



**EXAMINATION REPORT  
OF**

**Yel Co. Insurance  
Miami, Florida**

**NAIC Company Code: 44415**

**as of  
December 31, 2020**

**By  
The Florida Office of Insurance Regulation**

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September 26, 2023

Michael Yaworsky  
Interim 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 (“the NAIC”), we have conducted an examination as of December 31, 2020, of the financial condition and corporate affairs of

**Yel Co. Insurance**  
3757 NW 36<sup>th</sup> Street  
Miami, Florida 33142

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, 2020 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on July 30, 2021. The fieldwork concluded as of January 13, 2022. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2011 through December 31, 2015.

The examination was a single-state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the 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.

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 the NAIC Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. 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 significant findings of fact including material adverse findings, significant non-compliance findings, such as non-compliance with state law(s), SSAPs, annual financial statement instructions, etc. or material changes in the financial statements.

- The Company is party of a holding company system. However, the Company's 2020 Annual Schedule Y did not disclose this and the Company did not file the holding company filings required by Section 628.801, Florida Statutes and Rule 69O-143.046, Florida Administrative Code.

### Previous Examination Findings

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

- The Company Audit Committee Chair was not a Director of the Board of the Company or an affiliate company as required by Section 624.424(8)(c), Florida Statutes.

**Resolution:** The Company agreed with the exception and elected the Audit Committee Chair as a Director of the Company

## COMPANY HISTORY

### General

The Company was incorporated in Florida on September 15, 1992 and commenced business on October 1, 1992. The Company is licensed to write commercial liability auto policies.

### Dividends

The Company declared and paid the following dividends to its stockholder after notification and/or approval from the Office:

Period	Amount	Dividend Type
2020	\$1,500,000	Extraordinary
2019	\$3,000,000	Extraordinary
2018	\$1,219,830	Ordinary
2017	\$1,168,894	Ordinary
2016	\$1,185,470	Ordinary

## Capital Stock and Capital Contributions

As of December 31, 2020, the Company's capitalization was as follows:

Number of authorized common capital shares	500
Number of shares issued and outstanding	500
Total common capital stock	\$500
Par value per share	\$1.00

## Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

## Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under 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, 2020, are shown below:

<b>Directors</b>		
<b>Name</b>	<b>City, State</b>	<b>Principal Occupation, Company Name</b>
Leslie Louis Eisenberg <sup>(1)</sup>	Miami, Florida	President & Chief Executive Officer, Yel Co. Insurance
Susan Louise Eisenberg	Miami, Florida	Retired
Terry Michael Eisenberg	Fort Lauderdale, Florida	Captain, American Airlines
Carolyn Ann Lakhani	Miami, Florida	Accounts Management, Yel Co. Insurance
Alexander Da Costa Lima	Miami, Florida	Accounts Management, Yel Co. Insurance
Leonard Gary Wolfson	Miami, Florida	Retired

(1) Chairman

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

<b>Senior Officers</b>
Leslie Louis Eisenberg

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

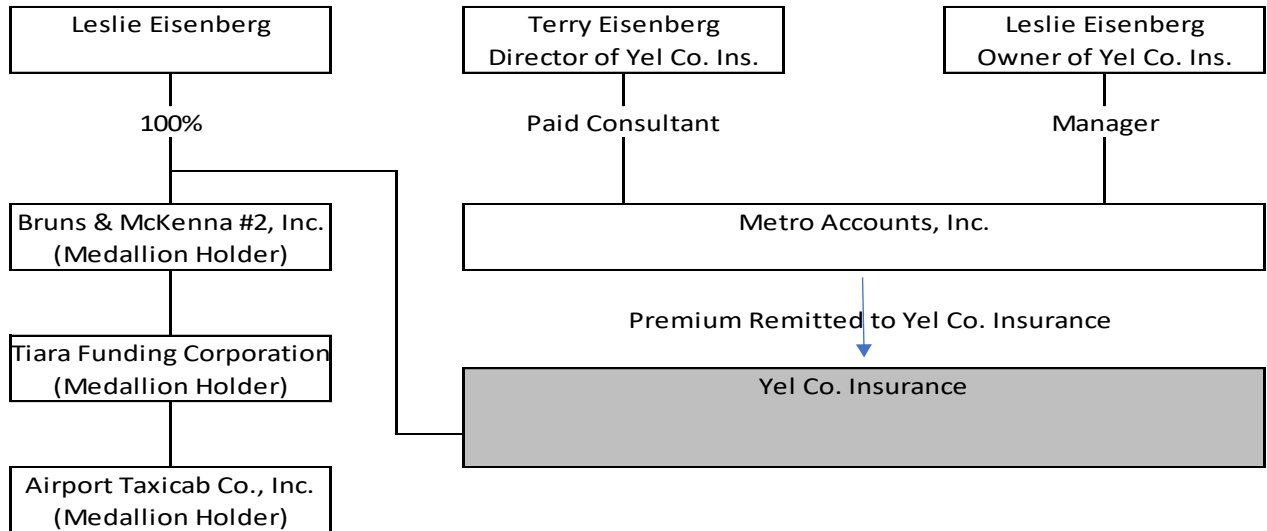
<b>Audit Committee</b>		
Leonard Wolfson <sup>(1)</sup>	Carolyn Ann Lakhani	Susan Louise Eisenberg

(1) Chairman

### **Holding Company System**

The Holding Company System is shown on the following page:

**Yel Co. Insurance  
Organizational Chart  
December 31, 2020**



1. The relationship between the various entities in the insurance holding system is shown above.
2. Bruns & McKenna #2, Tiara Funding Corporation and Airport Taxicab Co are members of the holding system through ownership by Leslie Eisenberg.
3. Metro Accounts, Inc. is part of the holding system due to control by both Leslie Eisenberg and Terry Eisenberg.

The three companies owned outright by Leslie Eisenberg all have permits that allow taxis to operate. These permits are called “Medallions”.

The Company has not filed prerequisite holding company filings. Nor has it documented the system on Schedule Y. This needs to be done.

The Company had no agreements in effect with affiliates.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in Miami, Florida.

## **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to transact insurance only in the State of Florida.

The Company was authorized to transact insurance in Florida on October 1, 1992, and is currently authorized to write commercial auto liability business as of December 31, 2020.

## **REINSURANCE**

### **Reinsurance Assumed**

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

### **Reinsurance Ceded**

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

## **FINANCIAL STATEMENTS**

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds; statutory Statement of Income; and the statutory Analysis of Changes in Surplus for the year ended December 31, 2020. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2020. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

**Yel Co. Insurance  
Assets  
December 31, 2020**

	Assets	Nonadmitted Assets	Net Admitted Assets
Cash and cash equivalents	13,305,936		13,305,936
Subtotals, cash and invested assets	13,305,936		13,305,936
Investment income due and accrued	1,253		1,253
Aggregate write-in for other than invested assets	20,863	(15,415)	5,448
<b>Total</b>	<b>13,328,052</b>		<b>13,312,637</b>

**Yel Co. Insurance  
Liabilities, Surplus and Other Funds  
December 31, 2020**

	Per Company
Losses	5,046,918
Loss adjustment expenses	372,700
Total liabilities	5,419,618
Common capital stock	500
Gross paid-in and contributed surplus	2,847,567
Unassigned funds (surplus)	5,044,952
Surplus as regards policyholders	7,893,019
<b>Totals</b>	<b>13,312,637</b>

**Yel Co. Insurance  
Statement of Income  
December 31, 2020**

	Per Company
<b>Underwriting Income</b>	
Premiums earned	308,634
<b>Deductions</b>	
Losses Incurred	(12,818)
Loss adjustment expenses incurred	(7,900)
Other underwriting expenses incurred	134,461
Total underwriting deductions	113,743
Net underwriting gain (loss)	194,891
<b>Investment Income</b>	
Net investment income earned	144,484
Net realized capital gains or (losses)	2,844
Net investment gain or (loss)	147,328
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	342,219
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	342,219
Federal & foreign income taxes incurred	30,027
Net income	312,192

	Per Company
<b>Capital and Surplus Account</b>	
Surplus as regards policyholders, December 31 prior year	9,096,242
Net income	312,192
Change in non-admitted assets	(15,415)
Dividends to stockholders	(1,500,000)
Change in surplus as regards policyholders for the year	(1,203,223)
Surplus as regards policyholders, December 31, current year	7,893,019

**Yel Co. Insurance  
Reconciliation of Capital and Surplus  
December 31, 2020**

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

<b>Capital/Surplus Change during Examination Period</b>			
Surplus at December 31, 2015, per Company			11,064,385
	Increase	Decrease	
Net income	4,898,949		
Change in non-admitted assets	3,879		
Dividends to stockholders		8,074,194	
Net increase (or decrease)			(3,171,366)
Surplus at December 31, 2020 per Company			7,893,019

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

**Liabilities**

**Losses and Loss Adjustment Expenses**

It was determined that the policy limits used in the appointed actuary's year-end 2020 actuarial analysis were not the actual policy limits for policies issued during the examination period. Rather than correcting the error by incorporating the correct policy limits, the actuary and the Company decided to exclude the methods relying on the policy limits by assigning them zero weight in the selection process of the central estimate. The weights assigned to the other methods were also changed. This resulted in a central estimate significantly below the carried reserve. Using the appointed actuary's standard of 10% of the central estimated reserve as his range, the carried reserves would be outside his reasonable range of estimates. No adjustment is being proposed during this examination, but we recommend the appointed actuary continue practices that will result in reasonable loss and loss adjustment numbers going forward.

**Capital and Surplus**

The amount of capital and surplus reported by the Company of \$7,893,019, exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

## **SUMMARY OF RECOMMENDATIONS**

The Company is part of an insurance holding company system.

**The Company needs to file all of the reports related to insurance holding company systems as required by both Florida Statute, Florida Rule, Statutory Accounting (as promulgated by the NAIC's Accounting Practices and Procedure Manual) and the NAIC Annual Statement Instructions.**

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Yel Co. Insurance as of December 31, 2020, consistent with the insurance laws of the State of Florida.

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

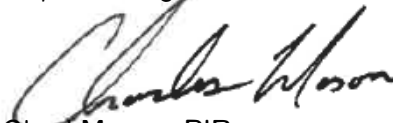
Thomas Mayberry, CPA, CFE	Participating Examiner	EWM Group, PC
Paul Sliwinski, CPA, ARe	Participating Examiner	EWM Group, PC
Chris Davis, CPA	Participating Examiner	EWM Group, PC
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Anthony Pipia, ACAS, MAAA	Actuary	Actuaries, Inc.
Gustave Krause, FCAS, MAAA	Actuary	Actuaries, Inc.
Dan Applegarth	Chief Financial Examiner	FLOIR

Respectfully submitted,



Philip Engelhart, CFE, CPA, AIAF  
Examiner in Charge  
EWM Group, PC

Representing the Florida Office of Insurance Regulation



Chad Mason, PIR  
Chief Financial Examiner  
Property & Casualty Financial Oversight  
Florida Office of Insurance Regulation