

**REPORT ON EXAMINATION AS TO THE CONDITION OF  
INTERNATIONAL FIDELITY INSURANCE COMPANY**

**NEWARK, NEW JERSEY 07102-5207**

**AS OF DECEMBER 31, 2024**

**NAIC GROUP CODE 225**

**NAIC COMPANY CODE 11592**

FILED

May 19, 2026

Commissioner

New Jersey Department

Of

Banking and Insurance

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**State of New Jersey**

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF SOLVENCY REGULATION

PO BOX 325

TRENTON, NJ 08625-0325

TEL (609) 292-7272

FAX (609) 292-6765

MIKIE SHERRILL  
*Governor*

DR. DALE G. CALDWELL  
*Lt. Governor*

SUSAN OCHS  
*Acting Commissioner*

April 28, 2026

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

Acting Commissioner:

A financial examination has been made of the condition and affairs of the:

**International Fidelity Insurance Company**

**One Newark Center**

**Newark, New Jersey 07102-5207**

**NAIC Group Code 225**

**NAIC Company Code 11592**

a property and casualty insurance organization authorized to transact business in the State of New Jersey and hereinafter referred to in this report as the "Company" or "IFIC."

## **SCOPE OF EXAMINATION**

The New Jersey Commissioner of Banking and Insurance called this examination in compliance with the requirements of N.J.S.A. 17:23-22. The examination was a full-scope comprehensive examination.

The examination was conducted using the risk-focused examination approach and addressed the five-year period from December 31, 2019, the date of the last financial condition examination, to December 31, 2024.

The conduct of the examination was governed in accordance with the procedures of the National Association of Insurance Commissioners (“NAIC”) and followed regulatory procedures prescribed or permitted by the New Jersey Department of Banking and Insurance (“NJDOBI”). The scope of this examination focused on certain specific key risk areas as determined by a risk assessment analysis through the use of control testing. Risks were assessed based upon its impact to the Company’s financial condition and its future results. An assessment of the Company’s management, corporate governance and information systems was utilized to identify, control, assess and manage its business and financial reporting risks. The overall objectives of this examination are indicated below:

- Perform an examination utilizing business risk assessment activities, focusing examination procedures on those areas considered to have greater risk in order to identify significant operating issues and/or deviations from Statutory Accounting Practices that affect solvency assessment.
- Identify significant deviations from New Jersey insurance laws, regulations and NJDOBI directives.
- Conduct the examination in accordance with standards prescribed in the NAIC *Financial Condition Examiners Handbook*, NAIC Accreditation Standards and NJDOBI policy.
- Identify and report on significant operational and internal control deficiencies.
- Assess the governance structure, corporate culture and management processes in order to assess management’s (including Board of Directors) ability to identify, evaluate and control its business risks.
- Identify and report any prospective risks for continued monitoring and surveillance by the NJDOBI.

## **COMPLIANCE WITH PRIOR REPORT RECOMMENDATIONS**

### **Bonds and Stocks**

Recommendation: It is recommended by this examination that the Company comply with N.J.S.A. 17:24-1(g) and non-admit assets, which exceed the basket clause limits at year-end.

Compliance: The Company is in compliance with prior report recommendations.

## **HISTORY OF THE COMPANY**

The Company was organized and incorporated on December 27, 1904, under the laws of the State of New Jersey and commenced business on January 5, 1905. The Company was originally formed as a subsidiary of the Singer Sewing Company as its captive provider of fidelity coverage.

The Monmouth Insurance Company (“Monmouth”) was incorporated and licensed under the laws of New Jersey and in 1964 was merged with and into IFIC. Monmouth shareholders, many of whom were insurance agents, exchanged shares in Monmouth for IFIC shares. The Company became a writer of surety bail bonds and has expanded into other types of surety business over the years. In 2009, IFIC purchased the shares of The Chestnut Group, who in turn owns 100% of Allegheny Casualty Company (“ACC”), a surety insurance company. In 2015, IFIC Surety Group, Inc. was incorporated in the State of New Jersey to hold all of the stock in IFIC. On August 31, 2015, the owners of IFIC exchanged 100% ownership in IFIC for 100% ownership in IFIC Surety Group, Inc.

In 2018, TransGuard Insurance Company of American (“TGIA”), an Illinois-domiciled insurance company, purchased 100% of IFIC Surety Group, Inc., the former direct parent of IFIC. TGIA and IFIC are part of the IAT Insurance Group, Inc. (“IIG”), an insurance holding company. IAT Reinsurance Company Ltd. (“IAT”), a Cayman Island-based reinsurance company, owns the outstanding common stock of IIG. IAT is ultimately controlled by Goose Creek Capital, Inc., a Wyoming-based holding company. In 2019, IIG acquired 100% of TGIC and ACC from IFIC. IIG paid cash consideration of \$24,800,000, which was the statutory carrying value of ACC and unamortized goodwill as of December 31, 2018.

The Company has 1,000,000 shares of common stock authorized with a par value of \$3.60 per share for a total common stock of \$3,600,000. As of December 31, 2024, 715,775 shares are issued and outstanding. The Company has no preferred stock authorized, issued or outstanding. The Company holds 284,225 shares of treasury stock with a cost value of \$1,023,210. IFIC fully repaid its two surplus notes of \$6M and \$10M in 2021 including interest. There are no surplus notes outstanding as of December 31, 2024.

The Company is authorized to transact the kind of business specified in paragraph “e” or “g” of N.J.S.A. 17:17-1. The Company’s main administrative office is located at One Newark Center, Newark, New Jersey 07102 and the registered agent upon whom process may be served is Sills, Cummins & Gross, Attn: Stephen S. Radin, Esq., One Riverfront Plaza, Newark, NJ 07102.

## **TERRITORY AND PLAN OF OPERATION**

The Company is authorized to write business in all 50 states including the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The Company provides a wide range of surety bonds including contract, commercial, bail, and subdivision. It also offers fidelity bonds in several states as secondary cover on commercial business written. The Company is an authorized surety in all federal courts and is treasury listed by the United States Treasury Department.

The Company generates business through the use of over 700 independent agents nationwide. Agents are granted powers of attorney with business written subject to underwriting approval or through a granted account line of authority. Marketing and underwriting strategies are generally developed by the home office located in Newark, New Jersey with the execution of marketing and underwriting strategies occurring through 19 field office networks located in the following areas:

Birmingham, Alabama	Baltimore, Maryland
Anaheim, California	Newark, New Jersey
Walnut Creek, California	Charlotte, North Carolina
Denver, Colorado	Columbus, Ohio
Avon, Connecticut	Philadelphia, Pennsylvania
Orlando, Florida	Dallas, Texas
Atlanta, Georgia	Houston, Texas
Chicago, Illinois	Seattle, Washington
St. Pete, Florida	Scottsdale, Arizona
Buffalo, New York	

In addition to the field offices listed above, the Company maintains claim and legal field offices throughout the country, which provide Company representations in specific areas. A list of these offices follows:

Anaheim, California	Newark, New Jersey
Chicago, Illinois	Dallas, Texas
Baltimore, Maryland	Seattle, Washington

IFIC has a managing general agent agreement with AIA Holdings, Inc. (“AIA”) to manage and process the Company’s bail business.

### **REINSURANCE AND RETENTION**

The Company’s ceded reinsurance agreements provide the Company with increased capacity to write larger risks and maintain its exposure to losses within its capital resources. The Company remains obligated for amounts ceded in the event that the reinsurers do not meet their obligations. Assumed premiums from ACC are subject to the Company’s reinsurance ceded agreements.

The Company cedes contract and commercial surety (excluding bail bonds) through an excess of loss reinsurance contract. Under the contract, effective January 1, 2019, and terms amended as of January 1, 2024, business is ceded and accepted by the reinsurers as follows:

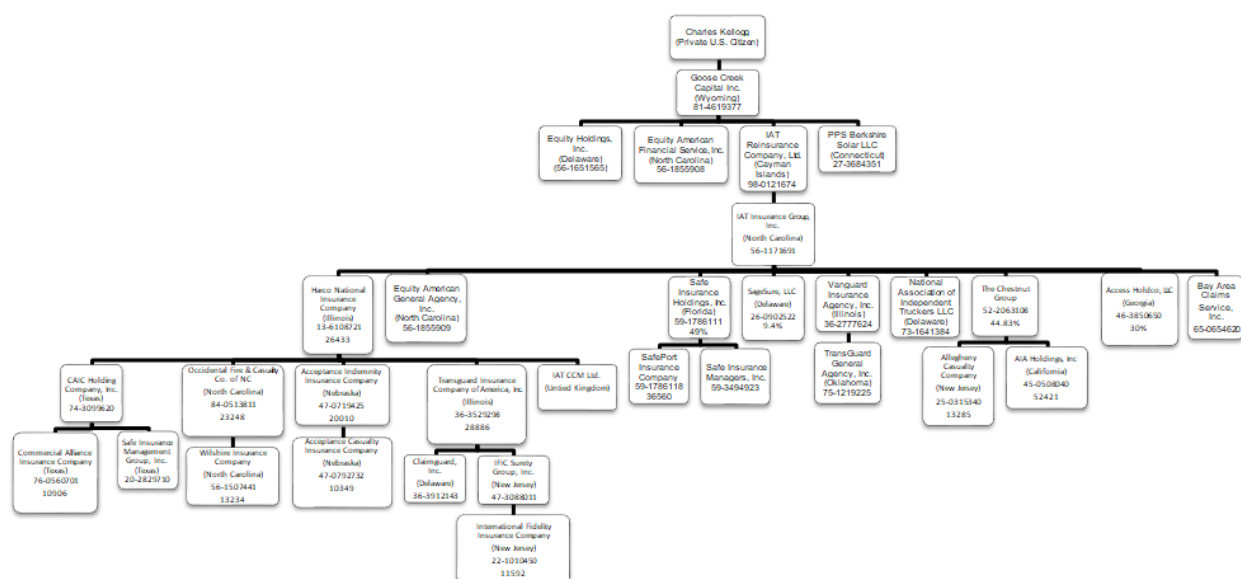
	<b>First Excess</b>	<b>Second Excess</b>	<b>Third Excess</b>
Company's Retention	\$3,000,000	\$15,000,000	\$30,000,000
Reinsurer's Per Principal Limit	\$12,000,000	\$15,000,000	\$10,000,000
Reinsurer's Aggregate Limit	\$36,000,000	\$30,000,000	\$20,000,000
Annual Minimum Premium	\$4,017,000	\$846,000	\$282,000

Premium Rate	3.275%	0.690%	0.230%
Annual Deposit Premium	\$4,253,000	\$896,000	\$298,000
Quarterly Deposit Premium	\$1,063,250	\$224,000	\$74,500

The Company cedes contract and commercial surety (excluding bail bonds) through a variable quota share reinsurance contract. Under the contract, effective January 1, 2019, business is ceded and accepted by an unaffiliated reinsurer. This agreement was not renewed in 2023 and 2024 but will remain in effect as long as there are covered bonds outstanding.

### **HOLDING COMPANY SYSTEM**

The Company is a member of a holding company system as defined within N.J.S.A. 17:27A. The following is a summarized organizational chart as of December 31, 2024:



The Company has entered into a number of affiliated agreements as described below:

- Effective January 1, 2020, the Company entered into an expense sharing agreement with its affiliate, Harco National Insurance Company (“Harco”). The agreement requires the equitable allocation of certain joint expenses amongst the two companies. The Company incurred \$1,673,498 of expenses from its affiliate.
- Effective January 1, 2010, IFIC and ACC entered into a 100% quota share agreement wherein ACC cedes certain specialty surety bond coverage to IFIC. ACC ceded \$31,000 in premiums to IFIC under this treaty in 2024.
- Effective October 1, 2018, the Company entered into a tax allocation agreement by and among IAT and its subsidiaries. The provision for federal income tax is computed as if the insurance companies were filing a separate income tax return. Benefits, which arise from

tax credits and net operating losses, are allocated to the company producing such results to the extent they are utilized in the consolidated income tax provision.

- Effective January 1, 2019, IFIC and ACC entered into a bail bond quota share reinsurance agreement wherein 100% of the bail bond business in force and subsequently written by IFIC is ceded to ACC. IFIC ceded \$51,000 in premiums to ACC under this treaty in 2024.
- Effective January 1, 2019, IFIC and Harco entered into a large bond quota share reinsurance agreement wherein IFIC cedes 100% of all bonds issued in excess of IFIC's underwriting limit as published by the U.S. Treasury, to Harco. IFIC ceded \$201,000 in premiums to Harco under this treaty in 2024.
- Effective January 1, 2021, the multi-cedent reinsurance allocation agreement was amended to add IFIC. The agreement now includes OF&C, Wilshire, AIIC, ACIC, Harco, TransGuard, SafePort, CAIC and IFIC. The agreement provides a mechanism to determine participation levels among companies when multiple companies are cedents in a reinsurance agreement with an external reinsurer. During 2024, the following premium cessions occurred relating to multi-cedent reinsurance contracts with external reinsurers: Harco - \$10,793,000, SafePort - \$1,477,000 and IFIC - \$258,000.

### **CORPORATE RECORDS**

The Bylaws stipulate the Board of Directors ("Board") manage the business and affairs of the Company. Elected Directors shall hold office until the next annual meeting of stockholders and until their successors have been elected and qualified. A majority of the entire Board shall constitute a quorum. A review of the corporate minutes indicated the Board held annual meetings in accordance with the Bylaws, for the purpose of nominating officers and transacting business.

There were no changes to the Articles of Incorporation or the Bylaws during the examination period.

### **MANAGEMENT AND CONTROL**

The Bylaws stipulate an annual meeting of the shareholders shall be held at a place and time as determined by the Board. A majority of voting shareholders shall constitute a quorum. A review of the corporate minutes indicated the shareholders held annual meetings in accordance with the Bylaws, for the purpose of electing Board members and transacting business.

The duly elected members of the Board serving at December 31, 2024, were as follows:

<u>Name</u>	<u>Principal Occupation</u>
David G. Pirrung	President, IFIC and Chief Financial Officer, IAT
Todd E. Bateson	Executive Vice President, IAT
Michael D. Blinson	Corporate Secretary, IFIC and Senior Vice President, IAT
Kenneth C. Coon	Executive Vice President, IAT
William E. Cunningham, Jr.	Chief Executive Officer, IAT
Gregory M. Even	Executive Vice President and Chief Underwriting Officer, IAT

Alisa L. Miller

Executive Vice President and Chief Human Resources Officer, IAT

The Bylaws provide for the appointment of one or more committees, with each committee to consist of two or more directors of the Board. At December 31, 2024, the Company had one committee consisting of the following members:

Executive Committee

Bill Cunningham

David Purring

Todd Bateson

Michael Blinson

The executive committee serves as the investment and audit committee of the Company.

In accordance with the Bylaws, the Board held annual meetings for the purpose of nominating officers. The elected officers of the Company serving at December 31, 2024, were as follows:

David G. Pirrung	President
Michael F. Zurcher	Executive Vice President
Michael D. Blinson	Senior Vice President and Corporate Secretary
Gary R. Leuck	Senior Vice President
John M. Mruk	Treasurer
Adrian Oddi	Senior Vice President
Frank J. Tanzola, Jr.	Senior Vice President

N.J.S.A. 17:27A-4(d)3 and 4 are quoted as follows:

“(3) Not less than one-third of the directors of a domestic insurer, and not less than one-third of the members of each committee of the board of directors of any 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. At least one such person shall be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof.

(4) 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 or 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.”

IFIC Board of Directors consist solely of officers and employees of the Company or its Parent or affiliates. As such, the Companies are not in compliance with N.J.S.A. 17:27A-4(d)3 and 4.

Subsequently, effective January 1, 2026, IAT Group Inc. added independent Directors which make the Company comply with the aforementioned N.J.S.A. statutes.

### **POLICY OF CONFLICT OF INTEREST**

The Company has established a procedure for disclosure in advance of engaging in any activity or employment that poses any conflict of interest or apparent or potential conflict of interest.

On an annual basis, officers, directors and key employees are required to complete a conflict of interest statement. The Corporate Secretary directs the distribution of the annual conflict of interest statements. The Chief Human Resources Officer maintains oversight over employee compliance with the corporate ethics policies.

### **FIDELITY BOND AND OTHER INSURANCE COVERAGES**

The Company is a named insured in a Financial Institution Bond under its ultimate parent company, IAT Reinsurance Company, Ltd. The bond has an aggregate and single loss limit of \$3,000,000 for dishonesty. A deductible of \$50,000 applies to an individual loss.

The Company is included as an insured under the following policies issued to IAT Reinsurance Company Ltd and its subsidiaries as of December 31, 2024:

Property	Workers Compensation
General Liability	Umbrella
Employee Benefits Liability	International Package Policy
Business Auto	

### **EMPLOYEE WELFARE AND PENSION PLANS**

IAT Insurance Group, Inc. sponsors a defined contribution savings plan (401K plan) covering substantially all employees of the Company. Employees contribute up to 7% of salary to the plan subject to a 100% match by IAT Insurance Group, Inc. The Company's share of this savings plan expense was \$156,940 for 2024. The Company has no legal obligation for benefits under this plan.

In addition to paid time off and holidays, the following benefits are provided to employees of the companies, including IFIC, in the IAT group:

- Group medical
- Group dental
- Vision
- Short term disability
- Long term disability
- Other benefits (tuition assistance, charitable matching contribution, etc.)

## **ADVERTISING**

The Company maintains a website, [www.iatinsurancegroup.com](http://www.iatinsurancegroup.com), and uses various electronic forms of printed advertising. Advertising was reviewed and deemed to be in compliance with N.J.S.A.17:18-10.

## **TREATMENT OF POLICYHOLDERS**

The Company maintains records of written complaints and has procedures in place for the resolution of those complaints. As such, the Company is deemed to be in compliance with N.J.S.A. 17:29B-4(10).

## **CONTINUITY OF OPERATIONS**

The Company maintains a disaster recovery and business continuity program. The plan has processes required to restore critical systems and functions in the event of a disaster to continue its business operations whether at the home office or remotely.

The Company has made provisions for the succession of officers in its Bylaws.

## **ACCOUNTS AND RECORDS**

The Company utilizes the IBM iSeries as its book of record for new business and accounts receivable. The Company's IBM iSeries server infrastructure is located at the Company's home office data center in Newark, New Jersey.

The Company utilizes the general ledger and accounts payable system of its parent company and other entities within the IAT Insurance Group. From 2020-2021, the group used the Stone River general ledger and accounts payable system. In 2022, the group transitioned to the Workday general ledger and accounts payable system.

Investments are internally managed under investment guidelines established by the Company. Securities market value is obtained from ICE Pricing & Reference Data LLC and uploaded to the Company's investment system.

IFIC has a custodial or safekeeping agreement with U.S. Bank National Association, that does not have and shall contain satisfactory safeguards and controls to comply with the aforementioned NAIC models as well as N.J.S.A. 17:24-12; and N.J.S.A. 17B:20-7; which include, but are not limited to the following provisions requirements as quoted below:

“2. Custodial or safekeeping agreements with an agent, or clearing corporation meeting the requirements herein should contain satisfactory safeguards and controls, including but not limited to the provisions provided below. For the purpose of this guidance, an agent is a national bank, federal home loan bank, trust company or broker/dealer with an account in a clearing corporation, or a member of the Federal Reserve System. A clearing corporation is a corporation as defined in Article 8 of the Uniform Commercial Code that is organized for the purpose of effecting transactions in securities by computerized book-entry, including the Treasury/Reserve Automated

Debt Entry Securities System (TRADES) and Treasury Direct book entry securities systems, except those securities issued under the laws of a foreign country.

a. The custodian is obligated to indemnify the insurance company for any insurance company's loss of securities in the custodian's custody, except that, unless domiciliary state law, regulation or administrative action otherwise require a stricter standard, the custodian shall not be so obligated to the extent that such loss was caused by other than the negligence or dishonesty of the custodian.

c. In the event of a loss of the securities for which the custodian is obligated to indemnify the insurance company, the securities shall be promptly replaced or the value of the securities and the value of any loss of rights or privileges resulting from said loss of securities shall be promptly replaced.

The Company has its own programming group that maintains the administrative system for the Company that feed the IAT Insurance Group's general ledger and financial reporting system. The systems currently used at IAT Insurance Group are summarized below:

Underwriting Database – An internally-developed application to monitor performance (both financially and job specific) of its principals and contractors.

Lines of Credit – An internally-developed application that utilizes SharePoint to track bond dollar amounts that are granted to principals and contractors.

Bond Approval System – An internally-developed application used to track approvals greater than \$1,000,000.

Claims Workflow – The claim system that manages paperwork and claim files.

## **FINANCIAL STATEMENTS AND OTHER EXHIBITS**

Financial statements are presented in the following pages as listed below:

Exhibit A: Statement of Financial Position  
As of December 31, 2024

Exhibit B: Statement of Operating Results  
For the Four-Year Period Ending December 31, 2024

Exhibit C: Changes in Capital and Surplus  
For the Four-Year Period Ending December 31, 2024

International Fidelity Insurance Company  
Statement of Financial Position  
As of December 31, 2024

<u>ASSETS</u>	<u>Balance</u> <u>per Examination</u> <u>@ 12/31/24</u>	<u>Balance</u> <u>per Company</u> <u>@ 12/31/24</u>	<u>Examination</u> <u>Change</u>	<u>Note</u>
Bonds	\$ 122,344,136	\$ 122,344,136	\$ -	1
Preferred Stocks	2,334,255	2,334,255		1
Cash and Cash Equivalents	6,326,293	6,326,293		1
Subtotal Cash and Invested Assets	131,004,684	131,004,684	-	
Investment Income Due and Accrued	1,213,339	1,213,339		
Uncollected Premiums	877,285	877,285		
Amounts Recoverable from Reinsurers	(52,119)	(52,119)		
Receivables from Parent, Subsidiaries and Affiliates	13,086	13,086		
Aggregate Write-ins	165,395	165,395		
<b>Total Net Admitted Assets</b>	<b>\$ 133,221,670</b>	<b>\$ 133,221,670</b>	<b>\$ -</b>	
<u>LIABILITIES</u>				
Losses	\$ 507,825	\$ 507,825	\$ -	2
Reinsurance Payable	(386,000)	(386,000)		
Loss Adjustment Expenses	1,104,951	1,104,951		2
Commissions Payable	34,336	34,336		
Other Expenses	20,000	20,000		
Taxes, Licenses and Fees	18,065	18,065		
Current Federal and Foreign Income Taxes	635,630	635,630		
Net deferred tax liability	506,372	506,372		
Unearned Premiums	2,784,239	2,784,239		
Policyholders Dividends Declared and Unpaid	100,000	100,000		
Ceded Reinsurance Premiums Payable	179,000	179,000		
Funds Held by Company Under Reinsurance Treaties	1,000	1,000		
Amounts Withheld or Retained by Company	34,500,528	34,500,528		
Provision for Reinsurance	2,000	2,000		
Payable to Parent, Subsidiaries and Affiliates	6,796,071	6,796,071		
Aggregate write-ins for liabilities	2,549,851	2,549,851		
<b>Total Liabilities</b>	<b>\$ 49,353,868</b>	<b>\$ 49,353,868</b>	<b>\$ -</b>	
<u>CAPITAL AND SURPLUS</u>				
Common Capital Stock	\$ 3,600,000	\$ 3,600,000	\$ -	
Gross Paid-in and Contributed Surplus	375,000	375,000		
Unassigned Funds	85,847,382	85,847,382		
Less Treasury Stock, as Cost Shares Common	5,954,580	5,954,580		
<b>Surplus as Regards Policyholders</b>	<b>\$ 83,867,802</b>	<b>\$ 83,867,802</b>	<b>\$ -</b>	
<b>Total Liabilities, Capital and Surplus</b>	<b>\$ 133,221,670</b>	<b>\$ 133,221,670</b>	<b>\$ -</b>	

International Fidelity Insurance Company  
**Statement of Operating Results**  
For the Five-Year Period Ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>UNDERWRITING INCOME</u></b>					
Premiums Earned	\$ 5,388,840	\$ 7,695,472	\$ 13,307,435	\$ 30,079,253	\$ 56,951,068
Deductions:					
Losses Incurred	(60,055)	(451,302)	(1,767,164)	(2,517,559)	(3,701,001)
Loss Adjustment Expenses Incurred	(107,312)	(210,139)	(918,071)	(399,697)	3,659,932
Other Underwriting Expenses Incurred	4,500,637	5,294,460	7,911,697	12,833,777	27,415,138
Aggregate write-ins for underwriting deductions	-	68,611	545,238	-	-
Total Deductions	4,333,270	4,701,630	5,771,700	9,916,521	27,374,069
<b>Net Underwriting Gain or (Loss)</b>	<b>1,055,570</b>	<b>2,993,842</b>	<b>7,535,735</b>	<b>20,162,732</b>	<b>29,576,999</b>
<b><u>INVESTMENT INCOME</u></b>					
Net Investment Income Earned	5,382,421	5,183,839	5,671,166	6,735,958	6,624,643
Net Realized Capital Gains (Losses)	(1,497,561)	(2,318,496)	6,458,061	3,102,207	(2,509,408)
<b>Net Investment Gain or (Loss)</b>	<b>3,884,860</b>	<b>2,865,343</b>	<b>12,129,227</b>	<b>9,838,165</b>	<b>4,115,235</b>
<b><u>OTHER INCOME</u></b>					
Net Gain (Loss) from Agents' Balances Charged Off	(442,860)	(19,152)	12,569	(1,887)	(51,148)
Aggregate Write-ins for Misc. Income	2,148	-	-	26,056	366,705
<b>Total Other Income</b>	<b>(440,712)</b>	<b>(19,152)</b>	<b>12,569</b>	<b>24,169</b>	<b>315,557</b>
<b>Net Income Before Dividends to Policyholders, and Other Federal and Foreign Income Taxes</b>	<b>4,499,718</b>	<b>5,840,033</b>	<b>19,677,531</b>	<b>30,025,066</b>	<b>34,007,791</b>
Dividends to Policyholders	(115,028)	241,778	231,422	362,820	846,527
Federal and Foreign Income Taxes	1,391,682	1,108,436	(226,079)	5,279,668	7,156,644
<b>Net Income</b>	<b>\$ 3,223,064</b>	<b>\$ 4,489,819</b>	<b>\$ 19,672,188</b>	<b>\$ 24,382,578</b>	<b>\$ 26,004,620</b>

International Fidelity Insurance Company  
**Changes in Capital and Surplus**  
For the Five-Year Period Ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Capital and Surplus					
December 31, Previous Year	<u>\$ 88,373,806</u>	<u>\$ 82,159,858</u>	<u>\$ 146,624,592</u>	<u>\$ 135,195,403</u>	<u>\$ 108,481,555</u>
Net Income	3,223,064	4,489,819	19,672,188	24,382,578	26,004,620
Change in Net Unrealized Capital Gains or (Losses)	264,120	1,672,900	(10,063,954)	5,089,405	204,366
Change in Net Deferred Income Tax	44,570	(319,838)	(4,183,189)	1,563,143	(855,068)
Change in Non-admitted Assets	460,242	372,067	5,102,221	(3,690,337)	1,355,390
Change in Provision for Reinsurance	2,000	(1,000)	8,000	84,000	4,540
Change in Surplus Notes	-	-	-	(16,000,000)	-
Surplus Paid In	-	-	-	400	-
Dividend to Stockholders	<u>(8,500,000)</u>	<u>-</u>	<u>(75,000,000)</u>	<u>0</u>	<u>-</u>
<b>Total Adjustments</b>	<u>(7,729,068)</u>	<u>1,724,129</u>	<u>(84,136,922)</u>	<u>(12,953,389)</u>	<u>709,228</u>
<b>Net Change in Capital and Surplus for the Year</b>	(4,506,004)	6,213,948	(64,464,734)	11,429,189	26,713,848
Capital and Surplus					
December 31, Current Year	<u>\$ 83,867,802</u>	<u>\$ 88,373,806</u>	<u>\$ 82,159,858</u>	<u>\$ 146,624,592</u>	<u>\$ 135,195,403</u>

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 1 – Bonds, Preferred Stocks and Cash**

The Company reported an admitted asset for bonds, preferred stocks and cash of \$122,344,136, \$2,334,255 and \$6,326,293, respectively at December 31, 2024. These amounts will be accepted as stated by this examination.

### **Note 2 – Loss and Loss Adjustment Expense Reserves**

The Company reported net loss and loss adjustment expense reserves of \$1,612,776 at December 31, 2024. The lead state, the Illinois Department of Insurance, contracted Risk & Regulatory Consulting, LLC to review the group's loss reserves and actuarial liabilities including IFIC and the examination actuarial consultants determined the recorded amounts were reasonably stated.

## **SUMMARY OF EXAMINATION RECOMMENDATIONS**

### **Accounts and Records - Page 9:**

It is recommended that IFIC should amend its custodial agreements to comply with the provision requirements of the NAIC Models #295 and #298 and N.J.S.A. 17:24-12; and N.J.S.A. 17B:20-7.

**CONCLUSION**

The examination of the International Fidelity Insurance Company was conducted by the undersigned remotely from the Company's main administrative office.

The courteous cooperation extended to the examination staff by the officers and employees of the Company is acknowledged.

Respectfully submitted,



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Jan Pierre Santiago, CFE  
Examiner-in-Charge  
Representing the State of New Jersey  
INS Consultants, Inc.

Under the supervision of:




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

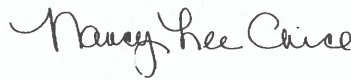
**AFFIDAVIT**

I, Jan Pierre Santiago, the undersigned, hereby certify that the foregoing Report of Examination accurately discloses, to the best of my knowledge, all material and relevant information related to the financial condition of International Fidelity Insurance Company in accordance with the NAIC *Financial Condition Examiners Handbook* and New Jersey State Regulations.

Respectfully submitted,

  
\_\_\_\_\_  
Jan Pierre Santiago, CFE  
Examiner-in-Charge  
Representing the State of New Jersey  
INS Consultants, Inc.

Under the supervision of:

  
\_\_\_\_\_  
Nancy 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, Margaret M. Greco, on this 29th day of April, 2026.

  
\_\_\_\_\_  
Notary Public of New Jersey

My commission expires: 3/17/29

