

Statutory Financial Examination of
UMIALIK INSURANCE COMPANY

FE 10-02

as of December 31, 2009

Issued by
STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND
ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

NAIC Company Code: 40126
NAIC Group Code: 0000

FINAL REPORT:
April 28, 2011

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JUN 15 2011

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DIVISION OF INSURANCE
JUNEAU OFFICE

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST SEVENTH AVENUE, SUITE 1560
ANCHORAGE, ALASKA 99501-3567
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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
550 WEST 7TH AVENUE, SUITE 1560
ANCHORAGE, AK 99501-3567

Order FE 10-02)
In the Matter of Examination of)
Umialik Insurance Company)
_____)

FINDINGS OF FACT

1. A report of examination of Umialik Insurance Company, domiciled in the State of Alaska, has been issued by the State of Alaska, Division of Insurance, to Umialik Insurance Company.
2. The Report of Examination of Umialik Insurance Company (FE 10-02) has been transmitted to Mr. Stuart C. Henderson, President, and Ms. Tessa Wilson, Senior Vice President and General Manager, Umialik Insurance Company (Examinee), and Examinee has been accorded at least 30 days opportunity to review and comment on this Report of Examination. A response from the examinee was received on June 6, 2011.
3. The Director of the Division of Insurance has fully considered and reviewed the report, the examinee response and any relevant portions of the examiner's work papers to the extent she considered necessary.

CONCLUSIONS OF LAW

1. The written Report of Examination referred to in Finding of Fact No. 1 was issued in accordance with Alaska Statute (AS) 21.06.150(b).
2. The actions set forth in finding of Fact No. 2 were conducted in accordance with AS 21.06.150(b).
3. The Director of the Division of Insurance has reviewed the Report of Examination, the examinee response and any other relevant work papers as set forth in Finding of Fact No. 3 to the extent she considered necessary in accordance with AS 21.06.150(b).

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DIVISION OF INSURANCE
JUNEAU OFFICE**

ORDER

IT IS ORDERED

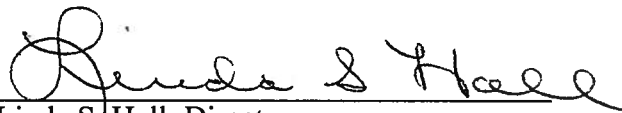
1. Pursuant to AS 21.06.150(b)(1), the Report of Examination of Umialik Insurance Company (FE 10-02) is approved as filed.

2. Pursuant to AS 21.06.060, the Report of Examination shall be kept in the Office of the Director of the Division of Insurance and be open to public inspection.

3. The Examinee will implement all recommendations within a reasonable amount of time but no later than one year from the issue date of this examination report, unless otherwise recommended in the Report of Examination. Failure to implement compliance recommendations may result in action against the Examinee for violation of this order.

This order is effective June 9, 2011.

Dated this 9th day of June, 2011 at Anchorage, Alaska.



Linda S. Hall, Director
State of Alaska
Division of Insurance

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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JUN 15 2011

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JUNEAU OFFICE**



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Alaska Division of Insurance

Sean Parnell, Governor
Susan K. Bell, Commissioner
Linda S. Hall, Director

April 28 , 2011

Ms. Linda S. Hall, Director
Division of Insurance
Department of Commerce, Community
and Economic Development
State of Alaska
550 West 7th Avenue, Suite 1560
Anchorage, AK 99501-3567

Dear Director Hall:

In accordance with your instructions and authorizations, and in accordance with statutory requirements, an examination has been made of the financial condition and business affairs of:

Umialik Insurance Company
1901 Bragaw Street
Suite 100
Anchorage, Alaska 99508

(NAIC CoCode 40126; Group Code 0000)

SCOPE OF EXAMINATION

This examination covers the period of January 1, 2007 through December 31, 2009. Transactions subsequent to this period were reviewed where deemed appropriate. The most recent prior examination of the Company covered the period from January 1, 2004 through December 31, 2006.

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the company by obtaining information about the company including corporate governance, identifying and assessing inherent risks within the company and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles and NAIC Annual Statement Instructions. All accounts and activities of the company were considered in accordance with the risk-focused examination process.

The examination was conducted in accordance with the guidelines and procedures recommended by the Financial Condition (E) Committee of the NAIC and the rules, regulations, and directives of the Division of Insurance, State of Alaska. The work papers of the independent certified public accountants, Swalling & Associates, P.C. (S&A), were reviewed and used where it was determined to be appropriate. The appropriate S&A work papers have been incorporated into the exam work paper file.

The Company's assets were evaluated and verified, and liabilities were analyzed to determine its financial condition as of December 31, 2009. Also, an actuarial evaluation of the reserves as of December 31, 2009, was performed by Sarah K. McNair-Grove, ACAS, MAAA, Actuary for the Division of Insurance, State of Alaska, as a part of this examination.

SUMMARY OF EXAMINATION FINDINGS

Significant Findings

Umialik was found to be out of compliance with the following items:

- No formal catastrophe policy has been established.
- Written procedures do not include adjudication procedures to review for Social Security or other party offsets.

SUBSEQUENT EVENTS

On September 8, 2010 Ukpeagvik Inupiat Corporation (Parent) executed a definitive "Stock Purchase Agreement" (SPA) to sell 100% of the shares of the Company to Western National Mutual Insurance Company (Western National). Western National filed a "Form A, Statement Regarding the Proposed Acquisition of Control of the Company" with the Alaska Insurance Director. The purchase was approved by Alaska effective November 22, 2010 and completed November 30, 2010.

DESCRIPTION OF COMPANY

Company History

Umialik Insurance Company (hereinafter referred to as Umialik or the Company) is an Alaska-domiciled stock insurance company organized pursuant to Title 21, Chapter 69, of the Alaska Statutes. The Company was incorporated on May 31, 1981 and received a Certificate of Authority # 1322 from the State of Alaska effective June 10, 1981 authorizing the Company to transact the business of surety, health, marine, property, and casualty insurance. As of December 31, 2009, the Company was licensed to transact business in the states of Alaska and Washington only.

During the examination period the company was a wholly owned subsidiary of Ukpeagvik Inupiat Corporation (hereinafter referred to as UIC and/or the Parent), a "Village Corporation" formed pursuant to the terms of the Alaska Native Claims Settlement Act (ANCSA), which also has interests in various non-insurance related businesses primarily operating in Alaska.

Corporate Records

The Articles of Incorporation, bylaws and minutes of the Board of Directors of Umialik were reviewed during this examination. Annual shareholder meetings were held each year of the examination. Board of Directors' meetings were called and held according to the Articles and bylaws. All actions requiring board approval were taken by resolution at a meeting or by

resolution without a meeting as provided by the bylaws. All elections were held in accordance with bylaws and statute. The corporate bylaws were last amended in 2004.

The annual stockholder meetings were held in June of each year. The Board of Directors generally meets quarterly to discuss the operations of the Company. All investment transactions of Umialik and the President's salary are approved by the Board of Directors.

Management and Control

Umialik is a member of a holding company system and was wholly owned by Ukpeagvik Inupiat Corporation throughout the examination period. As noted above, effective November 30, 2010, the Company is now wholly owned by Western National. Western National is a private mutual insurer headquartered in Edina, Minnesota which provides personal and commercial property and casualty insurance.

In 1999, the Company initiated paying annual dividends to the shareholder under a program approved by the Board of Directors in 1998. Under established guidelines, dividends are based on prior year's results and established at the annual meeting. In 2007, the Company declared and paid dividends of \$381,781. The Company paid no dividends in 2008 or 2009. The dividends paid were considered ordinary under AS 21.22.100.

The Company's Articles of Incorporation and bylaws provide that a board of directors elected by the shareholder will manage the business and affairs of the corporation. The Company's Articles of Incorporation provide that the Board of Directors shall have a minimum of five and a maximum of twenty-one members. The Company amended its bylaws on June 22, 2004, to increase the number of directors from five up to and including seven numbers.

During the period under examination, Umialik's Board of Directors consisted of seven individuals at any one time, three of whom have been on the board for eight or more years:

The following officers and directors were serving as of December 31, 2009:

NAME	TITLE	AS OF
Anthony Edwardson	Chairman Director Chairman	2008 – 11/29/2010** 2007 – 11/29/2010**
Mary Mastascusa	President & Chief Financial Officer	2005 – 06/01/2010**
Ellen Frantz	Treasurer	1998 – 11/29/2010**
Rebecca Brower	Director Secretary	1986 – 11/29/2010** 1994 – 2007
Anna Jack	Secretary Chairman	2008 – 11/29/2010** 2006 – 2007
Larry Cooper	Director	2008 – 11/29/2010**
David Leavitt, Jr.	Director	2009 – 11/29/2010**

** Change of control to Western National Mutual Insurance Company was effective 11/30/2010.

Except for the president of the Company who serves *ex officio*, directors serve for a three-year period with two directors each in one of three "classes." One class is elected each year on a three-year rotational schedule. In June 2010, Ms. Mary Mastascusa stepped down as Umialik's president after serving for five years. Since then, Ms. Mastascusa is serving as the Company's Chief Financial Officer. At the same time, Ms. Tessa L. Wilson was appointed as President after serving many years as the Chief Underwriting Officer.

The Company had one additional officer during the years under review. Ms. Tessa L. Wilson served as Vice President and Underwriting Manager during the years covered by this examination. She was not a member of the Board of Directors.

Fidelity Bonds and Other Insurance

As of December 31, 2009, the Company was a named insured on a Financial Institution Bond written with Hartford Fire Insurance Company, Hartford, Connecticut, with coverage dates from November 1, 2009 through November 1, 2010. The bond, issued through Willis of Alaska, a bond manager, covers fidelity, on-premises or in-transit forgery or alteration, computer systems fraud, voice-initiated transfer fraud, and telefacsimile-initiated transfer fraud risks, and has a \$2,000,000 single loss and \$4,000,000 aggregate limit of liability with a single-loss deductible retention of \$25,000. This amount exceeds the minimum recommended coverage by the NAIC. The bond also maintains coverage for claims expenses with a \$10,000 limit of liability. Additionally, UIC, the Company's parent, maintained an umbrella policy covering all subsidiaries including specific coverage for Umialik which provides a minimum \$1 million coverage for specific risks, including general, auto, and employers' liability, as well as workers' compensation insurance and commercial property insurance among other exposures.

Employees' Pensions, Stock Ownership, and Other Insurance

The Company provides a comprehensive package of employee benefit programs for its employees. For regular, full-time employees, the Company makes available and pays the costs of a comprehensive medical, life insurance, short-term and long-term disability program.

The Company has a 401K deferred compensation program covering substantially all employees. Under this program, the Company matches up to 3% of an employee's allowable contribution. Additionally, the Company has a defined contribution profit sharing plan which covers substantially all employees who have completed 1,000 hours of service and are employed on the last day of the plan year. Contributions to the profit sharing plan are made at the discretion of the Board of Directors.

Territory and Plan of Operation

Umialik is authorized to transact the following lines of business: property, casualty, surety, health, and marine insurance. The Company operates in two states, Alaska and Washington, and offers the same personal and commercial lines of coverage in Washington that it writes in Alaska with the exception of workers' compensation. The Company concentrates its coverage in Washington in rural areas of the state to reduce the likelihood of adverse selection. In 2009, the Company wrote approximately 11% of its premium in the state of Washington.

Umialik Insurance Company
 As of December 31, 2009
 FE 10-02

Starting on January 1, 2006, Umialik became a servicing carrier for the Alaska workers' compensation assigned risk pool managed by NCCI.

Growth of Company

The following exhibit shows the results of Umialik's operations for the period 2006-2009. The figures are taken from the Company's annual financial statements filed for these years:

Year	Direct Premiums Written	Net Premiums Written	Admitted Assets	Liabilities	Capital & Surplus
2006	\$33,228,631	\$23,769,382	\$45,114,462	\$29,241,931	\$15,872,531
2007	\$33,847,826	\$24,296,990	\$47,413,700	\$30,167,282	\$17,246,418
2008	\$32,674,300	\$23,419,968	\$45,666,488	\$30,119,172	\$15,547,016
2009	\$30,409,609	\$22,391,367	\$46,162,467	\$28,047,115	\$18,115,352

Loss Experience

The following exhibit shows the Company's loss experience for the years covered by the examination period:

Year	Net Premiums Earned	Net Losses Incurred	Loss Incurred Ratio	Net Loss Expenses Incurred	Loss Expense Ratio
2006	\$23,090,154	\$10,289,227	44.6%	\$2,310,495	10.0%
2007	\$23,576,298	\$10,247,403	43.5%	\$2,806,125	11.9%
2008	\$24,030,949	\$11,334,323	47.2%	\$2,260,838	9.4%
2009	\$22,909,054	\$10,935,795	47.7%	\$2,421,383	10.6%

Reinsurance

The Company has a casualty excess of loss reinsurance policy with a \$4.7 million ultimate loss excess of \$300,000. Additionally, there is a first property catastrophe excess of loss reinsurance policy of 95% of \$7 million, excess of \$500,000. Three property per risk excess of loss contracts are in place as follows: first property - \$400,000, excess of \$100,000; second property - \$500,000, excess of \$500,000; and third property - \$1.75 million, excess of \$1 million. Finally, the Company has a workers' compensation excess of loss contract for \$5 million ultimate net loss, excess of \$5 million.

Accounts and Records

Umialik utilizes a computerized accounting and record-keeping system that feeds information to the General Ledger system. All of these systems are located at the home office and maintained by the Company's systems manager. All policy applications and files, claims and claim files,

Umialik Insurance Company
As of December 31, 2009
FE 10-02

and financial-related instruments are maintained on an electronic filing system. The program allows all work to be performed, reviewed, and signed-off electronically.

The Company's computerized accounting and record-keeping system is designed to be in compliance with statutory insurance accounting principles and reporting requirements as prescribed by the Alaska Division of Insurance and the National Association of Insurance Commissioners (NAIC).

Statutory Deposits

As of December 31, 2009 a \$300,000 statutory deposit, with a market value of \$300,093 was on deposit by the Company at a bank in Anchorage, Alaska.

SUMMARY OF ACTUARIAL REVIEW

As of December 31, 2009, UIC carried \$12,388,684 in net loss and loss adjustment expense reserves and \$20,892,000 in gross loss and loss adjustment expense reserves. Using data provided by the Company and discussions with the insurer's staff, the division actuary reviewed the reserves held by UIC as well as the Milliman, Inc. actuarial report in support of the 2009 Statement of Actuarial Opinion. Based on this review, UIC's overall reserve position is within a reasonable range of reserve estimates and should be accepted as stated.

FINANCIAL STATEMENTS

The following pages contain statutory financial statements for the Company as of December 31, 2009 as reported to the division and as determined by the examiners.

Umialik Insurance Company
As of December 31, 2009
FE 10-02

FINANCIAL STATEMENTS
STATEMENT OF ASSETS, LIABILITIES AND SURPLUS
As of December 31, 2009

	<u>As Reported</u>	<u>Adjustments</u>	<u>Finding No.</u>	<u>As Reported</u>
<u>Assets</u>				
Bonds	\$ 23,445,539			\$ 23,445,539
Common stock	10,911,238			10,911,238
Mortgage loans on real estate	954,630			954,630
Cash & short term				
Investments	6,462,332			6,462,332
Investment income due and accrued	235,986			235,986
Premiums and agents' balances in course of collection	1,657,553			1,657,553
Deferred premiums, agents' balances and installments booked but deferred	839,927			839,927
Amounts recoverable from reinsurers	162,118			162,118
Other amounts receivable under reinsurance contracts	72,424			72,424
Net deferred tax asset	1,366,719			1,366,719
Electronic data processing equipment and software	54,001			54,001
	<hr/>			<hr/>
Total Admitted Assets	<u>\$ 46,162,467</u>	<u>\$ 0</u>		<u>\$ 46,162,467</u>
<u>Liabilities, Surplus and Other Funds</u>				
<u>Liabilities</u>				
Losses	\$ 9,710,693			\$ 9,710,693
Loss adjustment expenses	2,677,991			2,677,991
Commissions payable	850,000			850,000
Other expenses	506,589			506,589
Taxes, licenses and fees	101,713			101,713
Current federal and foreign income taxes	61,957			61,957
Unearned premiums	13,483,458			13,483,458
Advance premium	325,872			325,872
Ceded reinsurance premiums payable	328,842			328,842
	<hr/>			<hr/>
Total Liabilities	<u>\$ 28,047,115</u>			<u>\$ 28,047,115</u>
<u>Surplus</u>				
Common capital stock	\$ 3,000,000			\$ 3,000,000
Gross paid-in and contributed surplus	3,183,774			3,183,774
Unassigned funds (surplus)	11,931,578			11,931,578
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Surplus as regards policyholders	<u>\$ 18,115,352</u>	<u>\$ 0</u>		<u>\$ 18,115,352</u>
	<hr/>			<hr/>
Total Liabilities and Surplus	<u>\$ 46,162,467</u>	<u>\$ 0</u>		<u>\$ 46,162,467</u>

Umialik Insurance Company
As of December 31, 2009
FE 10-02

FINANCIAL STATEMENTS
STATEMENT OF UNDERWRITING AND INVESTMENT
as of December 31, 2009

	<u>As Reported</u>	<u>Examination Adjustments</u>	<u>Finding Number</u>	<u>As Reported</u>
<u>Underwriting Income</u>				
<u>Revenue</u>				
Premiums earned	\$ 22,909,054			\$ 22,909,054
Total Revenue	\$ 22,909,054			\$ 22,909,054
<u>Deductions</u>				
Losses incurred	\$ 10,935,795			\$ 10,935,795
Loss expenses incurred	2,421,383			2,421,383
Other underwriting expenses	9,563,477			9,563,477
Aggregate write-in for underwriting deductions	(239,000)			(239,000)
Total underwriting deductions	\$ 22,681,655			\$ 22,681,655
Net underwriting gain or loss	\$ 227,399			\$ 227,399
<u>Investment Income</u>				
Net investment income earned	\$ 1,127,509			\$ 1,127,509
Net realized capital gains or (losses)	852,813			852,813
Net investment gain or (loss)	\$ 1,980,322			\$ 1,980,322
<u>Other Income</u>				
Net gain from agents' or premium balances charged off	\$ (48,451)			\$ (48,451)
Finance & service charges not included in premiums	6,558			6,558
Aggregate write-ins for miscellaneous income	(48,645)			(48,645)
Total other income	\$ (90,538)			\$ (90,538)
Net income before taxes	\$ 2,117,183			\$ 2,117,183
Federal income taxes incurred	134,000			134,000
Net Income (Loss)	\$ 1,983,183			\$ 1,983,183

Umialik Insurance Company
 As of December 31, 2009
 FE 10-02

FINANCIAL STATEMENTS
 STATEMENT OF UNDERWRITING AND INVESTMENT (Continued)
 As of December 31, 2009

	<u>As Reported</u>	<u>Examination Adjustments</u>	<u>Finding Number</u>	<u>As Reported</u>
<u>Capital and Surplus Account</u>				
Surplus, December 31, prior year	\$ 15,547,016			\$ 15,547,016
<u>Gains and (Losses) in Surplus</u>				
Net income (loss)	\$ 1,983,183			\$ 1,983,183
Net unrealized capital gains or (losses)	769,364			769,364
Change in deferred income tax	(585,000)			(585,000)
Change in non-admitted assets	350,789			350,789
Surplus adjustments: Paid in	50,000			50,000
Change in surplus as regards policyholders	<u>\$ 2,568,336</u>	<u>\$ 0</u>		<u>\$ 2,568,336</u>
Surplus for the period ended December 31, 2009	<u><u>\$ 18,115,352</u></u>	<u><u>\$ 0</u></u>		<u><u>\$ 18,115,352</u></u>

Umialik Insurance Company
As of December 31, 2009
FE 10-02

FINANCIAL STATEMENTS
STATEMENT OF CAPITAL AND SURPLUS ACCOUNT
As of December 31, 2009

	SURPLUS			TOTAL
	Common Stock	Paid-In	Unassigned	
Balance at December 31, 2006	\$ 3,000,000	\$ 3,033,774	\$ 9,838,757	\$ 15,872,531
Net income – 2007			2,042,310	2,042,310
Net unrealized capital gains or (losses)			(356,554)	(356,554)
Change in net deferred income tax			121,000	121,000
Change in nonadmitted assets			(101,088)	(101,088)
Surplus adjustments: paid in		50,000		50,000
Payment of dividends to shareholder			(381,781)	(381,781)
Balance at December 31, 2007	\$ 3,000,000	\$ 3,083,774	\$ 11,162,644	\$ 17,246,418
Net loss – 2008			(1,749,367)	(1,749,367)
Net unrealized capital gains or (losses)			(893,681)	(893,681)
Change in nonadmitted assets			(56,354)	(56,354)
Surplus adjustments: paid in		50,000		50,000
Change in net deferred income tax			950,000	950,000
Balance at December 31, 2008	\$ 3,000,000	\$ 3,133,774	\$ 9,413,242	\$ 15,547,016
Net income – 2009			1,983,183	1,983,183
Net unrealized capital gains or (losses)			769,364	769,364
Change in net deferred income tax			(585,000)	(585,000)
Change in nonadmitted assets			350,789	350,789
Surplus adjustments: paid in		50,000		50,000
Balance at December 31, 2009 (As adjusted)	\$ 3,000,000	\$ 3,183,774	\$ 11,931,578	\$ 18,115,352

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS
RESULTING FROM THE EXAMINATION**

This examination did not result in findings that produced adjustments to the financial statements filed as of December 31, 2009.

**COMPLIANCE WITH RECOMMENDATIONS IN
PRIOR REPORT OF EXAMINATION**

During the examination all recommendations in the prior report of examination were found to have been implemented or the issue was no longer present:

- Prior Finding 1 – Unwritten Cost-Sharing Agreement with Parent Not Filed with Director
- Prior Finding 2 – Authorization of Investment Custodian
- Prior Finding 3 – Reinsurance Recoverables
- Prior Finding 4 – Earned But Unbilled Premiums Not Calculated Nor Identified in Annual Statement

EXAMINATION FINDINGS AND RECOMMENDATIONS

Finding 1 – Formal Catastrophe Plan

Umialik has not established a formal written policy in the event of a catastrophe. While employees are cross-trained in many tasks, the Company relies on the IT manager for maintaining the IT systems. Without formal procedures and in the absence of the IT manager, the IT systems may not function properly.

Recommendation: It is recommended that the Company establish a formal written Business Contingency and Catastrophe plan with procedures for actions to be taken in the event of a catastrophe.

Finding 2 – Social Security Offsets

During review of open claims, it was noted that an adjuster was not aware that there may be an offset available from Social Security or other parties. The reserves established for this claim were not affected by this omission.

Recommendation: It is recommended that the Company include a process in written procedures that will ensure that all claims are reviewed for potential offsets from Social Security and other parties.

Umialik Insurance Company
As of December 31, 2009
FE 10-02

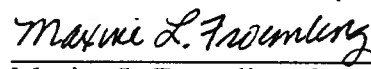
CLOSING

This examination was conducted in accordance with practices and procedures promulgated by the NAIC. This examination also includes a compliance review of applicable Alaska Statutes.

In addition to the undersigned, the following examiners participated in the examination: Douglas Hartman, AFE, Insurance Financial Examiner I, and Sarah McNair-Grove, FCAS, MAAA, Actuary, both from the Division of Insurance, and Cathie A. Stewart, CFE, and Melissa A. Hoke, both from RSM McGladrey, Inc.

We wish to express our appreciation for the courteous cooperation and assistance extended to us by the management and staff of Umialik Insurance Company during the course of this examination.

This report is respectfully submitted,



Maxine L. Froemling, CFE
Examiner-in-Charge

Umialik Insurance Company
As of December 31, 2009
FE 10-02

AFFIDAVIT

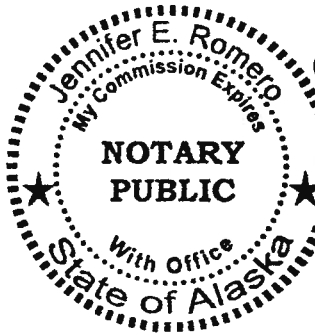
Anchorage, Alaska)
May 25, 2011)
STATE OF ALASKA)
THIRD JUDICIAL DISTRICT)

I, the undersigned, being duly sworn, do verify that the report of examination as of December 31, 2009, of Umialik Insurance Company, an Alaska domiciled company holding Certificate of Authority D-1322, is true to the best of my knowledge and belief.

Maxine L. Froemling

Maxine L. Froemling, CFE
Examiner-in-Charge

Subscribed and sworn to before me this 25 day of May, 2011.



Jennifer E. Romero

Notary Public for the State of Alaska
My commission expires: With Office