



MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

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

MAILING ADDRESS
Post Office Box 79
Jackson, Mississippi 39205-0079
TELEPHONE: (601) 359-3569
FAX: (601) 359-2474
WATS: 1-800-562-2957 (Incoming-USA)

June 23, 2025

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Thomas Elkins, President
Indemnity National Insurance Company
238 Bedford Way
Franklin, TN 37064

RE: Report of Examination as of December 31, 2023

Dear Mr. Elkins:

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 INDEMNITY
NATIONAL INSURANCE COMPANY**

CAUSE NO. 25-8022

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 Indemnity National Insurance Company is a Mississippi-domiciled company licensed to write Accident & Health; Automobile Physical Damage/Liability; Boiler & Machinery; Casualty/Liability; Fidelity; Fire/Allied Lines; Guaranty; Home/Farm Owners; Industrial Fire; Inland Marine; Legal; Mortgage Guaranty; Ocean Marine; Plate Glass; Surety; Title 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 Indemnity National Insurance Company and appointed Omar Akel, Examiner-In-Charge, to conduct said examination.

IV.

That on or about May 20, 2025, the draft Report of Examination concerning Indemnity National Insurance Company for the period of January 1, 2019, through December 31, 2023, was submitted to the Department by the Examiner-In-Charge, Omar Akel.

V.

That on or about June 10, 2025, 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 email on or about June 12, 2025.

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 Company's rebuttal, and all relevant examiner work papers, that the Report of Examination of Indemnity National 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 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, Indemnity National 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 Indemnity National Insurance Company take the necessary actions and implement the necessary procedures to properly and promptly comply with all recommendations contained in the Report of Examination.

SO ORDERED, this the 23rd day of June 2025.



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 23rd day of June 2025, to:

**Mr. Thomas Elkins, President
Indemnity National Insurance Company
238 Bedford Way
Franklin, TN 37064**



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

INDEMNITY NATIONAL INSURANCE COMPANY

as of

December 31, 2023

TABLE OF CONTENTS

Examiner Affidavit	1
Salutation	2
Scope of Examination.....	3
Comments and Recommendations of Previous Examination.....	3
History of the Company.....	3
Corporate Records	4
Management and Control	4
Board of Directors.....	4
Committees.....	4
Officers.....	5
Conflict of Interest	5
Holding Company Structure	5
Organizational Chart	5
Parent and Affiliated Companies	6
Affiliated and Related Party Transactions	7
Fidelity Bond and Other Insurance.....	8
Pensions, Stock Ownership and Insurance Plans	8
Territory and Plan of Operation.....	9
Growth of Company	9
Reinsurance.....	9
Accounts and Records	11
Statutory Deposits.....	12
Financial Statements	13
Introduction	13
Assets	14
Liabilities, Surplus, and Other Funds.....	15
Statement of Income.....	15
Reconciliation of Capital and Surplus.....	16
Reconciliation of Examination Adjustments to Surplus	17
Commitments and Contingent Liabilities	17

Subsequent Events	17
Comments and Recommendations	17
Acknowledgment.....	18

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

State of NEBRASKA,

County of GARDEN,

Omar D. Akel, being duly sworn, states as follows:

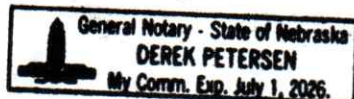
1. I have authority to represent the Mississippi Insurance Department in the examination of Indemnity National Insurance Company as of December 31, 2023.
2. Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Indemnity National 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.

Examiner's Signature

Subscribed and sworn before me by OMAR AKEL on this 18th day of June 2025.

(SEAL)



Notary Public

My commission expires July 1, 2026 [date].



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of
Insurance

MISSISSIPPI INSURANCE DEPARTMENT

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

MAILING ADDRESS
Post Office Box 79
Jackson, MS 39205-0079
TELEPHONE: (601) 359-3569
FAX: (601) 576-2568

June 12, 2025

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, 2023, of the affairs and financial condition of:

INDEMNITY NATIONAL INSURANCE COMPANY

190 East Capitol Street, Suite 800
Jackson, MS 39201

License #	NAIC Group #	NAIC #	FEETS#
9300036	-	18468	18468-MS-2023-1

This examination was commenced in accordance with Miss. Code Ann. § 83-5-201 *et seq.* and was performed in Franklin, Tennessee, at the main administrative home office of the Company. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed a full scope, risk-focused financial examination of Indemnity National Insurance Company ("Company"). The last examination covered the period of January 1, 2014, through December 31, 2018. This examination covers the period January 1, 2019, through December 31, 2023.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners 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 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 purposes of the previous examination report.

HISTORY OF THE COMPANY

The Company was incorporated as Great River Insurance Company ("Great River") under the laws of the State of Mississippi and commenced business on December 2, 1993. The purpose for which the Company was formed, as stated in the Articles of Association, was to enter into all forms of insurance contracts insuring perils similar to those described within Miss. Code Ann. §83-19-1 "Class One (1) - Fire and Casualty", and accident and health, and to carry on any other business activities and financial services that an insurance company can lawfully conduct under the laws of the State of Mississippi.

On December 27, 2005, Great River amended its Articles of Association to change the name of

the company to Indemnity National Insurance Company.

Effective January 10, 2017, the Mississippi Insurance Department issued an order approving acquisition of control of INIC by KEWA US, a Delaware corporation. On January 13, 2017, KEWA US acquired 100% of the capital stock of the Company. KEWA US is owned 100% by KEWA Financial Inc., a Delaware corporation.

CORPORATE RECORDS

The minutes of the meetings of Shareholders 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

Board of Directors

The Articles of Association 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, and principal occupation on December 31, 2023, were as follows:

Name and Residence	Principal Occupation
David A. Wiley Naples, Florida	Chief Executive Officer KEWA Financial Inc.
Scott G.A. Lampard Toronto, Ontario	Managing Director and Head of Global Banking Integration HSBC Bank of Canada
James B. Falle Port Perry, Ontario	Retired

Effective February 21, 2025, Rodney Phillips was elected to serve on the board of directors for the Company.

Committees

The Company utilized an Audit Committee during the examination period. The following directors/officers served on the Audit Committee at December 31, 2023:

Committee Structure

Audit Committee
James B. Falle (Chair)
David A. Wiley

Officers

The following individuals were serving as officers of the Company at December 31, 2023:

Name	Title
David A Wiley	Chairman of the Board
Thomas F. Elkins	President
James E. Hart	CFO, Secretary/Treasurer
Robert G. Cihra	Chief Investment Officer

Effective March 4, 2025, David Wiley resigned as the Chairman of the Company. Scott Lampard was elected to serve as the new Chairman of the Company.

Conflict of Interest

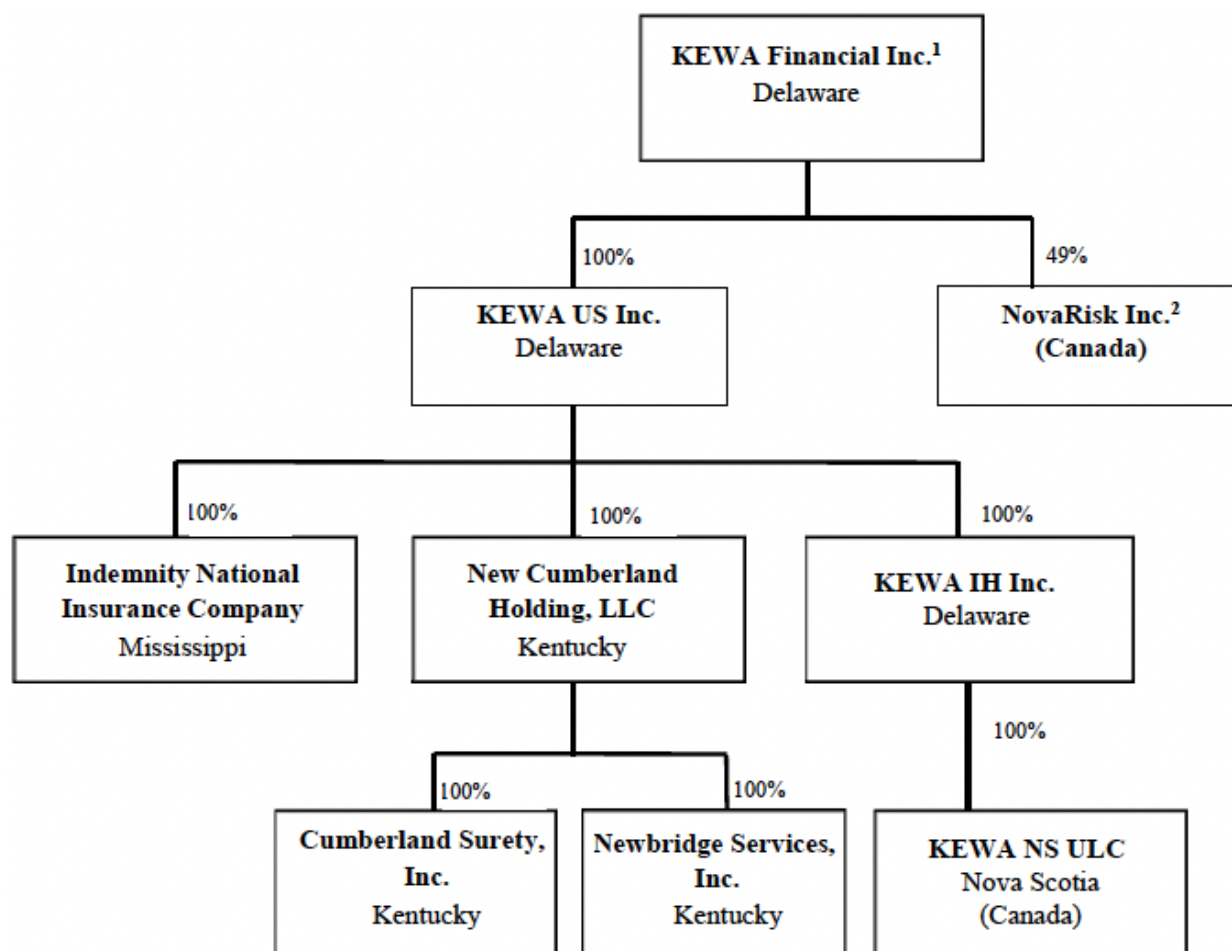
The Company has formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that is, or would likely be, a conflict with their official duties. These procedures were reviewed, and no conflicts or exceptions to the Company's policies were noted.

HOLDING COMPANY STRUCTURE

The Company is a member of an insurance holding company system as defined in Miss. Code Ann. § 83-6-1. Holding Company Registration Statements were filed during the examination period with the MID in accordance with Miss. Code Ann. § 83-6-5 and § 83-6-9. The statements and applicable amendments that were filed with the MID during the examination period were reviewed and it appeared that any changes and material transactions by and between the Company and its affiliates were appropriately disclosed.

Organizational Chart

As of December 31, 2023, the following organizational chart depicted the insurance holding company structure:



¹ David A. Wiley owns 52.19% of the voting securities of KEWA Financial Inc. No other person or entity owns or controls more than 10% of the voting securities of KEWA Financial Inc.

² The remaining voting securities of NovaRisk Inc. are owned by management of NovaRisk Inc. and by one or more Canadian entities.

Parent and Affiliated Companies

The following is information concerning the Company's affiliates, that have direct relationship with the Company:

KEWA Financial Inc.: KEWA Financial Inc. is Delaware financial holding company engaged in developing customized surety bonding programs for non-traditional markets.

KEWA US Inc.: KEWA US Inc. is a Delaware corporation that was formed for the purposes of acquiring Indemnity National Insurance Company.

Cumberland Surety, Inc.: Cumberland Surety, Inc. is an affiliated entity that provides underwriting and bond and policy administration services under an affiliated agreement.

Newbridge Services, Inc.: Newbridge Services, Inc. is an affiliated entity that provides reclamation and risk mitigation services.

Cobalt Specialty Inc.: Cobalt Specialty, Inc. is a managing general agent located in Toronto, Canada.

KEWA NS ULC: KEWA NS ULC is an unlimited liability company in the Province of Nova Scotia. There are no ongoing activities at this entity.

KEWA IH Inc.: KEWA IH, Inc. is a Delaware holding company for KEWA NS ULC.

New Cumberland Holding, LLC: New Cumberland Holding, LLC is a Kentucky holding company for the Company's distribution business.

Affiliated and Related Party Transactions

Tax Allocation Agreement:

The Company entered into a tax allocation agreement whereby the Company would be included in the consolidated federal income tax return of KEWA US, Inc.

Agency Agreement:

The Company and Cumberland Surety, Inc. entered into an underwriting and administrative agreement effective January 13, 2017, whereby Cumberland Surety performs agency services including underwriting, premium collection, claims handling, claims adjustment and marketing for the Company. Compensation paid to Cumberland Surety under this agreement shall be paid quarterly and calculated at 30% of premiums, but not less than \$150,000 per calendar quarter.

Cost-Sharing Agreement:

The Company and KEWA US Inc. entered into a cost-sharing agreement effective January 13, 2017, First Amendment to Cost-Sharing Agreement effective January 1, 2018, and Second Amendment to Cost-Sharing Agreement effective January 1, 2019, whereby the Company reimburses KEWA US for actual costs incurred by KEWA US for the benefit of the Company based on a schedule of shared costs, not to exceed a certain amount per month.

Reclamation Agreement:

The Company and Newbridge Services, Inc. entered into a Reclamation Agreement effective January 17, 2019, whereby Newbridge will perform on behalf of the Company, land reclamation services required under a Surety Reclamation Agreement between the Company and the West Virginia Department of Environmental Protection for the reclamation of certain West Virginia permits in order to avoid forfeiture of the bonds issued with respect thereto.

Guaranty Agreement & Pledge Agreement:

The Company entered a Guaranty Agreement and a Pledge Agreement effective December 9, 2019, providing certain guarantees of repayment obligations of KEWA Financial Inc. and pledge

of assets as collateral for amounts drawn under a line of credit extended to KEWA Financial Inc. by PNC Bank, National Association.

Preferred Stock Purchase Agreement:

The Company and KEWA US Inc. entered into a Preferred Stock Purchase Agreement and an Assignment and Assumption Agreement effective September 14, 2020, with respect to certain preferred shares of Panasas, Inc., a Delaware corporation.

Shared Services Agreement:

The Company and KEWA Canada Inc. entered into a shared services agreement effective January 1, 2024, whereby the Company reimburses KEWA Canada for actual costs incurred by KEWA Canada for providing services for the benefit of the Company based on a schedule of shared costs, not to exceed a \$50,000 per month.

Office Building Acquisition:

On November 30, 2020, the Company acquired an office building in Lexington, KY. INIC leases office space in the building to various tenants, including two affiliates, Newbridge and Cumberland. A lease agreement with both Newbridge and Cumberland was entered on December 18, 2020 with a commencement date of January 1, 2021. Rent is paid to the Company on a monthly basis.

Shared Services Agreement:

On July 1, 2021, the Company and NovaRisk entered a Shared Services Agreement (“SSA”). There are certain employees of NovaRisk who provide services for the benefit of both entities. As such, this SSA properly allocates certain costs with a monthly maximum allocation of \$80,000. Expenses recognized by the Company under the SSA during the year ended December 31, 2023, and 2022, were \$0 and \$62,171 respectively.

FIDELITY BOND AND OTHER INSURANCE

The Company was a named insured on a fidelity bond issued by Travelers Bond & Specialty Insurance. The Company has an aggregate amount of coverage of \$1 million with \$25,000 deductible during the policy period of August 14, 2023 to August 14, 2024. The Company maintained the minimum amount of fidelity bond coverage recommended by the NAIC.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no employees. All personnel are employees of either KEWA US Inc. or KEWA Canada Inc.; therefore, the Company does not provide any defined benefit or contribution plans, multiemployer plans, or post-retirement plans.

TERRITORY AND PLAN OF OPERATION

The Company was authorized to write surety insurance in forty-nine (49) jurisdictions and the District of Columbia. The Company wrote surety insurance products through independent agents in states the Company was licensed. Beginning in 2021, the Company began writing Umbrella and Excess Liability coverages from the Jupiter Underwriting Group. The Company primarily writes business in the states of Alabama, Arizona, Colorado, Delaware, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, New Mexico, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, West Virginia, and Wyoming. In 2019, the Company wrote 83% of gross premiums earned as coal reclamation bonds and the remaining as oil and gas surety bonds and a small amount of other surety bonds. By 2023, the Company wrote 52.4% coal reclamation bonds, 7.3% oil and gas surety bonds, 15% other surety bonds, and 25.3% commercial umbrella and excess liability.

As of December 31, 2023, the Company wrote \$104,280,313 in direct written premium of which 13% was written in West Virginia, 11% was written in Pennsylvania, and 10% was written in Illinois.

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.

	2023	2022	2021	2020	2019
Total admitted assets	\$335,960,752	\$299,531,794	\$268,288,843	\$219,401,355	\$169,254,544
Total liabilities	221,713,445	199,017,189	181,464,035	146,272,948	93,915,866
Total capital and surplus	114,247,307	100,514,605	86,824,808	73,128,407	75,338,678
Change in Capital & Surplus	13,732,702	13,689,797	13,696,401	(2,210,269)	2,799,852
Direct Premiums Written	\$104,280,000	\$68,780,000	\$61,635,000	\$56,718,000	\$37,959,000
Premiums Earned	\$87,240,000	\$64,287,000	\$60,997,000	\$47,884,000	\$32,682,000
Net Operating Gain (loss)	17,245,000	18,078,000	16,840,000	129,000	5,614,000
Net Income (loss)	13,112,000	18,498,000	17,119,000	328,000	7,885,000

REINSURANCE

Reinsurance Intermediary

The Company employs AON RE as their reinsurance intermediary through which they typically utilize 12 month excess of loss contracts with various Lloyd's syndicates as well as other unauthorized non-U.S. insurers for the surety treaty and utilizes a quota share treaty for the excess casualty program.

Assumed

The Company assumes reinsurance on a limited basis for the surety line. Given the limited nature, reporting is provided as risks are bound.

Ceded

Effective November 1, 2021, the Company entered into a reinsurance agreement for its surety bonds, which provided two layers of reinsurance coverage aggregating to \$23,000,000 of coverage in excess of \$7,000,000, per loss occurrence, per bond. Effective November 1, 2022, the Company restructured this reinsurance agreement to provide two layers of coverage aggregating to \$22,000,000 of coverage in excess of \$8,000,000, per loss occurrence, per bond. Effective November 1, 2023, the Company discontinued the provisions of the per bond reinsurance agreement.

Effective November 1, 2021, the Company entered into a reinsurance agreement for its surety bonds, which provided three layers of reinsurance coverage aggregating to \$40,000,000 of coverage in excess of \$10,000,000, per loss occurrence, per principal. The agreement also provided an additional \$10,000,000 layer on the per bond coverage referenced above, which resulted in coverage aggregating to \$30,000,000, per loss occurrence, per bond. Effective November 1, 2022, the Company restructured this reinsurance agreement to provide four layers of reinsurance coverage aggregating to \$50,000,000 of coverage in excess of \$10,000,000, per loss occurrence, per principal. This agreement also included the \$10,000,000 layer on the per bond coverage to provide coverage aggregating to \$30,000,000, per loss occurrence, per bond. Effective November 1, 2023, the Company entered into a new per principal reinsurance agreement with coverage consistent with the expiring treaty. The per bond layer was discontinued with the 2023 renewal. The Company generally holds collateral in varying amounts that would be accessible to the Company in the event of a loss.

The Company's reinsurance agreements include a provision to allow the Company to commute the agreement and receive a specified percentage of returned reinsurance premium, under the condition that no claims are filed under the agreement. The Company entered into a commutation agreement during 2023 and 2022 and realized a benefit of \$1,417,729 and \$1,200,130 as of December 31, 2023 and 2022, respectively. The amount was recorded as an adjustment to ceded premiums.

Treaty Layer in place November 1, 2023 to October 31, 2024		
Per Principal Retention	\$0	\$10,000,000
First Layer	\$10,000,000	\$20,000,000
Second Layer	\$20,000,000	\$30,000,000
Third Layer	\$30,000,000	\$60,000,000

Effective May 1, 2021, the Company entered into a reinsurance contract for its self-insured workers' compensation surety bonds, which provides coverage up to \$38,000,000 ultimate net loss, per principal, in excess of \$5,000,000. Effective May 1, 2022, the Company restructured this reinsurance agreement to provide coverage up to \$34,000,000 ultimate net loss, per principal, in

excess of \$7,000,000. Effective May 1, 2023, the Company restructured this reinsurance agreement to provide coverage up to \$32,500,000 ultimate net loss, per principal, in excess of \$8,500,000. Under this reinsurance contract, the Company is required to fund for losses that are subject to the annual aggregate deductible of \$32,500,000 and \$34,000,000 as of December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, the Company had funded these amounts by collecting \$59,999,443 of cash from the principal and through certain equity securities held by the principal. In 2019, the principal posted a \$25,000,000 letter of credit with a bank, which was converted to cash during 2020. The cash collected is recorded as cash and invested assets and as amounts withheld or retained by company for others on the statutory statement of admitted assets, liabilities, and capital and surplus.

Treaty Year	LOB	INIC Retention	Agg Limit	Reinsurers
5/1/2019 - 4/30/2020	Surety	\$5,000,000	\$40,000,000	Lloyd's syndicates
5/1/2020 - 4/30/2021	Surety	\$5,000,000	\$38,000,000	Lloyd's syndicates
5/1/2021 - 4/30/2022	Surety	\$5,000,000	\$38,000,000	Lloyd's syndicates
5/1/2022 - 4/30/2023	Surety	\$7,000,000	\$34,000,000	Lloyd's syndicates
5/1/2023 - 7/31/2024	Surety	\$8,500,000	\$32,500,000	Lloyd's syndicates

Effective November 1, 2020, the Company entered into a quota share reinsurance agreement for its new commercial umbrella and excess liability program. The agreement provided coverage for up to \$4,000,000 of ultimate net loss each occurrence and in the aggregate. INIC's retention was 37.5%. Effective November 1, 2021, the Company restructured its quota share reinsurance agreement to increase retention to 53.1 percent of the ultimate net loss allocable to the first \$4,000,000 per occurrence and in the aggregate. Effective November 1, 2022, the Company restructured its reinsurance agreement to decrease the retention to 42.5 percent of the ultimate net loss allocable to the first \$5,000,000 per occurrence and in the aggregate. The Company extended the provisions of this agreement for the 12-month period beginning on November 1, 2023.

Excess Casualty in place November 1, 2023 to October 31, 2024	
Amount per occurrence/aggregate	Quota Share Rate
\$5,000,000	42.50%

The Company remains liable to the extent that the reinsurance companies are unable to meet their obligations.

ACCOUNTS AND RECORDS

The 2023 trial balance of the Company's accounts was traced to the balance sheet of the Company's statutory annual statement filed with the MID, with no exceptions noted. The Company was audited annually by an independent CPA firm.

The Company's accounting and records are maintained using electronic data processing with the exception of certain items entered manually into the general ledger. The Company maintains supporting documentation that was reviewed during the examination as applicable.

The Company was licensed as a multi-line property and casualty insurance company pursuant to Miss. Code Ann. § 83-19-31(b), which required the Company to maintain a minimum capital of \$600,000 and surplus of \$900,000. Pursuant to Miss. Code Ann. § 83-5-55, the Company was required to file an NAIC Property and Casualty Annual Statement. The Company was also required to file a risk-based capital (RBC) report pursuant to Miss. Code Ann. § 83-5-401 through § 83-5-427.

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 at December 31, 2023:

<u>Description of Security</u>	<u>State Deposited</u>	<u>Par Value</u>	<u>Fair Value</u>
Florida HSG Fin Corp ERV	Mississippi	\$ 75,000	\$ 75,135
Florida ST Brd Admin Fin	Mississippi	250,000	226,293
New York City Transitional	Mississippi	220,000	216,746
US Treasury Note	Mississippi	75,000	71,109
US Treasury Note	Mississippi	705,000	632,297
US Treasury Note	Mississippi	100,000	96,219
US Treasury Note	Mississippi	25,000	24,699
US Treasury Note	Mississippi	300,000	295,594
US Treasury Note	Mississippi	350,000	348,195
US Treasury Note	Mississippi	400,000	411,812
Total Held in Mississippi		<u>\$2,500,000</u>	<u>\$2,398,099</u>
US Treasury Note	Arkansas	\$ 250,000	\$ 229,062
US Treasury Note	Delaware	110,000	107,577
Puerto Rico Sales Tax Fing Corp	Georgia	64,000	39,930
US Treasury Note	Massachusetts	100,000	100,719
US Treasury Note	Nevada	300,000	293,391
US Treasury Note	New Mexico	650,000	634,207
US Treasury Note	North Carolina	200,000	206,562
US Treasury Note	Ohio	250,000	240,547
US Treasury Note	Oregon	370,000	372,557
US Treasury Note	Virginia	275,000	269,500
US Treasury Note	Washington	1,007,000	954,447
First Am Govt Obl	Washington	1,017	1,017
US Treasury Note	Wyoming	150,000	146,695
Total Held in All Other States or Jurisdictions		<u>\$ 3,727,017</u>	<u>\$ 3,596,211</u>
Total of All States and Jurisdictions		<u>\$ 5,160,000</u>	<u>\$ 5,996,184</u>

FINANCIAL STATEMENTS

Introduction

The financial statements consist of a Statement of Assets, Liabilities, Surplus and Other Funds as of December 31, 2023, a Statement of Income for the year ended December 31, 2023, and a Reconciliation of Capital and Surplus for the examination period ended December 31, 2023.

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, 2023.

**STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2023**

ASSETS

Bonds	\$209,000,896
Stocks:	
Preferred stocks	23,082,937
Common stocks	20,353,463
Mortgage loans on real estate:	
First liens	11,595,711
Real estate:	
Properties occupied by the company	3,766,859
Properties held for the production of income	2,139,178
Cash	34,757,353
Other invested assets	5,107,508
Receivables for securities	639,000
Aggregate write-ins for invested assets	129,434
Subtotals, cash and invested assets	310,482,340
Investment income due and accrued	1,997,464
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	18,434,367
Reinsurance:	
Funds held by or deposited with reinsured companies	1,061,841
Net deferred tax asset	3,770,146
Aggregate write-ins for other than invested assets	214,593
Total Assets	\$335,960,751

LIABILITIES, SURPLUS AND OTHER FUNDS

Losses	\$ 29,662,124
Loss adjustment expense	7,049,041
Commissions payable, contingent commissions and other similar charges	145,052
Other expenses	315,453
Taxes, licenses and fees	1,546,383
Current federal income taxes	1,975,731
Unearned premiums	47,085,342
Advanced premium	10,907
Ceded reinsurance premiums payable	1,246,169
Amounts withheld or retained by company for account of others	132,058,192
Provision for reinsurance	600,920
Aggregate write-ins for other liabilities	18,131
Total Liabilities	<u>\$221,713,445</u>
 Common capital stock	 \$ 4,200,000
Gross paid in and contributed surplus	68,945,502
Unassigned funds (surplus)	41,101,805
Surplus as regards policyholders	<u>\$114,247,307</u>
 Total liabilities and surplus	 <u><u>\$335,960,752</u></u>

STATEMENT OF INCOME FOR YEAR ENDED DECEMBER 31, 2023

Premiums	\$69,181,922
 Losses incurred	 6,924,778
Loss adjustment expenses incurred	1,718,415
Other underwriting expenses incurred	43,293,667
Total underwriting deductions	<u>51,936,860</u>
 Net underwriting gain (loss)	 17,245,062
 Net investment income earned	 10,017,635
Net realized capital gains (losses)	(7,796,919)
Net investment gain	<u>2,220,716</u>
 Aggregate write-ins for miscellaneous income	 1,164,075
Federal income taxes incurred	7,518,120
Net Income (Loss)	<u><u>\$13,111,733</u></u>

**RECONCILIATION OF CAPITAL AND SURPLUS
FOR EXAMINATION PERIOD ENDED DECEMBER 31, 2023**

	2023	2022	2021	2020	2019
Capital and Surplus, December 31, prior year	\$100,514,605	\$86,824,808	\$73,128,407	\$75,338,677	\$72,538,825
Net Income	13,111,733	18,497,876	17,118,599	327,596	7,884,725
Change in net unrealized capital gains (losses)	2,207,140	(2,682,168)	3,331,427	(3,523,118)	3,956,753
Change in net deferred income tax	2,342,319	93,185	229,262	814,057	129,074
Change in non-admitted assets	(3,327,570)	(2,219,096)	(1,982,887)	2,671,196	(7,170,700)
Change in provision for reinsurance	(600,920)	-	-	-	-
Transferred from surplus	-	-	1,200,000	-	-
Transferred to capital	-	-	(1,200,000)	-	-
Dividends to stockholders	-	-	(5,000,000)	(2,500,000)	(2,000,000)
Capital and Surplus, December 31, current year	\$114,247,307	\$100,514,605	\$86,824,808	\$73,128,407	\$75,338,677

RECONCILIATION OF EXAMINATION ADJUSTMENTS TO SURPLUS DECEMBER 31, 2023

As a result of this examination, there have been no changes made to the admitted assets, liabilities, and surplus balance reported by the Company in the December 31, 2023 annual statement as filed with the MID. The capital and surplus reported by the Company of \$114,247,307 is accepted as reasonably stated for purposes of the balance sheet per the examination.

COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 2023, the Company was not involved in any pending litigation matters arising during the normal course of business activities nor any proceeding which may have a material adverse effect on the surplus of the Company.

SUBSEQUENT EVENTS

There were no subsequent events meriting disclosure.

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:

Chief Examiner: Mark Cooley, CFE

Supervising Examiner: David Palmer, CFE

Supervising Examiner: Jessica Lynch, CFE

Examiner-in-Charge: Omar Akel, CFE

Examiner: Derek Petersen, CFE, MCM

Examiner: Alex Adams

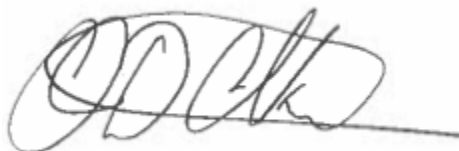
IT Examiner: Lori Shores, CISA

Exam Actuary: Robert Daniel, ACAS, MAAA

Exam Actuary: Mark Davenport, ACAS, MAAA

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

Respectfully submitted,



Examiner-in-charge



Chief Examiner