

REPORT ON EXAMINATION

OF

TM CASUALTY INSURANCE COMPANY

AS OF

DECEMBER 31, 2004

DATE OF REPORT

MARCH 7, 2008

EXAMINER

ANNIE LAU, CFE

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

March 7, 2008

Honorable Eric R. Dinallo  
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 22400 dated August 9, 2005 attached hereto, I have made an examination into the condition and affairs of TM Casualty Insurance Company as of December 31, 2004, and submit the following report thereon.

Wherever the designations "the Company" or "TMC" appear herein without qualification, they should be understood to indicate TM Casualty Insurance Company.

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

The examination was conducted at the Company's administrative office located at 230 Park Avenue, New York, NY 10169.

## **1. SCOPE OF EXAMINATION**

The previous examination was conducted as of December 31, 2000. This examination covered the four-year period from January 1, 2001 through December 31, 2004. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

The examination comprised a complete verification of assets and liabilities as of December 31, 2004. 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 ("NAIC"):

- 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

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 on examination 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**

TM Casualty Insurance Company (“TMC” or “the Company”) was incorporated under the laws of the State of New York on August 13, 1998 and commenced business on September 23, 1999. The Company is a wholly-owned subsidiary of The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“TMNF” or “The Branch”), an alien insurer with port of entry in the State of New York. Tokio Marine Management, Ltd. (“TMM”), a United States affiliate, represents the Company as its manager.

In 2002, The Tokio Marine and Fire Insurance Company, Limited of Tokyo, Japan (“TMF Japan”) and The Nichido Fire and Marine Insurance Company, Limited of Tokyo, Japan (“Nichido Japan”) integrated their management and business under a new publicly traded Japanese holding company called Millea Holdings, Inc. (“Millea”). In October 2004, TMF Japan finalized the merger with Nichido Japan. TMF Japan became the surviving entity and was renamed as Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“the Home Office”). In turn, the United States Branch was renamed as The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“TMNF” or “the Branch”).

Upon formation of Millea Holdings, Inc., the Company is subject to the holding company act in accordance with Article 15 of the New York Insurance Law effective April 1, 2002.

Capital is \$1,500,000 consisting of 15,000 shares of common stock \$100 par value per share. Gross paid in and contributed surplus remained at \$750,000 during the examination period.

### **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. The board meets an average of one time a year. At December 31, 2004, the board of directors was comprised of the following thirteen members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Caryn Angelson Scarsdale, NY	Vice President, Tokio Marine Management, Inc.
B. Steven Goldstein New York, NY	Senior Vice President, Secretary, General Counsel and Chief Compliance Officer, Tokio Marine Management, Inc.
David Gottschall Tarrytown, NY	Vice President, Tokio Marine Management, Inc.
Susumu Harada Riverside, CT	Corporate Planning Officer, Tokio Marine Management, Inc.
Ichiro Ishii Beverly Hills, CA	Corporate Planning Officer, Tokio Marine Management, Inc.
Yoshifumi Kobayashi New York, NY	Senior Vice President, Tokio Marine Management, Inc.
Aidan McManus Jersey City, NJ	Vice President, Tokio Marine Management, Inc.
Lawrence J. Moloney Sea Girt, NJ	Senior Vice President, Treasurer, Controller and Chief Financial Officer, Tokio Marine Management, Inc.
Hiroshi Narimatsu New York, NY	Chairman, President and Chief Executive Officer, Tokio Marine Management, Inc.
Masashi Oba Darien, CT	Corporate Planning Officer, Tokio Marine Management, Inc.
David Pieffer Bel Air, MD	Senior Vice President, Tokio Marine Management, Inc.
Kazuhiko Takashima San Gabriel, CA	Senior Vice President, Tokio Marine Management, Inc.
Mark Woods Astoria, NY	Vice President, Tokio Marine Management, Inc.

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 board member had an acceptable record of attendance.

As of December 31, 2004, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Hiroshi Narimatsu	President
B. Steven Goldstein	Secretary
Lawrence J. Moloney	Treasurer

B. Territory and Plan of Operation

As of December 31, 2004, the Company was licensed to write business in the States of New York and New Jersey.

As of the examination date, the Company was authorized to transact workers' compensation and employers' liability insurance as defined in paragraph 15 of Section 1113(a) of the New York Insurance Law.

The Company only wrote workers' compensation insurance business in the State of New York during the examination period.

Based on the lines of business for which the Company is licensed and the Company's current capital structure pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum capital and surplus to policyholders in the amount of \$1,500,000.

The following schedule shows the direct premiums written by the Company both in total and in New York for the period under examination:

<u>Calendar Year</u>	<u>New York State</u>	<u>Total United States</u>	<u>Premiums Written in New York State as a Percentage of United States Premium</u>
2001	\$ 188,888	\$ 188,888	100.00%
2002	\$ 245,270	\$ 245,270	100.00%
2003	\$ (161,461)	\$ (161,461)	100.00%
2004	\$ 142,012	\$ 142,012	100.00%

C. Reinsurance

The Company had not assumed any premiums as of December 31, 2004.

The Company has structured its ceded reinsurance program to limit its maximum exposure to any one risk as follows:

Property Lines

The Company has two layers of property excess of loss coverage. The first layer covers \$59 million excess of \$1 million on any one risk and is subject to unlimited free reinstatements. The second layer covers \$120 million excess of \$60 million on any one risk and is subject to an annual aggregate of \$360 million on all losses.

Casualty Lines

The Company entered into a casualty excess of loss agreement that covers casualty business for \$29 million excess of \$1 million per each loss occurrence for 12 months commencing April 1, 2003. The contract shall remain in force for an indefinite period. With respect to workers' compensation policies, the contract covers \$25 million excess of \$5 million per occurrence.

Sunrise Clause

The contract contains a "sunrise clause" which provides that the reinsurer is also liable for claims made on and after April 1, 2003 for casualty losses occurred during the following periods:

<u>Time Period</u>	<u>Limits</u>
January 1, 1986 to December 31, 1986	95% of \$19 million excess of \$1 million
January 1, 1987 to December 31, 1987	95% of \$18 million excess of \$2 million
January 1, 1988 to December 31, 1988	\$20 million excess of \$2 million
January 1, 1989 to December 31, 1989	\$20 million excess of \$2 million
January 1, 1990 to December 31, 1990	\$19 million excess of \$5 million
January 1, 1991 to December 31, 1991	\$19 million excess of \$5 million

The sunrise clause does not cover losses occurred prior to January 1, 1987 under the commercial general liability policies written on claims made basis. As of December 31, 2004, no losses were ceded under the sunrise clause.



The contract is subject to a maximum annual aggregate of \$87 million, which covers losses reported on a prospective basis and claims made basis under the sunrise clause. The contract is subject to two free reinstatements.

#### Catastrophe Coverage

The Company has a catastrophe excess of loss coverage that covers \$495 million excess of \$5 million for each loss occurrence for policies classified as property, automobile physical damage and workers' compensation. The contract is subject to unlimited free reinstatements.

#### Marine Lines

The Company entered into two marine excess of loss reinsurance agreements effective April 1, 2003 for an indefinite period. The first layer covers \$21,222,222 excess of \$1 million per occurrence and is subject unlimited reinstatements. The second layer covers \$77,777,778 excess of \$22,222,222 per occurrence and is subject to an aggregate limit of \$233,333,334 for all losses during the contract period.

The business covered under the aforementioned excess of loss reinsurance agreements was 100% ceded to an unauthorized affiliated reinsurer, Tokio Marine Europe Insurance Limited ("TMEI").

#### Quota Share

The Company has a 95% quota share reinsurance agreement with its United States parent, The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan ("TMNF" or "The Branch"), an authorized reinsurer, which covers all policies effective on and after August 5, 1999. The Department approved the agreement in accordance with Article 15 of the New York Insurance Law.

Reinsurance agreements with affiliates were reviewed for compliance with Article 15 of the New York Insurance Law. It was noted that all affiliated reinsurance agreements subject to Article 15 of New York Insurance Law were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

It is the Company's policy to obtain the appropriate collateral for its cessions to unauthorized reinsurers. Since the Company only wrote minimal amount of premiums during the examination

period, no losses were ceded to the unauthorized reinsurers. Therefore, no letters of credit or trust accounts were needed.

The quota share agreement allows arbitration to take place in a venue deemed by the panel to be in the best interest of the arbitration proceeding. According to the Department requirements, arbitration shall take place in New York, New York or in the home state of the ceding company.

It is recommended that the Company amend the 95% quota share reinsurance agreement to include the proper arbitration clause and submit the agreement to the Department in accordance with Section 1505 of the New York Insurance Law. The Company subsequently submitted an amendment to the contract with the proper arbitration clause to the Department. The Department approved the amendment on May 23, 2006.

All ceded reinsurance agreements, except the aforementioned reinsurance agreement, in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause, meeting the requirements of Section 1308 of the New York Insurance.

Examination review of the Schedule F data reported by the Company in its filed annual statement was found to accurately reflect its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in SSAP No. 62. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's Chief Executive Officer pursuant to Department Circular Letter No. 8 (2005). Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62.

During the period covered by this examination, the company did not commute any reinsurance agreements.

#### D. Holding Company System

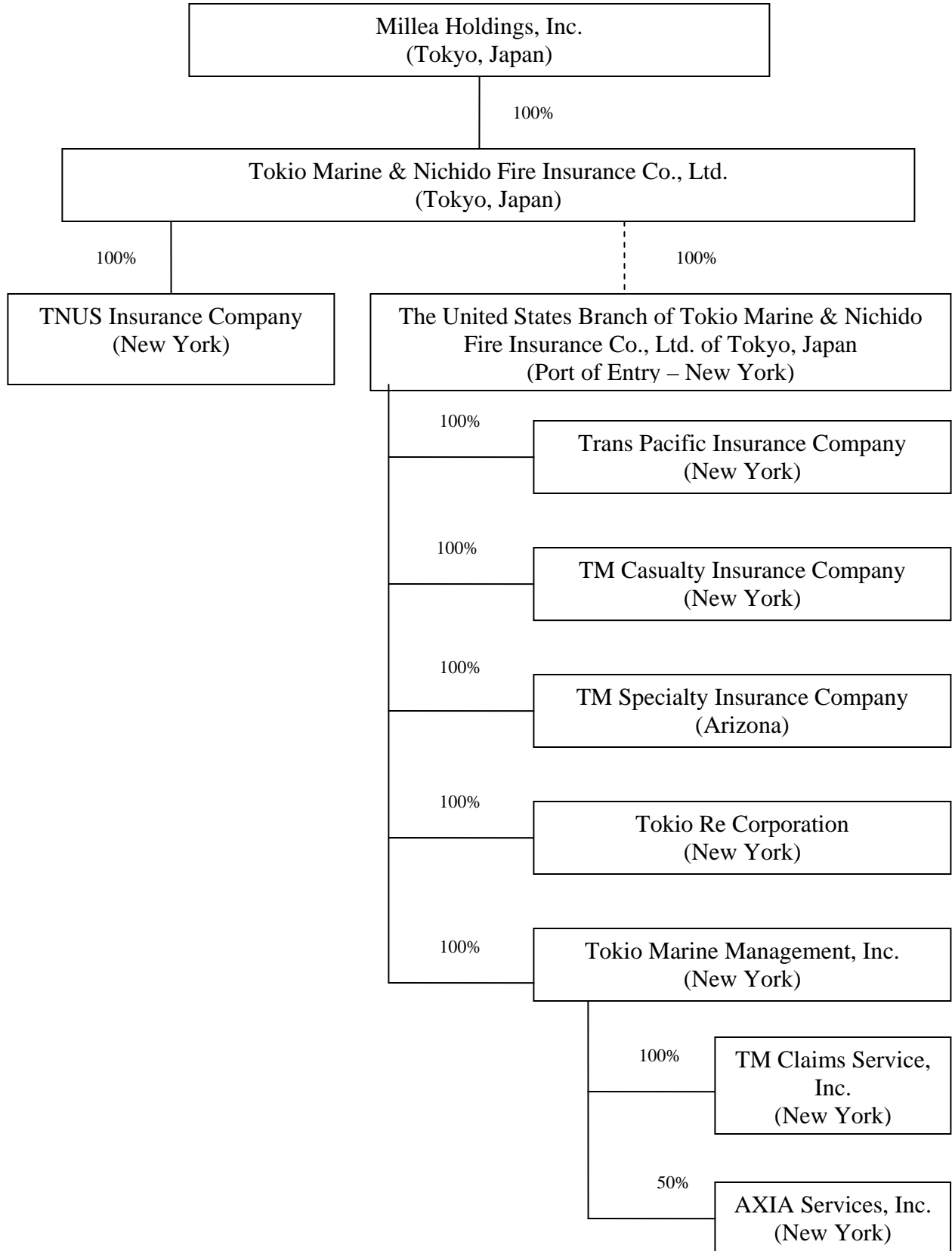
The Company is a wholly-owned subsidiary of The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd., of Tokyo, Japan. In turn, Tokio Marine & Nichido Fire Insurance Co., Ltd., of Tokyo, Japan is a wholly-owned subsidiary of its ultimate Japanese holding company parent, Millea Holdings Inc.

In 2002, The Tokio Marine and Fire Insurance Company, Limited of Tokyo, Japan (“TMF Japan”) and The Nichido Fire and Marine Insurance Company, Limited of Tokyo, Japan (“Nichido Japan”) integrated their management and business under a new publicly traded Japanese holding company called Millea Holdings, Inc. (“Millea”). In October 2004, TMF Japan finalized the merger with Nichido Japan. TMF Japan became the surviving entity and was renamed as Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“the Home Office”). In turn, the United States Branch was renamed as The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“TMNF” or “the Branch”).

Upon formation of Millea Holdings, Inc., the Company is subject to the holding company act in accordance with Article 15 of the New York Insurance Law effective April 1, 2002.

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the holding company system at December 31, 2004:



At December 31, 2004, the Company was a party to the following agreements with other members of its holding company system:

Management Agreement

Effective August 13, 1998, TMC appointed Tokio Marine Management Inc. (“TMM”) as its manager for transaction of insurance business on behalf of the Company, inclusive of underwriting, claims handling and other necessary functions. The management agreement was replaced by an updated agreement effective January 1, 2006. The Department approved the updated management agreement on January 26, 2006 in accordance with Article 15 of the New York Insurance Law.

Reinsurance Agreements

The Company cedes 95% of its business under a 95% quota share reinsurance agreement with its United States parent, TMNF. The Company also cedes its business under the excess of loss reinsurance agreements with its affiliate. The Department approved the affiliated reinsurance agreements in accordance with Article 15 of the New York Insurance Law. Limits of liability provided under the affiliated agreements are summarized in Section C – Reinsurance.

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.

The Company started writing business in 2001. No escheated funds were noted as of December 31, 2004.

F. Significant Operating Ratios

The following ratios have been computed as of December 31, 2004, based upon the results of this examination:

Net premiums written to surplus as regards policyholders	0%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	11%
Premiums in course of collection to surplus as regards policyholders	0%

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 four-year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Loss and loss adjustment expenses incurred	\$39,331	153.58%
Other underwriting expenses incurred	40,077	156.50
Net underwriting loss	<u>(53,799)</u>	<u>(210.08)</u>
Premiums earned	<u>\$25,609</u>	<u>100.00%</u>

G. Accounts and Records

(i) Drafts Outstanding

The Company reported outstanding checks for claims payments as outstanding drafts in the Annual Statement. This practice is contrary to SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual, which states:

“A check is payable on demand. A draft must be approved for payment by the issuer. Outstanding checks are accounted as reduction of cash.”

It is recommended that the Company report and classify outstanding checks for claims payments as reduction of cash instead of a liability in accordance with SSAP No. 2 NAIC Accounting Practices and Procedures Manual.

(ii) Certified Public Accountant (“CPA”) Engagement Letters

The Company hired PricewaterhouseCoopers LLP (“PwC”) to render an opinion for the Company’s 2004 financial statements. The qualification letter issued by PwC states that the audit workpapers will be retained for no less than five years. Department Regulation 118 and 152 require that workpapers be retained by the auditors for six calendar years from their creation or until after the filing of the report on examination in which the records are subject to review, whichever is longer.

It is recommended that the Company ensure that the contract between the Company and the independent auditors specify the proper workpaper retention period in accordance with the Department Regulations 118 and 152.

### 3. FINANCIAL STATEMENTS

#### A Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2004 as determined by this examination and as reported by the Company:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$2,333,765	\$	\$2,333,765
Cash, cash equivalents and short-term investments	230,053	0	230,053
Investment income due and accrued	25,564	0	25,564
Accrued retrospective premiums	105,036	10,504	94,532
Current federal and foreign income tax recoverable and interest thereon	4,807	0	4,807
Receivables from parent, subsidiaries and affiliates	75,593	0	75,593
Aggregate write-ins for other than invested assets	<u>2,494</u>	<u>0</u>	<u>2,494</u>
Total assets	<u>\$2,777,312</u>	<u>\$10,504</u>	<u>\$2,766,808</u>



Liabilities, Surplus and Other FundsLiabilities

Losses		\$ 12,704
Loss adjustment expenses		16,000
Other expenses (excluding taxes, licenses and fees)		79,817
Taxes, licenses and fees (excluding federal and foreign income taxes)		2,726
Net deferred tax liability		1,286
Drafts outstanding		1,188
Payable to parent, subsidiaries and affiliates		59,504
Aggregate write-ins for liabilities		<u>99,784</u>
Total liabilities		\$ 273,009

Surplus and Other Funds

Common capital stock	\$1,500,000	
Gross paid in and contributed surplus	750,000	
Unassigned funds (surplus)	<u>243,799</u>	
Surplus as regards policyholders		<u>2,493,799</u>
Total liabilities, surplus and other funds		<u>\$2,766,808</u>

NOTE: The Internal Revenue Service has not yet begun to audit tax returns covering tax years 2001 through 2004. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Underwriting and Investment Exhibit

Surplus as regards policyholders increased by \$238,717 during the four-year examination period from January 1, 2001 to December 31, 2004, detailed as follows:

Statement of Income

Underwriting Income

Premiums earned		\$ 25,609
Deductions:		
Losses incurred	\$ 21,043	
Loss adjustment expenses incurred	18,288	
Other underwriting expenses incurred	40,077	
Aggregate write-ins for underwriting deductions	<u>0</u>	
Total underwriting deductions		<u>79,408</u>
Net underwriting gain or (loss)		\$(53,799)

Investment Income

Net investment income earned	\$430,923	
Net realized capital gain	<u>1,173</u>	
Net investment gain or (loss)		<u>432,096</u>
Net income after dividends to policyholders but before federal and foreign income taxes		\$378,297
Federal and foreign income taxes incurred		<u>127,791</u>
Net Income		<u>\$250,506</u>

C. Capital and Surplus Account

Surplus as regards policyholders per report on Examination as of December 31, 2000			\$2,255,082
	Gains in	Losses in	
	<u>Surplus</u>	<u>Surplus</u>	
Net income	\$250,506		
Change in net deferred income tax	275		
Change in nonadmitted assets		\$10,504	
Cumulative effect of changes in accounting principles	<u>0</u>	<u>1,560</u>	
Total gains and losses	<u>\$250,781</u>	<u>\$12,064</u>	
Net increase (decrease) in surplus			<u>238,717</u>
Surplus as regards policyholders per report on examination as of December 31, 2004			<u>\$2,493,799</u>

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of \$28,704 is the same as reported by the Company as of December 31, 2004. 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.

A review of the Company's actuarial report found that it did not fully comply with the requirements of the Annual Statement Instructions issued by the National Association of Insurance Commissioners and Section 5.2 of the Actuarial Standard of Practice No. 9 issued by the Actuarial Standard Board, in that it lacks an executive summary detailing the actuarial analyses in an easy to follow overview format.

The following is an excerpt from Item # 7 of the Actuarial Opinion section of the Annual Statement Instructions:

“ The Actuarial Report should be consistent with the documentation and disclosure requirement of ASOP # 9. The Actuarial Report should contain both narrative and technical components. The narrative component should provide sufficient detail to clearly explain to company management, the regulator, or other authority the findings, recommendations and conclusions, as well as their significance. The technical component should provide sufficient documentation and disclosure for another actuary practicing in the same field to evaluate the

work. This technical component must show the analysis from the basic data, e.g., loss triangles, to the conclusions.

The Report must also include:

- An exhibit which ties to the Annual Statement and compares the Actuary's conclusions to the carried amounts;
- Summary exhibit(s) of either the actuary's best estimates, range of reasonable estimates, or both, that led to the conclusion in the OPINION paragraph regarding the reasonableness of the provision for all unpaid loss and loss adjustment expense obligations;
- Documentation of the required reconciliation from the data used for analysis to the Annual Statement Schedule P;
- Extended comments on trends that indicates the presence or absence of risks and uncertainties that could result in material adverse deviation; and
- Extended comments on factors that led to unusual IRIS ratios for One-Year Reserve Development to Surplus, Two-Year Reserve Development to Surplus, or Estimated Current Reserve Deficiency to Surplus, and how these factors were addressed in prior and current analyses.”

It is recommended that the Company include sufficient detail in the narrative and technical components in its actuarial reports for future periods that meet the requirements of the Annual Statement Instructions and Section 5.2 of the Actuarial Standard of Practice No. 9.

## **5. MARKET CONDUCT ACTIVITIES**

In 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.

Certain market conduct issues in underwriting and claims were noted. The internal audit reports regarding those issues were forwarded to the Market Conduct Unit of the Department Property Bureau. The Department has scheduled a market conduct review of the Company's underwriting and claims practices.

## 6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained one recommendation as follows (page numbers refer to the prior report):

<u>ITEM</u>		<u>PAGE NO.</u>
A	It was recommended that the Company amend the agreements with its custodian to include the protective covenants and provisions deemed by this Department to be representative of good business practices for the contents of such agreements.	11

The Company has complied with this recommendation.

## 7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>		<u>PAGE NO.</u>
A	<u>Reinsurance</u>	
	It is recommended that the Company amend the 95% quota share reinsurance agreement for the proper arbitration clause and submit the agreement to the Department in accordance with Section 1505 of the New York Insurance Law. The Company subsequently submitted an amendment to the contract with the proper arbitration clause to the Department. The Department approved the amendment on May 23, 2006.	8
B	<u>Accounts and Records</u>	
	<u>Drafts Outstanding</u>	
	It is recommended that the Company report and classify outstanding checks for claims payments as reduction of cash instead of a liability in accordance with SSAP No. 2 NAIC Accounting Practices and Procedures Manual.	12
	<u>Certified Public Accountant ("CPA") Engagement Letters</u>	
	It is recommended that the Company ensure that the contract between the Company and the independent auditors specify the proper workpapers retention period in accordance with the Department Regulations 118 and 152.	13

ITEMPAGE NO.C Losses and loss adjustment expenses

It is recommended that the Company include sufficient detail in the narrative and technical components in its actuarial reports for future periods that meet the requirements of the Annual Statement Instructions and Section 5.2 of the Actuarial Standard of Practice No. 9.

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D Market Conduct Issues

Certain market conduct issues in underwriting and claims were noted. The internal audit reports regarding those issues were forwarded to the Market Conduct Unit of the Department Property Bureau. The Department has scheduled a market conduct review of the Company's underwriting and claims practices.

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Respectfully submitted,

\_\_\_\_\_/S/  
Annie Lau, CFE  
Associate Insurance Examiner

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

ANNIE LAU, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

\_\_\_\_\_/S/  
Annie Lau

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Appointment No 22400

STATE OF NEW YORK  
INSURANCE DEPARTMENT

I, HOWARD MILLS, Superintendent of Insurance of the State of New York,  
pursuant to the provisions of the Insurance Law, do hereby appoint:

**Annie Lau**

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

**TM INSURANCE COMPANY**

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

**Company**

*with such other information as she 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 9th day of August, 2005*



*Howard Mills*

\_\_\_\_\_  
HOWARD MILLS  
Superintendent of Insurance