written disaster recovery plan. 19

The Company has complied with this recommendation.

I. Recommendation that the Company maintain a general ledger which balances and contains account numbers, from which a true trial balance can be prepared, in order to facilitate the verification of its financial statements filed with this Department, as required by Section 6611(a)(1) of the New York Insurance Law. 19-20

The Company complied with the specifics of this recommendation; however, its books of accounts and records still did not facilitate the verification of its financial statements filed with this Department, as required by Section 6611(a)(1) of the New York Insurance Law. Thus, a recommendation regarding compliance with Section 6611(a)(1) of the New York Insurance Law is included in Section 2(H) of this report.

<u>Item</u>	<u>Page No.</u>
J. Recommendation that in future financial statements the Company include its gross equity in the NAMICO Reinsurance Facility in the asset “Equities and Deposits in Pools and Associations”.	24-25
<p>The Company has complied with this recommendation.</p>	
K. Recommendation that the Company enter all complaints filed against it in its complaint log as required by Department Circular Letter No. 11(1978).	26
<p>The Company has complied with this recommendation.</p>	
L. Recommendation that the Company establish and maintain a complaint log which includes all of the information required by Department Circular Letter No. 11(1978).	26-27
<p>The Company has complied with this recommendation.</p>	
M. Recommendation that the Company comply with Circular Letter No. 16 (1976) with regard to the method used in returning the gross unearned premium to its insureds upon cancellation.	27-28
<p>The Company has complied with this recommendation.</p>	
N. Recommendation that the Company comply with the cancellation provisions of the New York Standard Mortgagee Clause, when issuing policies containing same.	28
<p>The Company has complied with this recommendation.</p>	
O. Recommendation that the president of the Company follow the board	28-29

<u>Item</u>	<u>Page No.</u>
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of directors' directives and not enter into agreements which call for a commission rate to be paid that does not conform to the rates approved by the board of directors.

The Company has complied with this recommendation.

P. Recommendation that when sending out notices of termination of agents'	29
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or brokers' contracts or accounts, the Company include the wording related to redlining required by Section 218.5 of Department Regulation 90, henceforth.

The Company has complied with this recommendation.

8. SUMMARY OF COMMENTS AND RECOMMENDATIONS

The following is a summary of comments and recommendations made in the body of this report:

<u>Item</u>	<u>Page No.</u>
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A. Management

(i). It is recommended that the Nominating Committee have formal meetings and that minutes of all Nominating Committee meetings be maintained , as required by Section 6611(a)(3) of the New York Insurance Law.	6
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<u>Item</u>	<u>Page No.</u>
(ii). It is recommended that the Company adhere to all the provisions of its by-laws and of the New York Business Corporation Law in the future. It is noted that a similar recommendation was included in the previous report on examination.	7
B. <u>Rental Fee for Company's Home Office</u>	
It is recommended that the Company charge itself a reasonable rental for the occupancy of its own building. This amount must be in excess of the expenses for operating the home office building (including taxes, depreciation and a return on its investment).	12
C. <u>Accounts and Records</u>	
It is recommended that the Company maintain its books of account and records in such manner as will facilitate the verification of all its financial statements filed with this Department, as required by Section 6611(a)(1) of the New York Insurance Law. It is noted that a recommendation regarding compliance with Section 6611(a)(1) of the New York Insurance Law was included in the prior report on examination.	13
D. <u>Market Conduct Activities</u>	
It is recommended that the Company comply with all the provisions of Sections 3425 and 3426 of the New York Insurance Law.	19

Appointment No 21544

STATE OF NEW YORK
INSURANCE DEPARTMENT

I, NEIL D. LEVIN, Superintendent of Insurance of the State of New York,
pursuant to the provisions of the Insurance Law, do hereby appoint:

Warren Youngs

as proper person to examine into the affairs of the

United Frontier Mutual Insurance Company

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 06 day of June 2000




NEIL D. LEVIN
Superintendent of Insurance