



MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

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June 17, 2024

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Ms. Marie M. Forbes, President
U.S. Legal Services of Mississippi, Inc.
8133 Baymeadows Way
Jacksonville, FL 32256

RE: Report of Examination as of December 31, 2022

Dear Ms. Forbes:

In accordance with Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (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.

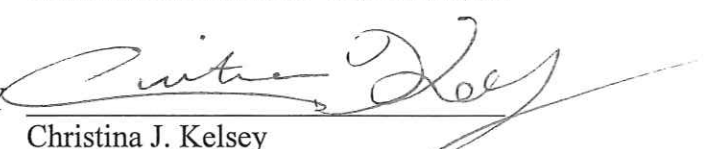
Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department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

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

**RE: REPORT OF EXAMINATION OF
 U.S. LEGAL SERVICES OF MISSISSIPPI, INC.**

CAUSE NO. 24-7893

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. and 83-41-337(1) (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. and 83-41-337(1) (Rev. 2011).

II.

That U. S. Legal Services of Mississippi, Inc. is a Mississippi-domiciled company licensed to write Legal coverage.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. §§ 83-5-201 et seq. and 83-41-337(1) (Rev. 2011), called for an examination of U.S. Legal Services of Mississippi, Inc. and appointed R. Dale Miller, Examiner-In-Charge, to conduct said examination.

IV.

That on or about April 29, 2024, the draft Report of Examination concerning U.S. Legal Services of Mississippi, Inc. for the period of January 1, 2018 through December 31, 2022, was submitted to the Mississippi Department of Insurance by Examiner-In-Charge, R. Dale Miller.

V.

That on or about May 24, 2024, 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 said draft. On or about May 24, 2024, the Company responded by email.

CONCLUSIONS OF LAW

VII.

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 draft Report of Examination and all relevant examiner work papers, that the draft Report of Examination of U.S. Legal Services of Mississippi, Inc., 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 information for a period of

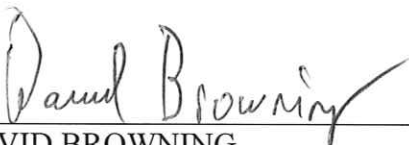
ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

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, U.S. Legal Services of Mississippi, Inc. 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 U.S. Legal Services of Mississippi, Inc. 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 17th day of June 2024.





DAVID BROWNING
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 17th day of June 2024, to:

**Ms. Marie M. Forbes, President
U.S. Legal Services of Mississippi, Inc.
8133 Baymeadows Way
Jacksonville, FL 32256**



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. 10816



Mississippi Insurance Department

Report of Examination

of

U.S. Legal Services of Mississippi, Inc.

as of

December 31, 2022

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

State of Mississippi,

County of Madison,

R. Dale Miller, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of U.S. Legal Services of Mississippi, Inc. as of December 31, 2022.
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 U.S. Legal Services of Mississippi, Inc. 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.

R. Dale Miller

R. Dale Miller, CPA, CFE, CFF
Examiner-in-Charge

Subscribed and sworn before me by P. Dale Miller on this 12th day of June, 2024.

(SEAL)

Wendy Smith
Notary Public



My commission expires October 27, 2024 [date]



MIKE CHANEY
Commissioner of Insurance
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DAVID BROWNING
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Insurance

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May 30, 2024

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, 2022, of the affairs and financial condition of:

U.S. Legal Services of Mississippi, Inc.
190 E. Capital Street, Suite 8001
Jackson, MS 39201

License #	NAIC Group #	NAIC #	FEETS #	MATS#
0800022	4839	14670	14670-MS-2022-6	N/A

This examination was commenced in accordance with Miss. Code Ann. §83-5-201 et seq. & Miss. Code Ann. §83-49-27(2) and was performed in Ridgeland, MS. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed a single-state financial examination of U.S. Legal Services of Mississippi, Inc. (the “Company”). The last examination covered the period of January 1, 2013 through December 31, 2017. This examination covers the period of January 1, 2018 through December 31, 2022.

We conducted our examination in accordance with the National Association of Insurance Commissioners (“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.

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 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, as mentioned in the Miss. Code Ann. §83-5-201 & Miss. Code Ann. §83-49-27(4) 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

All previous examination findings appeared to have been appropriately addressed during the period since the last examination.

HISTORY OF THE COMPANY

On February 11, 2002, the Company was incorporated under the laws of the State of Mississippi. The Company’s principal office is located in Jacksonville, Florida. The Company was authorized to write business in the Legal line of business by the State of Mississippi on January 1, 2009, but was dormant until it began writing business in 2018.

CORPORATE RECORDS

The minutes of the meetings of Stockholders and Board of Directors (“Board”), regarding the Company’s business affairs as recorded during the period covered by the examination, were reviewed and appeared to be complete and in order with regard to recording action on matters brought up at the meetings for deliberation.

MANAGEMENT AND CONTROL

Capital Stock

As of December 31, 2022, the Company had 5,000 shares of common stock with a par value of \$1 per share, authorized, issued, and outstanding in accordance with Miss. Code Ann. §83-49-23(a). Marie M. Forbes Living Trust owned 100% of the shares issued and outstanding. In 2019, a \$40,000 capital contribution was contributed to gross paid in and contributed capital. No dividends to stockholders were declared or paid by the Company during the examination period.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company’s business affairs with the Board. The members of the duly elected Board, along with their place of residence, year elected/appointed and principal occupation, at December 31, 2022, were as follows:

Name and Residence	Year Elected/Appointed	Principal Occupation
Marie Mustakas Forbes Jacksonville, Florida	Since inception	President & Secretary
Julia Anne-Marie Lynn Jacksonville, Florida	Since inception	Treasurer
John Robert Forbes II Jacksonville, Florida	2020	Director

Committees

During the time period covered by this examination, the Company did not have Board appointed committees.

Officers

The officers of the Company as of December 31, 2022 were:

Name of Officer	Year Elected/ Appointed	Title
Marie Mustakas Forbes	Since inception	President & Secretary
Julia Anne-Marie Lynn	Since inception	Treasurer

Conflict of Interest

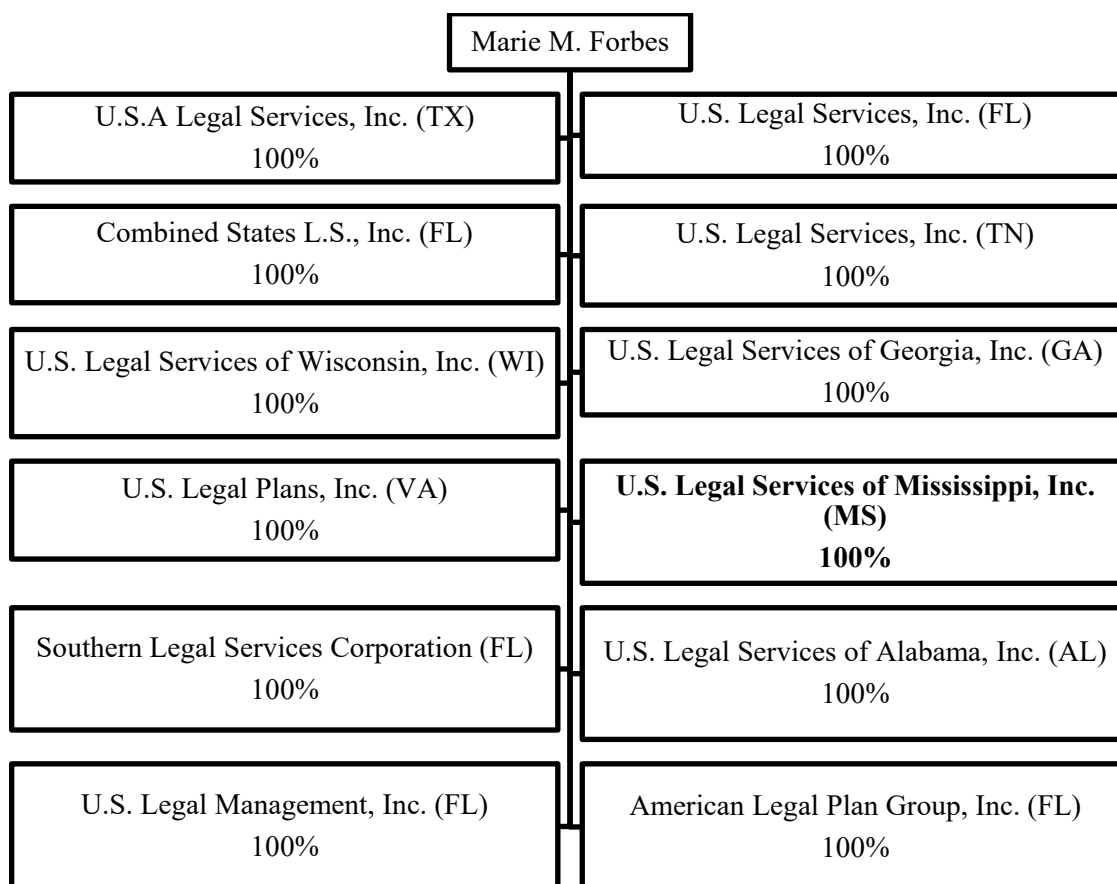
During the period under examination, the Company maintained a formal conflict of interest policy whereby disclosures were made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with their official duties. These procedures were reviewed, and no conflicts or exceptions to the Company's policies were noted.

HOLDING COMPANY STRUCTURE

The Company was a member of an insurance holding company system as defined by Miss. Code Ann. §83-6-1. For each year under examination, Holding Company Registration Statements were filed with the MID in accordance with Miss. Code Ann. §83-6-5 and §83-6-9.

Organizational Chart

An organizational chart as of December 31, 2022, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2022 annual statement provides a list of all related companies of the holding company group.



Affiliated and Related Party Transactions

The following agreement was in effect between the Company and its affiliate:

Service Agreement

Effective January 1, 2015, the Company entered into an affiliated service agreement with U.S. Legal Management Inc. (“USLM”), whereby USLM shall provide for certain operations and administration services, including claims, premium, attorney, IT, regulatory, marketing and various other services to the Company. Pursuant to the agreement, fees for providing such services are based on a percentage of monthly premium revenue. Fees incurred by Company under this agreement during 2022 totaled \$38,673.

FIDELITY BOND

The Company had fidelity bond coverage that met the NAIC's suggested minimum amount of fidelity bond coverage.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company does not have direct employees and accordingly, there are no pension, stock ownership, or insurance plans maintained by the Company.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2022, the Company was authorized to write business only in the State of Mississippi in the Legal line of business. The Company began writing business in 2018.

GROWTH OF COMPANY

The review of the growth of the Company was performed based on balances reported in the annual statements filed with the MID during the period under examination.

	2022	2021	2020	2019	2018
Total admitted assets	\$ 171,964	\$ 138,613	\$ 110,040	\$ 76,643	\$ 41,330
Total liabilities	\$ 15,189	\$ 11,148	\$ 12,872	\$ 4,200	\$ 1,400
Total capital and surplus	\$ 156,775	\$ 127,465	\$ 97,168	\$ 72,443	\$ 39,930
Net cash from operations	\$ 30,981	\$ 27,708	\$ 25,592	\$ (8,224)	\$ (11,184)
Premium income	\$ 102,649	\$ 102,865	\$ 90,799	\$ 20,202	\$ 745
Net underwriting gain (loss)	\$ 29,197	\$ 30,175	\$ 24,515	\$ (7,766)	\$ (11,119)
Net investment income	\$ 113	\$ 122	\$ 211	\$ 278	\$ 194
Net income (loss)	\$ 29,309	\$ 30,297	\$ 24,726	\$ (7,488)	\$ (10,925)
Net income (loss)/capital and surplus	18.7%	23.8%	25.4%	-10.3%	-27.4%

REINSURANCE

As of December 31, 2022, the Company did not cede or assume any reinsurance.

ACCOUNTS AND RECORDS

The Company's trial balance detail was traced to the December 31, 2022 annual statement filed with the MID. The Company does not have an annual independent audit and was not subject to the annual audit requirement during the period under examination.

STATUTORY DEPOSITS

As of December 31, 2022, the Company's statutory deposits for the benefit of policyholders, had a book/adjusted carrying value of \$25,000 and a fair value of \$25,000. Accordingly, the statutory deposits with the State of Mississippi complied with Miss. Code Ann. §83-49-23(b).

U.S. LEGAL SERVICES OF MISSISSIPPI, INC.
FINANCIAL STATEMENTS
EXAMINATION AS OF DECEMBER 31, 2022

Introduction

The following includes the Company's statutory Statement of Admitted Assets, Liabilities, Surplus and Other Funds, statutory Statement of Income, and a statutory Reconciliation of Changes in Capital and Surplus for the year ended December 31, 2022. The financial statements are based on the statutory financial statements filed by the Company with the MID and present the financial condition of the Company for the period ended December 31, 2022. Due to rounding, column amounts may not add to the totals reflected in this report.

U.S. Legal Services of Mississippi, Inc.
Statement of Admitted Assets, Liabilities, Surplus and Other Funds
December 31, 2022

Admitted Assets

Cash and short term investments	\$ 160,102
Aggregate write-ins for invested assets	26
Subtotals, cash and invested assets	160,129
Uncollected premiums and agents' balances in the course of collection	9,279
Receivables from parent, subsidiaries, and affiliates	2,556
Total admitted assets	\$ 171,964

Liabilities, Capital and Surplus

Losses	\$ 2,475
Commissions payable, contingent commissions and other similar charges	3,903
Other expenses (excluding taxes, licenses, and fees)	1,050
Taxes licenses and fees	835
Unearned premiums	384
Payable to parent, subsidiaries and affiliates	6,542
Total liabilities	15,189
Common capital stock	5,000
Gross paid in and contributed surplus	159,600
Unassigned funds	(7,825)
Total capital and surplus	156,775
Total liabilities, capital and surplus	\$ 171,964

U.S. Legal Services of Mississippi, Inc.
Statement of Income
For the Examination Period Ended December 31, 2022

Underwriting Income

Premiums earned	\$ 102,649
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Deductions

Losses incurred	5,425
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Loss adjustment expenses incurred	1,213
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Other underwriting expenses incurred	66,814
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Total underwriting deductions	73,452
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Net underwriting gain	29,197
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Investment Income

Net investment income earned	113
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Net investment gain	113
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Net income	\$ 29,309
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U.S. Legal Services of Mississippi, Inc.
Reconciliation of Changes in Capital and Surplus
For the Examination Period Ended December 31, 2022

<i>For the examination period ended December 31,</i>	2022	2021	2020	2019	2018
Surplus as regards policyholders,					
beginning of the year	\$ 127,465	\$ 97,168	\$ 72,442	\$ 39,930	\$ 50,856
Net income (loss)	29,309	30,297	24,726	(7,488)	(10,925)
Surplus adjustments:					
Paid in	-	-	-	40,000	-
Aggregate write-ins for gains and losses in surplus					(1)
Change in surplus as regards policyholders	29,309	30,297	24,726	32,512	(10,926)
Surplus as regards policyholders,					
end of the year	\$ 156,775	\$ 127,465	\$ 97,168	\$ 72,442	\$ 39,930

As a result of this examination, there were no adjustments made to capital and surplus. The surplus as regards policyholders, which totaled \$156,775 as of the examination date, was determined to be reasonably stated and in compliance with Miss. Code Ann. §83-49-23(c).

MARKET CONDUCT ACTIVITIES

An examination of the Company's market conduct was not performed.

COMMITMENTS AND CONTINGENT LIABILITIES

During and subsequent to the examination period, the Company was not involved in litigation or unreported commitments or contingent liabilities incurred through the examination date.

SUBSEQUENT EVENTS

There were no subsequent events to the examination date and before the completion of fieldwork that were considered material events requiring disclosure in this report.

COMMENTS AND RECOMMENDATIONS

For the purposes of this examination report, there are no comments or recommendations.

ACKNOWLEDGMENT

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

Examiner-in-Charge:	R. Dale Miller, CPA, CFE, CFF
Supervising Examiner:	Joseph R. May, CPA, CMA, CFE, CIE
IT Examiner:	Francois Houde, CPA, CA, CFE, CISA, AES
Examiner:	Sharon Stuber, CPA
Examiner:	Kaytlynn Bush

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

Respectfully submitted,



R. Dale Miller, CPA, CFE, CFF
Examiner-in-Charge



Mark Cooley, CFE
Mississippi Insurance Department Designee