

**ORGANIZATIONAL EXAMINATION**  
**OF**  
**SABAL SPECIALTY INSURANCE COMPANY, INC.**  
**AS OF**  
**JULY 9, 2025**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON ORGANIZATIONAL EXAMINATION  
OF  
SABAL SPECIALTY INSURANCE COMPANY  
AS OF  
JULY 9, 2025

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.

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Trinidad Navarro  
Insurance Commissioner

Dated this 28 day of July, 2025

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July 23, 2025

Honorable Trinidad Navarro  
Insurance Commissioner  
State of Delaware  
1351 West North Street, Suite 201  
Dover, DE 19904

Dear Commissioner:

In accordance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 25.929, dated June 24, 2025, an Organizational Examination has been conducted of

**Sabal Specialty Insurance Company, Inc.**

hereinafter referred to as SSICI or the Company. The Company was incorporated under the laws of the State of Delaware as a stock property and casualty surplus lines insurance company.

The Company's registered agent is Corporation Service Company with its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808. The Company's administrative office address is located at 700 Universe Boulevard, Juno Beach, Florida 33408.

The report of such examination is respectfully submitted herewith.

**SCOPE OF EXAMINATION**

This organizational examination was conducted in conjunction with the Company's application for a surplus lines insurer Certificate of Authority in the State of Delaware. The Company's corporate records, records applicable to and attendant with its application, as well as financial data as of July 9, 2025, have been reviewed.

## **HISTORY**

The Company was incorporated on November 7, 2024, under the laws of the State of Delaware and is authorized to issue one hundred thousand (100,000) common shares with \$155 par value per share. The Company issued the following common stock certificates to Palms Specialty Insurance Company, Inc. (PSICI), a Delaware insurer:

<u>Certificate</u>	<u>Shares</u>	<u>Date</u>	<u>Capital</u>	Gross Paid In and Contributed <u>Surplus</u>	<u>Total</u>
#1	<u>100,000</u>	11/7/2024	<u>\$15,500,000</u>	<u>\$94,500,000</u>	<u>\$110,000,000</u>
	<u>100,000</u>		<u>\$15,500,000</u>	<u>\$94,500,000</u>	<u>\$110,000,000</u>

## **MANAGEMENT AND CONTROL**

### **Board of Directors**

In accordance with its bylaws, adopted November 7, 2024, the business and affairs of the Company shall be managed by a Board of Directors (Board). The number of directors shall be fixed by resolution of the Board. The directors are to be elected at the annual meeting of the Company's stockholder and shall hold office until their successor shall be elected and qualified.

The directors serving as of the examination date were as follows:

Christopher David King

### **Committees of the Board of Directors**

No committees of the Board have been constituted as of the examination date.

### **Officers**

In accordance with its bylaws, the officers of the Company shall be a Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, Secretary, Treasurer, one or more Vice-Presidents, and any other officers as deemed necessary, who shall be elected annually

and hold office until their successors are elected and qualified. The officers serving as of the examination date were as follows:

<u>Officer</u>	<u>Office</u>
Christopher David King	Chairman of the Board, President and CEO
Joseph Michael Balzano	Treasurer and Chief Financial Officer
Jason Benjamin Pear	Secretary
David Alan Cohen	Vice President, Chief Underwriting Officer
Robert Brian Anderson	Vice President, Chief Actuary, Chief Risk Officer

The Company completed the National Association of Insurance Commissioners (NAIC) Form 11 - Biographical Affidavit for the director and officer noted above.

The Company completed the NAIC Form 12 - Uniform Consent to Service of Process (Power of Attorney), dated and effective June 20, 2025.

A conflict of interest statement was completed by each of the directors and executive officers noted above. There were no material conflicts of interest disclosed.

### **HOLDING COMPANY SYSTEM**

At formation, the Company became a member of an Insurance Holding Company System. 18 *Del. C.* §5001(3) states that “control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10% or more of the voting securities of any other person.”

The Company is a wholly-owned subsidiary of PSICI (a Delaware domestic insurer), which is a wholly-owned subsidiary of Palms Portfolio Holdings, LLC (PPH) (a Delaware holding company), which is a wholly-owned subsidiary of NextEra Energy Capital Holdings, Inc. (NextEra Holdings) (a Florida corporation), which is a wholly-owned subsidiary of NextEra Energy, Inc. (NextEra Energy) (a Florida corporation). NextEra Energy is the ultimate controlling entity of the

Company. Management has stated that there are no holders of greater than 10% of NextEra Energy.

### **FIDELITY BOND**

The Company is covered by a financial institution bond with NextEra Energy with an aggregate liability limit of \$10,000,000 and a single loss deductible of \$1,000,000. NextEra Energy also has a second layer of fidelity coverage with a \$10,000,000 limit in excess of \$10,000,000 retention. Based on the Company's pro forma information submitted by management, the minimum suggested coverage per the NAIC *Financial Condition Examiners Handbook – Exhibit R* is \$500,000 at year-end 2025, \$800,000 at year-end 2026, and \$1,000,000 at year-end 2026.

### **AGREEMENTS**

#### **Affiliated**

As of the examination date, the Company is not a party to any affiliated agreements.

However, upon licensure, the Company intends to become a party to a tax allocation agreement with PPH and affiliates effective for the tax year beginning 2025.

Upon licensure, the Company intends to become a party to a service agreement with Palms Management Services, LLC, a Delaware entity.

**Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.**

#### **Unaffiliated**

As of the examination date, the Company is a party to a custodial agreement with Bank of New York Mellon (BONY) effective May 14, 2025.

## **PLAN OF OPERATION**

The Company plans to write business only on an excess and surplus lines basis, with a focus on three main segments – specialty property, professional liability, and specialty lines. The Company will operate in the excess and surplus lines market, with the goal of underwriting specialized risks for which insurance coverage is not readily available through admitted carriers.

The lines of coverage offered in the specialty property segment are inland marine, property, builder's risk, technical property, utility property, and renewable energy. Restricted segments are coal, refining, petrochemicals, standalone catastrophe, and cannabis.

The lines of coverage offered in the professional liability segment are directors & officers (D&O), employment practices, fiduciary, crime, and errors & omissions (E&O). Restricted segments are cyber, special purpose acquisition companies (SPACs), crypto-currency, and cannabis.

The lines of coverage offered in the specialty lines segment are primary and excess casualty, transactional liability, product recall, environmental, surety, and accident & health (A&H). Restricted segments are coal, pharmaceuticals, heavy automobile / trucking, crypto-currency, and cannabis.

Several other ancillary or incidental casualty classes (personal property floater, glass, boiler & machinery, elevator, leakage & fire extinguishing equipment, workers' compensation and employer's liability, credit, congenital defect, medical negligence, livestock, vehicle, burglary and theft, and entertainment) may be offered that may not be specifically identified in the Company's filed plan of operations or pro-forma financial statements. These ancillary coverages tend to be included and / or required when writing any standard casualty policy. While it is not anticipated that these lines would be offered on a stand-alone basis, it is possible that opportunistic stand-alone



opportunities may be presented and underwritten. Additionally, the Company may offer select insurance coverages within the accident & health and surety classes.

### **REINSURANCE**

As of the examination date, the Company is not a party to any reinsurance agreements, affiliated or unaffiliated.

However, upon licensure, the Company intends to become a party to a 100% quota share ceded reinsurance agreement with parent PSICI.

**Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.**

### **CAPITAL AND SURPLUS REQUIREMENTS**

18 *Del. C.* §511(a) requires \$650,000 as the minimum common capital stock for a stock insurance company authorized to write multiple lines property and casualty insurance. 18 *Del. C.* §1932(a) requires \$15,000,000 as the minimum policyholder surplus for a domestic surplus lines insurer. The Delaware Domestic/Foreign Insurers Bulletin No. 45 effective October 14, 2011, requires that newly-formed Delaware domestic surplus lines insurers have \$15,000,000 as the minimum capital and surplus. Consequently, the minimum required amounts for this examination are as follows:

Common Capital Stock	\$650,000
Gross Paid-in and Contributed Surplus	<u>14,350,000</u>
Capital and Surplus as Regards Policyholders	<u>\$15,000,000</u>

## FINANCIAL DATA

The financial position of the Company as of July 9, 2025, as determined by this organizational examination, was as follows:

<u>Assets</u>		<u>Note</u>
Bonds	\$100,424,535	1
Cash, Cash Equivalents and Short-term Investments	<u>\$12,000,000</u>	2
Total Admitted Assets	<u>\$112,424,535</u>	

## Liabilities, Capital and Surplus

Payable to Parent, Subsidiaries and Affiliates	<u>\$2,424,535</u>
Total Liabilities	<u>\$2,424,535</u>
Common Capital Stock	\$15,500,000
Gross Paid In and Contributed Surplus	94,500,000
Unassigned Funds	<u>0</u>
Capital and Surplus as Regards Policyholders	<u>\$110,000,000</u>
Total Liabilities, Capital and Surplus	<u>\$112,424,535</u>

## **NOTES TO FINANCIAL STATEMENTS**

Note 1	Bonds	\$100,424,535
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The reported balance of \$100,424,535 consists of long-term bonds with \$100,214,535 in a custodial account at BONY and \$210,000 in a Delaware special deposit account at U.S. Bank, both of which were confirmed directly with the financial institution.

Note 2	Cash, Cash Equivalents and Short-term Investments	\$12,000,000
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The reported balance of \$12,000,000 consists of cash equivalents held in a custodial account at BONY, which was confirmed directly with the financial institution.

## **RECOMMENDATIONS**

The following recommendations are made as a result of this examination:

Agreements - Affiliated  
Reinsurance

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**Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.**

## **CONCLUSION**

Based on the organizational examination conducted as of July 9, 2025, the financial condition of the Company is as follows:

Assets	\$112,424,535
Liabilities	\$2,424,535
Capital and Surplus as Regards Policyholders	\$110,000,000

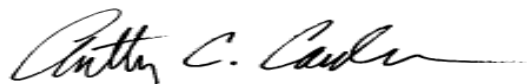
Upon completion of the organizational examination, the Company has complied with the capitalization requirements for the State of Delaware. The examination was conducted by the undersigned.

Respectfully submitted,



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Andrew E. Chiodini, CFE  
Examiner In-Charge  
Delaware Department of Insurance



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Anthony Cardone, CFE, CPA  
Supervising Examiner  
Delaware Department of Insurance

Sabal Specialty Insurance Company, Inc.

I, Andrew E. Chiodini, 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 authority 25.929.

A handwritten signature in black ink, reading "Andrew E. Chiodini". The signature is fluid and cursive, with the first name "Andrew" and last name "Chiodini" clearly legible.

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Andrew E. Chiodini, CFE