

EXAMINATION REPORT
OF
R.V.I. AMERICA INSURANCE COMPANY
AS OF
DECEMBER 31, 2023

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
R.V.I. AMERICA INSURANCE COMPANY
AS OF
DECEMBER 31, 2023

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Trinidad Navarro
Insurance Commissioner

Dated this 23rd day of June, 2025

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May 29, 2025

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 24.034, dated March 7, 2024, an examination has been made of the affairs, financial condition and management of

R.V.I. AMERICA INSURANCE COMPANY

hereinafter referred to as the Company or RVIA. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware 19801. The administrative office of the Company is located at 107 Elm Street, Twelfth Floor, Stamford, Connecticut 06902.

SCOPE OF EXAMINATION

We have performed our multi-state examination of the Company. The last examination was conducted as of December 31, 2019, by the Connecticut Insurance Department and covered the period of January 1, 2016 through December 31, 2019. This examination was conducted by the Delaware Department of Insurance (Department) and covers the period of January 1, 2020 through December 31, 2023.

Our examination was performed as part of the coordinated examination of the Group 1001 (Group) regulated entities, wherein Delaware is the lead state. This examination was conducted concurrently with that of the Company's Delaware domiciled affiliates, and other states with a domestic entity within the Group. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

We conducted our examination in accordance with the *National Association of Insurance Commissioners* (NAIC) *Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General Corporation Laws of the State of Delaware, as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but

separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, BDO, USA, PC (BDO). Certain auditor work papers of the 2023 BDO audit of the Company, and certain of its affiliates, have been incorporated into the work papers of the examiners. The work papers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

R.V.I. America Insurance Company (Old RVIA) was formed as a specially chartered Connecticut corporation in 1994. It became a licensed insurance company and commenced operations in the State of Connecticut on September 26, 1995. Old RVIA was a wholly-owned subsidiary of R.V.I. America Corporation (RVIAC), a Delaware holding company organized on January 12, 1995. RVIAC was and remains a wholly-owned subsidiary of R.V.I. Guaranty Co., Ltd. (RVIG), an insurance company incorporated under the laws of Bermuda in 1989 and is registered as a Class 3B and a Class 3C Insurer, and regulated by the Bermuda Monetary Authority under The Insurance Act of 1978.

As of December 31, 2004, R.V.I. Investment Holdings Ltd. (RVIIH) and Continental Casualty Company (CCC) each owned 50% of RVIG. RVIIH was directly owned by S.Q. Insurance Holdings, N.V. (SQ), which was wholly-owned by Quantum Industrial Partners, LDC (QIP). QIP was a private investment fund affiliated with George Soros. CCC was directly owned by CNA Financial Corporation, which was wholly-owned by Loews

Corporation. In December 2005, QIP purchased CCC's 50% share of RVIG, making QIP the direct owner of 50% of RVIG and the indirect owner of the remaining 50% through its ownership of SQ and RVIIH.

In February 2006, RVIAC acquired Bankers Multiple Line Insurance Company (Bankers), an insurance company incorporated in Illinois. Bankers was previously owned by Lone Star Liquidating Trust, a Texas liquidating trust established for the bankruptcy creditors of I.C.H. Corporation (ICH). At this time, Bankers had not written business since at least 1998 and had no policyholders, however, it did maintain in full force and affect all the necessary licenses or certificates of authority to transact property and casualty insurance business in all fifty states and the District of Columbia. In June 2006, Bankers was redomesticated from Illinois to Connecticut and its name was changed to R.V.I. National Insurance Company (RVIN).

In connection with a corporate restructuring, SQ and RVIIH were liquidated and the shares of RVIG held were transferred to QIP on October 26, 2010, making QIP the direct owner of 100% of RVIG. On November 17, 2010, 100% of the outstanding shares of RVIG were transferred to Quantum Partners LP (QP). Like QIP, QP was a private investment fund associated with George Soros.

On July 1, 2013, Old RVIA merged with and into RVIN, with RVIN being the surviving entity. This transaction was recorded as a statutory merger, whereby the stock of Old RVIA was contributed to RVIN and immediately cancelled. Simultaneously, RVIN changed its name to R.V.I. America Insurance Company (Company or RVIA).

As of September 16, 2014, Douglas H. May, then Chief Executive Officer, President and Director of RVIG, purchased 2% of the common shares of RVIG from QP. Subsequently,

a change in the Company's indirect owner was effectuated pursuant to a Distribution, Contribution and Nominee Agreement (the Distribution Agreement), dated as of April 27, 2018. Pursuant to the Distribution Agreement, QP contributed all of its 98% of the outstanding shares of RVIG to Quantum Strategic Partners Ltd. (QSP). At this time, Quantum Emerging Growth Partners, C.V. (QEGP) was the ultimate controlling party of RVIG and RVIA. Like QIP and QP, QSP and QEGP were investment funds affiliated with George Soros.

On September 12, 2019, QSP, QP and Douglas May entered into a Stock Purchase Agreement with R.V.I. Acquisition Holdings, LLC (RVIAH) to sell all of the authorized, issued and outstanding shares of RVIG to RVIAH. The transaction was completed on May 12, 2020, after receiving approval from the Commissioner of Insurance of the State of Connecticut and the Bermuda Monetary Authority. As a result, the Company's shares are held directly by RVIAH, which is indirectly and ultimately controlled by Mark R. Walter and RVIG became affiliated with Group 1001 Insurance Holdings, LLC (G1001 IH).

On March 22, 2023, the Company re-domesticated from the State of Connecticut to the State of Delaware. During 2023, Group 1001 IH underwent a corporate reorganization, which included a restructuring of the ownership structure related to RVIG and RVIA. The reorganization did not result in any change in the ultimate ownership, control, or management of RVIA or any intermediate parent as a result of the reorganization.

Capitalization

The Company's Certificate of Incorporation authorizes the issuance of 132,000 shares of common stock with par value of \$21 per share. As of December 31, 2023, the Company had 132,000 shares of common stock issued and outstanding, totaling \$2,772,000. All outstanding

shares of the Company are owned by RVIAC. As of December 31, 2023, the Company reported total capital and surplus of \$87,231,977, which included contributed surplus of \$50,208,022.

Dividends

The Company's Board of Directors (Board) did not approve or authorize any dividends during the exam period.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the business and affairs of the corporation shall be managed by or under the direction of its Board. The Company's bylaws state the Board shall not have less than three members and the total number of directors shall be determined by resolution of the Board or shareholders. Further, the directors shall be elected at the annual meeting of the shareholders and each director elected shall hold office until his or her successor is elected and qualified.

As of December 31, 2023, the members of the Board, together with their principal business occupation, were as follows:

<u>Name</u>	<u>Principal Occupation</u>
Michael I. Hervitz	Executive Vice President (Co-Head) G1001 Innovations Group, LLC
J. Alejandro Longoria	Executive Vice President (Co-Head) G1001 Innovations Group, LLC
Daniel P. Egan	Co-President, Co-Chief Executive Officer and Chief Risk Officer R.V.I. America Insurance Company
Michael P. McGroarty	Co-President, Co-Chief Executive Officer and Assistant Secretary R.V.I. America Insurance Company
David A. Klanica	Retired Former R.V.I. America Insurance Company EVP, Chief Financial Officer and Treasurer
Curtis P. Steger	Independent Director R.V.I. America Insurance Company

Officers

The Company's bylaws require the officers of the Company be elected by the Board and must include a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board may also appoint a Chairman, one or more Vice Presidents and such other officers as are from time to time desired. The officers shall hold office until their successors are chosen and qualified or until their earlier resignation or removal. Any number of offices may be held by the same person.

As of December 31, 2023, the Company's principal officers, together with their respective titles, were as follows:

<u>Name</u>	<u>Title</u>
Daniel P. Egan	Co-President, Co-Chief Executive Officer and Chief Risk Officer
Michael P. McGroarty	Co-President, Co-Chief Executive Officer and Assistant Secretary
James F. Bedard	EVP, Chief Financial Officer and Treasurer
Elizabeth S. Lutes	EVP, Human Resources, Information Technology and TSI
Wei Fan	EVP, Passenger Vehicles, China
Edward P. Flynn	SVP, Sales and Account Management - Commercial Equipment
Darrel M. Seife	SVP, General Counsel and Secretary
Ronald Bracchi	VP, Chief Information Security Officer and Chief Information Officer
Nicholas J. DiMilia	VP and Controller

Board Committees

The Company's bylaws state the Board may designate one or more committees, which shall consist of one or more directors of the Company. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Company. As of December 31, 2023, there were no committees of the Board.

However, at the parent company level, RVIG had four committees of the Board, which included the Audit Committee, Investment Committee, Compensation Committee and the Underwriting Committee. The Audit Committee, Compensation Committee and Underwriting Committee are comprised of two directors, Mr. Hervitz and Mr. Longoria, neither of which are considered independent. The Investment Committee is comprised of four directors, Mr. Hervitz, Mr. Longoria, Mr. Egan and Mr. McGroarty.

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The Board minutes adequately documented its meetings and approval of Company transactions and events. In addition, the review of Company files indicated that written

correspondence was submitted to the Department with regard to most of the changes in officers and directors during the period under examination as required by 18 *Del. C.* § 4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system, known as Group 1001 Holdings Group, as defined under 18 *Del. C.* § 5001(7) of the Delaware Insurance Code. The following is an abbreviated organizational chart of the insurance holding company system as of December 31, 2023:

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Mark R. Walter (individual)		
DLICM, LLC	Delaware	100%
TWG Global Holdings, LLC	Delaware	72.92%
DLHPH Equity Participation Company, LLC	Delaware	100%
TWG Global Holdings, LLC	Delaware	27.08%
TWG Financial Holdings, LLC	Delaware	100%
Group 1001, Inc.	Delaware	91.89%
Group 1001 Capital, LLC	Delaware	100%
Evolution of Sports, Inc.	Delaware	82.76%
Group 1001 Finance Company, LLC	Delaware	100%
Group 1001 Investment Holdings, LLC	Delaware	100%
Group 1001 Equity Holdings, LLC	Delaware	100%
Group 1001 Insurance Holdings, LLC	Delaware	100%
DLIC Holdings, LLC	Delaware	100%
DLIC Sub-Holdings, LLC	Delaware	100%
Delaware Life Insurance Company	Delaware	100%
DL Reinsurance Company	Delaware	100%
Delaware Life and Annuity Company	Delaware	100%
Delaware Life Reinsurance (U.S.) Corp.	Oklahoma	100%
Clarendon Insurance Agency, Inc.	Massachusetts	100%
Ellendale Insurance Agency, LLC	Delaware	100%
EDIA Funding I, LLC	Delaware	100%
EDIA Funding III, LLC	Delaware	100%
EDIA Funding IV, LLC	Delaware	100%
EDL Holdings, LLC	Delaware	100%
ELND Collateral Company II, LLC	Delaware	100%
EDIA Funding II, LLC	Delaware	100%
EDL Holdings II, LLC	Delaware	100%
ELND Collateral Company Parent, LLC	Delaware	100%
Delaware Life 1099 Reporting Company, LLC	Delaware	100%
DLIC Real Estate, LLC	Delaware	100%
DL Investment Holdings 2016-1, LLC	Delaware	100%
DL Investment Holdings 2016-2, LLC	Delaware	100%
DL Private Placement Investment Company I, LLC	Delaware	100%
DL Service Holdings, LLC	Alaska	100%
IDF IX, LLC	Delaware	100%
McMillan Street, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
NCS Franklin Park, LLC	Delaware	100%
Clear Spring PC Holdings, LLC	Delaware	100%
Clear Spring PC Acquisition Corp.	Delaware	100%
Clear Spring Property and Casualty Company	Indiana	100%
Clear Spring Casualty Insurance Company	Indiana	100%
Clear Spring National Insurance Company	Indiana	100%
Clear Spring American Insurance Company	Indiana	100%
Delaware Life Reinsurance (Barbados) Corp.	Barbados	100%
Clear Spring Health Holdings, LLC	Delaware	100%
Clear Spring Health of Illinois, Inc.	Illinois	100%
Eon Health Plan, LLC	Delaware	100%
Clear Spring Health (GA), Inc.	Georgia	100%
Clear Spring Health (SC), Inc.	South Carolina	100%
Clear Spring Health Community Care, Inc.	Illinois	100%
Clear Spring Health (CO), Inc.	Colorado	100%
Clear Spring Health Insurance Company	Arizona	100%
Clear Spring Health (VA), Inc.	Virginia	100%
Clear Spring Health Management Services, LLC	Delaware	100%
Clear Spring Health Administrative Services, LLC	Delaware	100%
Advisor Advantage Marketing, LLC	Delaware	100%
Clear Spring Advisory Services, LLC	Delaware	100%
Healthcare Distribution Partners, LLC	Delaware	100%
Delaware Life Marketing, LLC	Delaware	100%
Daltonville Capital, LLC	Delaware	100%
Danetown Funding, LLC	Delaware	100%
Dansbury Capital, LLC	Delaware	100%
Delta Lane Funding, LLC	Delaware	100%
Dixon Canyon Capital, LLC	Delaware	100%
DLMF1, LLC	Delaware	100%
Dolomites Range Capital, LLC	Delaware	100%
Dovemont Capital, LLC	Delaware	100%
Drawford Holdings, LLC	Delaware	100%
Duststorm Road Capital, LLC	Delaware	100%
Dyewood Forest Capital, LLC	Delaware	100%
Armstrong STF IV, LLC	Delaware	100%
Wright STF III, LLC	Delaware	100%
Delaware Life (Bermuda) Holdings, Inc.	Delaware	100%
CSLIC Holdings, LLC	Delaware	100%
Clear Spring Life and Annuity Company	Delaware	100%
Gainbridge Life Insurance Company	Delaware	100%
Elsmere Insurance Agency, LLC	Delaware	100%
Efland Funding 2015-1, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Efland Funding 2015-2, LLC	Delaware	100%
Efland Funding 2015-3, LLC	Delaware	100%
Efland Funding 2015-4, LLC	Delaware	100%
Efland Funding 2016-1, LLC	Delaware	100%
Efland Funding 2016-2, LLC	Delaware	100%
Efland Parent 2015-3, LLC	Delaware	100%
Efland Parent 2016-1, LLC	Delaware	100%
ELSL Funding V, LLC	Delaware	100%
ELSL Funding VI, LLC	Delaware	100%
ELSL Funding VII, LLC	Delaware	100%
Elsmere Renewable Energy, LLC	Delaware	100%
Saganaw Insurance Agency, LLC	Delaware	100%
Saganaw Receivables, LLC	Delaware	100%
CL Investment Holdings 2022-1, LLC	Delaware	100%
GLAC GBM Investco, LLC	Delaware	100%
CSLAC Investment Holdings, LLC	Delaware	100%
CSLAC Investment Holdings II, LLC	Delaware	100%
CSLAC Investment Holdings III, LLC	Delaware	100%
CSLAC Real Estate, LLC	Delaware	100%
Clear Spring Life 1099 Reporting Company, LLC	Delaware	100%
IDF I, LLC	Delaware	100%
IDF II, LLC	Delaware	100%
Paragon GBM Investco, LLC	Delaware	100%
Renewable Energy Investors, LLC	Delaware	100%
Retail Investors III, LLC	Delaware	100%
STFP Aggregator I, LLC	Delaware	100%
STFP Aggregator II, LLC	Delaware	100%
STFP Aggregator III, LLC	Delaware	100%
GL Acquisition Defeasance Co, LLC	Delaware	100%
Clear Spring Life Marketing, LLC	Delaware	100%
Cannonville Funding, LLC	Delaware	100%
Gallahan Funding, LLC	Delaware	100%
Geiger Funding, LLC	Delaware	100%
GLMF1, LLC	Delaware	100%
Grayson Road Capital, LLC	Delaware	100%
Groveswood Funding, LLC	Delaware	100%
Group 1001 Distribution Holdings, LLC	Delaware	100%
Gainbridge Insurance Agency, LLC	Delaware	100%
Gainbridge Loyalty Services, LLC	Delaware	100%
Group 1001 Insurance Marketing, LLC	Delaware	100%
Gainbridge Risk Solutions, LLC	Delaware	100%
Gainbridge P&C Services, LLC	Delaware	100%

<u>Company</u>	<u>Domicile</u>	<u>% Own</u>
Vesper Risk, LLC	Delaware	100%
Group 1001 Services, Inc.	Delaware	100%
Group 1001 IP Holdings, LLC	Delaware	100%
Group 1001 IP Properties, LLC	Delaware	100%
Group 1001 IP Lab, LLC	Delaware	100%
Group 1001 IP Development, LLC	Delaware	100%
Group 1001 IP Solutions, LLC	Delaware	100%
AxiaTP Holdings, LLC	Delaware	90%
Axia Technology Partners, LLC	Indiana	100%
DG Telecom, LLC	Indiana	100%
G1001 Innovations Group, LLC	Delaware	100%
G1001 Advisory Resources, LLC	Delaware	100%
PSA Realty Company	Pennsylvania	100%
Group 1001 Indiana Holdings, LLC	Indiana	100%
Group 1001 Portfolio Services, LLC	Delaware	100%
Group 1001 Resources, LLC	Delaware	100%
R.V.I. Manager, LLC	Delaware	100%
R.V.I. Holdings, LLC	Delaware	100%
R.V.I. Acquisition Holdings, LLC	Delaware	100%
R.V.I. Guaranty Co., Ltd.	Bermuda	100%
R.V.I. America Corporation	Delaware	100%
R.V.I. America Insurance Company	Delaware	100%
7109 Harvard Avenue, LLC	Ohio	100%
RVI Analytical Services, Inc.	Delaware	100%
R.V.I. Services Co., Inc.	Connecticut	100%
Transition Services, Inc.	Delaware	100%
Group One Thousand One Advisory Services, LLC	Delaware	100%
Insurance Management Services, LLC	Delaware	100%

Agreements with Affiliates

The following is a summary of the Company's significant affiliated agreements (excluding reinsurance agreements) which were in effect as of December 31, 2023:

Expenses Allocation Agreement

Effective December 18, 2006, as amended effective February 5, 2009, December 12, 2011, July 1, 2013 and April 10, 2017, the Company entered into an Expenses Allocation Agreement with RVIG, RVIAC, R.V.I. Services Co., Inc. (RVIS), Transition Services, Inc (TSI) and RVI Analytical Services, Inc. (RVIAS), pursuant to which RVIA allocates all expenses related to joint occupancy of shared space and shared services.

Amended Tax Sharing Agreement

Effective September 10, 2012, as amended effective July 1, 2013, the Company entered into an Amended Tax Sharing Agreement with RVIS, RVIAC, TSI, RVIG and RVIAS, pursuant to which the parties allocate and settle among themselves, in an equitable manner, their share of the consolidated U.S. federal income tax liabilities for tax years prior to April 1, 2023. This agreement was subsequently terminated on August 6, 2024, to be made effective April 1, 2023.

Tax Sharing Agreement

Effective December 15, 2014, as amended effective October 14, 2020 and September 1, 2023, between and among Group 1001, Inc., as the parent corporation of an affiliated group, and certain of its subsidiaries (including RVIA, RVIS, TSI, RVIG, RVIAS, RVIAC, RVIAH and RVIH among others) entered into a Tax Sharing Agreement, pursuant to which each member of the “affiliated group” as defined in § 1504(a) of the Internal Revenue Code of 1986, as amended (the Code), that is eligible to file a U.S. federal income tax return on a consolidated basis and is a party to the agreement is a “Member,” as defined in the agreement. Group 1001, Inc. is required under the Code and Treasury Regulations as the parent corporation of the affiliated group to pay the U.S. federal income taxes shown as due on the consolidated return. As of April 1, 2023, RVIA, RVIS, RVIAC, TSI, RVIG and RVIAS, along with RVIH, RVIAH and 169 Lackawanna Avenue, LLC became parties to the Tax Sharing Agreement.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2023, the Company was licensed to transact property and casualty insurance business in all fifty states, the District of Columbia and through guidance from the Office of the Superintendent of Financial institutions, in Canada.

The Company writes residual value insurance to manufacturers, financial institutions and leasing companies in asset financing transactions. Policies written by the Company are often used by the policyholder to address regulatory and accounting issues. The residual value policy operates as an excess of loss policy. The Company offers residual value policy terms ranging from one to twenty-seven years.

The residual value insurance written by the Company covers four primary physical asset classes, including passenger vehicle (PV); aircraft; commercial equipment (CE) and commercial real estate (RE). CE includes rail, mining, construction, materials handling equipment, medical, computer and other office technology products and commercial real estate. In providing residual value insurance, the Company targets assets with predictable secondary markets. The Company markets business directly with insureds and through insurance brokers.

REINSURANCE

The Company reported the following distribution of premiums written for the year ended December 31, 2023, and the prior examination date of December 31, 2019:

	2023	2019
Direct business	\$ 23,850,492	\$ 25,024,314
Reinsurance assumed (from affiliates)	-	-
Reinsurance assumed (from non-affiliates)	-	-
Gross direct and assumed business	\$ 23,850,492	\$ 25,024,314
Reinsurance ceded (to affiliates)	\$ 19,852,391	\$ 20,402,942
Reinsurance ceded (to non-affiliates)	-	-
Gross ceded business	\$ 19,852,391	\$ 20,402,942
Net premiums written	\$ 3,998,101	\$ 4,621,372

Assumed Reinsurance

The Company does not have any assumed reinsurance business.

Ceded Reinsurance - Affiliates

The Company uses reinsurance to limit its maximum exposure to loss. The Company's reinsurance is predominately placed with RVIG. Any other reinsurance is purchased on a facultative basis based on the Company's underwriting guidelines.

Effective December 1, 2006, as amended December 1, 2006 and July 1, 2013, RVIA entered into a Quota Share Reinsurance Agreement with RVIG, whereby RVIA cedes 81.25% of each risk. The treaty also includes a provision to cede amounts greater than 81.25% of premium written if the sum insured exceeds the Company's single risk retention limit. Pursuant to the agreement, RVIG is also required to pay its pro-rata share of brokers' commissions, as well as a 30% ceding allowance to the Company. As an unauthorized reinsurer, RVIG has securities in a required trust for the benefit of the Company, to allow the Company to take credit in its annual statement for unearned premiums and loss reserves ceded to RVIG.

Ceded Reinsurance – Non-Affiliates

Effective April 1, 1996, the Company reinsured all of its existing individual health and accident insurance business to World Insurance Company (World). As of April 1, 1998, World

assumed, through an Assumption Reinsurance Agreement, all of the Company's legacy individual health and accident insurance business and has reported the related reserves and premium as direct business on its books. The assumption was approved in all jurisdictions. In New York, World and RVIA were required to enter into a Trust Agreement, wherein World maintains a minimum balance in the trust account having a market value at least equal to 102% of the reserves and related liabilities for the New York policies.

Also, prior to RVIAC's February 2006 acquisition of the Company, the Company ceded an accidental death and dismemberment book of business to Bankers Life and Casualty Company (Bankers Life). To the extent that Bankers Life becomes unable to meet its obligations under these arrangements, the Company remains contingently liable.

FINANCIAL STATEMENTS

The financial statements, as reported and filed by the Company with the Department, are the following:

- Statement of Assets as of December 31, 2023
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2023
- Statement of Income for the Year Ended December 31, 2023
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2019 to December 31, 2023

Statement of Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 79,829,527	\$ -	\$ 79,829,527
Properties held for sale	588,358	-	588,358
Cash	7,962,737	-	7,962,737
Cash equivalents	11,286,908	-	11,286,908
Subtotals, Cash and Invested Assets	<u>\$ 99,667,530</u>	<u>\$ -</u>	<u>\$ 99,667,530</u>
Investment income due and accrued	469,944	-	469,944
Uncollected premiums and agents' balances in the course of collection	1,421,290	3,230	1,418,060
Amounts recoverable from reinsurers	75,455	-	75,455
Net deferred tax asset	1,623,909	775,173	848,736
Electronic data processing equipment and software	308,060	236,867	71,193
Furniture and equipment	9,398	9,398	-
Receivables from parent; subsidiaries and affiliates	7,095,109	-	7,095,109
Aggregate write-ins for other-than-invested assets	668,450	668,450	-
Subtotal other assets	<u>\$ 11,671,615</u>	<u>\$ 1,693,118</u>	<u>\$ 9,978,497</u>
Total Assets	<u><u>\$ 111,339,145</u></u>	<u><u>\$ 1,693,118</u></u>	<u><u>\$ 109,646,027</u></u>

Statement of Liabilities, Surplus and Other Funds
As of December 31, 2023

		<u>Notes</u>
Losses	\$ 309,092	(1)
Loss adjustment expenses	39,715	(1)
Commissions payable; contingent commissions and other similar charges	37,834	
Other expenses (excluding taxes; licenses and fees)	7,119,952	
Taxes, licenses and fees	269,202	
Current federal and foreign income taxes	479,534	
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$48,909,146)	10,044,689	
Ceded reinsurance premiums payable	4,111,069	
Remittances and items not allocated	2,963	
Total Liabilities	<u>\$ 22,414,050</u>	
Common capital stock	\$ 2,772,000	
Gross paid in and contributed surplus	50,208,022	
Unassigned funds (surplus)	34,251,955	
Surplus as regards policyholders	<u>\$ 87,231,977</u>	
Totals Liabilities, Surplus and Other Funds	<u><u>\$ 109,646,027</u></u>	

Statement of Income
For the Year Ended December 31, 2023

Premiums earned	\$ 4,116,208
Losses incurred	\$ (61,825)
Loss adjustment expenses incurred	124,994
Other underwriting expenses incurred	3,238,513
Total underwriting deductions	<u>\$ 3,301,682</u>
Net underwriting gain (loss)	<u>\$ 814,526</u>
Net investment income earned	\$ 2,944,917
Net realized capital gains (losses) less capital gains tax of \$0	(350,210)
Net investment gain (loss)	<u>\$ 2,594,707</u>
Aggregate write-ins for miscellaneous income	\$ (8,844)
Total other income	<u>\$ (8,844)</u>
Net income before dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	<u>\$ 3,400,388</u>
Dividends to policyholders	<u>-</u>
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	<u>\$ 3,400,388</u>
Federal and foreign income taxes incurred	<u>1,264,964</u>
Net income	<u><u>\$ 2,135,424</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2019, to December 31, 2023

	Common Capital Stock	Paid In & Contributed Surplus	Unassigned Funds (Surplus)	Total
Balance at December 31, 2019	\$ 2,772,000	\$ 50,208,022	\$ 25,162,245	\$ 78,142,267
2020 Net Income (Loss)	-	-	4,196,540	4,196,540
2020 Other Changes ¹	-	-	(2,458,071)	(2,458,071)
Balance at December 31, 2020	<u>\$ 2,772,000</u>	<u>\$ 50,208,022</u>	<u>\$ 26,900,714</u>	<u>\$ 79,880,736</u>
2021 Net Income (Loss)	-	-	2,713,815	2,713,815
2021 Other Changes ¹	-	-	298,677	298,677
Balance at December 31, 2021	<u>\$ 2,772,000</u>	<u>\$ 50,208,022</u>	<u>\$ 29,913,206</u>	<u>\$ 82,893,228</u>
2022 Net Income (Loss)	-	-	1,922,671	1,922,671
2022 Other Changes ¹	-	-	230,700	230,700
Balance at December 31, 2022	<u>\$ 2,772,000</u>	<u>\$ 50,208,022</u>	<u>\$ 32,066,577</u>	<u>\$ 85,046,599</u>
2023 Net Income (Loss)	-	-	2,135,424	2,135,424
2023 Other Changes ¹	-	-	49,953	49,953
Balance at December 31, 2023	<u>\$ 2,772,000</u>	<u>\$ 50,208,022</u>	<u>\$ 34,251,954</u>	<u>\$ 87,231,976</u>

¹ Changes in unassigned funds - other for each year includes: change in net deferred income tax and change in nonadmitted assets.

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE
EXAMINATION**

There were no changes made to the financial statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Losses	\$ 309,092
Loss Adjustment Expenses	\$ 39,715

The examination liability for the aforementioned captioned items is the same as those balances reported by the Company as of December 31, 2023. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Actuarial Principles and Standards of Practice and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principle No. 55 *Unpaid Claims, Losses and Loss Adjustment Expenses* (SSAP No. 55).

SUBSEQUENT EVENTS

Subsequent events were evaluated through the date that this examination report was available to be issued. Based on this evaluation, there were no transactions deemed material for disclosure in this examination report.

SUMMARY OF RECOMMENDATIONS

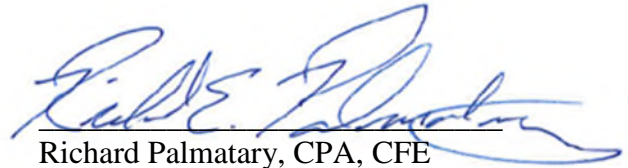
There were no recommendations as a result of this examination.

The assistance of the consulting actuarial firm, INS Consultants, Inc., the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, BDO, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,


A handwritten signature in black ink, reading "Staci Ginsburg", written over a horizontal line.

Staci Ginsburg, CPA, CFE
Examiner In-Charge
State of Delaware

A handwritten signature in blue ink, reading "Richard Palmatary", written over a horizontal line.

Richard Palmatary, CPA, CFE
Supervising Examiner
State of Delaware

I, Staci Ginsburg, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 24.034.



Staci Ginsburg, CPA, CFE