



**EXAMINATION REPORT  
OF  
ASI HOME INSURANCE CORP.**

**NAIC Company Code: 11072**

**St. Petersburg, Florida  
as of  
December 31, 2017**

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

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April 10, 2019

David Altmaier  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners ("NAIC"), we have conducted an examination as of December 31, 2016, of the financial condition and corporate affairs of

**ASI Home Insurance Corp.**  
1 ASI Way  
St. Petersburg, Florida 33702

hereinafter referred to as the "Company". Such report of examination is herewith respectfully submitted.

## SCOPE OF EXAMINATION

This examination covered the period of January 1, 2016 through December 31, 2017 and commenced with planning at the Florida Office of Insurance Regulation (“Office”) on April 24, 2018 to April 26, 2018. The fieldwork commenced on April 24, 2018, and concluded as of April 10, 2019. The Company’s last full scope exam by representatives of the Office covered the period January 1, 2012 through December 31, 2015.

The examination was a coordinated multi-state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that the examination be planned and performed 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. The lead state for this examination was Ohio. States that participated in this examination are as follows: California, Delaware, Florida, Illinois, Indiana, Louisiana, Michigan, New Jersey, New York, Texas, and Wisconsin.

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 Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes significant findings of fact, as mentioned in Section 624.319, Florida Statutes, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

## **SUMMARY OF SIGNIFICANT FINDINGS**

### **Current Examination Findings**

The following is a summary of material adverse findings, significant non-compliance findings or material changes in the financial statements.

### **Notice of Change in Director or Officer**

The Company did not file a notice of change in director or officer with the Office within 45 days of an addition or removal of an officer or director, in compliance with Section 628.261, Florida Statutes.

### **Previous Examination Findings**

The following is an update on other significant regulatory information disclosed in the previous examination.

### **Enterprise Risk Report**

The Company did not file their 2014 Form F (Enterprise Risk Report) timely in compliance with Section 628.801 (2), Florida Statutes.

Resolution: The Company timely filed their Form F during the examination period in compliance with Florida Statutes.

## **COMPANY HISTORY**

### **General**

The Company is a Florida domiciled property-casualty insurer licensed to write homeowners' multi-peril, mobile home multi-peril, fire and allied lines, and other liability insurance. The Company writes homeowners insurance through its Managing General Agent (MGA), ASI Underwriters Corp. ("ASIU"). The Company's MGA provides policy management services,

including underwriting and claims administration, for all lines of business written by the Company. The Company is currently not writing new business.

On April 1, 2015, the Company's parent, ARX Holding Corp. ("ARX"), entered into a Stock Purchase Agreement with The Progressive Corporation ("Progressive"). Per the terms of the agreement, Progressive acquired approximately sixty-three & two tenths percent (63.2%) of the outstanding capital stock of ARX through the purchase of the common and preferred stock of XL Re Ltd., Flexpoint Fund, LP and other non-management individuals and entities. Subsequently, in 2015, Progressive purchased additional ARX stock from certain employee shareholders and option holders, bringing its ownership of ARX stock from certain employee shareholders and option holders, bringing its ownership of ARX to sixty-nine and one hundredth percent (69.01%).

The Company was incorporated in Florida on April 22, 2005, and commenced business on October 1, 2005.

## **Dividends**

In accordance with Section 628.371, Florida Statutes, the Company declared and paid dividends to its stockholder in 2017 in the amount of \$1,500,000. The Company did not declare or pay any dividends during 2016.

## **Capital Stock and Capital Contributions**

As of December 31, 2017, the Company's capitalization was as follows:

Number of authorized common capital shares	1,000,000
Number of shares issued and outstanding	1,000,000
Total common capital stock	\$1,000,000
Par value per share	\$1.00

## **Surplus Notes**

The Company did not have any surplus notes during the period of this examination.

## Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions through reinsurance during the period of this examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2017, are shown below:

#### Directors

<b>Name</b>	<b>City, State</b>	<b>Principal Occupation, Company Name</b>
John Franklin Auer (a)	St. Petersburg, Florida	President & Treasurer, American Strategic Insurance Corp.
Patrick Kevin Callahan (b)	Chardon, Ohio	Insurance Executive, The Progressive Corporation
Brian Charles Domeck <sup>1</sup>	Hunting Valley, Ohio	Former Chief Financial Officer, The Progressive Corporation
Marc Steven Fasteau (b)	New York, New York	Investment Banker, Fulcrum Partners, LLC
Glenn Morris Renwick (b)	Chagrin Falls, Ohio	Executive Chairman of the Board, The Progressive Corporation

<sup>1</sup> Chairman

(a) Retired on April 1, 2018 and was replaced by David Pratt as President on April 1, 2018.

(b) As of April 3, 2018, Patrick Callahan, Marc Fasteau and Glenn Renwick were no longer on the Board. They were replaced by David Pratt, Kevin Milkey and Tanya Fjare.

In accordance with the Company's Bylaws, the Board of Directors ("Board") appointed the following Senior Officers:

#### Senior Officers

<b>Name</b>	<b>City, State</b>	<b>Title</b>
John Franklin Auer (a)	St. Petersburg, Florida	President and Treasurer



Angel Dawn Conlin (d)	Tampa, Florida	Vice President, Secretary and General Counsel
Kevin Robert Milkey	St. Petersburg, Florida	Executive Vice President
Philip Loren Brubaker (b)	St. Petersburg, Florida	Vice President
Tanya Judith Fjare	St. Petersburg, Florida	Vice President
Mary Frances Fournet (e)	St. Petersburg, Florida	Vice President
Jeffrey William Hannon (c)	St. Petersburg, Florida	Vice President
Trevor Clark Hillier (d)	St. Petersburg, Florida	Vice President
Patrick Thomas McCrink	Tampa, Florida	Vice President

- (a) Retired in April 2018 and was replaced by David Pratt as President effective April 3, 2018.
- (b) Philip Brubaker left the Company effective August 17, 2018.
- (c) Jeffrey Hannon was removed as an officer effective April 3, 2018.
- (d) No longer with the Company effective February 15, 2019.
- (e) No longer with the Company effective April 3, 2018.

The Company did not file a notice of change in director or officer with the Office within 45 days, in compliance with Section 628.261, Florida Statutes.

The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

#### **Audit Committee**

<b>Name</b>	<b>City, State</b>	<b>Title, Company Name</b>
Brian Charles Domeck <sup>(1)</sup>	Hunting Valley, Ohio	Former Chief Financial Officer, The Progressive Corporation
Glenn Morris Renwick <sup>(a)</sup>	Chagrin Falls, Ohio	Executive Chairman of the Board, The Progressive Corporation
Marc Steven Fasteau <sup>(a)</sup>	New York, New York	Investment Banker, Fulcrum Partners, LLC

<sup>1</sup> Chairman

<sup>a</sup> As of April 3, 2018, Glenn Renwick and Marc Fasteau were no longer on the Audit Committee. They were replaced by David Pratt, Kevin Milkey and Tanya Fjare.

#### **Holding Company System**

The following agreements were in effect between the Company and its affiliates:

## **Agreement to File Consolidated Federal Income Tax Returns**

Effective July 1, 2012, the Company entered into an agreement to file consolidated federal income tax returns with its parent, ARX, and its affiliates. The agreement provides that ARX and its subsidiaries file consolidated federal income tax returns for such periods of time during which ARX and the subsidiaries are qualified to file. ARX and the subsidiaries agree to make all computations and settlements of the respective federal income tax liabilities of each company that is a party to the agreement. The method of allocation between the companies is subject to written agreement, and approved by the Board whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Receivable (payable) tax balances are to be settled within 90 days of tax payment.

## **Joint Servicing (Cost Allocation) Agreement**

Effective January 1, 2016, the Company along with its parent, ARX, and its affiliates entered into a Joint Servicing (Cost Allocation) Agreement with Progressive Casualty Insurance Company (“PCIC”). The agreement provides that PCIC may provide services and facilities that will complement the operations and provide quality services and products to the Company’s customers. Additionally, the Company may have the capacity to provide, from time to time, services to PCIC and its affiliates. The initial term of the agreement was one year, which automatically renews for consecutive one-year terms. Effective June 1, 2016, the agreement was amended to include Progressive Property Insurance Company (“PPIC”).

## **Intercompany Settlement Agreement**

Effective May 31, 2013, the Company entered into an Intercompany Settlement Agreement with its parent, ARX and its affiliates. The agreement states that the companies are related parties through common ownership with ARX and that in the ordinary course of business it may become feasible for one company to pay expenses on behalf of another company. The companies mutually agree to submit a bill once a month for any expenses incurred on behalf of another and

shall remit payment in full no later than 90 days after receipt. The agreement was amended on June 1, 2016 to add PPIC and Ark Royal Underwriters, LLC (“ARU”).

### **Investment Management Agreement**

The Company, ARX and its affiliates entered into an Investment Management Agreement with Progressive Capital Management Corporation (“PCM”) on January 1, 2016. The agreement provides that PCM will manage the Company’s investment portfolio in accordance with the Company’s investment guidelines. The agreement also provides that PCM will provide investment accounting services and assist in preparing the Company’s statutory Schedule D. Management fees are assessed based on a percentage of the value of the investment portfolio as of the last trading day of the month.

### **Managing General Agent Agreement**

Effective September 10, 2000, the Company entered into an MGA Agreement with its affiliate, ASIU. The agreement provides services for underwriting, claims processing, and premium collection. The Company granted authority to the ASIU to receive and accept proposals for and sell and issue policies of, commercial and resident property and casualty insurance. The Company also designated ASIU as the Company’s claims representative for business written under the MGA agreement. The agreement was originally for a one-year term and automatically renews each successive year, unless otherwise terminated within the guidelines of the agreement. The agreement has been amended from time to time to update and revise certain sections of the agreement to reflect current conditions. The agreement complied with Section 626.7451, Florida Statutes.

For underwriting and premium processing, the Company paid an eight percent (8%) commission on written premium on all lines of business. The Company also paid ASIU a \$25 policy fee on all new and renewal business. Commission costs incurred under this agreement for 2016 and 2017 amounted to \$161,113; and \$203,916, respectively and MGA fees incurred under this agreement for 2016 and 2017 amounted to \$29,075; and \$38,775, respectively.

The Company paid a monthly commission based on five percent (5%) of non-catastrophe paid losses and one percent (1%) for catastrophe paid losses for claims processing. Claim processing costs incurred under this agreement for 2016 and 2017 amounted to \$19,367 and \$42,749, respectively.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in St. Petersburg, Florida.

The Company and non-affiliates had the following agreements:

### **Custodial Agreement**

The Company maintained a custodial agreement with Citibank N.A. executed on December 31, 2015. The agreement complied with Rule 69O-143.042, Florida Administrative Code.

### **Willis Re Reinsurance Intermediary Authorization Agreement**

Effective January 9, 2014, the Company and its affiliates entered into a Reinsurance Intermediary Authorization Agreement with Willis Re Inc. ("Willis Re"). The agreement provides that Willis Re will provide reinsurance brokering services to the Company and comply with supplemental authorization agreement provisions as required by specific state code. Willis Re is to render periodic accounts to the Company detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by or owing to Willis Re. Willis Re is also to remit all funds due to the Company within thirty (30) days of receipt. The agreement was found to be in compliance with Section 626.7492, Florida Statutes.

### **Aon Reinsurance Intermediary-Broker Agreement**

Effective June 1, 2014, the Company and its affiliates entered into a Reinsurance Intermediary Authorization Agreement with Aon Benfield, Inc. ("Aon"). The agreement provides that Aon will

provide reinsurance brokering services to the Company and comply with all written standards established by the Company. Aon will render accounts at least quarterly to the Company accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by, or owing to, Aon from the Company. Aon will remit all funds due the Company in accordance with applicable reinsurance agreements, but in no event later than thirty (30) days after receipt. The agreement was found to be in compliance with Section 626.7492, Florida Statutes.

### **Independent Auditor Agreement**

An independent CPA, PricewaterhouseCoopers LLP, audited the Company's statutory basis financial statements annually for the years 2016 and 2017, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Rule 69O-137.002, Florida Administrative Code.

### **Corporate Records Review**

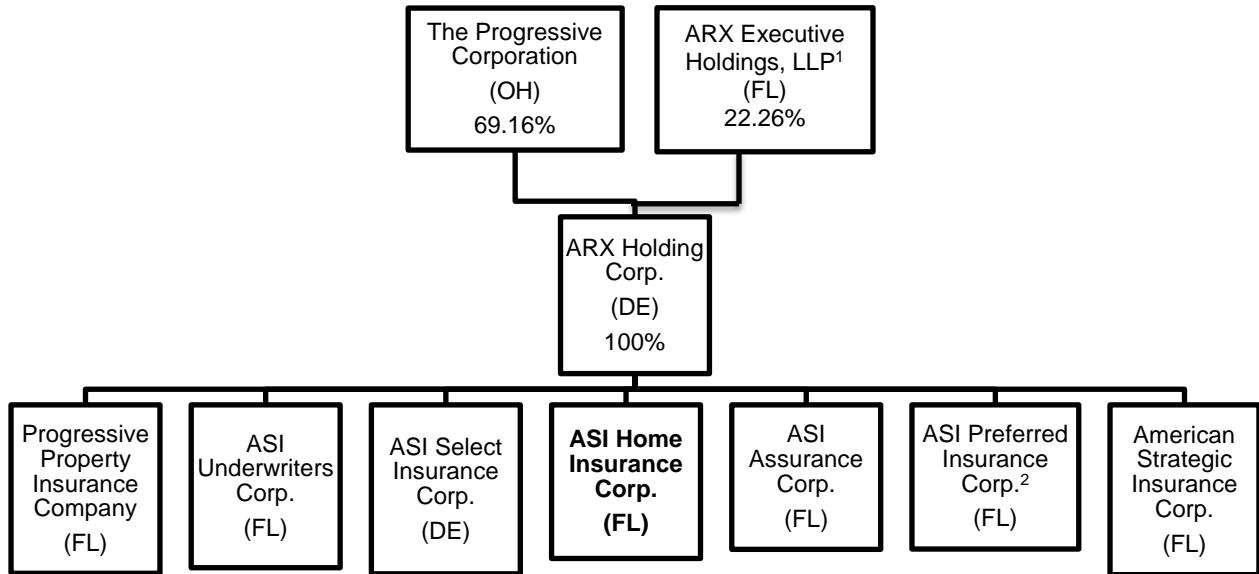
The recorded minutes of the Shareholders, Board and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments, as required by Section 625.304, Florida Statutes.

### **Conflict of Interest**

The Company adopted a policy statement requiring periodic disclosure of conflicts of interest in accordance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code.

A simplified organizational chart as of December 31, 2017, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2017 annual statement provided a list of all related companies of the holding company group.

**ASI Home Insurance Corp.  
Simplified Organizational Chart  
December 31, 2017**



<sup>1</sup> John F. Auer was a General Partner of ARX Executive Holdings, LLP at December 31, 2017.

<sup>2</sup> ASI Preferred Insurance Corp. was 60% owned by ARX Holding Corp. and 40% owned by American Strategic Insurance Corp. at December 31, 2017.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to transact insurance in the following states:

Florida

Georgia

The Company was authorized to transact insurance coverage in Florida on July 29, 2005 and was authorized for the following coverages as of December 31, 2017.

Fire

Allied Lines

Homeowners Multi-Peril

Other Liability

Mobile Home Multi-Peril

### **Treatment of Policyholders**

The Company established procedures for handling written complaints in accordance with Section 626.9541(1)(i)(3)(a), Florida Statutes. The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim in accordance with Section 626.9541(1)(j), Florida Statutes.

## **REINSURANCE**

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

### **Reinsurance Assumed**

The Company did not assume any reinsurance during the period of this examination.

### **Reinsurance Ceded**

The Company's reinsurance program covers the Company and its insurer affiliates as the companies are multi-cedents on all reinsurance contracts. The Company and its affiliates ceded

risk on an excess of loss basis, excess per risk, aggregate shared limit and aggregate stop loss. The excess of loss treaty is supplemented by a catastrophe bond and the Florida Hurricane Catastrophe Fund.

On June 1, 2016, the Company and its insurer affiliates entered into several multiple-layer property catastrophe excess of loss reinsurance contracts with various reinsurers with terms ranging from one to three years. The Company's minimum commitment under these contracts was \$178,440 as of December 31, 2017.

## **INFORMATION TECHNOLOGY REPORT**

Mohammad Arif, CFE, AES, CISA, CIDM, CISSP and Barbara Chairez, CPA, CISA, both from the Ohio Department of Insurance, the Lead State, performed an evaluation of the information technology and computer systems of the Company. Results of the evaluation were noted in the Information Technology Report.



## STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes and with various state officials as required or permitted by law:

<b>State</b>	<b>Book/Adjusting Carrying Value</b>	<b>Fair Value</b>
FL	\$357,704	\$344,568
TOTAL FLORIDA DEPOSITS	<u>\$357,704</u>	<u>\$344,568</u>
GA	\$45,990	\$44,302
TOTAL OTHER DEPOSITS	<u>\$45,990</u>	<u>\$44,302</u>
TOTAL SPECIAL DEPOSITS	<u><u>\$403,694</u></u>	<u><u>\$388,870</u></u>

## **FINANCIAL STATEMENTS**

The examination does not attest to the fair presentation of the financial statements included herein. If an adjustment is identified during course of the examination, the impact of such adjustment will be documented separately following the Company's financial statements. Financial statements, as reported and filed by the Company with the Office, are reflected on the following pages.

**ASI Home Insurance Corp.**

**Assets**

**December 31, 2017**

	<b>Per Company</b>	<b>Examination Adjustments</b>	<b>Per Examination</b>
Bonds	\$15,283,395		\$15,283,395
Cash and Short-Term Investments	2,092,530		2,092,530
Receivable for securities	478		478
Agents' Balances:			
Uncollected premium	(1,375)		(1,375)
Deferred premium	(37,845)		(37,845)
Reinsurance recoverable	67,339		67,339
Interest and dividend income due & accrued	108,479		108,479
Net deferred tax asset	32,533		32,533
Receivable from parents, subsidiaries and affiliates	54,210		54,210
Totals	<u>\$17,599,744</u>	<u>\$0</u>	<u>\$17,599,744</u>

**ASI Home Insurance Corp.**  
**Liabilities, Surplus and Other Funds**  
**December 31, 2017**

	Per Company	Examination Adjustments	Per Examination
Losses	\$228,399		\$228,399
Loss adjustment expenses	25,056		25,056
Commissions payable	9,012		9,012
Other expenses	72,091		72,091
Taxes, licenses and fees	65,796		65,796
Current federal income taxes	269,575		269,575
Unearned premium	396,474		396,474
Advance premium	463,694		463,694
Ceded reinsurance premiums payable	11,651		11,651
Funds held by company under reinsurance	2,040		2,040
Payable to parent, subsidiaries and affiliates	75,515		75,515
Aggregate write-ins for liabilities	49,271		49,271
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$1,668,574	\$0	\$1,668,574
Common capital stock	\$1,000,000		\$1,000,000
Gross paid in and contributed surplus	10,500,000		10,500,000
Unassigned funds (surplus)	4,431,170		4,431,170
	<hr/>	<hr/>	<hr/>
Surplus as regards policyholders	\$15,931,170	\$0	\$15,931,170
	<hr/>	<hr/>	<hr/>
Total liabilities, surplus and other funds	<u>\$17,599,744</u>	<u>\$0</u>	<u>\$17,599,744</u>

**ASI Home Insurance Corp.**  
**Statement of Income**  
**December 31, 2017**

**Underwriting Income**

Premiums earned		\$1,736,908
	<b>Deductions:</b>	
Losses incurred		\$298,944
Loss expenses incurred		101,227
Other underwriting expenses incurred		694,218
Total underwriting deductions		<u>\$1,094,389</u>
Net underwriting gain or (loss)		\$642,519

**Investment Income**

Net investment income earned		\$291,866
Net realized capital gains or (losses)		<u>(69,564)</u>
Net investment gain or (loss)		\$222,302

**Other Income**

Net gain or (loss) from agents' or premium balances charged off		(\$422)
Finance and service charges not included in premiums		<u>5,316</u>
Total other income		<u>\$4,894</u>

Net income before dividends to policyholders and before federal & foreign income taxes		\$869,715
Dividends to policyholders		<u>0</u>
Net Income, after dividends to policyholders, but before federal & foreign income taxes		\$869,715
Federal & foreign income taxes		<u>281,223</u>
Net Income		<u><u>\$588,492</u></u>

**Capital and Surplus Account**

Surplus as regards policyholders, December 31 prior year		\$16,911,111
Net Income		\$588,492
Change in net deferred income tax		(15,429)
Change in non-admitted assets		(53,004)
Dividends to stockholders		(1,500,000)
Change in surplus as regards policyholders for the year		<u>(979,941)</u>
Surplus as regards policyholders, December 31 current year		<u><u>\$15,931,170</u></u>

**ASI Home Insurance Corp.**  
**Reconciliation of Capital and Surplus**  
**December 31, 2017**

No adjustments were made to surplus as regards policyholders as a result of this examination.

Surplus as regards policyholders December 31, 2015 per Examination			\$16,625,477
	<u>Gain in Surplus</u>	<u>Loss in Surplus</u>	
Net Income (loss)	\$918,765		
Change in net deferred income tax		\$57,869	
Change in non-admitted assets		\$55,203	
Dividends to stockholders		\$1,500,000	
Total Gains and Losses	<u>\$918,765</u>	<u>\$1,613,072</u>	
Net Increase/(Decrease) in surplus as regards policyholders			<u>(\$694,307)</u>
Surplus as regards policyholders December 31, 2017 per Examination			<u>\$15,931,170</u>

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

### **Liabilities**

#### **Losses and Loss Adjustment Expenses**

Gary S. Traicoff, FCAS, MAAA of the Progressive Insurance Group, appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2017, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary Brent M. Sallay, FCAS, MAAA, of Taylor-Walker Consulting, LLC, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

#### **Capital and Surplus**

The amount of capital and surplus reported by the Company of \$15,931,170, exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

## SUBSEQUENT EVENTS

During 2018, Progressive increased its ownership of the outstanding ARX equity to eighty-six and eight-tenths (86.8%) from sixty-nine and one hundredth percent (69.01%) at December 31, 2017 through the purchase of additional stock.

Effective April 3, 2018, the Company became a party to Affiliate Agreement – Allocation of Federal Income Taxes with Progressive and participating affiliates.

Effective January 1, 2019, the Company, American Strategic Insurance Corp., ASI Assurance Corp., ASI Lloyds, Inc., ASI Preferred Insurance Corp., ASI Select Insurance Corp. and PPIC (“the Companies”) entered into an intercompany expense allocation agreement. The purpose of the agreement is to fairly distribute the costs associated with the overhead of the ASI Insurance Group across the Companies. The overhead services include, but are not limited to, administration, actuarial, finance and accounting, legal and human resources.

Effective January 1, 2019, the Company and five of its property and casualty insurance company affiliates participated in an intercompany pooling arrangement pursuant to which each company’s property/casualty business, net of external reinsurance, is pooled and retroceded to participating affiliates in accordance with the following predetermined pool percentages:

Entity	Pooling Percentage
American Strategic Insurance Corp. (pool manager)	76.50%
ASI Lloyds, Inc.	17.00%
ASI Home Insurance Corp.	2.00%
ASI Select Insurance Corp.	2.00%
Progressive Property Insurance Company	2.00%
ASI Assurance Corp.	0.50%
Total	100.00%



## **SUMMARY OF RECOMMENDATIONS**

### **Notice of Change in Director or Officer**

We recommend the Company file a notice of change in director or officer with the Office within 45 days of an addition or removal of an officer or director, in compliance with Section 628.261, Florida Statutes.

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **ASI Home Insurance Corp.** as of December 31, 2017, consistent with the insurance laws of the State of Florida.

Per examination annual financial statements, the Company's surplus as regards to policyholders was \$15,931,170, which exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

In addition to the undersigned, the following also participated in the examination:

Susan Carroll, CFE	Examiner-in-Charge	Examination Resources, LLC
Marie Stuhlmuller	Examination Manager	Office
Wytonia Dennis	Participating Examiner	Office
Brent Sallay, FCAS, MAAA	Exam Actuary	Taylor-Walker Consulting, LLC
Solomon Frazier, FCAS, MAAA, FSA	Exam Actuary	Taylor-Walker Consulting, LLC
Mohammad Arif, CFE, AES, CISA, CIDM, CISSP	IT Specialist	Ohio Department of Insurance
Barbara Chairez, CPA, CISA	IT Specialist	Ohio Department of Insurance

Respectfully submitted,

*Brian Sewell*

Brian Sewell, CFE, MCM  
Chief Examiner  
Florida Office of Insurance Regulation