



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION
OF
STEADPOINT INSURANCE COMPANY
(NAIC # 10156)
BRENTWOOD, TENNESSEE

AS OF
DECEMBER 31, 2019

TABLE OF CONTENTS

Introduction	1
Scope of Examination	1
Compliance with Previous Examination Findings	2
Company History	3
Management and Control	4
Management	4
Control	5
Organizational Chart	6
Dividends	6
Corporate Records	6
Agreements with Parent and Affiliates	7
Territory and Plan of Operation	7
Growth of Company	8
Loss Experience	8
Reinsurance Agreements	8
Accounts and Records	10
Market Conduct Activities	10
Subsequent Events	12
Financial Statements	13
Assets	13
Liabilities, Surplus, and Other Funds	14
Statement of Income	15
Capital and Surplus Account	16
Analysis of Changes in Financial Statements	17
Comments and Recommendations	17
Conclusion	18
Affidavit	19
Affidavit	20

Brentwood, Tennessee
March 31, 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:

STEADPOINT INSURANCE COMPANY

NAIC # 10156
215 Centerview Drive, Suite 111
Brentwood, TN 37027

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (“TDCI” or “Department”). The examination was conducted by duly authorized representatives of the TDCI.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2014. This examination covers the period January 1, 2015, through December 31, 2019, and includes any material transactions and/or 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 National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* (“Handbook”), as deemed appropriate. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance. Significant inherent risks within the

Company were reviewed and assessed. Controls and mitigation for those significant risks were also reviewed. 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 Assumed, Reinsurance Ceded, Underwriting/Premiums, Reserves/Claims Handling, Related Parties, 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.

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

The actuarial firm of Lewis & Ellis, Inc. was utilized in the examination review of the Company's reinsurance and statutory reserves, as well as the risk assessment and review of controls for Reserving and Pricing risks.

The independent auditors' workpapers were reviewed for the 2019 audit, and copies were incorporated into the examination, as deemed appropriate.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

No comments or recommendations were noted during the previous examination.

COMPANY HISTORY

The Company is a stock property and casualty insurer incorporated on October 7, 2004. On May 9, 2005, the Company commenced business as Sheffield Insurance Company under a Certificate of Authority issued by the TDCI. The Company is not part of an insurance holding company group.

On October 21, 2004, the incorporator adopted the Charter and Bylaws, elected Board of Directors ("Board"), and resigned as incorporator. The preceding actions of the incorporator were ratified by the newly elected Board through action of written consent on October 21, 2004. Also, by action of written consent, officers were granted certain powers and authority and the Company was authorized to issue five hundred thousand (500,000) shares of \$1.00 par value common stock, to both Donald E. Capps and Donovan H Gravlee for valid consideration received. The total number of shares of stock the corporation was authorized to issue was five million (5,000,000) shares of \$1.00 par value stock.

An amendment to the Company's Charter was adopted by the shareholders and the Board on June 21, 2007, to be effective on or before August 1, 2007. The amendment changed the common stock's par value from \$1.00 to \$2.00. This change allowed the Company to maintain minimum capital requirements upon the redemption of five hundred thousand (500,000) shares by Donald E. Capps. The transaction resulted in the Company having five hundred thousand (500,000) shares issued and outstanding at \$2.00 par value to Donovan H Gravlee, therefore maintaining minimum capital requirements. This amendment was approved by the TDCI on July 23, 2007.

On October 14, 2008, the Company amended its Charter to apportion and designate its five million (5,000,000) authorized shares of common stock into four million, nine hundred thousand (4,900,000) shares of Class A voting common stock and one hundred thousand (100,000) shares of Class B non-voting common stock.

On October 15, 2008, the Board approved the issuance of one hundred (100) shares of its Class B non-voting common stock at par value. Fifty-five (55) shares were issued to Donovan H Gravlee and forty-five (45) shares were issued to other members of the Company's management.

Effective December 22, 2009, Donovan H Gravlee transferred one hundred percent (100%) of ownership of the Class A voting common shares and fifty-five (55) Class B non-voting shares to Victoria Gravlee, with Donovan H Gravlee retaining all voting rights through entering into an irrevocable proxy with Victoria Gravlee.

Effective December 31, 2012, Victoria Gravlee transferred all of the Class A voting shares to the “Vickie Sue Cummings Gravlee 2012 Irrevocable Trust”, of which Donovan H Gravlee is the primary beneficiary. On January 16, 2013, a disclaimer of affiliation and control with regard to Victoria Gravlee’s Trust was filed pursuant to Tenn. Code Ann. § 56-11-105(k). Donovan H Gravlee is recognized as the Company’s ultimate controlling person.

The Company’s Charter was amended on June 29, 2012, and filed with the Tennessee Secretary of State on August 17, 2012, in order to effectuate the Company’s name change to “SteadPoint Insurance Company” from “Sheffield Insurance Company”.

On April 30, 2017, the Company issued three promissory notes payable in varying amounts (aggregate total of \$2,090,000) to its three Class B Minority Shareholders as consideration for the Company’s purchase of the respective number of shares of Class B non-voting common stock held by these shareholders (aggregate total of 45 shares). The promissory note obligations are payable in one hundred twenty (120) equal monthly distributions of principal and interest. The related shares of Class B non-voting common stock are held by the Company as Treasury Stock.

As of December 31, 2019, the Company had five hundred thousand (500,000) shares of Class A voting, \$2.00 par value issued and outstanding common stock; and one hundred (100) shares of Class B non-voting, \$2.00 par value issued common stock, of which fifty-five (55) shares are outstanding.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Bylaws provide that the Board shall exercise all corporate powers and manage the business and affairs of the Company. The board shall consist of no fewer than two (2) members. Board members are elected by the shareholders.

The following persons were duly elected by the shareholders and were serving as members of the Board, as of December 31, 2019:

<u>Name</u>	<u>Principal Occupation</u>
Mitchell Gilbert Allen	President, SteadPoint Insurance Group, Inc.
Donovan H Gravlee	Farmer
Johnathan Bly Gravlee	Owner/Executive in the restaurant and workers’ compensation administration industries

Officers

The Company has four (4) officers. The officers are elected during the annual Board meeting, and serve thereafter, until replaced.

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

<u>Name</u>	<u>Title</u>
Mitchell Gilbert Allen	President
Johnathon Bly Gravlee	Secretary
John Martin Sheffield	Treasurer
Donovan H Gravlee	Vice President

Committees

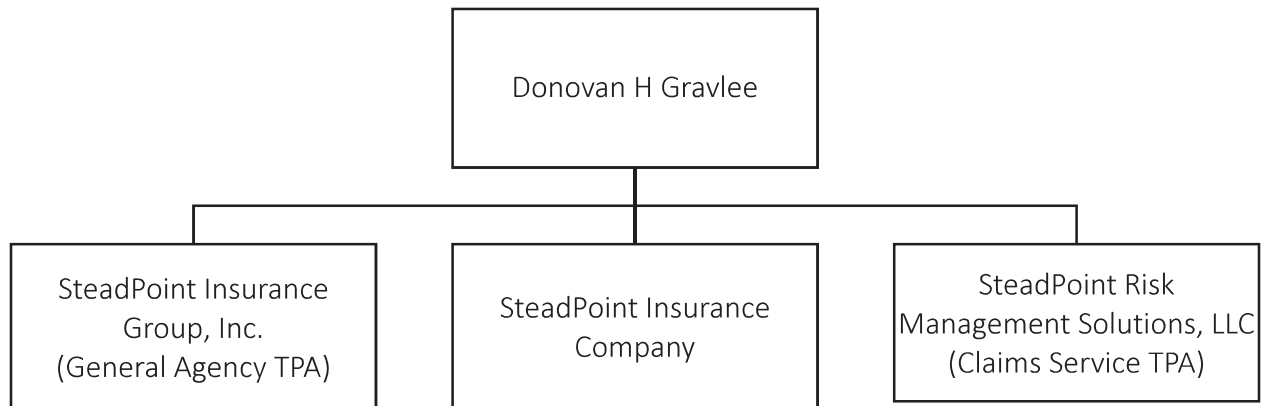
The Company's Board delegated certain duties and responsibilities to the audit committee.

CONTROL

The "Vickie Sue Cummings Gravlee 2012 Irrevocable Trust" owns one hundred percent (100%) of the issued and outstanding Class A voting common stock. However, Donovan H. Gravlee is recognized as the ultimate controlling person of the Company. As a result of a previously executed irrevocable proxy, he retains the rights to vote all of the shares of the Company's common stock.

ORGANIZATIONAL CHART

The following organizational chart shows the Company's parent and subsidiaries, as of December 31, 2019:



DIVIDENDS

No dividends were paid during the exam period.

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board, and Committees were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board, pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

As noted above in the "Company History" section, the Bylaws of the Company in effect at December 31, 2019, are the Company's Amended and Restated Bylaws that were adopted by the Board on June 29, 2012, which had been amended and restated to reflect the Company's name change. No amendments were made to the Bylaws during the examination period.

The Bylaws provide for an annual shareholders' meeting at which a Board is elected. The Bylaws are such as generally found in corporations of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board, and its shareholders.

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:

General Agency Agreement

Effective August 1, 2007, the Company entered into an agreement with an affiliate, SteadPoint Insurance Group, Inc. (SIG), formerly known as Argos Group, Inc. Under the terms of the agreement, SIG provides the Company with services for day-to-day administration, underwriting, and policyholder services. The agreement shall terminate with either party providing one hundred twenty (120) days' prior written notice to the other party. The amended agreement, which changed the management fee rate, was approved by the TDCI on July 3, 2014. SIG is a licensed business entity in the State of Tennessee.

Claims Service Agreement

Effective August 1, 2007, the Company entered into an agreement with an affiliate, SteadPoint Risk Management Solutions, LLC (SRMS), formerly known as Argos Risk Management Services, LLC. Under the terms of the agreement, SRMS provides claims processing and administration to the Company. The agreement shall terminate with either party providing one hundred twenty (120) days' prior written notice to the other party. The amended agreement, which changed the management fee rate, was approved by the TDCI on July 3, 2014.

TERRITORY AND PLAN OF OPERATION

TERRITORY

As of December 31, 2019, the Company was licensed to transact business in the states of Alabama and Tennessee. As of the examination date, the Company was only writing business in Tennessee.

PLAN OF OPERATIONS

The Company provides workers' compensation coverage to its policyholders in the State of Tennessee. The Company's business is produced by licensed individuals and licensed business entities. Duties are performed in accordance with the Company's agency agreement, which is signed by the producer. Under terms of appointment of the agreement, the producer acts as an independent contractor. Additionally, the Company assumes workers' compensation premiums from Benchmark Insurance Company ("Benchmark") written for policyholders in Alabama, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination, according to its annual statements filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Premiums Earned</u>	<u>Net Income</u>
2019	\$32,448,504	\$17,959,489	\$14,489,015	\$11,065,153	\$1,860,386
2018	\$28,232,469	\$16,468,958	\$11,763,511	\$8,767,816	\$1,810,834
2017	\$26,911,473	\$17,219,020	\$9,692,453	\$9,347,592	\$2,694,005
2016	\$25,354,460	\$15,637,439	\$9,717,021	\$9,274,907	\$1,601,939
2015	\$23,980,990	\$15,761,292	\$8,219,698	\$8,995,279	\$1,563,752

LOSS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements, the ratios of losses and loss adjustment expenses (LAE) incurred to earned premiums, for the period subject to this examination were as follows:

<u>Year</u>	<u>Losses Incurred</u>	<u>LAE Incurred</u>	<u>Premiums Earned</u>	<u>Loss Ratio</u>
2019	\$3,851,086	\$943,522	\$11,065,153	43.3%
2018	\$2,762,200	\$569,648	\$8,767,816	38.0%
2017	\$2,113,344	\$518,653	\$9,347,592	28.2%
2016	\$3,639,387	\$835,536	\$9,274,907	48.2%
2015	\$3,353,069	\$764,354	\$8,995,279	45.8%

REINSURANCE AGREEMENTS

Assumed Reinsurance

The Company assumes forty percent (40%) of workers' compensation policies written by Benchmark, up to \$500,000 per occurrence. This business was written to cover the insureds of Benchmark in Alabama, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee.

Ceded Reinsurance

The Company has reinsurance agreements in effect with several external insurance companies for the purpose of diversifying risk and limiting exposure on larger risks. The Company actively monitors the financial condition and industry ratings of its primary reinsurance partners. At December 31, 2019, substantially all of the Company's

financially significant reinsurers were rated “A-”, or better, by A.M. Best, an industry recognized rating agency.

Quota Share Reinsurance

The Company cedes sixty percent (60%) of workers’ compensation policies written to Benchmark, up to \$500,000 per occurrence.

Excess Reinsurance

The Company has three layers of excess loss of reinsurance coverage. Each is as follows:

1st Layer Excess

The Company cedes one hundred percent (100%) of losses of \$9,500,000 in excess of \$500,000 per occurrence to Safety National Casualty Corporation. This agreement includes three free reinstatements.

2nd Layer Excess

The Company cedes one hundred percent (100%) of losses of \$5,000,000 in excess of \$10,000,000 per occurrence to Safety National Casualty Corporation. The agreement includes one (1) reinstatement at an additional one hundred percent (100%) of premium.

3rd Layer Excess

The Company cedes \$10,000,000 in excess of \$15,000,000 per occurrence to IOA Re, LLC, thirty percent (30%), Arch Reinsurance Company fifty percent (50%), and Beazley Insurance Company, Inc., thru Clearwater Partners Limited twenty percent (20%). The agreement has one (1) reinstatement for an additional one hundred percent (100%) of premium.

Other Considerations

All of the Company’s significant reinsurance agreements were found to contain such language as recommended by the NAIC and as required for reinsurance credit pursuant to Tenn. Code Ann. § 56-2-207(a)(2). All agreements appear to effectuate proper transfer of risk in accordance with Statement of Statutory Accounting Principles (SSAP) No. 62R and NAIC guidelines.

ACCOUNTS AND RECORDS

Independent audits were performed each year during the examination period with each resulting in an unqualified opinion.

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 this examination. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure.

Accounting records conformed to statutory accounting practices and procedures as reflected within the Company's operations during the examination. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

The Company's books and records are located in Brentwood, Tennessee.

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company, as of December 31, 2019, in conjunction with this examination. The following items were addressed:

Operations and Management Standards

Company antifraud initiatives were examined to determine if they are 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. The register and 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 has no advertising materials, and the Company continued to use the same independent agent agreement and underwriting guidelines throughout the entire examination period. Sales materials were limited to flyers provided to its independent

agents defining methods of payment and the preferred industries. These materials were examined in accordance with Tenn. Code Ann. § 56-8-104(1) and the Market Handbook (Chapter 16 – Marketing and Sales) and were found to be in compliance.

Producer Licensing Standards

Tenn. Code Ann. §§ 56-6-101, *et seq.*, requires the Company to sell their products and services through producers who are properly licensed and appointed by the Company. In the examination of producer licensing, a random sample of producers were selected, and their state issued licensure and appointment by the Company were verified.

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, a sample of policy files for open and closed policies were reviewed in accordance with Tenn. Code Ann. § 56-8-104, Tenn. Comp. R. & Regs. 0780-01-34, and established Company guidelines. In the examination of these policies, there were no instances of unfair methods of competition, or unfair or deceptive acts found. Underwriting procedures and policy administration conducted by the Company appear to be in compliance with established Company guidelines.

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

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. In conducting the examination, random samples were selected from claims approved and also from claims resisted by the Company. No issues or concerns were identified.

SUBSEQUENT EVENTS

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in this examination report. Our review confirmed the Company's disclosures in its 2019 Annual Statement and in its Letter of Representation. 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, and a statement of income, 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.

ASSETS

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$11,740,349		\$11,740,349
Common stocks	3,541,709		3,541,709
Cash, cash equivalents, and short-term investment	3,761,155		3,761,155
Investment income due or accrued	118,164		118,164
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	681,378	\$339,277	342,101
Deferred premiums and agents' balances and installments booked but deferred and not yet due	3,636,753	35,419	3,601,334
Reinsurance:			
Amounts recoverable from reinsurers	233,100		233,100
Funds held by or deposited with reinsured contracts	8,991,011	507,324	8,483,687
Net deferred tax asset	469,866		469,866
Aggregate write-ins for other-than-invested assets	<u>157,039</u>	<u>0</u>	<u>157,039</u>
Totals	<u>\$33,330,524</u>	<u>\$882,020</u>	<u>\$32,448,504</u>

LIABILITIES, SURPLUS, AND OTHER FUNDS

Losses		\$8,719,058
Reinsurance payable on paid losses and loss adjustment expenses		660,791
Loss adjustment expenses		1,182,438
Other expenses (excluding taxes, licenses and fees)		451,480
Current federal and foreign income taxes		294,774
Borrowed money		1,588,118
Unearned premiums		4,342,512
Advanced premium		77,550
Ceded reinsurance premiums payable		513,612
Funds held by company under reinsurance treaties		33,379
Remittances and items not allocated		81,377
Aggregate write-ins for liabilities		<u>14,400</u>
Total Liabilities		\$17,959,489
Common capital stock	1,000,200	
Gross paid in and contributed surplus	3,124,631	
Unassigned funds (surplus)	12,583,700	
Less treasury stock, at cost: 45 shares common	<u>2,219,516</u>	
Total Capital and Surplus		<u>14,489,015</u>
Totals		<u>\$32,448,504</u>

STATEMENT OF INCOME

Underwriting Income

Premiums earned		\$11,065,153
Losses incurred	\$3,851,086	
Loss adjustment expenses incurred	943,522	
Other underwriting expenses incurred	<u>4,279,014</u>	
Total underwriting deductions		<u>9,073,622</u>
Net underwriting gain/(loss)		1,991,531

Investment Income

Net investment income earned	185,261	
Net realized capital gains (losses) less capital gains tax	<u>(17,969)</u>	
Net investment gain/(loss)		167,292

Other Income

Net gain or (loss) from agents' or premium balances	(119,554)	
Finance and service charges not included in premiums	146,045	
Aggregate write-ins for miscellaneous income	<u>186,320</u>	
Total other income		<u>212,811</u>

Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		2,371,634
Federal and foreign income taxes incurred		<u>511,248</u>

Net Income		<u>\$1,860,386</u>
-------------------	--	---------------------------

CAPITAL AND SURPLUS ACCOUNT

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Surplus as regards policyholders, December 31 prior year	\$11,763,511	\$9,692,453	\$9,717,021	\$8,219,698	\$6,736,095
Net income	1,860,386	1,810,834	2,694,005	1,601,939	1,563,752
Change in net unrealized capital gains or (losses)	515,887	(143,270)			
Change in net deferred income tax	31,196	(28,061)	(245,823)	36,738	60,510
Change in non-admitted assets	(40,876)	502,919	(254,208)	(74,879)	(140,659)
Change in provision for reinsurance	30,112	(30,112)			
Change in treasury stock			(2,219,516)		
Aggregate write-ins for gains and losses in surplus	328,799	(41,252)	974	(66,475)	
Change in surplus as regards policyholders for the year	<u>2,725,504</u>	<u>2,071,058</u>	<u>(24,568)</u>	<u>1,497,323</u>	<u>1,483,603</u>
Surplus as regards policyholders, December 31 current year	<u>\$14,489,015</u>	<u>\$11,763,511</u>	<u>\$9,692,453</u>	<u>\$9,717,021</u>	<u>\$8,219,698</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus

\$14,489,015

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

There were no comments and recommendations noted during the completion of this examination.

CONCLUSION

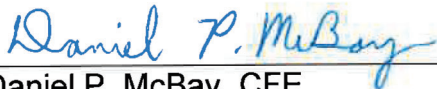
Rules and procedures as prescribed by the statutes of the State of Tennessee, and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of SteadPoint Insurance Company.

In such manner, it was found that as of December 31, 2019, the Company had admitted assets of \$32,448,504 and liabilities, exclusive of capital and surplus, of \$17,959,489. Thus, there existed for the additional protection of the policyholders, the amount of \$14,489,015 in the form of common capital stock, gross paid in and contributed surplus, unassigned funds, and treasury stock. 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 minimum surplus of \$1,000,000. For this examination, as of December 31, 2019, the Company maintains capital and surplus sufficient to satisfy those requirements.

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, Don Karnes, CFE, Trang Truong, CPA, CIA, and Jody Fox, APIR, from the State of Tennessee, participated on the examination. Additional participants include Jim Kattman, CFE, of Noble Consulting Services, Inc., as well as Mike Mayberry, FSA, MAAA, and Greg Wilson, FCAS, MAAA, of the actuarial firm Lewis & Ellis, Inc. Contracted specialists Jenny Jeffers, CISA, and Joe Detrick, CPA, CISA, CFE, of Jennan Enterprises, LLC, participated in the Information Systems review of this examination.

Respectfully submitted,



Daniel P. McBay, CFE
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee



A. Jay Uselton, CFE
Department Designee
State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of SteadPoint Insurance Company located in Brentwood, Tennessee, dated March 31, 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.



Daniel P. McBay, CFE
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee

State North Carolina

County Guilford

Subscribed to and sworn before me

this 4th day of June, 2021



(NOTARY)

My Commission Expires: 3-25-2023

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of SteadPoint Insurance Company located in Brentwood, Tennessee, dated March 31, 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.



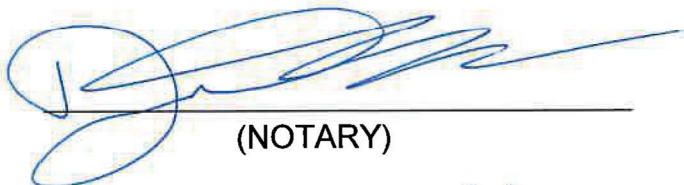
A. Jay Uselton, CFE
Department Designee
Tennessee Department of Commerce and Insurance

State Tennessee

County Davidson

Subscribed to and sworn before me

this 14th day of June, 2021



(NOTARY)

My Commission Expires: 1/6/2025

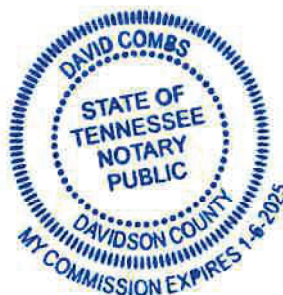


EXHIBIT B



STEADPOINT

June 15, 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 – SteadPoint Insurance Company

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for SteadPoint 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 blue ink that reads "Mitchell G. Allen". The signature is fluid and cursive, with the first name being the most prominent.

Mitchell G. Allen, President