
**BEFORE THE
INSURANCE COMMISSIONER OF
THE DISTRICT OF COLUMBIA**

Re: Report on Examination – National Assisted Living Risk Retention Group, Inc., as of December 31, 2022

ORDER

In accord with the authority established by D.C. Official Code § 31-1402, an examination of **National Assisted Living Risk Retention Group, Inc.**, (the “Company”), as of December 31, 2022 has been conducted by the District of Columbia Department of Insurance, Securities and Banking (“Department”). The Department reported on the financial condition of the Company in the attached Report on Examination (“Financial Condition Examination Report”).

In accord with the provisions of D.C. Official Code § 31-1404(c), it is hereby ordered, on this 13th day of June 2024, that the attached Financial Condition Examination Report be adopted and filed as an official record of the Department.

Pursuant to D.C. Official Code § 31-1404(d)(1), this Order is considered a final administrative decision, and may be appealed.

Pursuant to D.C. Official Code § 31-1404(d)(1), the Company shall, within 30 days of the issuance of the adopted Financial Condition Examination Report, file affidavits executed by each of the Directors of the Company wherein each of the Directors shall state under oath that they have received a copy of the adopted Financial Condition Examination Report and this order.

Pursuant to D.C. Official Code § 31-1404(e)(1), the Department will continue to hold the content of the above-referenced report as private and confidential information for a period of 10 days from the date of this Order.



Dana Sheppard
Deputy Commissioner
Market Operations



GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



DC DEPARTMENT OF
**INSURANCE, SECURITIES
AND BANKING**

REPORT ON EXAMINATION

NATIONAL ASSISTED LIVING RISK
RETENTION GROUP, INC.

AS OF

DECEMBER 31, 2022

NAIC NUMBER 11806

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Washington, D.C.
March 14, 2024

Honorable Karima M. Woods
Commissioner
Department of Insurance, Securities and Banking
Government of the District of Columbia
1050 First Street, NE, Suite 801
Washington, D.C. 20002

Dear Commissioner Woods:

In accordance with Section 31-3931.14 of the District of Columbia Official Code (“Code”), and with Chapter 14 of Title 31 of the Code, we have examined the financial condition and activities of

National Assisted Living Risk Retention Group, Inc.

hereinafter referred to as the “Company” or “NAL RRG”.

SCOPE OF EXAMINATION

This full-scope examination, covering the period from January 1, 2018 through December 31, 2022, including any material transactions and/or events noted occurring subsequent to December 31, 2022, was conducted by the District of Columbia Department of Insurance, Securities and Banking (the “Department”).

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”) and the policies and standards established by the Department. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Generally Accepted Accounting Principles (“GAAP”). The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, pursuant to Section 31-1404(a) of the Code and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but are separately communicated to other regulators and/or the Company.

The Company was audited by an independent public accounting firm. The firm expressed unqualified opinions on the Company's financial statements for the calendar years 2018 through 2022. We placed substantial reliance on the audited financial statements for calendar years 2018 through 2021, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2022. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2022. We placed reliance on the work of the auditor and directed our efforts, to the extent practical, to those areas not covered by the firm's work papers.

SUMMARY OF SIGNIFICANT FINDINGS

The results of this examination disclosed no material changes in financial statements. See NOTE 3 in the “Notes to Financial Statements” and the “Subsequent Events” sections of this report for further comments regarding the Company’s reported net underwriting losses and total net losses for the years ending December 31, 2022 and December 31, 2023. In addition, see the “Summary of Recommendations” section of this report for comments regarding the Company’s compliance with its bylaws; shareholder and director meeting minutes; and conflict of interest disclosure statements.

STATUS OF PRIOR EXAMINATION FINDINGS

A full scope examination was conducted by the Department as of December 31, 2017, which covered the period of January 1, 2013 through December 31, 2017. There were no material adverse findings, significant findings of non-compliance, or material changes in the financial statements.

HISTORY

General:

The Company was incorporated on September 15, 2003 and commenced business on October 30, 2003 as a risk retention group in South Carolina. On March 11, 2005 the Company re-domesticated to the District of Columbia under the captive insurance laws of the District of Columbia.

The Company was formed by members of the North Carolina Senior Living Association (“NCSLA”), formerly the North Carolina Association, Long Term Care Facilities, as a means of providing professional and general liability insurance coverage to NCSLA’s members. As of

December 31, 2022, the Company is registered to provide coverage to assisted living facilities in thirteen (13) states.

Membership:

The Company is authorized to issue Class A, Class B, and Class C shares of common stock to its members/policyholders in accordance with the Company's articles of incorporation. In accordance with the articles of incorporation, policyholders must purchase at least one of the following: Class A shares (issue price of \$1,000 per share); Class B shares (current issue price of \$35 per share); or Class C shares (no issue price). Class A shares are redeemable, and shareholders receive ten votes per share on all matters submitted to a vote of the shareholders and have the right to receive a portion of the net assets upon dissolution of the Company. Class B shareholders receive one vote per share on all matters submitted to a vote of the shareholders. Class C shareholders receive one-tenth of a vote per share on all matters submitted to a vote of the shareholders.

The Class B and Class C shares are not transferable and are forfeited in the event that the policyholder is no longer insured by the Company. Class B and Class C shareholders have no right to any distributions upon dissolution of the Company except for any dividends or distributions that were previously declared by the board of directors.

As of December 31, 2022, the Company has 10,000 shares authorized, 1,055 shares issued, and 472 outstanding shares of Class A stock; 50,000 shares authorized and 5,122 issued and outstanding of Class B stock, and 40,000 shares authorized and 1,332 issued and outstanding of Class C stock.

Dividends and Distributions:

The Company did not declare or pay any dividends during the period under examination. In 2019 and 2021, the Company requested and obtained approval from the Department to redeem/repurchase a portion of Class A shares due to the termination of members' insurance policies for those years, totaling \$171,804 and \$306,792, respectively.

MANAGEMENT AND CONTROL

Board of Directors and Officers:

The Company's directors serving as of December 31, 2022 were as follows:

<u>Name and State of Residence</u>	<u>Principal Occupation</u>
Carlos Garcia North Carolina	Owner/Administrator Brookstone Retirement Center, Inc.
Debra Kirby North Carolina	Managing Member Integrity Senior Properties Investment, LLC

John Leandro North Carolina	Managing Partner Integrity Senior Properties Investments, LLC
Jimmy Moore North Carolina	Owner/Administrator Elizabethan Gardens Rest Home, Inc.
Susan Morris North Carolina	Administrator Bethamy Enterprises, Inc.
Linda Nethery Georgia	Managing Partner Connected Captive Solutions, LLC
Guy Pierce North Carolina	Manager/Member GJP Enterprises, LLC
Sterling Shuttleworth Georgia	Managing Partner Connected Captive Solutions, LLC
Dean Wilson (Chair) North Carolina	Owner/Administrator Vintage Inn Retirement Community, LLC
Lou Wilson North Carolina	Retired from North Carolina Senior Living Association

The following persons were serving as the Company's officers as of December 31, 2022:

<u>Name</u>	<u>Position</u>
Guy Pierce	President
Susan Morris	Vice President
Carlos Garcia	Secretary
John Leandro	Treasurer

Committees:

As of December 31, 2022, the Company's board of directors had established the following committees:

<u>Audit/Finance Committee</u>	<u>Claims/Risk Management/Loss Prevention Committee</u>
Glenna Barlow (Chair)	Glenna Barlow (Chair)
Carlos Garcia	Ann Cranford
John Leandro	Debra Kirby
Jimmy Moore	Susan Morris
Guy Pierce	Linda Nethery
Dean Wilson	Guy Pierce
	Lou Wilson

Conflicts of Interest:

In accordance with the District of Columbia Municipal Regulations (DCMR), conflict of interest statements are to be completed annually by all directors, officers, and key employees. Our review of the conflict of interest statements for the period under review disclosed there were no conflicts of interest reported that would adversely impact the Company. However, the Company was unable to provide signed conflict of interest statements for all directors, officers, and key employees for the period under review. See the “Comments and Recommendations” section of this report, under the caption “Conflict of Interest Disclosures”, for further comments regarding this condition.

Corporate Records:

We reviewed the minutes of the meetings of the board of directors and shareholders for the period under examination. We noted the minutes did not always document the review and approval of certain of the Company’s significant transactions and events, including actions required by the Company’s bylaws. See the “Comments and Recommendations” section of this report, under the caption “Corporate Governance: Compliance with Company Bylaws and Documentation of Director and Shareholder Actions”, for further comments regarding these conditions.

Captive Manager:

Venture Captive Management, LLC (VCM) has been the Company’s captive manager since October 1, 2011 and provides regulatory and captive management services to the Company. In June 2022, VCM’s assets were purchased by Connected Captive Solutions, LLC, dba Venture Captive Management, an indirect subsidiary of BRP Group, Inc.

Affiliated Parties and Transactions:

The Company is not a member of a holding company group and has no affiliated parties and transactions during the period under examination.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2022, the Company was licensed in the District of Columbia, and was registered as a risk retention group in thirteen (13) states. During 2022, the Company reported gross premiums written totaling \$8,400,951, with ninety-seven percent (97%) being written in the following states:

- California (2.2%)
- Florida (72.9%)
- North Carolina (14.7%)
- South Carolina (5.3%)
- Virginia (2.3%)

The Company provides claims made professional liability and general liability coverage to assisted living facilities. As of December 31, 2022, the Company wrote policies with limits up to

\$1,000,000 per claim and \$3,000,000 per location. The policy limits include defense costs. The Company's maximum retention per claim is \$500,000.

The Company has no employees and its daily business operations are managed by various service providers. During the examination period and as of the date of this report, the Company's captive manager, VCM, managed the Company's regulatory filings from its offices in Norcross, Georgia. VCM also performed underwriting, policy issuance, premium and billing collection, and accounting functions.

REINSURANCE

Effective January 1, 2022 to December 31, 2022, the Company entered into an excess of loss reinsurance agreement with various Lloyds Syndicates. Under the agreement, the Company retains the first \$500,000 of ultimate net loss and cedes the next \$500,000 to the Lloyds Syndicates with respect to any one claim or occurrence. The maximum recoverable for the ultimate net loss to the Company is limited to 225% of the paid reinsurance premium for the contract period.

FINANCIAL STATEMENTS

The following financial statements are based on the Annual Statement filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2022. The financial statements were prepared in accordance with GAAP prescribed or permitted by the Department. Management is responsible for the preparation and fair presentation of these financial statements. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

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BALANCE SHEET

ASSETS

	<i>December 31, 2022</i>
Bonds	\$ 2,572,220
Preferred stocks	237,000
Common Stocks	6,926,469
Cash, cash equivalents, and short-term investments	1,128,648
Other invested assets	237,763
Subtotals, cash and invested assets	\$ 11,102,100
Investment income due and accrued	35,756
Uncollected premiums and agents balances in the course of collection	458,072
Amounts recoverable from reinsurers	1,180,481
Other amounts receivable under reinsurance contracts	389,234
Current federal income tax recoverable and interest thereon	44,551
Net deferred tax asset	52,395
Aggregate write-ins for other than invested assets	3,062,258
Total	<u>\$ 16,324,847</u>

LIABILITIES, SURPLUS, AND OTHER FUNDS

	<i>December 31, 2022</i>
Losses (NOTE 1)	\$ 6,060,299
Loss adjustment expenses (NOTE 1)	1,767,701
Other expenses	204,341
Taxes, licenses and fees (excluding federal and foreign income taxes)	123,360
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$328,964)	3,685,597
Advance premium	1,079
Amounts withheld or retained by company for account of others	<u>17,500</u>
Total liabilities	<u>\$ 11,859,877</u>
Common capital stock	\$ 2,528,135
Surplus notes (NOTE 2)	1,949,000
Unassigned funds (surplus)	966,652
Less treasury stock, at cost	<u>978,817</u>
Surplus as regards policyholders	<u>\$ 4,464,970</u>
Total	<u><u>\$ 16,324,847</u></u>

STATEMENT OF INCOME

UNDERWRITING INCOME	
Premiums earned	\$ 7,907,135
DEDUCTIONS	
Losses incurred	4,536,486
Loss adjustment expenses incurred	1,570,145
Other underwriting expenses incurred	3,225,550
Total underwriting expenses	<u>\$ 9,332,181</u>
Net underwriting loss	\$ (1,425,046)
INVESTMENT INCOME	
Net investment income earned	(1,759,993)
Net realized capital gains	352,443
Net investment loss	<u>\$ (1,407,550)</u>
Income before federal income taxes	\$ (2,832,596)
Federal income taxes incurred	(634,470)
Net Loss (NOTE 3)	<u><u>\$ (2,198,126)</u></u>

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, 2017	\$ 4,658,620
Net loss, 2018	(274,357)
Change in net unrealized capital gains	(597,290)
Change in net deferred income tax	138,967
Change in nonadmitted assets	(103,751)
Aggregate write-ins for gains and losses in surplus	(13,462)
Net change in surplus as regards policyholders, 2018	(849,893)
Surplus as regards policyholders, December 31, 2018	\$ 3,808,727
Net income, 2019	947,371
Change in net unrealized capital gains	451,133
Change in nonadmitted assets	102,959
Change in treasury stock	(171,804)
Aggregate write-ins for gains and losses in surplus	(165,670)
Net change in surplus as regards policyholders, 2019	1,163,989
Surplus as regards policyholders, December 31, 2019	\$ 4,972,716
Net income, 2020	844,697
Change in net unrealized capital losses	22,930
Change in nonadmitted assets	792
Net change in surplus as regards policyholders, 2020	868,419
Surplus as regards policyholders, December 31, 2020	\$ 5,841,135
Net loss, 2021	(459,504)
Change in net unrealized capital gains	(21,369)
Change in treasury stock	(306,792)
Net change in surplus as regards policyholders, 2021	(787,665)
Surplus as regards policyholders, December 31, 2021	\$ 5,053,470

(continued next page)

CAPITAL AND SURPLUS ACCOUNT (CONTINUED)

Surplus as regards policyholders, December 31, 2021	\$ 5,053,470
Net loss, 2022	(2,198,126)
Change in net unrealized capital losses	(207,269)
Change in nonadmitted assets	(331,133)
Change in surplus notes	1,919,000
Change in treasury stock	229,028
Net change in surplus as regards policyholders, 2022	<u>(588,500)</u>
Surplus as regards policyholders, December 31, 2022	<u>\$ 4,464,970</u>

ANALYSIS OF EXAMINATION CHANGES TO SURPLUS

There were no changes to the Company's surplus as a result of our examination.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Loss and Loss Adjustment Expenses Reserves:

The Company reported "Losses" and "Loss adjustment expenses" reserves net of reinsurance totaling \$6,060,299 and \$1,767,701, respectively. These reserves represent management's best estimate of the amounts necessary to pay all claims and related expenses that have been incurred but are still unpaid as of December 31, 2022. Reserve credits taken for loss and loss adjustment expenses as of December 31, 2022, for cessions to the Company's reinsurer, totaled \$1,884,000.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expenses reserves as of December 31, 2022 were reviewed as part of our examination. As part of our review, we relied on the Company's actuary, who concluded that the reserves on the Company's books appeared to be sufficient. In addition, as part of our review, the Department utilized an examination actuary to review the methods employed, assumptions relied upon, and conclusions reached by the Company's actuary. The examination actuary concluded that the methodologies and assumptions utilized by the Company's independent actuary to compute the reserves, and the amount of the loss reserves reported by the Company, as of December 31, 2022, were reasonable and adequate.

NOTE 2 – Surplus Notes:

As of December 31, 2022, the Company's surplus as regards policyholders included \$1,919,000 in surplus notes with fixed interest rates of six percent and a surplus note of \$30,000

that is non-interest bearing. The surplus notes and related interest may not be paid without the approval of the Department. Inclusion of the surplus notes in surplus as regards policyholders is not in accordance with GAAP. However, the surplus notes were approved by the Department and are allowed to be included in surplus as regards policyholders. During the examination period and as of the date of this report, no interest or principal payments related to these surplus notes were made by the Company. See “NOTE 3 – Net Loss” below for further comments regarding the Company’s surplus notes as of December 31, 2022.

NOTE 3 – Net Loss:

As of December 31, 2022, the Company reported a total net loss of \$2,198,126, comprised of a net underwriting loss totaling \$1,425,046, a net investment loss totaling \$1,407,550, and an offsetting Federal income tax credit totaling \$634,470. Prior to the Company’s March 1, 2023 filing of the December 31, 2022 Annual Statement, and in anticipation of the Company’s significant total net loss expected to be reported and the related negative impact on the Company’s surplus and risk-based capital, the Department approved the Company to issue surplus notes totaling \$1,919,000. Specifically, on February 15, 2023, the Company issued seven (7) surplus notes totaling \$1,919,000 to six (6) Class A shareholders and to a member of the Company’s board of directors. The Department approved the cash infusions from these notes to be included in the Company’s surplus as of December 31, 2022.

SUBSEQUENT EVENTS

Additional Surplus Notes:

On April 4, 2023, the Company issued an additional surplus note for \$75,000 to a Class A shareholder and on February 27, 2024, the Company issued two surplus notes totaling \$350,000 to two (2) Class A shareholders. The surplus notes were approved by the Department and have a term of five (5) years, with a fixed interest rate of six percent (6%). All future payments of interest and principal are subject to the prior approval of the Department. As of the date of this report no interest or principal payments related to these surplus notes have been made by the Company.

2023 Results of Operations:

During 2023, the Company experienced an increase in the frequency of reported claims, resulting in increased incurred losses and loss adjustment expenses compared to recent years. As a result, for the period ended December 31, 2023, the Company reported “Net underwriting loss” totaling \$3,683,821, and total “Net loss” of \$2,179,306. As of the date of this report, the Department is working with Company management to address the issues contributing to the losses reported for the period ended December 31, 2023.

Change in Reinsurance:

Effective January 1, 2023 the Company entered into an excess of loss reinsurance agreement with Technology Insurance Company (TIC) and reduced its maximum retention from \$500,000 to \$250,000. Pursuant to the agreement, TIC assumes losses of up to \$750,000 in excess of \$250,000

for policies issued by the Company. The agreement is for a three-year period ending December 31, 2025. The maximum recoverable for the ultimate net loss to the Company is limited to 300% of the paid reinsurance premium for each year of the contract period and 225% of the paid reinsurance premium over the three-year term of the contract.

SUMMARY OF RECOMMENDATIONS

Corporate Governance:

Compliance with Company Bylaws and Documentation of Director and Shareholder Actions:

Provisions in the Company's bylaws include maximum terms of three years for directors; a requirement for an annual shareholders meeting and for the shareholders to annually elect directors; a requirement for the board of directors to annually evaluate the performance of the directors and service providers; and a requirement for the board of directors to approve service provider contracts.

However, our examination disclosed the Company did not always comply with its bylaws. In addition, our examination disclosed the minutes of director and shareholder meetings did not always document the review and/or approval of certain of the Company's significant transactions and events. For example:

- Instances were noted during the period under examination in which certain directors served 4-year terms.
- The minutes of the 2018 shareholder meeting did not document the election of directors.
- There was no documentation that a shareholder meeting was held in 2021.
- There was no documentation of annual evaluations by the board of directors of the performance of the directors and service providers.
- There was no documentation of board of director approval of service provider contracts.

We recommend that the directors and management of the Company ensure compliance with all provisions in of the Company's bylaws and ensure that the review and approval of all significant transactions, events, and actions of the directors and shareholders are documented in the minutes to the meetings of the directors and shareholders.

Conflict of Interest Disclosures:

In accordance with the District of Columbia Municipal Regulations (DCMR), conflict of interest statements are to be completed annually by all directors, officers, and key employees. However, the Company was unable to provide signed conflict of interest statements for all directors and officers and key employees for the period under review. Specifically, twenty-five of the fifty-one statements requested for the years under

examination could not be provided. A similar condition was noted during the prior examination of the Company when seven of the sixty statements requested for the years under examination could not be provided. We discussed this situation with the Company during the prior examination and management indicated that they recognized the importance of maintaining compliance with the DCMR and indicated improved record-keeping procedures would be implemented to ensure all required conflict of interest statements would be available for future review upon request by the Department.

We recommend that the directors and management of the Company ensure compliance with the above provisions of the DCMR and ensure that all directors and officers annually complete conflict of interest statements and that all statements be maintained on file and be provided to the Department upon request.

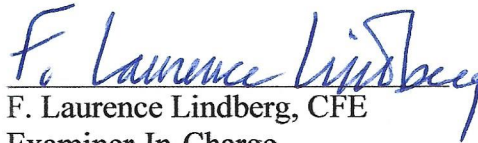
SIGNATURES

In addition to the undersigned, the following examiners representing the District of Columbia Department of Insurance, Securities and Banking participated in this examination as members of the examination team:

Thomas Mayberry, CFE, EWM Group, PC
Paul Sliwinski, ARe, EWM Group, PC
Chris Davis, EWM Group, PC, CFE
Jenny Jeffers, CISA, AES, Jennan Enterprises
Joanna Latham, CISA, AES, CFE, CPA, Jennan Enterprises

The actuarial portion of this examination was completed by David A. Christhilf, ACAS, MAAA, of the Department.

Respectfully submitted,



F. Laurence Lindberg, CFE
Examiner-In-Charge
EWM Group, PC

Under the Supervision of,



Christine Afolabi
Supervising Examiner
District of Columbia Department of Insurance,
Securities and Banking

Via E-mail

May 15, 2024

Guy S. Pierce, President
National Assisted Living Risk Retention Group, Inc.
3740 Davinci Court, Ste. 130
Peachtree Corners, Georgia, 30092

RE: Examination of National Assisted Living Risk Retention Group, Inc. as of
December 31, 2022

Dear Mr. Pierce:

Pursuant to the provisions of Section 31-1404 of the D.C. Official Code, enclosed is a draft copy of the Report on Examination (“Report”) of the affairs and financial condition of National Assisted Living Risk Retention Group, Inc., (the “Company”), as of December 31, 2022.

Please submit, to my attention, a written response calling attention to any errors or omissions. In addition, if this Report contains a section entitled “Summary of Recommendations” that discloses certain areas requiring action, the Company shall submit a statement covering the corrective measures which will be taken. If the Company’s position on any of these points is contrary to the Examiner’s findings, an explanation should be submitted covering each contested comment and/or recommendation.

If there are no errors or omissions to be brought to our attention, and there is no “Summary of Recommendations” requiring a response, please submit a statement that the Company accepts the Report.

The response must be in writing and shall be furnished to this Department by June 14, 2024. The signed response should be on the Company’s letterhead and sent electronically via e-mail to me, in an adobe “pdf” format, to sean.odonnell@dc.gov.

Sincerely,



Sean O’Donnell,
Director of Financial Examination and
Acting Associate Commissioner
Risk Finance Bureau
Enclosure



**National Assisted Living
Risk Retention Group**

June 7, 2024

Sean O'Donnell,
Director of Financial Examination and Acting Associate Commissioner
Risk Finance Bureau
DC-DISB
1050 First Street NE
Suite 801
Washington, DC 20002

Dear Sean,

We are in receipt of the Department of Insurance, Securities and Banking's ("Department") draft copy of the Report on Examination as of December 31, 2022, relating to National Assisted Living Risk Retention Group, Inc. ("NALRRG"). We find no errors or omissions to bring to your attention. Regarding the Summary of Recommendations stated in the report, please find my comments below:

Corporate Governance

- Compliance with Company Bylaws and Documentation of Director and Shareholder Actions: *NALRRG has obtained the assistance of outside counsel (Steve Dyer of Steve Dyer Law, LLC) to attend all meetings of the Board of Directors and shareholders and to either draft or review the Minutes of all such meetings. In addition, at a meeting held February 15, 2024, the Board of Directors of NALRRG approved and adopted a Corporate Governance Policy, Corporate Governance Standards and a Code of Business Conduct and Ethics. A Corporate Governance Checklist will be used at each Annual Meeting of the Directors to ensure compliance with these documents.*
- Conflict of Interest Disclosures: *NALRRG recognizes the importance of maintaining compliance with the provisions of the District of Columbia Municipal Regulations and will ensure that all directors and officers annual complete conflict of interest statements and that those statements be maintained on file and available to be provided to the Department upon request.*

Very truly yours,

Guy Pierce, President

National Assisted Living Risk Retention Group, Inc.
c/o Connected Captive Solutions, LLC dba Venture Captive Management
3740 DaVinci Court, Suite 130
Norcross, GA 30092

6-10-24

Date

Via E-mail

June 13, 2024

Guy S. Pierce, President
National Assisted Living Risk Retention Group, Inc.
3740 Davinci Court, Ste. 130
Peachtree Corners, Georgia, 30092

RE: Examination of National Assisted Living Risk Retention Group, Inc., as of
December 31, 2022

Dear Mr. Pierce:

We are in receipt of your response, dated June 7, 2024, regarding the Report on Examination of National Assisted Living Risk Retention Group, Inc., (the “Company”), as of December 31, 2022. The response is deemed adequate.

The adopted Report (which includes a copy of this letter), and the Order evidencing such adoption are enclosed. Pursuant to Section 31-1404(e)(1) of the District of Columbia Official Code, the adopted Report will be held private and confidential for a period of 10 days from the date of the Order evidencing such adoption. After this 10-day period has passed, the Report will be publicly available.

Pursuant to Section 31-1404(d)(1) of the District of Columbia Official Code, within 30 days of the date of the above-mentioned Order, affidavits executed by each of the Company’s directors stating under oath that he or she has received a copy of the adopted examination Report and related Order shall be filed with this Department. Please mail the originals of these affidavits to my attention at the Department, or, alternatively, PDFs may be emailed to my attention and submission of the originals is not required.

Please contact me at 202-442-8153 if you have any questions.

Sincerely,



Sean O’Donnell
Director of Financial Examination and
Acting Associate Commissioner
Risk Finance Bureau
sean.odonnell@dc.gov

Enclosure