



**STATE OF TENNESSEE**  
**DEPARTMENT OF COMMERCE AND INSURANCE**

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**REPORT ON EXAMINATION**  
**OF**  
**CENTERLINE PROPERTY AND CASUALTY INSURANCE COMPANY**  
**(NAIC # 19003)**  
**KNOXVILLE, TENNESSEE**

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**AS OF**  
**DECEMBER 31, 2019**

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Knoxville, Tennessee  
May 15, 2021

Honorable Carter Lawrence  
Commissioner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, Tennessee 37243

Dear Commissioner:

In accordance with your instructions and pursuant to Tennessee Code Annotated (“Tenn. Code Ann.”) § 56-1-408, a full-scope financial examination and market conduct review, as of December 31, 2019, has been made of the condition and affairs of:

**CENTERLINE PROPERTY AND CASUALTY INSURANCE COMPANY**

NAIC # 19003  
6420 Baum Drive  
Knoxville, TN 37919

hereinafter referred to as the “Company” or “CPCIC”, and a report thereon is submitted as follows:

**INTRODUCTION**

This examination was called by the Tennessee Department of Commerce and Insurance (TDCI or “Department”). The examination was conducted by duly authorized representatives of the Department. This examination was not coordinated with any other states.

**SCOPE OF EXAMINATION**

The last examination of the Company was made as of December 31, 2008, by the Georgia Office of Insurance and Safety Fire Commissioner. Effective October 1, 2014, the Company voluntarily dissolved and surrendered its charter in the state of Georgia as a property and casualty insurer. The Company redomesticated to Tennessee and operated as a pure captive insurer from October 1, 2014, through December 31, 2018. The Company filed audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP) with the Department for the 2015 through 2018 calendar years. Effective January 1, 2019, the Company was approved by the TDCI to operate as

a property and casualty insurance company and discontinued operating as a pure captive insurance company.

This examination covers the period January 1, 2019, through December 31, 2019, and includes any material transactions and events occurring subsequent to the examination date which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with practices and procedures promulgated by the NAIC in the *Financial Condition Examiners Handbook* ("Handbook"), as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company as of December 31, 2019. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with statutory accounting principles and annual statement instructions.

All significant risks were considered when planning which key activities and accounts would be examined. The key activities included: Investments; Reinsurance; Premium/Underwriting; Reserves/Claims; Related Party; and Capital and Surplus.

The Company's 2019 annual statement was compared with or reconciled to the corresponding general ledger account balances.

A separate market conduct review was performed concurrently with the financial examination. See "Market Conduct Activities" section of this report.

Neither the Company nor its parent maintain an internal audit department.

Independent information technology specialist services, provided by Assurity Resources, Inc. were utilized in the examination review of the Company's information technology general controls (ITGC).

Actuarial specialist services, provided by Apex Actuarial Solutions, LLC, were utilized in the examination review of the Company's loss reserves.

Workpapers prepared by the Company's independent auditor in connection with the 2019 audit were reviewed and copies were incorporated into the examination, as deemed appropriate.

## **COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS**

This was the first examination of the Company by the TDCI.

## **COMPANY HISTORY**

The Company was formed on December 22, 1970, in the state of Georgia as a fully licensed property and casualty insurer under the name of Waco Fire and Casualty Insurance Company. The Company surrendered its certificate of authority and withdrew from the state of Georgia effective October 1, 2014.

On June 30, 2014, the Company filed its Charter in the state of Tennessee and received a Certificate of Authority as a pure captive insurer on October 1, 2014. By Charter amendment adopted October 1, 2016, and filed November 18, 2016, the Company was renamed Centerline Property and Casualty Insurance Company. Effective January 1, 2019, the Company was approved by the TDCI to operate as a property and casualty insurance company and discontinued operating as a pure captive insurance company.

On December 31, 2019, the Company had authorized capital stock of two million (2,000,000) shares of common stock with a par value of \$1.00 per share. One million five hundred thousand (1,500,000) shares were issued and outstanding, for a capital paid up of \$1,500,000. Watkins Associated Holdings, Inc. (WAH) held all outstanding shares of the Company.

## **MANAGEMENT AND CONTROL**

### **MANAGEMENT**

#### **Directors**

The Company is managed by a Board of Directors ("Board") who shall be elected at the annual shareholder meeting. Directors need not be shareholders of the corporation.

The Company had three (3) directors, as of December 31, 2019. A majority of directors constitutes a quorum. Directors serve until the next annual shareholder meeting, and thereafter, until replaced.

The following persons were duly elected in the shareholder meeting and were serving as members of the Board, as of December 31, 2019:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Andrew Paul Kuchar	President of Centerline, Chief Risk Officer of WAI, President of Biltmore
Eric Sinclair Wahlen	President and Director of WAI
Gregory Oneal Watkins	Vice President and Director of WAI, President of Highway Transport Logistic

### **Officers**

The following officers were duly elected by the Board and were serving as officers of the Company, as of December 31, 2019:

<b><u>Name</u></b>	<b><u>Title</u></b>
Eric Sinclair Wahlen	Chairman
Andrew Paul Kuchar	President
Timothy Lee Hall	Secretary/Treasurer
John David Maggard	Chief Financial Officer
Jeremy Michael Bagley	Vice President
Jennifer Ann Smith	Vice President
Danielle Leigh Clark	Assistant Secretary

### **Committees**

The Board serves as the Audit Committee as is permitted by Tenn. Comp. R. & Regs. 780-01-65-05(4). No other committees have been appointed during the examination period.

### **CONTROL**

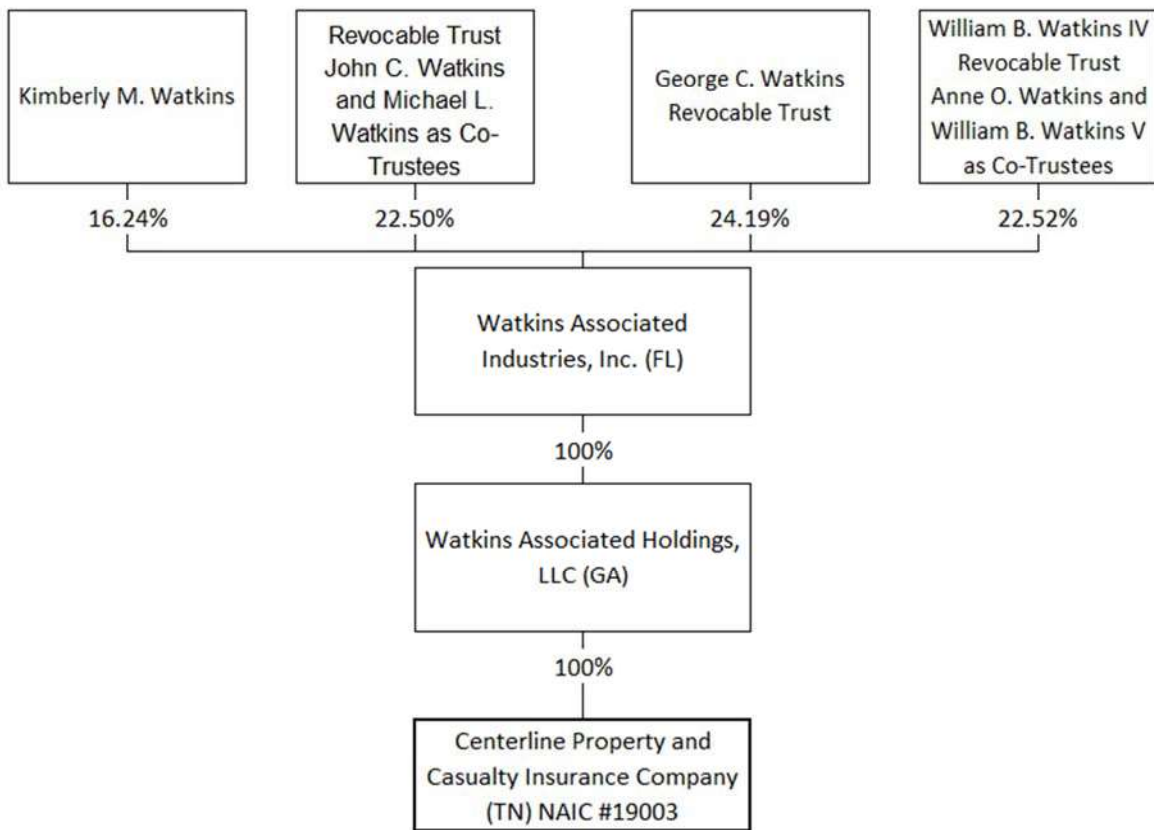
The Company is a wholly owned subsidiary of WAH, which is a wholly-owned subsidiary of Watkins Associated Industries, Inc. (WAI). WAI is a privately held company engaged in six (6) major activities: trucking, food processing, building material manufacturing, engineering services, real estate development, and operations and insurance services. The Company is a member of an insurance holding company system as defined by Tenn. Code Ann. § 56-11-101(7), and as such, is subject to the Insurance Holding Company System Act of 1986, set forth in Tenn. Code Ann. §§ 56-11-101, *et seq.* WAI, as the reported ultimate controlling person (UCP), files a holding company registration statement annually, as required by Tenn. Code Ann. § 56-11-105. Disclaimers of control were not

filed by the upstream owners of more than ten (10) percent of the UCP. See the “Comments and Recommendations” section of the report.

The Company omitted material disclosures in Form B and Form C filings with the TDCI. The Company should follow the instructions for Form B and C filings and disclose material related party transactions as required under Tenn. Comp. R. & Regs. 0780-01-67. See the “Comments and Recommendations” section of the report.

**ORGANIZATIONAL CHART**

The following organizational chart presents the UCP of the Company, as of December 31, 2019.



**DIVIDENDS**

No dividends were declared or paid to the shareholder during the examination period.

**CORPORATE RECORDS**

The minutes of meetings of the Board of the Company and its shareholder were reviewed for the period under examination. The minutes were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes

indicated that all investment transactions were approved by the Board pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

The original Charter of the Company was filed with the Tennessee Secretary of State on June 30, 2014. The Amended and Restated Formation Documents were filed with the Tennessee Secretary of State on December 14, 2018, with a delayed effective date of January 1, 2019.

The Bylaws of the Company in effect on December 31, 2019, were the Company's Amended and Restated Bylaws that were adopted by the Board in conjunction with the approval by the TDCI for the Company to operate as a property and casualty insurer effective January 1, 2019.

## **AGREEMENTS WITH PARENT AND AFFILIATES**

The Company had the following significant agreements with its parent and affiliated companies in effect, as of December 31, 2019:

### **Cost Sharing Agreement**

Effective January 1, 2019, the Company entered into a Cost Sharing Agreement with WAI under which WAI provides general corporate services, office space, common area maintenance, and information technology services to the Company. Fees under the agreement are allocated based on a comprehensive allocation schedule and are billed and settled on a monthly basis. The agreement has an initial one (1) year term, automatically renews for successive one (1) year terms and may be terminated by either party with or without cause after a thirty (30) day written notice.

The Company filed this agreement for approval by the TDCI, as required by Tenn. Code Ann. § 56-11-106(a)(2). TDCI provided a notice of non-disapproval on December 11, 2020.

The Company did not file the Form D for 2019 modifications to the Cost Sharing Agreement and Tax Allocation Agreement in a timely manner as required by Tenn. Code Ann. § 56-11-106(a)(2). It is recommended that the Company maintain compliance with Tenn. Code Ann. § 56-11-106(a)(2) by making the required filings at least thirty (30) days prior to the effective date of the agreements or modifications. See "Comments and Recommendations" section of the report.



### **General Agency Agreements**

Effective October 1, 2008, the Company was a party to a General Agency Agreement with Biltmore Insurance Services of Loganville, LLC (“Biltmore”), an affiliate, formerly Centerline Insurance Agency (name change effective January 1, 2017). The agreement was filed and approved as part of the Form A filings in 2014 to re-domesticate as a pure captive in Tennessee.

Effective March 1, 2017, the Company entered into a General Agency Agreement with Biltmore, State National Insurance Company, Inc., National Specialty Insurance Company, and United Specialty Insurance Company in connection with the Quota Share Reinsurance Agreement described below under “Reinsurance Agreements.”

Under the agreements, Biltmore provides all functions necessary for the production, service, and management of the policies issued in exchange for a commission on premiums written.

### **Tax Sharing Agreement**

Effective January 1, 2019, the Company is a party to a Tax Sharing Agreement with WAI. The Company is included in the consolidated tax filing and pays taxes on a separate return basis. Tax payments are due within fourteen (14) days of receipt of the estimated tax calculation. The Company filed this agreement for approval by the TDCI as required by Tenn. Code Ann. § 56-11-106(a)(2) and received non-disapproval on December 18, 2019.

## **TERRITORY AND PLAN OF OPERATION**

### **TERRITORY**

The Company is licensed to write property and casualty insurance in the state of Tennessee and is an approved surplus lines insurer in Michigan and Georgia. The Tennessee Certificate of Authority and approvals for surplus lines were reviewed and found to be in effect on December 31, 2019.

The Company currently has no applications pending for admission to any other states or territories. Premium tax records were reviewed for the state of Tennessee and no exceptions were noted.

## **PLAN OF OPERATION**

The Company underwrites the following lines for affiliates and third parties:

<b>Line of Business-Product</b>	<b>Affiliates</b>	<b>Third Parties</b>
Inland Marine	Cargo	Diminished Value, Manifest Auto, Cargo
Other Liability	Employers Practices Liability, General Liability	
Commercial Auto Liability	Auto	Small Fleet Trucking
Auto Physical Damage	Auto, Contractors Group	Small Fleet Trucking

Centerline's strategy is to grow its cargo product lines. The small fleet trucking business is fronted through State National Insurance Company and described in the "Reinsurance Agreements" section.

## **GROWTH OF COMPANY**

The following exhibit depicts certain aspects of the growth and financial history of the Company for 2019 on a statutory accounting basis and on a GAAP basis for 2015-2018 as reported in the respective financial statements filed with the Captive Section of TDCI:

<b><u>Year</u></b>	<b><u>Admitted Assets</u></b>	<b><u>Liabilities</u></b>	<b><u>Capital and Surplus</u></b>	<b><u>Earned Premiums</u></b>	<b><u>Net Income</u></b>
2019	\$23,232,030	\$6,300,654	\$16,931,376	\$4,875,859	\$779,209
2018	\$20,924,220	\$8,298,428	\$12,625,792	\$2,264,576	\$1,212,844
2017	\$20,887,121	\$7,858,952	\$13,028,169	\$2,114,573	\$970,650
2016	\$19,425,000	\$7,947,000	\$11,478,000	\$2,182,000	\$528,000
2015	\$21,345,000	\$11,076,000	\$10,269,000	\$2,772,000	\$901,000

## LOSS EXPERIENCE

As developed from applicable amounts included in the Company's 2019 statutory basis annual statement and the 2015-2018 audited GAAP financial statements filed with the Captive Section of TDCI, the ratios of losses and loss adjustment expenses (LAE) incurred to earned premiums, were as follows:

<u>Year</u>	<u>Losses and LAE Incurred</u>	<u>Premiums Earned</u>	<u>Loss Ratio</u>
2019	\$1,669,190	\$4,875,859	34%
2018	\$2,264,576	\$4,418,890	51%
2017	\$970,614	\$2,114,573	46%
2016	\$38,000	\$2,182,000	2%
2015	\$1,170,000	\$2,772,000	42%

## REINSURANCE AGREEMENTS

### Assumed Reinsurance

Effective March 1, 2017, State National Insurance Company, Inc., National Specialty Insurance Company, and United Specialty Insurance Company, collectively "State National", the Company as reinsurer, and Biltmore as general agent, are parties to a one hundred percent (100%) quota share reinsurance agreement. Under the agreement, the Company assumes all of the gross liability for commercial automobile liability, commercial automobile physical damage, general liability, cargo, and miscellaneous coverages issued by Biltmore. The business assumed by the Company is written on a surplus lines basis.

The assumed block of business accounted for sixty-one percent (61%) of the Company's 2019 net written premiums.

The reinsurance agreement contained acceptable provisions of reporting responsibility of the ceding entity, payment terms, premium taxes, termination clauses, and ceding clauses as recommended by the NAIC and as required for reinsurance credit pursuant to Tenn. Code Ann. § 56-2-207(a)(2). The agreement transfers risk in accordance with Statement of Statutory Accounting Principles (SSAP) No. 62R and NAIC guidelines.

## ACCOUNTS AND RECORDS

During the course of the examination, certain balances were tested, and amounts were traced from the Company's trial balance to the annual statement. All the Company's investment securities were confirmed with the custodian of such securities, as of the date of the examination.

The 2019 annual statement was reviewed for completeness and adequacy of disclosure. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

The Company's operational activities are performed at the offices of WAI in Atlanta, Georgia, which is not in compliance with TN Code Ann. § 56-2-104(a)(5)(A). See the "Comments and Recommendations" section in this report.

## MARKET CONDUCT ACTIVITIES

In conjunction with the examination, a market conduct review was performed. The following areas were reviewed:

### **Operations and Management Standards**

Company antifraud initiatives were examined to determine if the initiatives were reasonably designed to prevent, detect, or mitigate fraudulent insurance acts. Company procedures and policies relating to privacy were reviewed to determine compliance with Tenn. Code Ann. § 56-8-104(19). No issues were noted.

### **Complaint Handling Standards**

The Company maintains a complaint register, as required by various state Unfair Trade Practices Acts, and the register and the accompanying files are maintained for a minimum of five (5) years in accordance with statutory requirements. The Company's complaint procedures and complaint register were examined in accordance with requirements of Tenn. Code Ann. § 56-8-104(11) and the NAIC *Market Regulation Handbook* ("Market Handbook") and were found to be in compliance.

### **Marketing and Sales Standards**

The Company's advertising materials consist of one-page advertisements of Centerline's per-shipment cargo insurance program. The Company also maintains a public Internet site with information about the Company, including marketing success stories at [www.centerlinepc.com](http://www.centerlinepc.com). Advertising items were examined in accordance with Tenn. Code Ann. § 56-8-104(1) and the Market Handbook. No issues were noted.

### **Producer Licensing Standards**

Tenn. Code Ann. §§ 56-6-101, *et seq.*, requires the Company to sell its products and services through producers who are properly licensed and appointed by the Company. In the examination of producer licensing, a sample of producers were selected, and their state issued licensure and appointment by the Company were verified. Two exceptions were identified that were corrected prior to the completion of the examination as described under the “Comments and Recommendations” section.

### **Policyholder Services Standards**

The Company’s timeliness of policy issuance, premium billing, response to policyholder requests, provision of adequate disclosures, and compliance with applicable statutes and rules were examined. The Company was found to be in compliance with the relevant market conduct standards.

### **Underwriting and Rating Standards**

In the examination of the Company’s underwriting procedures and policy administration, policy files for open and closed policies were reviewed in accordance with established Company guidelines. During the examination of these contracts, no instances of unfair methods of competition or unfair or deceptive acts were found. Underwriting procedures and policy administration conducted by the Company appear to be in compliance with established Company guidelines.

A sample of the policy forms that were used by the Company during the examination were reviewed. All rates were noted, without exception, as having been filed with the TDCI prior to use in accordance with Tenn. Code Ann. § 56-5-106. The filings are consistent in form and included appropriate documents.

### **Claims Handling Standards**

In the examination of claims handling practices, the Company’s efficiency of claim handling, accuracy of payment, adherence to contract provisions, and compliance with applicable statutes and rules were examined. Review indicates the Company’s claims were properly documented and handled in accordance with the Company’s policy provisions and applicable statutes and rules. No issues or concerns were identified.

## **SUBSEQUENT EVENTS**

During the examination, a review of subsequent events was performed. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2019 that could have a material effect on the Company’s financial condition.

## FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, surplus and other funds, and a summary of operations, as of December 31, 2019, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2019 annual statement.

	<b><u>ASSETS</u></b>		
	<b><u>Assets</u></b>	<b><u>Non-Admitted Assets</u></b>	<b><u>Net Admitted Assets</u></b>
Bonds	\$10,800,416		\$10,800,416
Common stocks	8,451,829		8,451,829
Cash, cash equivalents, and short-term investments	3,249,102		3,249,102
Interest income due and accrued	162,128		162,128
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	252,040		252,040
Current federal and foreign income tax recoverable	154,259		154,259
Electronic data processing equipment and software	476	\$476	0
Furniture and equipment, including healthcare delivery assets	25,728	25,728	0
Receivable from parent, subsidiaries, and affiliates	162,256		162,256
Prepaid fees	<u>76,812</u>	<u>76,812</u>	<u>0</u>
<b>Totals</b>	<b><u>\$23,335,046</u></b>	<b><u>\$103,016</u></b>	<b><u>\$23,232,030</u></b>

**LIABILITIES, SURPLUS, AND OTHER FUNDS**

Losses		\$2,472,702
Loss adjustment expenses		79,626
Commissions payable, contingent commissions and other similar charges		29,634
Other expenses		437,437
Taxes, licenses, and fees		2,914
Net deferred tax liability		854,444
Unearned premiums		1,771,403
Dividends declared and unpaid: Policyholders		650,000
Payable to parent, subsidiaries and affiliates		<u>2,494</u>
Total liabilities		\$6,300,654
Common capital stock	\$1,500,000	
Gross paid-in and contributed surplus	3,100,000	
Unassigned funds (surplus)	<u>12,331,376</u>	
Surplus as regards policyholders		<u>16,931,376</u>
Total liabilities, surplus, and other funds		<u>\$23,232,030</u>

## STATEMENT OF INCOME

### **Underwriting Income**

Premiums earned	<u>\$4,875,859</u>
Deductions:	
Losses Incurred	1,438,114
Loss adjustment expenses incurred	231,076
Other underwriting expenses incurred	<u>2,145,363</u>
Total underwriting deductions	<u>3,814,553</u>
Net underwriting gain (loss)	<u>1,061,306</u>

### **Investment Income**

Net investment income earned	468,291
Net realized capital gains or (losses)	<u>81,024</u>
Net investment gain or (loss)	<u>549,315</u>
Net income before dividends to policyholders and before federal & foreign income taxes	<u>1,610,621</u>
Dividends to policyholders	<u>650,000</u>
Net income, after dividends to policyholders, but before federal & foreign income taxes	<u>\$960,621</u>
Federal & foreign income taxes	<u>181,412</u>
<b>Net Income</b>	<u><u>\$779,209</u></u>



## CAPITAL AND SURPLUS ACCOUNT

	<b><u>2019</u></b>
Surplus as regards policyholders December 31, previous year	<u>\$12,377,154</u>
Net income or (loss)	779,209
Change in net unrealized capital gains or (losses)	1,233,899
Change in net deferred income tax	36,478
Change in non-admitted assets	4,636
Surplus adjustments: Paid in	<u>2,500,000</u>
Net change in capital and surplus for the year	<u>\$4,554,222</u>
Surplus as regards policyholders December 31, current year	<u>\$16,931,376</u>

## ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Surplus as regards policyholders

\$16,931,376

Total capital and surplus, as established by this examination, is the same as what was reported by the Company in its 2019 annual statement. There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2019.

## COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments and recommendations noted in this report:

### Comments

1. As of December 31, 2019, the Company had insurance agents actively acting as an agent of the Company who were not appointed by the Company as required by Tenn. Code Ann. § 56-6-115. During the course of this examination, the Company appointed the agents, effective February 24, 2021.

### Recommendations

1. The Company omitted material disclosures in Form B and Form C filings with the TDCI. Omitted disclosures included:
  - Disclosure of persons owning or controlling ten percent (10%) or more of the voting securities of WAI in the Form B and Form C filing.
  - Disclosure of the reinsurance agreement with State National.
  - Guarantee by WAI of the Company's performance under the assumed reinsurance agreement with State National.
  - Disclosure of material payments pursuant to agreements with related parties.

It is recommended that the Company follow the instructions for Form B and C filings and disclose material related party transactions as required under Tenn. Comp. R. & Regs. 0780-01-67.

2. The Company did not file the Form D for 2019 modifications to the Cost Sharing Agreement and Tax Allocation Agreement in a timely manner as required by Tenn. Code Ann. § 56-11-106(a)(2).

It is recommended that the Company maintain compliance with Tenn. Code Ann. § 56-11-106(a)(2) by making the required filings at least thirty (30) days prior to the effective date of the agreements or modifications.

3. The Company's principal place of business is located outside of the State of Tennessee, at the offices of WAI in Atlanta, Georgia, which is not in compliance with TN Code Ann. § 56-2-104(a)(5)(A).

It is recommended that the Company take appropriate action to come into compliance with TN Code Ann. § 56-2-104(a)(5)(A).

## CONCLUSION

Rules and procedures as prescribed by the statutes of the State of Tennessee and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of Centerline Property and Casualty Insurance Company.

In such manner, it was found that as of December 31, 2019, the Company had admitted assets of \$23,232,030 and liabilities, exclusive of capital and surplus of \$6,300,654. Thus, there existed for the additional protection of the policyholders, the amount of \$16,931,276 in the form of common capital stock, gross paid in and contributed surplus, and unassigned funds. Tenn. Code Ann. §§ 56-2-114 and 56-2-115 require an insurer of this Company's type to maintain a minimum capital of \$1,000,000 and a minimum surplus of \$1,000,000, respectively. For this examination, as of December 31, 2019, the Company maintains capital and surplus sufficient to satisfy those requirements for the writing of direct insurance business.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Robert Panah, CFE, CISA, MCM, FLMI, Examination Manager of Assurity Resources, Inc., and Wesley R. Campbell, FCAS, FSA, MAAA, associated with Apex Actuarial Solutions, LLC participated in the performance of this examination.

Respectfully submitted,



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Sarah L. Bridendall, CFE, CISA, CIE,  
ALMI, AMCM, ACS, CICSR, AIRC,  
CCP, MHP, HCAFA, FAHM  
Examiner-in-Charge  
Representing the State of Tennessee



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A. Jay Uselton, CFE  
Department Designee  
State of Tennessee

## AFFIDAVIT

The undersigned deposes and says that she has duly executed the attached examination report of Centerline Property and Casualty Insurance Company located in Knoxville, Tennessee, dated May 15, 2021, and made as of December 31, 2019, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information, and belief.

*Sarah L. Bridendall*

Sarah L. Bridendall, CFE, CISA, CIE,  
ALMI, AMCM, ACS, CICS, AIRC,  
CCP, MHP, HCAFA, FAHM  
Examiner-in-Charge  
Representing the State of Tennessee

State Tennessee

County Davidson

Subscribed to and sworn before me

this 24<sup>th</sup> day of June, 2021

*Nneka Labon*

(NOTARY)



My Commission Expires: 1-3-2022

# AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Centerline Property and Casualty Insurance Company located in Knoxville, Tennessee, dated May 15, 2021, and made as of December 31, 2019, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.



A. Jay Uselton, CFE  
Department Designee  
State of Tennessee

State Tennessee

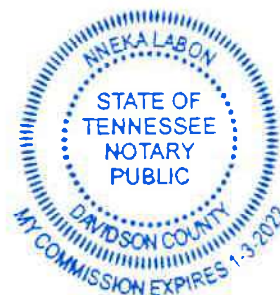
County Davidson

Subscribed to and sworn before me

this 24<sup>th</sup> day of June, 2021



(NOTARY)



My Commission Expires: 1-3-2022

# **EXHIBIT B**



June 24, 2021

E. Joy Little  
Director of Financial Examinations/Chief Examiner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, TN 37243-1135

**RE: Report of Examination – Centerline Property and Casualty Insurance Company**

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for Centerline Property and Casualty Insurance Company, made as of December 31, 2019.

By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

A handwritten signature in cursive script that reads "Andy Kuchar".

**Andy Kuchar**  
**President**