



MISSISSIPPI INSURANCE DEPARTMENT

501 N. WEST STREET, SUITE 1001
WOOLFOLK BUILDING
JACKSON, MISSISSIPPI 39201
www.mid.ms.gov

June 22, 2022

MAILING ADDRESS
Post Office Box 79
Jackson, Mississippi 39205-0079
TELEPHONE: (601) 359-3569
FAX: (601) 359-2474

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of Insurance

RICKY DAVIS
State Chief Deputy Fire Marshal

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Ms. Christina Dawn Welch, President
Brierfield Insurance Company
6300 University Park
Sarasota, FL 34240-8424

RE: Report of Examination as of December 31, 2020

Dear Ms. Welch:

In accordance with Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is the Order adopting the report and a copy of the final report as adopted.


Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY



Christina J. Kelsey
General Counsel

MC/CJK/bs
Encls. Order w/exhibit

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI**

**IN RE: REPORT OF EXAMINATION OF
 BRIERFIELD INSURANCE COMPANY**

CAUSE NO. 22-7697

AMENDED ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011).

II.

That Brierfield Insurance Company is a Mississippi-domiciled company licensed to write Accident and Health; Automobile Physical Damage/Liability; Boiler and Machinery; Casualty/Liability; Fidelity; Fire/Allied Lines; Home/Farm Owners; Industrial Fire; Inland Marine; Plate Glass; Surety; Trip Accident and Baggage; and Workers' Compensation coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), called for an examination of Brierfield Insurance Company and appointed Kimberly Strong, Examiner-In-Charge, to conduct said examination.

IV.

That on or about May 26, 2022, the draft Report of Examination concerning Brierfield Insurance Company for the period of January 1, 2016 through December 31, 2020, was submitted to the Department by the Examiner-In-Charge, Kimberly Strong.

V.

That on or about May 31, 2022, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. The Company responded by letter to the draft on or about June 2, 2022.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report of Examination, the written submission, and all relevant examiner work papers, that the Report of Examination of Brierfield Insurance Company, attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, Brierfield Insurance Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that Brierfield Insurance Company take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 22nd day of June 2022.



J. Mark Haire

J. MARK HAIRE
DEPUTY COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 22nd day of June 2022, to:

**Ms. Christina Dawn Welch, President
Brierfield Insurance Company
6300 University Parkway
Sarasota, FL 34240-8424**



Christina J. Kelsey
General Counsel

Christina J. Kelsey
General Counsel
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 9853



Mississippi Insurance Department

Report of Examination

of

BRIERFIELD INSURANCE COMPANY

as of

December 31, 2020

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**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND
PROCEDURES USED IN AN EXAMINATION**

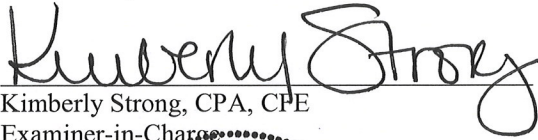
State of Mississippi,

County of Madison,

Kimberly Strong, being duly sworn, states as follows:

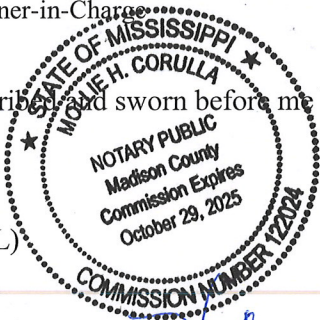
1. I have authority to represent the Mississippi Insurance Department in the examination of Brierfield Insurance Company as of December 31, 2020.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Brierfield Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

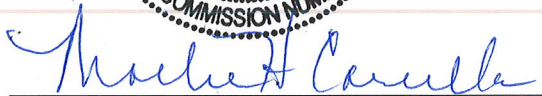
The affiant says nothing further.


Kimberly Strong, CPA, CPE
Examiner-in-Charge

Subscribed and sworn before me by Kimberly Strong on this 6th day of June, 2022.

(SEAL)




Notary Public

My commission expires October 29, 2025 [date].



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

MARK HAIRE
Deputy Commissioner of
Insurance

MISSISSIPPI INSURANCE DEPARTMENT

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May 13, 2022

Honorable Mike Chaney
Commissioner of Insurance
Mississippi Insurance Department
1001 Woolfolk Building
501 North West Street
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2020, of the affairs and financial condition of:

BRIERFIELD INSURANCE COMPANY

1020 Highland Colony Parkway, Suite 800
Ridgeland, MS 39157-2128

License #	NAIC Group #	NAIC #	FEETS#	MATS#
9900035	0474	10993	10993-MS-2020-9	MS-MS099-37

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.* and was performed in Ridgeland, Mississippi. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed our multi-state, coordinated examination of Brierfield Insurance Company (“Company”). The last examination covered the period January 1, 2014 through December 31, 2015. This examination covers the period January 1, 2016 through December 31, 2020.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (“Handbook”). 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.

This examination was performed on a coordinated basis with the Florida Office of Insurance Regulation (FLOIR) and the Indiana Department of Insurance (INDOI). The FLOIR served as the lead state for the coordinated examination. The Mississippi Insurance Department (MID) relied upon a portion of the coordinated examination work performed by FLOIR in its examination of the Company’s parent, FCCI Insurance Company (FCCI IC), and the Company’s U.S. domiciled affiliated property and casualty insurers.

All accounts and activities of the Company were considered in accordance with the coordinated risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with *Statutory Accounting Principles*. 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 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 separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

There were no comments and/or recommendations deemed necessary for inclusion in the previous examination report.

HISTORY OF THE COMPANY

The Company was incorporated and licensed under the laws of the State of Mississippi on September 1, 1999 for the purpose of transacting property and casualty insurance pursuant to Miss. Code Ann. §83-19-1 et seq. (Rev. 1999). The Company's initial ownership structure consisted of FCCI Insurance Group, Inc. ("FIG"), with eighty percent (80%) ownership, and Mississippi Insurance Managers, Inc. ("MIM"), an unaffiliated managing general agent, with twenty percent (20%) ownership. On December 31, 2008, FIG purchased MIM, making the Company a wholly owned subsidiary of FIG. In December 2009, one hundred percent (100%) of MIM's stock in the Company was transferred to FIG via a dividend.

CORPORATE RECORDS

Articles of Incorporation, Bylaws and amendments thereto were reviewed and duly applied in other sections of this report where appropriate. The recorded minutes of the shareholder, Board of Directors (Board), and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions, including the authorization of investments and the review of its audit, actuarial and examination reports.

MANAGEMENT AND CONTROL

Stockholders

As of December 31, 2020, the Company had 1,000,000 shares authorized, issued and outstanding common capital stock with a par value of \$1.00 per share. The common capital stock was 100% owned by FIG. During the examination period, the Company paid \$0 in dividends to its stockholder.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board of Directors ("Board"). The members of the duly elected Board, along with their place of residence, number of years as Director, and principal occupation, at December 31, 2020, were as follows:

Board of Directors (continued)

Name and Residence	Year Elected/Appointed	Principal Occupation
Charles Robert Baumann Sarasota, FL	2004	Former Shareholder, Kerkering, Baberio & Co.
John Joseph Cox Sarasota, FL	2012	President & Owner Halfacre Construction Company
Robert Winthrop Flanders Sarasota, FL	1999	Former Business Executive Quality Walls L.C.
Gordon William Jacobs (a) Sarasota, FL	1999	Former Insurance Executive
Christina Dawn Welch Sarasota, FL	2020	Director, President, and Chief Executive Officer FCCI Insurance Group
Mary Lisa Carlton (b) Sidell, FL	2017	Owner, Mabry Carlton Ranch, Inc.
Roy Allan Yahraus Sarasota, FL	2007	Former Business Executive RNR of Sarasota, Inc.
James Michael Welch Myakka City, FL	2017	Former Insurance Agency Executive Owner, Sporting Clays Lodge
Lisa Ann Krouse Sarasota, FL	2016	Former Insurance Executive, Attorney FCCI Insurance Group

- (a) Retired on January 2, 2022, and was replaced by Thomas Augustine Koval as Director.
(b) Resigned on January 19, 2022 as Director.

Committees

FCCI Mutual Insurance Holding Company (the Ultimate Parent), has established several internal committees which act on behalf of FCCI Mutual Insurance Holding Company and each of its subsidiaries. The following were the principal internal board committees and their members as of December 31, 2020:

Committees (continued)

Committee Structure

Executive	Claims/ Reserves	Audit	Investment
Charles R. Bauman	James M. Welch Chairman	Charles R. Baumann Chairman	Gordon W. Jacobs Chairman
John. J. Cox	Robert. W. Flanders	Mary L. Carlton	Charles R. Baumann
Gordon W. Jacobs	Gordon W. Jacobs	Gordon W. Jacobs	Robert W. Flanders
	Lisa A. Krouse	Roy A. Yahraus	John J. Cox

Officers

Name	Year Elected/Appointed	Title
Christina Dawn Welch	2020	President/CEO
Christopher Samir Shoucair	2020	Executive Vice President/CFO/Treasurer/Secretary
Ralph John LaSpina, Jr. (a)	2019	Executive Vice President/Chief Marketing & Underwriting Officer
Michelle Marie Jalbert	2011	Senior Vice President/Controller/Asst. Treasurer

(a) Resigned on January 4, 2022.

Conflict of Interest

The Company had formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with the official duties of such persons. Written statements were signed annually by all officers and members of the Board.

The Company outsourced their Internal Audit (“IA”) function to Ernst & Young, until it was brought in-house in 2015. The Chief Auditor reported directly to the FCCI Mutual Insurance Holding Company Audit Committee (“AC”) Chairman and the AC Committee was comprised of independent directors. The Board and AC meeting minutes were reviewed noting evidence of

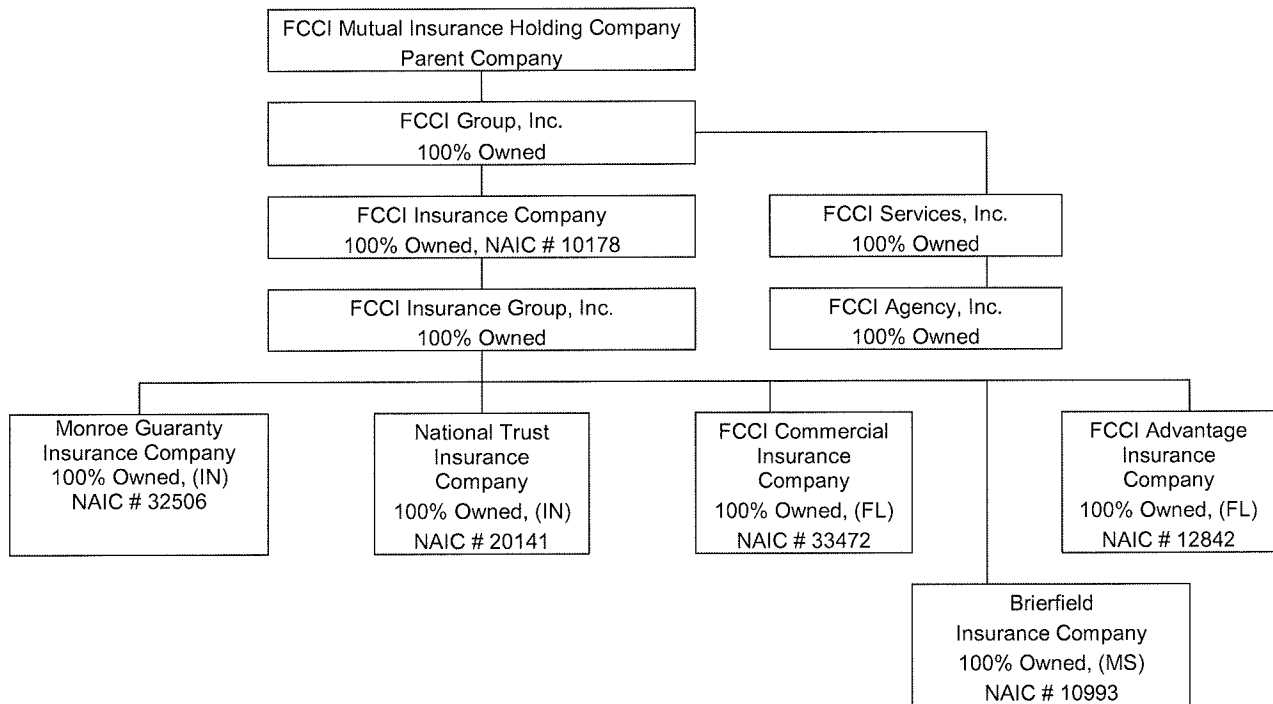
Conflict of Interest (continued)

detailed discussion during meetings regarding IA activities. The IA Department provided input on operating and financial reporting risks and as well as internal controls.

HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined by Miss. Code Ann. §83-6-1. The Company was required to file with the MID, Holding Company Registration Statements in accordance with Miss. Code Ann. §83-6-5 and §83-6-9. These filings set forth material changes in structure, identity or relationships of affiliates and any material transactions by and between the Company and its affiliates.

Organizational Chart



Affiliated and Related Party Transactions

The following management agreements were in effect between the Company and its affiliates:

Tax Allocation Agreement

The Company, along with FCCI Insurance Company and its affiliates, file a consolidated federal income tax return. On December 31, 2020, the method of allocation between the Company and its parent was the “separate-entity” basis described in Internal Revenue Code (IRC) Section 1552(a) (2) and Treasury Regulation 1.1552-1(a) (2) on the basis of the percentage of the total tax which each member, if computed on a separate return would bear to the total taxes for all members.

Management Services Agreement

The Company, along with its parents and affiliates, had a management services agreement with FCCI Services, Inc. (“FSI”), which provided insurance and general management services including, but not limited to: underwriting, premium formulation, collection services, accounting services, internal operations, personnel, information systems, marketing, facilities management, tax services, reinsurance services, corporate governance, and other services related to the effective management of the Company. The Company incurred expenses for these services of \$9,265,570 and \$8,690,856 in 2020 and 2019, respectively.

Capital Maintenance Agreement

As a condition of authorization to write workers’ compensation coverage under the Longshore and Harbor Workers’ Compensation Act and its extensions, the Department of Labor, Office of Workers’ Compensation Programs, Division of Longshore and Harbor Workers’ Compensation, required the Company to enter into a capital maintenance agreement with FCCI Insurance Company. The agreement requires FCCI and the Company to maintain sufficient capital in the Company that will meet or exceed levels required by Mississippi law.

FIDELITY BOND AND OTHER INSURANCE

The Company’s ultimate parent, FCCI Mutual Insurance Holding Company, maintained fidelity bond coverage, which included the Company, up to \$5,000,000 with a \$50,000 deductible, which meets the suggested minimum as recommended by the NAIC.

The Company also was a named insured on a commercial property and general liability policy, workers’ compensation and employer’s liability policy, commercial umbrella liability policy, and business auto policy.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company and FSI, along with certain affiliated insurance companies, were members of a retirement and savings plan (“401k Plan”, a defined 401k contribution and profit sharing plan) in which all employees were eligible to participate.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS (continued)

Also, certain members of the Board of Directors of FCCI Group Inc. (“FCCI Group”), an upstream parent of the Company, entered into a deferred compensation plan, which included a deferred compensation payment of three times the director’s annual fees at retirement subject to certain vesting criteria.

Additionally, FCCI Group had established for members of the Board of Directors and officers of FSI a Long-Term Incentive Plan (“Incentive Plan”) that offered two types of performance-based incentive awards, a Full Value Performance Unit Award (“Performance Units”) and a Performance Unit Appreciation Rights Award (“Appreciation Rights”). After satisfaction or lapse of the restrictions, terms and conditions established by the Incentive Plan with respect to a grant of Performance Units, the Incentive Plan participant would receive a cash payment equal to the number of vested Performance Units multiplied by a Company Value as of the exercise date as defined in the Incentive Plan. Appreciation Rights may be exercised subject to the terms of the Incentive Plan and upon exercise, the Incentive Plan participant will receive the number of vested Appreciation Rights exercised multiplied by the increase in Company Value as of the exercise date compared to the Company Value on the Grant Date.

Costs for retirement and deferred compensation plans are allocated to the Company based on the direct written premiums and the level of claims transactions to the totals for the consolidated Company.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in the States of Alabama, Arkansas, Florida, Georgia, Mississippi and Tennessee, but only wrote business in the States of Florida and Mississippi through the examination date.

GROWTH OF COMPANY

Following is selected financial information as reported by the Company within the filed annual statements.

	2020	2019	2018	2017
Change in surplus	\$ 287,335	\$ 244,959	\$ 242,586	\$ 216,148
Ratio of assets to liabilities	3.11 to 1	3.10 to 1	3.10 to 1	3.08 to 1
Ratio of revenues to expenses	4.05 to 1	3.69 to 1	3.39 to 1	2.25 to 1
Cash flows from operations	\$ 476,247	\$ 443,381	\$ 459,386	\$ 406,725
Net income (loss)	\$ 243,952	\$ 236,814	\$ 244,593	\$ 236,300

REINSURANCE

The Company has a reinsurance program in place that is intended to reduce overall risks, including exposure to large losses and catastrophic events. The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, transfer of risk, reporting, and settlement information.

Quota Share Reinsurance Agreement

The Company has a 100% quota share reinsurance contract with FCCI, an upstream parent through which the Company ceded 100% of the premiums written and earned and all loss and loss adjustment expenses incurred on or after January 1, 2005.

The reinsurance contract with FCCI included a provision for ceded commission income equal to 100% of operating expenses incurred. The Company recognized ceded commission income of \$17,767,724 and \$15,825,745 in 2020 and 2019, respectively, under this provision.

The Company's net reinsurance recoverable, including unearned premiums, at December 31, 2020 and 2019 was \$74,684,249 and \$61,630,577, respectively, and are presented as a reduction to direct and assumed loss and unearned premium reserves on the balance sheet. These amounts are due from FCCI and are unsecured.

The quota share agreement provides the Company the right to purchase facultative reinsurance on any of its policies which the Company utilizes from time to time.

The following table summarizes the effect of reinsurance on net premiums written for the period of this examination:

	<u>2020</u>	<u>2019</u>
Direct premiums	\$ 59,898,617	\$ 50,423,765
Assumed premiums	88,321	129,914
Ceded premiums to affiliate	(59,888,760)	(50,443,363)
Ceded premiums to nonaffiliates	<u>(98,178)</u>	<u>(110,316)</u>
Net premiums	<u>\$ -</u>	<u>\$ -</u>

ACCOUNTS AND RECORDS

The Company maintains its principal operational offices in Sarasota, Florida. The Company's accounting records were maintained on a computerized system and balance sheet accounts were verified with the line items of the annual statement submitted to the Mississippi Insurance Department.

ACCOUNTS AND RECORDS (continued)

In conducting the risk-focused examination, the MID, by its representatives, relied upon the independent audit reports and opinions contained therein rendered by BDO USA, LLP for each year of the examination period. Such reports were prepared on a consolidated statutory basis and reconciled to the financial statements contained in the Annual Statements.

The Parent Company outsourced their Internal Audit (“IA”) function to Ernst & Young, until it was brought in-house in 2015. The Chief Auditor reported directly to the FCCI Mutual Insurance Holding Company Audit Committee (“AC”) Chairman and the AC Committee was comprised of independent directors.

STATUTORY DEPOSITS

The Company’s statutory deposits with the State of Mississippi complied with Miss. Code Ann. §83-19-31(2). The following chart displays the Company’s total statutory deposits as held by the various states at December 31, 2020.

Description	State Deposited	Carrying Value	Fair Value
U.S. Treasury Note	Mississippi	\$ 550,823	\$ 558,937
Total Held in Mississippi		<u>550,823</u>	<u>558,937</u>
U.S. Treasury Note	Arkansas	250,133	251,289
U.S. Treasury Note	Florida	199,233	207,125
U.S. Treasury Note	Georgia	99,616	103,563
U.S. Treasury Note	U.S. Department of Labor	500,747	508,125
Total Held in all Other States or Jurisdictions		<u>1,049,729</u>	<u>1,070,102</u>
Total of all States & Jurisdictions		<u>\$ 1,600,552</u>	<u>\$ 1,629,039</u>

FINANCIAL STATEMENTS

Introduction

The financial statements consist of a Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2020, a Statement of Income for year ended December 31, 2020, and a Reconciliation of Capital and Surplus for the examination period ended December 31, 2020.

The following financial statements are based on the statutory financial statements filed by the Company with the Mississippi Insurance Department and present the financial condition of the Company for the period ending December 31, 2020.

**STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2020**

Admitted Assets

Bonds	\$ 13,907,068
Cash and short-term investments	504,409
Investment income due and accrued	123,481
Funds held by or deposited with reinsured companies	1,758
Net deferred tax asset	66,976
Total admitted assets	\$ 14,603,692

Liabilities and Surplus

Reinsurance payable	\$ 1,917,416
Commissions payable	1,397,078
Taxes, licenses, and fees	526,469
Current federal income taxes	73,962
Advance premiums	107,253
Ceded reinsurance premiums payable	630,826
Amounts withheld by Company for account of others	15,747
Remittances and items not allocated	15,950
Aggregate write-ins for liabilities	12,799
Total liabilities	4,697,500
Common capital stock	1,000,000
Gross paid in and contributed surplus	4,000,000
Unassigned funds	4,906,192
Surplus as regards to policyholders	9,906,192
Total liabilities and surplus	\$ 14,603,692

**SUMMARY OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2020**

Underwriting Income

Other underwriting expenses incurred	\$ 102,474
Net underwriting loss	<u>(102,474)</u>

Investment Income

Net investment income earned	312,458
Net realized capital gains	<u>22,070</u>
Net investment gain	334,528

Other Income

Net loss from agents' or premium balances charged off	(93,275)
Finance or service charges not included in premiums	167,482
Aggregate write-ins for miscellaneous income	<u>6,097</u>
Total other income	<u>80,304</u>

Net income before dividends to policyholders, after capital gains tax and before all other federal income taxes	312,358
--------------------------------------------------------------------------------------------------------------------	---------

Federal income taxes	<u>68,406</u>
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Net income	<u><u>\$ 243,952</u></u>
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**RECONCILIATION OF CAPITAL AND SURPLUS
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Capital and surplus, beginning of the year	\$ 9,618,857	\$ 9,373,898	\$9,131,312	\$8,915,164	\$8,678,313
Net Income	243,952	236,814	244,593	236,300	211,220
Change in net deferred income tax	44,223	(260)	4,016	(75,506)	16,107
Change in nonadmitted assets	(840)	8,405	(6,023)	55,354	9,524
Capital and surplus, end of the year	<u>\$ 9,906,192</u>	<u>\$ 9,618,857</u>	<u>\$9,373,898</u>	<u>\$9,131,312</u>	<u>\$8,915,164</u>

**RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS
DECEMBER 31, 2020**

There were no changes made to the admitted assets, liabilities, or surplus balances reported by the Company for the year ended December 31, 2020. The surplus as regards policyholders, which totaled \$9,906,192 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. §83-19-31(1)(b).

MARKET CONDUCT ACTIVITIES

Policyholder Services

The Company maintained complaint documentation during the period under examination. All complaints appeared to have been appropriately resolved and no policyholder abuse was noted.

Underwriting and Rating

It appeared that all cancellation, nonrenewal, discontinuance, and declination notices comply with policy provisions, state laws and the regulated entity's guidelines.

Claims Handling

Claim files were reviewed for general indicators of policyholder treatment concerns. No significant areas of concerns noted.

Producer Licensing

The Company was appropriately licensed to issue its products and agents writing business for the Company appeared to have been properly licensed and appointed.

Privacy

Privacy notices were sent to the Company's policyholders.

COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or other contingent liabilities noted during this examination.

SUBSEQUENT EVENTS

On January 2, 2022, Gordon William Jacobs retired and was replaced by Thomas Augustine Koval as Director. On January 4, 2022, Ralph John LaSpina resigned from the Company. On January 19, 2022, Mary Lisa Carlton resigned from the Board of Directors.

COMMENTS AND RECOMMENDATIONS

The examination did not identify any material comments and/or recommendations deemed appropriate for inclusion in the examination report

ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:


Administrative Examiner	Jimmy Blissett, CFE
Examiner-in-charge	Kimberly Strong, CPA, CFE Harper, Rains, Knight & Co.
Financial Examiner	Leslie Sorrell, CPA Harper, Rains, Knight & Co.
Financial Examiner	Russ Thompson Harper, Rains, Knight & Co.

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,



Kimberly Strong, CRA, CFE
Examiner-in-Charge



Mark Cooley, CFE
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