

**REPORT ON EXAMINATION AS TO THE CONDITION OF  
HIGH POINT PROPERTY AND CASUALTY INSURANCE COMPANY**

**WOODBIDGE, NJ 07095**

**AS OF DECEMBER 31, 2024**

**NAIC GROUP CODE 1227**

**NAIC COMPANY CODE 10930**



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**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE  
OFFICE OF SOLVENCY REGULATION  
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MIKIE SHERRILL  
*Governor*

DR. DALE G. CALDWELL  
*Lt. Governor*

SUSAN OCHS  
*Acting Commissioner*

May 19, 2026

Honorable Susan Ochs  
Acting Commissioner  
Department of Banking and Insurance  
State of New Jersey  
20 West State Street  
Trenton, New Jersey 08625-0325

Acting Commissioner:

In accordance with the authority vested in you by the Revised Statutes of New Jersey, a financial examination has been made of the financial condition and affairs of:

**HIGH POINT PROPERTY AND CASUALTY INSURANCE COMPANY**  
**581 MAIN STREET, SUITE 400**  
**WOODBIDGE, NJ 07095**  
**NAIC GROUP CODE 1227**  
**NAIC COMPANY CODE 10930**

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey and hereinafter referred to in this report as the "Company" or "HPC."

## **SCOPE OF EXAMINATION**

This risk-focused examination was called by the Commissioner of the New Jersey Department of Banking and Insurance (“Department”) pursuant to the authority granted by N.J.S.A. Section 17:23- 22.

The examination was made as of December 31, 2024, and addressed the five-year period from January 1, 2020, to December 31, 2024, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination. During this period, the Company reported admitted assets decreased by \$123,048,302 to \$251,277,707 from \$374,326,009, liabilities decreased by \$4,170,987 to \$22,083,972 from \$26,254,959, and capital and surplus decreased by \$118,877,315 to \$229,193,735 from \$348,071,050.

The examination was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners (“NAIC”) and prescribed by the current NAIC *Financial Condition Examiners Handbook* (the “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 as defined in the Handbook. This included assessing significant estimates made by management and evaluating management’s compliance with Statements of Statutory Accounting Principles (“SSAP”). The examination does not attest to the fair presentation of the financial statements included herein.

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.

The Certified Public Accounting firm of PricewaterhouseCoopers, LLP (“PwC”) provided an unqualified audit opinion on the fair presentation of the Company’s year-end financial statements based on Statutory Accounting Principles for the reporting year period ending December 31, 2024. Relevant work performed by PwC during its annual audit of the Company was reviewed during the examination and incorporated into the examination work papers whenever feasible to facilitate efficiencies. Certain PwC work papers were utilized in determining the scope and areas of emphasis in conducting the examination.

## **COMPLIANCE WITH PRIOR REPORT ON EXAMINATION RECOMMENDATIONS**

There were no comments and recommendations in the Company’s prior report on examination as of December 31, 2019.

## **HISTORY**

The Company was originally incorporated as The Prudential General Insurance Company of New Jersey (“PRUGEN-NJ”) under the laws of the State of New Jersey on February 27, 1998, and commenced business August 11, 1998. PRUGEN-NJ and The Prudential Commercial Insurance Company of New Jersey (“PRUCOM-NJ”) were formed as subsidiaries of The Prudential Property and Casualty Insurance Company of New Jersey (“PRUPAC-NJ”) for the purpose of writing specific New Jersey private passenger automobile risks.

PRUGEN-NJ was authorized to transact the business of property and casualty insurance as specified within

paragraphs “b” and “\*e” of N.J.S.A. 17:17- 1 et. seq. (\*Except that authority to write workers’ compensation and employers liability insurance is specifically excluded.)

Capitalization for the Company was accomplished through the issuance of 240 shares with a par value of \$5,000 to The Prudential Property and Casualty New Jersey Holdings, Inc.

On November 1, 2003, PRUPAC-NJ and its subsidiaries were sold to Palisades Safety and Insurance Association (the “Association” or “PSIA”). At that time, PRUGEN-NJ was renamed High Point Property and Casualty Insurance Company, and it was issued a new Certificate of Authority, authorizing HPC to transact the kinds of business specified in paragraphs “b” and “\*e” of N.J.S.A. 17:17-1 et. seq. (\*except that authority to write workers’ compensation and employers liability insurance is specifically excluded.) PRUCOM-NJ and PRUPAC-NJ were renamed High Point Safety and Insurance Company (“HPS”) and High Point Preferred Insurance Company (“HPP”), respectively, with HPS and HPC remaining wholly owned subsidiaries of HPP.

On November 29, 2004, the Company’s Certificate of Incorporation was amended to reflect the change of location of the principal office in the State of New Jersey to Red Bank, New Jersey. This amendment was approved by the New Jersey Deputy Attorney General on April 12, 2005, filed with the Monmouth County Clerk on August 16, 2005, and filed with the Department on August 16, 2005.

Effective January 1, 2011, the holding company group under PSIA was reorganized by PSIA contributing 100% of the issued and outstanding stock of HPP to HPC, resulting in HPC becoming a wholly owned subsidiary of PSIA, as well as ownership of HPS, Teachers Auto Insurance Company of New Jersey (“TAI”), and Twin Lights Insurance Company (“TLI”) transferring from HPP to HPC.

As a result of the 2011 restructuring moves, the Palisades Auto Group, an operating and reporting subgroup, was formed and comprised of PSIA, Palisades Insurance Company (“PIC”), HPC, HPS, TAI and TLI. The Palisades Auto Group’s operations are automobile insurance focused.

On March 29, 2016, the Company’s Certificate of Incorporation was amended to reflect an increase in capital stock. The common stock increased from \$1,200,000 (240 shares, par value \$5,000 per share) to \$2,800,000 (560 shares, par value \$5,000 per share) and additionally authorized the Company to transact the kinds of business specified in paragraph (a), (j), (k) and (l) of N.J.S.A. 17:17-1 et seq. The amendment was approved by the New Jersey Attorney General on July 11, 2016, filed with the Monmouth County Clerk on July 22, 2016, and filed with the Department on July 26, 2016.

On January 31, 2019, the Company’s Certificate of Incorporation was amended to reflect the change of location of the principal office in the State of New Jersey to Woodbridge, New Jersey. This amendment was approved by the New Jersey Deputy Attorney General on April 3, 2019, filed with the Middlesex County Clerk on April 18, 2019, and filed with the Department on April 18, 2019.

### **TERRITORY AND PLAN OF OPERATIONS**

HPC is a property and casualty stock insurance company licensed in the State of New Jersey and authorized to transact various property and casualty lines of business. As of December 31, 2024, the Company wrote private passenger automobile business in New Jersey only, primarily written through an independent agent channel. Business written by the Company is ceded to PSIA under the terms of a 100% Quota Share Reinsurance Agreement.

The Company does not have any employees. The Association’s Attorney-in-Fact, Plymouth Rock Management Company of New Jersey (“PRNJ”), provides underwriting, marketing, product management and other administrative services on behalf of the Company, as discussed in the “Inter-company Agreements” section of this

report. Investment services are contractually provided by SRB Corporation (“SRB”), an upstream affiliate of PRNJ. Custodial investment services are provided by The Northern Trust Company. Information technology services are provided by Shared Technology Services Group LLC, an affiliate of PRNJ.

The Company maintains its statutory home office and main administrative office where it conducts its business operations from at 581 Main Street, Suite 400, Woodbridge, NJ 07095-1144. This location furthermore serves as the primary location of the Company’s accounting books and records. The registered agent upon whom process may be served is the Company and may be contacted at 581 Main Street, Suite 400, Woodbridge, NJ 07095-1144.

## **REINSURANCE**

As of December 31, 2024, the Company and affiliates had the following reinsurance in effect:

### **Homeowner and Misc Property (excludes HPP New Jersey Business)**

#### **Per Risk Excess of Loss**

Policy Limit: \$4 million

Treaty Retention: \$3 million

Treaty Limit: 100% of \$1 million excess of \$3 million per risk with maximum of \$2 million per occurrence and \$4 million per year (NJ & New England combined)

### **Homeowner and Misc Property (Home excludes HPP New Jersey Business)**

#### **Facultative Per Risk Excess of Loss**

Policy Limit: Maximum limit offered

Treaty Retention: \$4 million

Treaty Limit: 100% of coverage A, B, C, D at a maximum of \$4 million in excess of \$4 million

### **Homeowner and Misc Property (HPP New Jersey Business)**

#### **Facultative Per Risk Excess of Loss**

Policy Limit: Maximum limit offered

Treaty Retention: \$2 million

Treaty Limit: 100% of coverage A, B, C, D in excess of \$2 million

### **Auto, Homeowner, and Misc Property**

#### **Catastrophe Excess of Loss - Internal Layer 1**

Treaty Retention: \$5 million per each group – Palisades Auto Group and High Point Home Group, as well as for insurance company affiliate groups of PRNJ

Treaty Retention, effective January 1, 2025: \$10 million per group

Treaty Limit: \$40 million less applicable retentions; PSIA assumed 45% of any loss in this layer as of December 31, 2024

#### **Catastrophe Excess of Loss - Internal Layer 2**

Treaty Retention: \$40 million

Treaty Limit: \$53 million excess of \$40 million; PSIA assumed 38.75% of any loss in this layer as of December 31, 2024

#### **Catastrophe Excess of Loss – Upper Layers**

Treaty Retention: \$93 million

Treaty Limit: \$847 million excess of \$93 million

### **Personal Umbrella**

#### **Quota Share**

Policy Limit: Maximum limit offered - \$5 million  
Treaty Retention: Either 10% of first \$1 million or 20% of entire loss  
Treaty Limit: Either 90% of the first \$1 million and 100% of the excess up to \$5 million or 80% of entire loss

**Commercial Auto Facultative Program**  
**Excess of Loss on Individual Ceded Risks**

Policy Limit: \$1.5 million  
Treaty Retention: \$500,000 up to \$1,000,000, varies by risk  
Treaty Limit: up to \$1 million excess of \$500,000 per risk

**Intercompany Reinsurance:**

Under the terms of a Quota Share Reinsurance Agreement, as amended, PSIA assumes all of the direct business, net of external reinsurance that inures to the benefit of the contract and involuntary pools and associations, written by Palisades Property and Casualty Insurance Company (“PPC”), PIC, HPC, HPP, TAI, TLI, and Rider Insurance Company (“Rider”), with the exception of: (i) PIC, wherein PSIA assumes 80% of PIC’s direct business written in the states of Connecticut and New York, net of external reinsurance that inures to the benefit of the contract and involuntary pools and associations; and (ii) homeowners business written by PPC and homeowners and personal umbrella business written by HPP. PSIA guarantees the collection of all external reinsurance.

HPC is additionally entered into a 100% Quota Share Reinsurance Agreement to cede any written renters insurance business to HPP.

**CORPORATE RECORDS**

The Company’s by-laws stipulate that the annual meeting of the stockholders shall be held at the time and at the place determined by the Board of Directors (the “Board”). The Board shall consist of not less than three or more than twelve Directors. Special meetings of the Directors may be held at any time or any place designated in the call of the meeting.

A review of the minutes of the Board meetings noted that all meetings were well attended. The Board minutes also indicated that the Company’s overall transactions and events were adequately supported and approved.

**MANAGEMENT AND CONTROL**

The business, property and affairs of the Company are managed by the President and the delegated officers under the guidance and direction of the Board.

The following were Directors of the Company as of December 31, 2024:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Adam E. Van Loon	Interim President and Interim CEO of PRNJ
Richard E. Eisenberg	Partner and Attorney, Eisenberg Tanchum & Levy LLP
Steven N. Klein	Partner and Managing Director, First Infrastructure, Inc.

Effective February 17, 2025, Stephen G. Kalinsky replaced Adam E. Van Loon on the Board of Directors.

The Company is required to comply with the provisions of N.J.S.A. 17:27A-4d(3), which states that “not less than one-third of the directors of a domestic insurer shall be persons who are not officers or employees of that insurer or of any entity controlling, controlled by, or under common control with, that insurer and who are not beneficial owners of a controlling interest in the voting securities of that insurer or any such entity.”

The Company was determined to be in compliance with the provisions of N.J.S.A. 17:27A-4d(3) as of the examination date, as the Board consists of three members of which two are considered outside directors.

Committees

The following Audit Committee Members were appointed and serving at December 31, 2024:

<u>Name</u>	<u>Position</u>
Richard D. Eisenberg	Independent Director ( <i>Chairman</i> )
Steven N. Klein	Independent Director

The Company is required to comply with the provisions of N.J.S.A. 17:27A-4d(4), which states that “the board of directors of a domestic insurer shall establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with, the insurer and who are not beneficial owners of a controlling interest in the voting securities of the insurer of any such entity. The committee shall be responsible for recommending the selection of independent certified public accountants, reviewing the insurer’s financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation, including bonuses or other special payments, of the principal officers.”

The Company was determined to be in compliance with the provisions of N.J.S.A. 17:27A-4d(4) as of the examination date, as the Audit Committee is comprised solely of two independent, outside directors who performed the functions indicated in this statute.

Officers

The officers of the Company perform duties as designated by the Company's bylaws with respect to the offices they hold, or as otherwise indicated by the Board of Directors. The president, treasurer, and secretary shall be elected annually by the directors at their first meeting following the annual meeting of the stockholders. Other officers, if any, may be elected by the Board of Directors at this meeting or at any other time. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required by law or by the by-laws to be executed, acknowledged, or verified by two or more officers. Any officer may be required by the directors to give bond for the faithful performance of his duties to the corporation in such amount and with such sureties as the directors may determine.

The following officers were elected and serving the Company at December 31, 2024:

<u>Name</u>	<u>Title</u>
Adam E. Van Loon	Interim Chairman of the Board and Interim President
Robert H. Easton	Secretary
Vito A. Nigro	Treasurer
Bonnie Banahan	Assistant Secretary

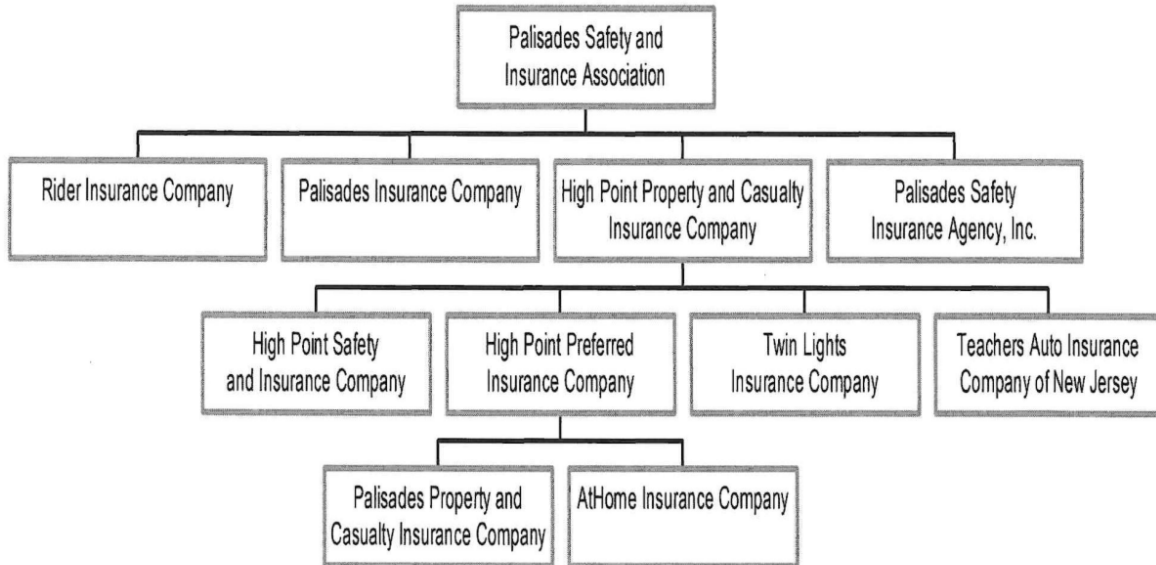
Effective February 17, 2025, Stephen G. Kalinsky replaced Adam E. Van Loon as President and Chairman of the Board.

N.J.S.A. 17:27A-4d(5) states, “The provisions of paragraphs (3) and (4) of this subsection d. shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors and committees thereof that substantially meet the requirements of those paragraphs.”

The Company satisfies the requirements of N.J.S.A. 17:27A-4d(5).

### **REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS**

The Company is subject to Insurance Holding Company Systems Act and is a member of an insurance holding company system as defined by N.J.S.A. 17:27A-1. A review of the holding company registration statement indicated that the Company was in compliance with N.J.S.A. 17:27A-3, Sections a-j, requiring registration of those insurers that qualify as determined by N.J.S.A. 17:27A-1. A holding company system organizational chart as of December 31, 2024 follows:



### **INTER-COMPANY AGREEMENTS / RELATED PARTY TRANSACTIONS**

#### **Inter-Company Agreements**

The Company was a named party to the following affiliated agreements at the examination date:

#### **Consolidated Federal Income Tax Liability Allocation Agreement:**

Effective November 1, 2003, the Company joined PSIA and affiliates in its consolidated tax agreement. Under the terms of this agreement, the amount of federal income taxes payable by each party to the agreement shall be equal to the amount of tax liability allocable to it as determined in accordance with the provisions of Treasury Regulation 1.1552-1(a)(2). The method of allocation among companies is subject to a written agreement effective November 1, 2003, which has been approved by the Department. Taxes are allocated based on the separate return calculations of each company, with current credit for net losses utilized as part of the consolidated return. Inter-company tax balances are settled quarterly through the payable to or receivable from accounts after the tax filing is made in October of each year.

#### **Services Agreement:**

The Company entered into a services agreement with PRNJ and PSIA on November 1, 2003. Under the terms of this agreement, PRNJ provides various administrative services to the Company in exchange for a management fee equal to 12.5% of written premium authorized by the Association and its subscribers. The services provided include payroll, accounting and tax preparation, human resources, voucher processing and bill payment, appointment and termination of general servicing agents, investigation and defense of claims, policy issuance and

administration, marketing development, and other services associated with the production and administration of policies of insurance. The fees paid by the Company to PRNJ are subject to SSAP No. 25 and are required to be paid on an arm's-length basis, and be fair and reasonable to the Company.

Operating Services Agreement:

Effective January 1, 2009, PSIA entered into an operating services agreement with affiliates. The operating services to be provided by PSIA on behalf of the affiliates, including the Company, include the following:

- Payment of claims arising from any HPC policy of insurance. The Company shall retain the ultimate responsibility for all adjustments and claims payments made on its behalf.
- Collection of premiums and payment of premium refunds on behalf of the Company, provided such premiums shall be held in a fiduciary capacity, and further provided that all such net premiums shall be accounted for, pursuant to accounting procedures approved by the Company.
- Payment of commissions, fees, assessments, governmental examination expenses, and other general and administrative expenses on behalf of the Company.
- Payment and collection of external reinsurance amounts on behalf of the Company, provided such amounts shall be held in fiduciary capacity, and further provided that all such amounts shall be accounted for, pursuant to accounting procedures approved by the Company.

There is no fee charged to any party subject to this Agreement. The Companies shall reimburse PSIA for actual costs and expenses paid by PSIA on behalf of the Companies and reimbursement will be within 45 days of the close of each quarter.

Limited Agency Agreement:

Effective January 1, 2009, HPP on behalf of itself and HPC, HPS, TAI, and, as of March 1, 2014, PIC (collectively "HP Insurance"), appointed High Point Brokerage Company, Inc. ("HP Broker") as their insurance agent. The agreement authorizes HP Broker to solicit, accept and bind risk in respect to private passenger automobile and umbrella policies written and serviced as new and renewal business. It also authorizes HP Broker to handle the production, servicing, and administration of certain private passenger automobile, umbrella and homeowner policies defined as "non-aligned" business, which are policies that are not assigned to a current or former broker with Prudential Insurance Agency, LLC. HP Broker must promptly notify HP Insurance in writing of all risks that have been written or bound and notify HP Insurance if HP Broker receives notice of any claims, suits or losses on these policies. Commissions are based on the commission rate in effect on the effective date of the policy, and commission refunds will be at the same rate originally paid.

Quota Share Reinsurance Agreements (Special Treaties):

Effective May 1, 2012, a 100% Quota Share Reinsurance Agreement (Special Treaty), as amended, was entered into by PSIA (Reinsurer) and PPC, PIC, HPC, HPP, TAI, and TLI. Rider was subsequently added to this agreement in 2019. Please see "Reinsurance" section of this report for additional details.

Effective March 1, 2017, HPP entered into a 100% quota share reinsurance agreement with PSIA, PIC, HPC and TAI to assume renters policies written or renewed by the ceding companies on or after the effective date of this agreement. Please see "Reinsurance" section of this report for additional details.

Investment Services Agreement:

Effective November 1, 2003, the Company entered into an investment services agreement with SRB, an affiliate of PRNJ, to provide a broad spectrum of investment services, including development of investment objectives, development of investment policies and guidelines, selection of investment managers, investment and management of assets, measurement and evaluation of investment performance, accounting oversight, cash management of banking relationships, creation and management of a custodial relationship, administrative support, and investment

advice.

Amended and Restated Intercompany Cash Management Agreement:

Effective January 1, 2022, the Company was added to the amended and restated intercompany cash management agreement by and among the Plymouth Rock Group of Companies that PRNJ is affiliated with, as approved by the Department on December 6, 2021. Under the terms of the agreement, each participating entity is permitted to borrow cash from SRB to cover short-term cash shortfalls or for other purposes and to lend certain excess cash to SRB for the purpose of earning interest.

Catastrophe Reinsurance (Affiliated):

Effective July 1, 2024, the Company entered into a retention layer catastrophe reinsurance agreement between affiliated companies and their subsidiaries. Please see “Reinsurance” section of this report for additional details.

Additional Related Party Transactions

In 2023, the Company received three dividends in the amounts of \$40,000,000, \$10,000,000, and \$2,600,000 from its subsidiaries, HPS, TAI, and TLI, respectively; and the Company paid a dividend in the amount of \$102,600,000 to its parent, PSIA. The Department approved these dividend requests on September 19, 2023.

In 2024, the Company made a capital contribution in the amount of \$2,000,000 to its subsidiary, TAI. The Department approved this capital contribution request on May 16, 2024.

**POLICY ON CONFLICT OF INTEREST**

On an annual basis the Company’s officers and directors attest to an affirmation of ethical standards and a disclosure of possible activities which could construe as a possible conflict of interest.

The examination team reviewed all Conflict of Interest statements executed by officers and directors for the period under examination, noting that there were no apparent or potential conflicts of interest.

**ACCOUNTS AND RECORDS**

The Company’s general ledger and financial reporting activities are handled through a cloud-based Software-as-a-Service (“SaaS”) platform.

For managing insurance premiums and policy administration, HPC utilizes a system supporting the end-to-end lifecycle of insurance policies, including issuance, premium calculation, renewals, and customer data management.

The Company’s loss and claims management function is supported by a system that facilitates the intake, adjudication, and resolution of insurance claims.

Investment activities of HPC are managed through a SaaS-based investment and fund management platform, enabling oversight of HPC’s investment portfolio and offering tools for accounting, performance tracking, and regulatory reporting.

**CONTINUITY OF OPERATIONS**

The Company’s bylaws provide for the election of directors and the appointment of officers to fill any vacancies caused by death, resignation, disqualification, or removal by the Board. The Company has a disaster recovery plan that was reviewed in the course of the coordinated examination IT review. No material findings were noted.

**FINANCIAL STATEMENT EXHIBITS**

**Exhibit A:** Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2024..... 11

**Exhibit B:** Summary of Revenue and Expenses for the Five-Year Period ending December 31, 2024 ..... 12

**Exhibit C:** Capital and Surplus Account for the Five-Year Period ending December 31, 2024 ..... 13

**Exhibit A - Statement of Assets, Liabilities, Surplus and Other Funds at December 31, 2024**

<b>Admitted Assets</b>	<b>Current Examination at 12/31/2024</b>	<b>Balance per Company at 12/31/2024</b>	<b>Examination Change</b>	<b>Note Number</b>
Bonds	\$ 29,652,740	\$ 29,652,740	\$ -	1
Stocks:				
Common stocks	195,058,642	195,058,642	-	
Cash, cash equivalents and short-term investments	2,718,439	2,718,439	-	
Other invested assets	611,952	611,952	-	
Investment income due and accrued	337,849	337,849	-	
Premiums and considerations:			-	
Uncollected premiums and agents' balances in the course of collection	440,225	440,225	-	
Deferred premiums and agents' balances and installments booked but deferred and not yet due	19,072,204	19,072,204	-	
Receivables from parent, subsidiaries and affiliates	3,385,656	3,385,656	-	
	<b>\$ 251,277,707</b>	<b>\$ 251,277,707</b>	<b>\$ -</b>	
<b>Liabilities</b>				
Current federal and foreign income taxes	\$ 542,447	\$ 542,447	\$ -	
Net deferred tax liability	1,434,217	1,434,217	-	
Advance premium	1,137,741	1,137,741	-	
Ceded reinsurance premiums payable	18,969,567	18,969,567	-	
	<b>22,083,972</b>	<b>22,083,972</b>	<b>-</b>	
<b>Surplus and Other Funds</b>				
Common capital stock	\$ 2,800,000	\$ 2,800,000	\$ -	2
Gross paid in and contributed surplus	238,528,564	238,528,564	-	2
Unassigned funds (surplus)	(12,134,829)	(12,134,829)	-	2
	<b>229,193,735</b>	<b>229,193,735</b>	<b>-</b>	
Total liabilities and surplus as regards policyholders	<b>\$ 251,277,707</b>	<b>\$ 251,277,707</b>	<b>\$ -</b>	

## **Exhibit B - Summary of Revenue and Expenses for the Five-Year Period Ending December 31, 2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Underwriting Income:</b>					
Premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deductions:</b>					
Total underwriting deductions	-	-	-	-	-
Net underwriting gain or (loss)	-	-	-	-	-
<b>Investment Income:</b>					
Net investment income earned	2,389,496	3,071,162	1,557,355	54,230,992	1,817,099
Net realized capital gains (losses) less capital gains tax	866,969	2,419,628	(291,139)	7,323,855	(1,807,430)
Net investment gain (loss)	<u>3,256,465</u>	<u>5,490,790</u>	<u>1,266,216</u>	<u>61,554,847</u>	<u>9,669</u>
<b>Other Income:</b>					
Aggregate write-ins for miscellaneous income	(14,915)	(10,746)	-	65,011	(5,043)
Total other income	<u>(14,915)</u>	<u>(10,746)</u>	<u>-</u>	<u>65,011</u>	<u>(5,043)</u>
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	3,241,550	5,480,044	1,266,216	61,619,858	4,626
Dividends to policyholders	4,174,286	-	-	-	-
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(932,736)	5,480,044	1,266,216	61,619,858	4,626
Federal and foreign income taxes incurred	(580,856)	515,615	366,888	335,955	1,017,264
Net income (loss)	<u>\$ (351,880)</u>	<u>\$ 4,964,429</u>	<u>\$ 899,328</u>	<u>\$ 61,283,903</u>	<u>\$ (1,012,638)</u>

**Exhibit C - Capital and Surplus Account for the Five-Year Period Ending December 31, 2024**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Surplus as regards policyholders, December 31 prior year	\$ 348,071,050	\$ 344,600,901	\$ 374,094,774	\$ 330,569,843	\$ 229,305,797
Net income	(351,880)	4,964,429	899,328	61,283,903	(1,012,638)
Change in net unrealized capital gains or (losses) less					
capital gains tax	(2,544,560)	24,478,168	(44,962,179)	(61,959,691)	94,464
Change in net deferred income tax	(8,545)	(87,731)	9,334	(50,148)	593,435
Change in nonadmitted assets	(565,164)	139,007	528,587	345,846	212,678
Dividends to stockholders	-	-	-	(102,600,000)	-
Aggregate write-ins for gains and losses in surplus	-	-	-	1,716,043	-
Change in surplus as regards policyholders for the year	<u>(3,470,149)</u>	<u>29,493,873</u>	<u>(43,524,930)</u>	<u>(101,264,047)</u>	<u>(112,061)</u>
Surplus as regards policyholders, December 31 current year	<u>\$ 344,600,901</u>	<u>\$ 374,094,774</u>	<u>\$ 330,569,843</u>	<u>\$ 229,305,797</u>	<u>\$ 229,193,735</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

There were no changes made to the assets, liabilities or surplus balances reported by the Company for the year ended December 31, 2024. The surplus as regards policyholders, which totaled \$229,193,735 as of the examination date, was determined to be reasonably stated and in compliance with N.J.S.A. 17:17-1 et seq.

### **Note 1 – Bonds**

At December 31, 2024, a bond reported by the Company with a book value totaling \$147,602 and fair value of \$144,401 was on deposit with and subject to the Department's control, in accordance with N.J.S.A. 17:20-1c.

### **Note 2 – Capital and Surplus**

The Company reported total capital and surplus in the amount of \$229,193,735 at December 31, 2024, as summarized:

The Company has 560 shares of \$5,000 par value of common stock authorized, issued and outstanding at December 31, 2024 and totaling \$2,800,000. Common stock of the Company is 100% owned by PSIA.

At December 31, 2024, the Company had gross paid in and contributed surplus of \$238,528,564.

At December 31, 2024, the Company had unassigned funds (surplus) of \$(12,134,829).

The Company was determined to be in compliance with the minimum capital and surplus requirements of the State of New Jersey at December 31, 2024.

### **SUMMARY OF EXAMINATION RECOMMENDATIONS**

There were no comments and/or recommendations deemed necessary for purposes of this examination report.

### **SUBSEQUENT EVENTS**

Effective February 17, 2025, Stephen G. Kalinsky replaced Adam E. Van Loon as President and Chairman of the Board and as a member of the Board of Directors.

**CONCLUSION**

The examination of High Point Property and Casualty Insurance Company as of December 31, 2024, was conducted under the supervision of the State of New Jersey, Department of Banking and Insurance, by the undersigned.

The courteous assistance and cooperation extended during the course of the examination by management of the Company and members of the staff are hereby acknowledged.

Respectfully submitted,



---

Andy Jennings, CFE, ARM  
Examiner-In-Charge  
Risk & Regulatory Consulting, LLC  
Representing the New Jersey Department of Banking and Insurance

Under the Supervision of,



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Nancy Lee Chice, CFE  
CFE Reviewer, Supervising Examiner  
New Jersey Department of Banking and Insurance

**AFFIDAVIT**

I, Andy Jennings, do solemnly swear that the foregoing report of examination is hereby represented to be a full and true statement of the condition and affairs of High Point Property and Casualty Insurance Company as of December 31, 2024 to the best of my information, knowledge and belief.

Respectfully submitted,



Andy Jennings, CFE, ARM  
Examiner-In-Charge  
Risk & Regulatory Consulting, LLC

Under the supervision of,



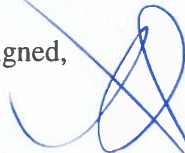
Nancy Lee Chice, CFE  
CFE Reviewer, Supervising Examiner  
New Jersey Department of Banking and Insurance

State of New Jersey  
County of Mercer

Subscribed and sworn to before me,  
On this 20th day of May, 2026



Signed,



Notary Public of the State of New Jersey  
My commission expires on:

