

**REPORT ON EXAMINATION AS TO THE CONDITION**

**MAPFRE INSURANCE COMPANY**

**FLORHAM PARK, NEW JERSEY 07932**

**AT DECEMBER 31, 2023**

**NAIC COMPANY CODE 23876**

**NAIC GROUP CODE 0411**



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**State of New Jersey**

**DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE  
OFFICE OF SOLVENCY REGULATION  
PO Box 325  
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*Commissioner*

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May 22, 2025

Honorable Justin Zimmerman  
Commissioner of Banking and Insurance  
State of New Jersey  
20 West State Street  
P.O. Box 325  
Trenton, NJ 08625-0325

Commissioner:

Pursuant to N.J.S.A. 17:23-20 to 26, an examination has been made of the conditions and affairs of the assets and liabilities, method of conducting business and other affairs of the:

**MAPFRE Insurance Company  
100 Campus Drive  
Florham Park, New Jersey 07932  
NAIC Company Code 23876**

a domestic property and casualty insurer authorized to exchange insurance contracts in the State of New Jersey. Hereinafter, MAPFRE Insurance Company, will be referred to as the "Company" or as "MIC."

## **SCOPE OF THE EXAMINATION**

The New Jersey Department of Banking and Insurance (“NJDOBI”) has performed a full scope risk focused examination of the Company. The examination covers the period of January 1, 2019, through December 31, 2023, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination. We participated in a coordinated multistate examination, with the state of Massachusetts serving as the lead state for the review process. The examination was conducted remotely.

The Company was last examined as of December 31, 2018.

The examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identification, and assessment of inherent risks within the company and evaluation of system controls and procedures used to mitigate those risks. An examination also includes assessment of inherent risks within the Company and evaluation of systems controls and procedures used to mitigate those risks. An examination also includes assessment of the principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation, management’s compliance with Statements of Statutory Accounting Principles (“SSAPs”) and the NAIC annual statement instructions as adopted by New Jersey law.

During the course of this examination, KPMG auditor work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination.

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. However, 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. In addition, a review was made of the following matters to develop an understanding of the Company’s operations and its conformity with the insurance laws of the various jurisdictions in which it operates:

Company History	Accounts and Records
Holding Company System	Continuity of Operations
Territory and Plan of Operations	Reinsurance
Corporate Records	Employee Welfare and Pension Plans
Management and Control	Treatment of Policyholders
Fidelity Bond and Other Insurance Coverages	Financial Statements and other Exhibits

## **COMPANY HISTORY**

The Company was incorporated under the laws of the State of California on February 21, 1985, as "The New Zealand Reinsurance Company of America" to serve as the corporate vehicle for the domestication of the United States Branch of The New Zealand Insurance Company Ltd. Business operations commenced on March 6, 1986.

On April 18, 1991, Chatham Holdings Inc., a Delaware general business corporation, purchased all of MIC's issued and outstanding capital stock. The Company's name was changed the following month to "English & American Insurance Corporation" on May 15, 1991 and then to "Chatham Reinsurance Corporation" on June 25, 1993.

On June 7, 2000, the Company was sold to MAPFRE Re, Compañía de Reaseguros, S.A. ("MAPFRE Re") a subsidiary of MAPFRE Group, the leading insurance entity in Spain. Following the transaction, the Company was renamed "MAPFRE Reinsurance Corporation" and was capitalized with an additional \$80 million from MAPFRE Re to increase capital to \$100 million. By written consent of the sole shareholder on November 21, 2001, and by resolution of the Board of Directors on the same date, the Company was authorized to re-domesticate (for the purpose of administrative and operational efficiency) from the State of California to the State of New Jersey. A transfer of \$700,000 was authorized on November 21, 2001, to be made from the paid-in and contributed surplus account to the common capital stock account. The transfer was made to meet State of New Jersey minimum capital requirements of \$4.2 million per N.J.S.A. 17:17-6.

In December 2003, the Company filed an application with the Office of Superintendent of Financial Institutions ("OSFI") to open a Canadian Branch. On November 15, 2004, the Company's application was approved, and a license limited to the business of reinsurance was granted by the OSFI.

The Company received capital contributions from MAPFRE Re in the amount of \$15,000,000 on February 24, 2003, and \$20,000,000 on April 27, 2004.

In September 2006, the Company received permission from the NJDOBI to make an extraordinary distribution of capital in the amount of \$111,965,715.

Effective May 23, 2007, the name of the Company was changed to "Mapfre Insurance Company" through an amendment to the Certificate of Incorporation dated May 10, 2007, which was filed with the NJDOBI on May 23, 2007. In addition, the Company received permission to make a second extraordinary distribution of capital of \$22,100,000.

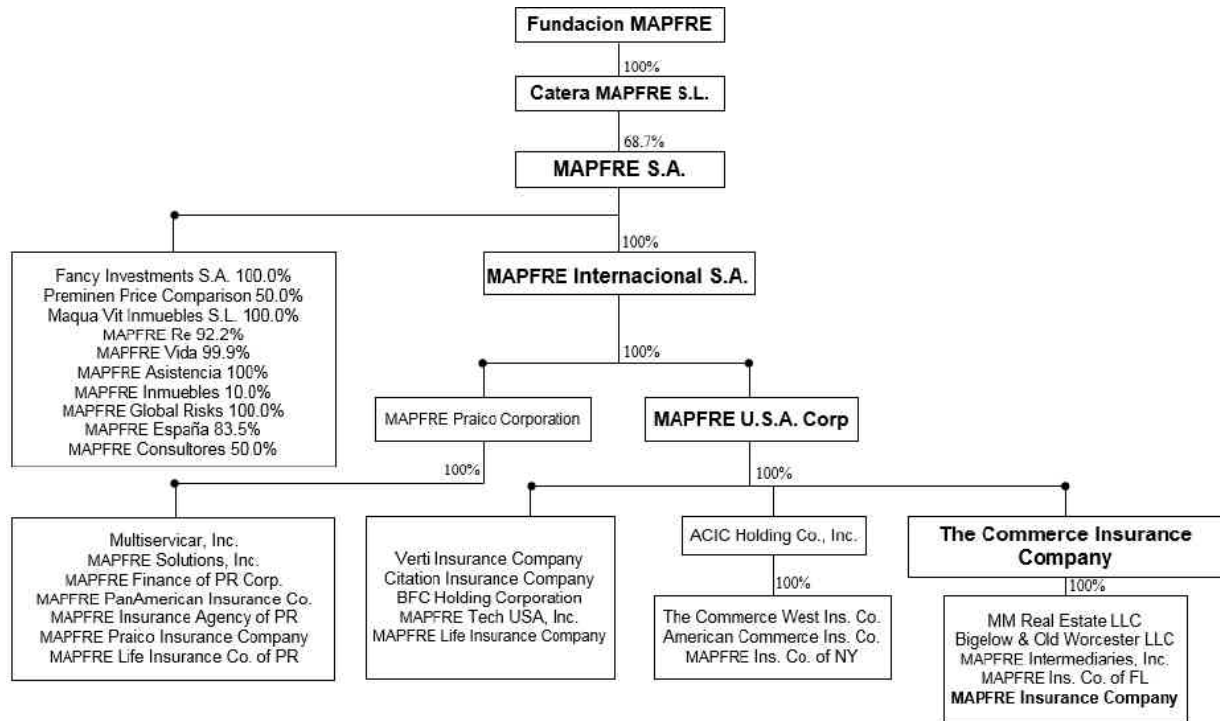
In July 2007, the Company was sold to MAPFRE U.S.A. Corp. ("MUSAC"), an affiliated Massachusetts holding company. On July 1, 2009, the Company was transferred to The Commerce Insurance Company ("CIC" or "Commerce"), a subsidiary of MUSAC, thus making MUSAC the Company's intermediate parent.

## **HOLDING COMPANY SYSTEM**

### **Affiliated Parties**

The Company is a member of a holding company system as defined under N.J.S.A. 17:27A-1 and is thus subject to registration requirements defined in N.J.S.A. 17:27A-3. MUSAC, the intermediate parent, has filed registration statements on behalf of its subsidiaries for all years of the examination period in compliance with the stated statute.

Below is an abridged organizational chart illustrating the interrelationship of the companies within the holding company system as of December 31, 2023. Bolded companies are the focus of the present examination showing the line of ownership down to MIC.



### **Inter-Company Agreements**

The Company is a party to the following inter-company agreements in force at December 31, 2023:

Seventh Amended and Restated Reinsurance Pooling Agreement

The Company and its insurance affiliates agree to share underwriting profit and losses in proportion to stated pool participation percentages. The pooling agreement permits all companies to rely on the capacity of the entire pool rather than on their own capital and surplus.

The pool participation percentages reflect the ratio of each subsidiary's policyholders' surplus (PHS) to the aggregate policyholders' surplus. The percentages follow:

- CIC 70.8%
- American Commerce Insurance Company 12.4%
- Citation Insurance Company 7.4%
- Commerce West Insurance Company 6.5%
- MIC 2.9%

Commerce, as the lead company, assumes the direct business of its affiliates. All external reinsurance, in the form of catastrophe, quota share, facultative and excess of loss contracts, is ceded to the external reinsurers by CIC under the terms of the reinsurance contracts. Commerce then cedes the net business after external reinsurance back to its affiliates at the stated pooled participation percentages.

#### Sixth Amended and Restated Management Cost Allocation Agreement

The agreement provides that the Company is charged or reimbursed for investment and non-investment related services rendered by the Company or its insurance affiliates. The following are the participating companies:

- CIC
- Citation Insurance Company
- American Commerce Insurance Company
- Commerce West Insurance Company
- Verti Insurance Company
- MAPFRE Insurance Company of New York
- MAPFRE Insurance Company of Florida
- MIC

Costs pertaining to investment related services are actual costs borne by the Company which, per the agreement, were determined to be the total rate of 15 basis points per annum times the investment balance at each regular calendar quarter. The non-investment related charges are costs borne by the Company and or its affiliates for functions supporting the affiliated companies. Loss adjustment expenses will be apportioned through studies in accordance with SSAP No. 70 which such studies shall be conducted no less than annually.

Expenses other than investment related expenses and loss adjustment expenses will be apportioned to each company based on its direct written premium relative to that of the other companies.

#### Management Cost Allocation Agreement

This agreement is between the Company, Commerce and MAPFRE Tepeyac S.A. (d.b.a. "MAPFRE Mexico"), a Mexico domiciled insurer and an indirect subsidiary of MAPFRE S.A. The agreement is effective as of January 1, 2014, and allows the parties to provide each other certain management services, including leasing of company space, filing of public documents, and legal and regulatory advice, among other similar support functions. Compensation is based on actual cost and expenses borne by the party providing the service, with the management fee based upon the recorded time spent by the personnel providing the management service.

#### Fifth Amended and Restated Tax Allocation Agreement

Participating companies listed below agree that each party, separate from the other parties, would prepare and file federal and state tax returns on a consolidated basis and allocate all tax liabilities as shown on such returns. The agreement applies to consolidated tax returns for year ending December 31, 2023, and to each taxable year thereafter until terminated by mutual agreement of the parties.

Participating companies:

- MUSAC
- CIC
- ACIC Holding Company, Inc.
- American Commerce Insurance Company
- Citation Insurance Company
- Commerce West Insurance Company
- BFC Holding Corporation
- Verti Insurance Company
- MAPFRE Intermediaries, Inc.
- MAPFRE Tech U.S.A., Inc.
- MAPFRE Insurance Company of Florida
- MIC

The liability of each affiliate in the group is calculated separately with benefit for losses, deductions and credits used in consolidation. Commerce is responsible for paying the consolidated liability on behalf of the affiliated group for all returns. MUSAC is designated as the agent of the group for the purpose of taking actions necessary in connection with the filing of the consolidated returns.

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

The Company is a New Jersey domestic property and casualty insurance company authorized to write the types of insurance specified in paragraphs "a" "b" "c" "d" "e" "f" "g" "h" "i" "j" "k" "l" "m" "n" and "o" of N.J.S.A. 17:17-1 and health insurance as defined in N.J.S.A. 17B:17-4. The ultimate parent, Fundacion MAPFRE, is a worldwide insurance holding company which, through its insurance



subsidiaries, writes a broad range of insurance products, including coverages for automobiles, homes, motorcycles, watercraft and businesses. MAPFRE, a leading name brand in Latin America, is a Spanish acronym which stands for "Mutualidad Agrupación Propietarios Fincas Rústicas de España." The English translation is "Rural Farm Owners Mutuality Grouping of Spain."

At December 31, 2023, in addition to New Jersey, the Company was licensed in thirty-two (32) states and the District of Columbia but only produced business in four states. Sixteen (16) of the states also grant the Company authority to write reinsurance.

### **CORPORATE RECORDS**

The by-laws stipulate that the Board shall meet immediately following the annual shareholders' meeting for the purpose of electing officers and conducting any other business that may come before the meeting. A quorum is reached when a majority of directors are present. There shall be at least four (4) regular meetings each year, once each calendar quarter. The Board may take any action without a meeting that may be required or permitted to be taken by the Board at a meeting if all members of the Board individually or collectively consent in writing to the action. The action of the written consent shall have the same effect as a unanimous vote of directors.

A review was made of the Board minutes and committee minutes for the period of examination. This examination determined that the minutes adequately approve and support the Company's transactions and events.

### **MANAGEMENT AND CONTROL**

The business and affairs of the Company are managed by the President and his delegated officers under the guidance of the Board of Directors (hereafter "the Board").

#### **Stockholders**

According to the Company's by-laws, stockholders are to have an annual meeting for the purpose of electing directors and for the transaction of such other proper business as may come before the meeting.

#### **Board of Directors**

The Company's by-laws specify that the Board shall not have less than three (3) nor more than the maximum number of directors allowed by law. The elected directors shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified or the shareholders have determined to elect no successor.

The duly elected members of the Board serving at December 31, 2023, were as follows:

<u>Name</u>	<u>Principal Occupation</u>
Jaime Tamayo (Chairman)	President, Chief Executive Officer MAPFRE U.S.A. Corp
Daniel P. Olohan	Executive VP, General Counsel MAPFRE U.S.A. Corp
Edward L. Timmes	Managing Director, Chief Executive Officer TCE Associates Consulting LLC

The Board's composition meets the prerequisites of N.J.S.A. 17:27A-4d, paragraph 3, which requires that at least one-third of the membership be made up of outside directors only.

### **Committees**

The Company's by-laws call for the establishment of one or more committees, with each committee to consist of three or more directors. Additionally, per the provisions of N.J.S.A. 17:27A-4d(4), a domestic insurer domiciled in the state of New Jersey is required to create one or more committees comprised solely of outside directors which are charged with "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."

However, in accordance with N.J.S.A. 17:27A-4d(5), the above statutory provisions shall not apply if the insurer is controlled by an entity that has one or more committees that substantially meet the requirements of paragraph (4). The Company has satisfied the requirements of these statutory provisions through its intermediate parent, MUSAC, which has established ten management committees. One of these committees is the Audit Committee, comprised solely of outside directors, which performs the designated responsibilities detailed in N.J.S.A. 17:27A-4d(5).

The following are members of the Audit committee as of December 31, 2023:

Edward Timmes (Chairman)  
Randall Becker  
Maureen Brundage

### **Officers**

The by-laws specify that the principal officers of the Company shall be a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, and a Treasurer. The Secretary and President

shall not be the same person. The by-laws also give power to the Board or the President to appoint such other officers as the Company may require.

The elected principal officers of the Company serving at December 31, 2023, were as follows:

**Jaime Tamayo**

President and Chief Executive Officer,  
Chairman of the Board

**Miguel Angel Coello Cetina**

Senior Vice President, Regional Director  
Western

**Jose Manuel Corral**

Executive Vice President, Chief Operating  
Officer

**Andrew D. Lough**

Senior Vice President, Controller

**Jose Luis Bernal Zuniga**

Chief Executive Officer, Verti Insurance  
Company and Head of MAPFRE U.S.A.  
Digital Business

**John M. Meciak, Jr.**

Senior Vice President,  
Chief Accounting Officer, Treasurer

**Jesus Amadori**

Executive Vice President, Chief Financial  
Officer

**Michael S. Sher**

Senior Vice President, Deputy General  
Counsel, Secretary

**Enrique Laso Sanz**

Executive Vice President, Information  
Technology

**Steven M. Shiner**

Senior Vice President, MAPFRE USA  
Operations

**Daniel P. Olohan**

Executive Vice President, General Counsel,  
Assistant Secretary

**Eric M. Trigilio**

Senior Vice President, Chief Investment  
Officer

**Ruben Santos Martin**

Executive Vice President, Chief Technical  
Officer

**Brian Hobson**

Vice President, Chief Risk Officer

**Jose Luis Velasquez Vigil**

Executive Vice President, Chief People  
Officer

**Andrea V. Zemaitis**

Senior Vice President, Business  
Development & Clients

**Sarah Clemens**

Senior Vice President, Product Strategy and  
Market Pricing

**David Cana Dominguez**

Vice President, Internal Audit

## **POLICY ON CONFLICTS OF INTEREST**

The examiner has verified the existence of a Conflict-of-Interest policy, which requires that disclosures be made when a director, officer or employee sees a conflict between his or her personal interests and that of the Company. Prior to engaging in any conduct or activity that may result in a conflict of interest, the facts and circumstances of the proposed conduct or activity must be disclosed to the supervisor or manager and to the Chair of the Corporate Compliance Committee in accordance with the Conflict-of-Interest Policy.

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

At December 31, 2023, MUSAC possessed a Financial Institution Bond underwritten by Travelers Casualty and Surety Company of America for all of its entities including the Company. The fidelity bond provides MUSAC and its subsidiaries with fidelity coverage up to a liability limit of \$10,000,000 on a single loss basis. The amount of fidelity coverage carried on this policy meets the suggested minimum amount of fidelity coverage as measured on a group basis using the NAIC formula and exposure index.

The Company has a wide range of insurance coverages for Commercial Property, California Earthquake, General Liability, Commercial Automobile and Workers Compensation & Employers Liability, Foreign Liability, Umbrella, Excess, Management Liability, D&O, EPLI, Fiduciary, Crime, and Cyber Liability.

## **ACCOUNTS AND RECORDS**

The Company utilizes TronWeb, MAPFRE's core insurance processing system, for administering its agency, policy and claims business. TronWeb is an internally developed integrated system designed for managing insurance activities like underwriting, claims, treasury, print, interfaces, reports, and product definition. Originally created by MAPFRE in Spain, it has been modified to adapt to specifications of U.S. operations.

Claim payment authorization is performed either by Claim Representatives within their individual authority or by their Supervisor if the amount exceeds their authority. Likewise, if this exceeds the supervisor's authority, the Claim Manager would handle it. This process continues to follow the chain of command if authority limits are exceeded.

Premiums are collected via four methods: 1) Checks, 2) Electronic Funds Transfer (EFT/ACH), 3) Credit/Debit Cards and E-Checks, and 4) Agent Sweep. Dividends are authorized by vote of the Board and paid via wire transfer.

The Company's investment portfolio is accounted for via SunGard's Analytics program and is in safekeeping at the Bank of New York.

The Company uses the accounting SAP software package as its general ledger and for the preparation of the Annual Statement. The general ledger system was tested, and 2018 general ledger amounts were reconciled to the annual statement without major exceptions. Financial information in conjunction with the verification of assets and the determination of liabilities was made available in detail and summary form. The Company's accounting books and records are maintained at its main administrative office located at 211 Main Street, Webster MA.

### **CONTINUITY OF OPERATIONS**

A business continuity plan is necessary to help ensure the Company can adequately recover from a system failure or business interruption in a timely fashion and without the loss of significant data. Management should assess how the Company's reputation and financial status would be impacted in the event of a major processing disruption and based on this assessment, develop an appropriate continuity plan that would help to ensure the Company can adequately recover from a system failure or business disruption in a timely fashion.

The Company's comprehensive business Continuity Plan, which includes a Disaster Recovery Plan reviewed by Baker Tilly Virchow Krause, LLP ("Baker Tilly") as part of the Massachusetts Division of Insurance Examination and confirmed that the Company performs periodic data restoration tests in compliance with NAIC standards, the last of which was conducted in 2021 without materially exceptional incidents. The Company has also made provisions for the succession of officers in its bylaws.

### **REINSURANCE**

#### **Reinsurance Agreements with Affiliates**

The Company entered into a 100% reinsurance pooling agreement with CIC effective January 1, 2022. As noted above, under the terms of the agreement, MIC agrees to assume, and Commerce agrees to cede, 2.9% of the Pooled Liabilities.

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

Eligible employees of the Company may participate in a Company-sponsored 401(k) retirement plan. These 401(k) plans include a matching contribution from the Company of 50% of the first 6% of eligible compensation contributed by the participant to the plan. In addition to the matching contribution, profit sharing contributions may be made by the Company with respect to each plan

year in an amount equal to 3% of each eligible participant's covered compensation (or in such different amount as may be determined by the Company).

### **TREATMENT OF POLICYHOLDERS**

The Company's complaint handling procedures as well as its complaint log were reviewed during the examination. The Company appears to comply with N.J.S.A. 17:29B-4(10) by maintaining a complete record of all the complaints which it has received since the date of its last examination.

### **FINANCIAL STATEMENTS AND OTHER EXHIBITS**

Exhibit A – Balance Sheet as of December 31, 2023

Exhibit B – Underwriting and Investment Exhibit for the five-year period Ended December 31, 2023

Exhibit C – Capital and Surplus Account for the Five-year Period Ended December 31, 2023

**BALANCE SHEET AS OF DECEMBER 31, 2023**  
**Exhibit A**

	Per Examination at 12/31/2023	Per Company at 12/31/2023	Examination Change	Note Number
<b><u>Assets</u></b>				
Bonds	\$50,485,178	\$50,485,178	-	
Cash and Short Term Investments	\$4,277,376	\$4,277,376	-	
Investment Income Due and Accrued	\$332,450	\$332,450	-	
Uncollected Premiums and Agents Balances	\$10,760,683	\$10,760,683	-	
Deferred Premiums and Agents Balances	\$7,614,241	\$7,614,241	-	
Reinsurance - Amounts Recoverable	\$4,315,862	\$4,315,862	-	
Reinsurances - Other Amounts Receivable	\$0	\$0	-	
Current federal and foreign income tax recoverable	\$460,637	\$460,637	-	
Net deferred tax asset	\$1,365,337	\$1,365,337	-	
Aggregate Write-Ins for Other Than Invested	\$1,500,361	\$1,500,361	-	
<b>Total Net Admitted Assets</b>	<b>\$81,112,125</b>	<b>\$81,112,125</b>	<b>-</b>	
<b><u>Liabilities</u></b>				
Losses	\$21,935,802	\$21,935,802	-	1
Reinsurance payable on paid losses	\$1,805,506	\$1,805,506	-	
Loss Adjustment Expenses	\$2,497,019	\$2,497,019	-	1
Commissions payable	\$1,096,439	\$1,096,439	-	
Other Expenses	\$297,982	\$297,982	-	
Taxes, Licenses, and Fees	\$273,097	\$273,097	-	
Unearned Premiums	\$26,172,372	\$26,172,372	-	
Advance premium	\$716,947	\$716,947	-	
Ceded reinsurance premiums payable	\$3,922,586	\$3,922,586	-	
Payable to Parent, Subsidiaries and Affiliates	\$590,674	\$590,674	-	
Aggregate Write-Ins for Liabilities	\$531,298	\$531,298	-	
<b>Total Liabilities</b>	<b>\$59,839,722</b>	<b>\$59,839,722</b>	<b>-</b>	
<b><u>Surplus</u></b>				
Common Capital Stock	\$5,100,000	\$5,100,000	-	2
Gross Paid in and Contributed Surplus	\$7,150,000	\$7,150,000	-	
Unassigned Funds (Surplus)	\$9,022,403	\$9,022,403	-	
<b>Total Capital and Surplus</b>	<b>\$21,272,403</b>	<b>\$21,272,403</b>	<b>-</b>	
<b>Total Liabilities, Capital and Surplus</b>	<b>\$81,112,125</b>	<b>\$81,112,125</b>	<b>-</b>	

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**FIVE YEARS PERIOD ENDING DECEMBER 31, 2023**  
**EXHIBIT B**

<b><u>Underwriting Income</u></b>	2023	2022	2021	2020	2019
<b><u>Revenues:</u></b>					
Premiums Earned	\$46,866,116	\$44,467,263	\$36,826,940	\$38,589,519	\$43,015,550
Total Revenues	<u>\$46,866,116</u>	<u>\$44,467,263</u>	<u>\$36,826,940</u>	<u>\$38,589,519</u>	<u>\$43,015,550</u>
<b><u>Deductions</u></b>					
Losses Incurred	\$31,710,938	\$30,552,143	\$21,536,018	\$20,555,308	\$27,175,846
Loss Adjustment Expenses	\$6,028,366	\$5,536,650	\$4,838,466	\$4,562,051	\$3,952,022
Other Underwriting Expenses	\$13,598,490	\$13,635,919	\$11,285,146	\$12,413,908	\$10,065,310
Total Underwriting Deductions	<u>\$51,337,794</u>	<u>\$49,724,712</u>	<u>\$37,659,630</u>	<u>\$37,531,267</u>	<u>\$41,193,178</u>
Net Underwriting Gain or Loss	<u>(\$4,471,678)</u>	<u>(\$5,257,449)</u>	<u>(\$832,690)</u>	<u>\$1,058,252</u>	<u>\$1,822,372</u>
<b><u>Investment Income</u></b>					
Net Investment Income Earned	\$1,372,923	\$1,396,217	\$1,353,389	\$1,205,040	\$1,301,606
Net Realized Capital Gain or (Loss)	<u>(\$461,154)</u>	<u>\$10,248</u>	<u>\$188,058</u>	<u>\$241,211</u>	<u>\$58,356</u>
Net Investment Gain or (Loss)	<u>\$911,768</u>	<u>\$1,406,465</u>	<u>\$1,541,447</u>	<u>\$1,446,252</u>	<u>\$1,359,962</u>
Net Gain (Loss) from Premium Balance					
Finance and Service Charges Not Included	\$489,538	\$448,904	\$447,617	\$589,472	\$820,276
Aggregate Write-Ins	<u></u>	<u></u>	<u></u>	<u></u>	<u>(\$198)</u>
Net Income Before Federal Income Tax	<u>(\$3,070,471)</u>	<u>(\$3,402,080)</u>	<u>\$1,156,374</u>	<u>\$3,093,975</u>	<u>\$4,002,412</u>
Federal and Foreign Income Taxes Incurred	<u>(\$468,490)</u>	<u>(\$460,803)</u>	<u>\$281,554</u>	<u>\$577,018</u>	<u>\$306,874</u>
Net Income	<u>(\$2,601,981)</u>	<u>(\$2,941,277)</u>	<u>\$874,820</u>	<u>\$2,516,957</u>	<u>\$3,695,538</u>



**CAPITAL AND SURPLUS ACCOUNT**  
**FIVE YEAR PERIOD ENDING DECEMBER 31, 2023** **EXHIBIT C**

	2023	2022	2021	2020	2019
<b>Net Income</b>	<u>(\$2,601,981)</u>	<u>(\$2,941,277)</u>	<u>\$874,820</u>	<u>\$2,516,957</u>	<u>\$3,695,538</u>
Change in Net Unrealized Capital Gains (Losses)					
Change in Net Deferred Income Tax	\$209,726	\$207,761	(\$22,711)	(\$125,201)	(\$132,441)
Change in Nonadmitted Assets	(\$110,722)	(\$25,538)	\$24,139	(\$15,887)	\$17,582
Change in Provision for Reinsurance					
Change in Surplus Notes					
Capital Changes					
Dividends to Stockholders					
Aggregate Write-Ins for Gains and (Losses)					
Paid in Surplus Adjustments	<u>\$99,004</u>	<u>\$182,223</u>	<u>\$1,428</u>	<u>(\$141,088)</u>	<u>(\$114,859)</u>
Total Other Surplus Gains or (Losses)					
Change in Surplus as Regards Policyholders for the Year	<u>(\$2,616,560)</u>	<u>(\$3,247,344)</u>	<u>\$1,246,537</u>	<u>\$2,651,493</u>	<u>\$1,407,104</u>
Surplus as Regards Policyholders December 31, 2022	<u>\$23,888,963</u>	<u>\$27,136,307</u>	<u>\$25,889,770</u>	<u>\$23,238,277</u>	<u>\$21,831,173</u>
Surplus as Regards Policyholders December 31, 2023	<u>\$21,272,403</u>	<u>\$23,888,963</u>	<u>\$27,136,307</u>	<u>\$25,889,770</u>	<u>\$23,238,277</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1: Loss Reserves and Loss Adjustment Expenses**

MIC reported losses and loss adjustment expenses of \$21,935,802 and \$2,497,019 for 2023 respectively. These figures were accepted as stated.

Independent testing was performed on the following lines of business:

Private Passenger Automobile Liability  
Business Owners - Property and Liability separately

These lines of business represent about 72% of the Baker Tilly total estimated gross unpaid loss and loss adjustment expense reserves as of December 31, 2023. The table below provides a summary of the pre-pooling Baker Tilly gross and net unpaid loss and loss adjustment expense estimates and the Appointed Actuary estimates.

MIC has no outward ceded reinsurance and thus net reserves equals gross reserves pre-pooling.

Mapfre Insurance Company  
Estimated Unpaid Loss and Loss Adjustment Expenses  
Pre-Pooling  
As of December 31, 2023  
(\$millions)

	<b>Actuarial Specialists</b>	<b>Appointed Actuary</b>
<b>Gross (Pre-Pool)</b>	\$47.1	\$49.6
<b>Net (Pre-Pool)</b>	\$47.1	\$49.6

The actuarial review of the Loss and Loss Adjustment Expenses Reserves was performed in conjunction with the coordinated exam. The Property & Casualty Actuarial Division of the NJDOBI reviewed the Report on the Actuarial Examination and concurred with their findings.

### **NOTE 2: Capital and Surplus**

The Company has 3 shares of Class A common stock authorized and 3 shares issued and outstanding. Par value per share is \$1,700,000. CIC owns 100% of the Company.

### **SUMMARY OF RECOMMENDATIONS**

There were no significant findings of fact or associated recommendations as a result of our examination of the Company.

### **SUBSEQUENT EVENTS**

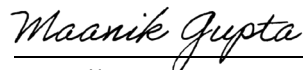
No material subsequent events were identified that required inclusion in this report of examination.

## **CONCLUSION**

A regular statutory condition examination was conducted by the undersigned with the assistance of contract examiners of Baker Tilly US, LLP.

The examination was conducted remotely. The courteous assistance of the Company's officers and employees is acknowledged.

Respectfully Submitted,



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Maanik Gupta, CFE  
Examiner-in-Charge  
Baker Tilly Advisory Group, LP  
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

MAPFRE Insurance Company

The undersigned hereby certifies that an examination has been made of MAPFRE Insurance Company, and the foregoing report is true to the best of my knowledge and belief.

Respectfully Submitted,

Maanik Gupta

Maanik Gupta, CFE  
Examiner-In-Charge  
Baker Tilly Advisory Group, LP

Nancy Lee Chice

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, Sheila M. Tkacs, on this  
22<sup>nd</sup> day of May 2025.

Sheila M. Tkacs  
Notary Public of New Jersey

My commission expires: July 2025