BEFORE THE
INSURANCE COMMISSIONER OF
THE DISTRICT OF COLUMBIA

Re: Report on Examination – Caring Communities, a Reciprocal Risk Retention Group as of December 31, 2019

ORDER

In accord with the authority established by D.C. Official Code § 31-1402, an examination of **Caring Communities, a Reciprocal Risk Retention Group,** (the "Company"), as of December 31, 2019 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 19th day of May 2021, 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.

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING · DISTRICT OF COLUMBIA

Dana Sheppard

Dana Sheppard
Associate Commissioner
Risk Finance Bureau

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

REPORT ON EXAMINATION

CARING COMMUNITIES, A RECIPROCAL RISK RETENTION GROUP

AS OF

DECEMBER 31, 2019

NAIC NUMBER 12373

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Washington, D.C.
May 6, 2021

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

Caring Communities, a Reciprocal Risk Retention Group

hereinafter referred to as the "Company" or "CCrRRG".

SCOPE OF EXAMINATION

This full-scope examination, covering the period from January 1, 2015 through December 31, 2019, including any material transactions and/or events noted occurring subsequent to December 31, 2019, 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 District of Columbia Official 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 annually by an independent public accounting firm. The firm expressed unqualified opinions on the Company's financial statements for the calendar years 2015 through 2019. We placed substantial reliance on the audited financial statements for calendar years 2015 through 2018, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2019. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2019. 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 adverse findings, significant findings of non-compliance, or material changes in financial statements.

STATUS OF PRIOR EXAMINATION FINDINGS

A full scope examination was conducted by the Department as of December 31, 2014, which covered the period of January 1, 2010 through December 31, 2014. There were no material adverse findings, significant findings of non-compliance, or material changes in financial statements.

HISTORY

General:

The Company was initially formed in 2005, under the name of Diapason Casualty Risk Retention Group ("DCRRG"), as an association captive insurance company operating as a risk retention group ("RRG") under the captive laws of the District of Columbia. DCRRG was issued its Certificate of Authority on November 18, 2005 and began operations on January 1, 2006.

The Company was formed by Diapason Shared Services ("DSS"), a District of Columbia not-for-profit membership corporation, as a wholly owned subsidiary. The Company was formed to provide insurance coverage exclusively to DSS members, which are not-for-profit, predominantly faith-based senior citizen care organizations. These organizations include continuing care retirement communities, affordable housing providers, and other organizations that provide a mix of services including independent living, assisted living and skilled nursing. Coverage includes primary professional and general liability insurance on a claims-made basis as well as excess automobile liability.

Effective January 1, 2008, the Company converted from a stock company to a reciprocal, and changed its name to Caring Communities, a Reciprocal Risk Retention Group. In addition, the Company was party to a January 1, 2008 "Plan and Agreement of Conversion" ("Plan and Agreement"). The other parties to this Plan and Agreement were Caring Communities Insurance Company Ltd., ("CCIC"), an affiliated Cayman Islands stock insurance company, and DSS. The conversion resulted in the shareholders of CCIC becoming subscribers/members of CCrRRG. At the time of the conversion, CCIC was owned by, and provided insurance to a group of unrelated not-for-profit long-term care providers based in the U.S. As a result of the conversion, CCIC became a wholly-owned subsidiary of CCrRRG, and DSS, which previously provided services to DCRRG and CCIC, converted to Caring Communities Shared Services ("CCSS") and became the Company's Attorney-in-Fact and a wholly owned subsidiary of the Company.

Membership:

The Company is authorized to have participating and non-participating subscribers/members. Only participating subscribers/members are eligible for allocations to subscriber/member savings accounts and are eligible to vote for or appoint members of the board of directors ("board") or vote on other matters. As of December 31, 2019, the Company has only one non-participating subscriber/member.

New subscribers/members are required to make surplus contributions equal to the full mature net primary premium. Members are allowed to pay twenty percent down with the remaining balance to be paid over a maximum of seven years. As of December 31, 2019, outstanding surplus contributions amounted to $1,526,810. These outstanding amounts are not recorded as surplus until collected. As a reciprocal, the Company does not issue shares of common stock.

Subscribers'/Members' equity is made up of three categories: 1) contributed surplus, 2) subscriber/member savings accounts (reported in the equity section of the balance sheet as "Aggregate write-ins for other-than-special surplus funds"), and 3) unassigned surplus. Contributed surplus is equal to required surplus contributions paid in to CCrRRG, plus the value of the shares in CCIC at the time they were exchanged for membership in CCrRRG when the Company converted to a reciprocal on January 1, 2008. The subscriber/member savings accounts consist of the statutory earnings of CCrRRG in such an amount as determined by the board to be credited to the participating subscribers/members pursuant to Section 832(f) of the Internal Revenue Code, calculated in accordance with the equity allocation plan in effect and adopted by the board and the subscribers/members. The unassigned surplus consists of the value of the other equity balances at the time of the conversion, in addition to other surplus changes since that time such as net income and gains/losses on investments.

Dividends and Distributions:

The Company declared dividends in each year under examination, which were paid to subscribers/members in the following year. All dividends were approved by the Department prior to distribution.

MANAGEMENT AND CONTROL

Board of Directors and Officers:

The Company's directors serving as of December 31, 2019 were as follows:

Name and State of Residence	Principal Occupation
Pamela Scott Claassen California	Chief Capital Strategies Officer HumanGood, Life Plan Communities
William Roger De Young Illinois	Chief Operation Officer Providence Life Services
Kevin Joseph Gerber California	President and Chief Executive Officer Covia Group
Lisa Ann Hardy Washington	President and Chief Executive Officer Emerald Communities
Laverne Ray Joseph California	President and Chief Executive Officer Retirement Housing Foundation
John Robert Kotovsky Missouri	President and Chief Executive Officer Lutheran Senior Services
Laura Renee Lamb Ohio	President and Chief Executive Officer Episcopal Retirement Services
Mary Grace Leary Illinois	President and Chief Executive Officer Mather LifeWays
Doug Wesley Leidig Maryland	President and Chief Executive Officer Asbury Communities
Kevin Andrew McLeod North Carolina	President and Chief Executive Officer Carolina Meadows, Inc.
Steven Ross Rinkle Oregon	General Counsel Pacific Retirement Services, Inc.
Lee Bissette Syria North Carolina	President and Chief Executive Officer United Church Homes and Services
Jeremy Michael Vickers New Jersey	President and Chief Executive Officer Medford Leas

Jill Christine Wilson Ohio	President and Chief Executive Officer Otterbein Homes

The following persons were serving as the Company's officers as of December 31, 2019:

Name	Position
Gerald James Caldwell	President and Chief Executive Officer
Kevin Andrew McLeod	Treasurer
Chad Curtis Swigert	Assistant Treasurer, VP, Chief Financial Officer
Lisa Ann Hardy	Secretary
Salvatore Albert Pellegrino	Assistant Secretary, VP, and General Counsel

Committees:

As of December 31, 2019, the Company's board of directors had established the following committees.

Audit Committee
James Rothrock, Chair
Chris Green
Kevin McLeod
Roger Weideman
John Wenzlau

Executive Committee
Pamela Claassen, Chair
Lisa Hardy
Dr. Laverne Joseph
Kevin McLeod
William De Young

Claims Committee
Steven Rinkle, Chair
Robert Amberg
Larry Carlson
Michelle Just
Tim McGowan
Chris Sintros

Governance & Nominating Committee
Lisa Hardy, Chair
Pamela Claassen
John Kotovsky
Doug Leidig
Daniel Rexroth
Steve Yenchek

Underwriting Committee
Jill Wilson, Chair
Adriene Iverson
Dr. Laverne Joseph
Terry Rogers
Justine Vogel

Risk Management Committee
Mary Leary, Chair
Jesse Jantzen
Laura Lamb
Lee Syria
Johanna Zandstra

Finance & Investment Committee
Kevin McLeod, Chair
James Bowersox
James Gompers
Kim Klockenga
Angela Larson

Personnel & Compensation Committee
Pamela Claassen, Chair
Kevin Gerber
Mary Leary
Steve McAlilly
William De Young

Conflicts of Interest:

The Company has an established procedure for the disclosure of any material interests or affiliations on the part of its directors and officers. Our review of the conflict of interest statements signed by the Company's directors and officers for the period under examination disclosed no conflicts that would adversely affect the Company. Furthermore, no additional conflicts of interest were identified during our examination.

Corporate Records:

We reviewed the minutes of the meetings of the board of directors and members for the period under examination. Based on our review, it appears that the minutes have documented the review and approval of the Company's significant transactions and events.

Captive Manager:

During the examination period, Marsh Management Services, Inc. (formerly JLT Towner) acted as the Company's captive manager and provided services including regulatory compliance and financial reporting services, accounting services, and claim and risk management information coordination.

Effective January 1, 2021, the Company appointed Strategic Risk Solutions (Vermont) Ltd. as its new captive manager.

Affiliated Parties and Transactions:

The Company is a member of a holding company group. As previously noted in this Report, the Company has two wholly-owned subsidiaries, CCSS and CCIC. The Company and its subsidiaries are parties to a tax allocation agreement dated January 1, 2008, and audited financial statements are prepared on a consolidated basis.

Effective January 1, 2018, the Company and CCSS entered into an Attorney-In-Fact and Management Services Agreement, which appoints CCSS as the Company's Attorney-in-Fact, and outlines the agreement among and between the subscribers and CCSS as Attorney-in-Fact. Under the agreement CCSS manages the Company's daily operations, which include legal services, underwriting services, claims management services, risk management services, and marketing and sales. Fees under this agreement are based on actual costs incurred by CCSS, capped at 35 percent of the Company's annual gross premiums.

In addition, the Company ceded business to its wholly-owned subsidiary, CCIC, and assumed reinsurance from Peace Church Risk Retention Group, Inc. which is also a subscriber/member. See the "Reinsurance" section of this Report for further comments regarding these reinsurance arrangements.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2019, the Company was licensed in the District of Columbia and was registered as a risk retention group in 50 states, Puerto Rico and the U.S. Virgin Islands. During 2019, CCrRRG wrote premiums totaling $34,941,450 in 42 states and territories.

The Company provides insurance coverage exclusively to its members, which are not-for-profit, predominantly faith-based senior citizen care organizations. These organizations include continuing care retirement communities, affordable housing providers, and other organizations that provide a mix of services including independent living, assisted living and skilled nursing. Coverage includes professional, general, employee benefits, excess auto and other miscellaneous liability insurance on a claims-made basis. Primary limits offered are $1 million per claim and $3 million in the aggregate per member in excess of self-insured retentions ranging from $7,500 to $500,000 per claim. The Company also assumes business from one of its members, which is also a risk retention group. See the "Reinsurance" section of this Report for further comments regarding the Company's assumed business. In addition, the Company offers excess coverage up to $20,000,000 per claim with an aggregate excess limit up to $30,000,000 per member.

During the examination period and as of the date of this report, the Company has no employees. Its daily business operations, including underwriting, policy issuance, premium billing and collection, risk management, financial services, and claims services, are managed by its Attorney-in-Fact, CCSS in Libertyville, Illinois. The Company's captive manager, Marsh Management Services, Inc., managed the Company's accounting and regulatory filings from offices in Burlington, Vermont.

REINSURANCE

Assumed:

Effective January 1, 2008, the Company assumes reinsurance from Peace Church Risk Retention Group, Inc., which is a member of the Company, on a claims made basis for a layer of $500,000 excess of $500,000 with a 400 percent loss ratio cap including loss adjustment expenses. The Company's assumed premiums from this member totaled $225,868 in 2019 and $230,537 in 2018. Prior to January 1, 2019, the loss ratio cap was 350 percent.

Ceded:

Since inception of the Company through December 31, 2018, the Company was a party to a quota share reinsurance agreement with CCIC whereby the Company ceded 50 percent of the primary layer of insurance of $1,000,000 to CCIC and ceded various quota share percentages in various layers above $1,000,000 to CCIC. CCIC has been designated as an "authorized" reinsurer by the Department. This quota share reinsurance agreement was not renewed effective January 1, 2019.

In addition, during this examination period, the Company has ceded various percentages in various layers above $1,000,000 to unaffiliated reinsurers, all of which were authorized by the

Department and all of which have financial strength ratings ranging from excellent to superior from A.M. Best.

In 2019, the Company ceded reinsurance premiums totaling $9,139,326. As of December 31, 2019, the Company reported as assets “Amounts recoverable from reinsurers” totaling $4,202,387 which represents amounts recoverable from reinsurers on paid losses. In addition, the Company reported ceded unearned premiums of $50,347 and in its Annual Statement Schedule P reported ceded loss reserves of $28,812,000. If the reinsurers were not able to meet their obligations under these agreements, the Company would be liable for any defaulted amounts.

Our review of the Company’s reinsurance contracts did not disclose any unusual provisions.

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, 2019. 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.

BALANCE SHEET

ASSETS

	December 31, 2019
Bonds	$ 62,164,086
Stocks	31,641,244
Properties held for the production of income	1,066,830
Cash	12,596,750
Aggregate write-ins for invested assets	188,266
Subtotal cash and invested assets	$ 107,657,176
Investment income due and accrued	330,625
Accounts and premiums receivable	187,825
Amounts recoverable from reinsurers	4,202,387
Current federal income tax recoverable	1,307,349
Net deferred tax asset	140,870
Receivables from parent, subsidiaries and affiliates	2,717,604
Aggregate write-ins for other than invested assets	16,993
Total	$ 116,560,829

LIABILITIES, SURPLUS AND OTHER FUNDS

	December 31, 2019
Losses **(NOTE 1)**	$ 30,786,765
Loss adjustment expenses (**NOTE 1**)	1,027,299
Commissions payable, contingent commissions and other similar charges	13,846
Other expenses (excluding taxes, licenses and fees)	2,290,576
Taxes, licenses and fees (excluding federal and foreign income taxes)	662,904
Unearned premium (after deducting unearned premiums for ceded reinsurance of $50,347)	124,314
Advance premium	1,868,571
Dividends declared and unpiad: Policyholders	1,605,203
Ceded reinsurance premiums payable	15,560,033
Total liabilities	$ 53,939,511
Aggregate write-ins for other than special surplus funds	$ 34,796,325
Gross paid in and contributed surplus	17,458,646
Unassigned funds (surplus)	10,366,347
Surplus as regards policyholders	$ 62,621,318
Total	$ 116,560,829

STATEMENT OF INCOME

		December 31, 2019
UNDERWRITING INCOME		
Net premiums earned	$	26,016,000
DEDUCTIONS		
Losses incurred		17,876,106
Loss adjustment expenses incurred		112,087
Other underwriting expenses incurred		7,030,355
Total underwriting expenses	$	25,018,548
Underwriting profit	$	997,452
INVESTMENT INCOME		
Net investment income earned		4,620,271
Net realized capital gains		1,033,354
Income before dividends and taxes		6,651,077
Dividends to policyholders		1,605,207
Income after dividends and before taxes		5,045,870
Federal taxes		150,657
Net income	$	4,895,213

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, 2014	$44,586,311
Net income, 2015	3,491,683
Change in net unrealized capital gains (losses)	(555,974)
Surplus adjustments: Paid in	459,826
Aggregate write-ins for gains and losses in surplus	(194,116)
Net change in surplus, 2015	3,201,419
Surplus as regards policyholders, December 31, 2015	$ 47,787,730
Net income, 2016	3,500,002
Change in net unrealized capital gains (losses)	321,073
Surplus adjustments: Paid in	(456,017)
Aggregate write-ins for gains and losses in surplus	(209,983)
Net change in surplus, 2016	3,155,075
Surplus as regards policyholders, December 31, 2016	$ 50,942,805
Net income, 2017	3,500,001
Change in net unrealized capital gains (losses)	458,207
Surplus adjustments: Paid in	341,058
Aggregate write-ins for gains and losses in surplus	(559,926)
Net change in surplus, 2017	3,739,340
Surplus as regards policyholders, December 31, 2017	$ 54,682,145
Net income, 2018	1,968,732
Change in net unrealized capital gains (losses)	(1,543,918)
Surplus adjustments: Paid in	380,841
Net change in surplus, 2018	805,655
Surplus as regards policyholders, December 31, 2018	$ 55,487,800
Net income, 2019	4,895,213
Change in net unrealized capital gains (losses)	2,150,910
Surplus adjustments: Paid in	826,812
Surplus adjustments: Transferred from capital	(739,417)
Net change in surplus, 2019	7,133,518
Surplus as regards policyholders, December 31, 2019	$ 62,621,318

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 Expense Reserves:

The Company reported "Losses" and "Loss adjustment expenses" reserves net of reinsurance totaling $30,786,765 and $1,027,299, respectively. These reserves represent management's best estimate of the net amount necessary to pay all claims and related expenses that have been incurred but are still unpaid as of December 31, 2019.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expense reserves as of December 31, 2019 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, 2019, were reasonable and adequate.

SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the spreading coronavirus (COVID-19) outbreak a pandemic. On March 13, 2020, U.S. President Donald J. Trump declared the coronavirus pandemic a national emergency in the United States. The epidemiological threat posed by COVID-19 is having disruptive effects on the economy and on the health care system. The economic disruptions caused by COVID-19 and the increased uncertainty about the magnitude of the economic slowdown have also caused extreme volatility in the financial markets.

The full effect of COVID-19 on the U.S. and global insurance and reinsurance industry is still not fully known as of the date of this report. The Department is monitoring the COVID-19 outbreak for impacts to insurers (including risk retention groups), and to insurance products. Potential impacts to insurers include coverage disputes, reduced liquidity, delayed collection of receivables, increased claims, and impacts to other areas of operations. The Department and all insurance regulators, with the assistance of the National Association of Insurance Commissioners (NAIC), are monitoring the situation through a coordinated effort and will continue to assess the impacts of the pandemic on U.S. insurers. The Department has been in communication with the Company regarding the impacts of COVID-19 on its business operations and financial position. During the examination no significant concerns or findings related to COVID-19 were noted and as of the date of this report, management has reported no significant impacts from COVID-19.

We noted no other significant subsequent events as of the date of this report.

SUMMARY OF RECOMMENDATIONS

During the examination, no issues warranting recommendations in this examination report were noted.

SIGNATURES

In addition to the undersigned, the following personnel from EWM Group, PC, representing the Department, participated in this examination as members of the examination team: Thomas Mayberry, CFE, Paul Sliwinski, and Chris Davis.

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

Respectfully submitted,

Philip D Engelhart

Philip D. Engelhart, CFE
Examiner-In-Charge
EWM Group, PC

Under the Supervision of,

christine afolabi

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

Government of the District of Columbia
Department of Insurance, Securities and Banking

GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

Karima M. Woods, Commissioner

Via E-mail

May 17, 2021

Mr. Gerald J. Caldwell, President
Caring Communities, a Reciprocal Risk Retention Group
159 Bank Street, Fourth Floor
Burlington, VT 05401

RE: Examination of Caring Communities, a Reciprocal Risk Retention Group as of December 31, 2019

Dear Mr. Caldwell:

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 Caring Communities, a Reciprocal Risk Retention Group (the "Company"), as of December 31, 2019.

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 May 25, 2021. 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

Sean O'Donnell,
Director of Financial Examination,
Risk Finance Bureau
Enclosure

caring communities

May 19, 2021

Mr. Sean O'Donnell
Director of Financial Examinations
Risk Finance Bureau
District of Columbia Department of Insurance Securities and Banking
1050 First Street NE, Suite 801
Washington, D.C. 20002

RE: Examination of Caring Communities, a Reciprocal Risk Retention Group as of December 31, 2019

Dear Mr. O'Donnell,

I am writing to acknowledge receipt of the draft "Report of Examination, Caring Communities a Reciprocal Risk Retention Group as of December 31, 2019" on behalf of the District of Columbia Department of Insurance, Banking and Securities ("DISB").

Management has reviewed the report and found no errors or omissions contained therein. Therefore, I am pleased to convey the Company's acceptance of the "Report of Examination, Caring Communities a Reciprocal Risk Retention Group as of December 31, 2019".

Sincerely,

G. James Caldwell

G. James Caldwell
Chief Executive Officer

Government of the District of Columbia
Department of Insurance, Securities and Banking

GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

Karima M. Woods, Commissioner

Via E-mail

May 19, 2021

Mr. G. James Caldwell, President
Caring Communities, a Reciprocal Risk Retention Group
159 Bank Street, Fourth Floor
Burlington, VT 05401

RE: Examination of Caring Communities, a Reciprocal Risk Retention Group as of December 31, 2019

Dear Mr. Caldwell:

We are in receipt of your response, dated May 19, 2021, regarding the Report on Examination of Caring Communities, a Reciprocal Risk Retention Group (the "Company"), as of December 31, 2019. 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 send these affidavits to my attention at the Department.

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

Sincerely,

Sean O'Donnell

Sean O'Donnell
Director of Financial Examination,
Risk Finance Bureau

Enclosure