



**EXAMINATION REPORT  
OF**

**O'Shaughnahill Surety & Insurance, Inc.  
West Palm Beach, Florida**

**NAIC Company Code: 17007**

**as of  
December 31, 2021**

**By  
The Florida Office of Insurance Regulation**

## TABLE OF CONTENTS

<b>LETTER OF TRANSMITTAL</b> .....	-
<b>SCOPE OF EXAMINATION</b> .....	1
<b>SUMMARY OF SIGNIFICANT FINDINGS</b> .....	2
CURRENT EXAMINATION FINDINGS .....	2
<b>COMPANY HISTORY</b> .....	2
GENERAL .....	2
DIVIDENDS .....	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	2
SURPLUS NOTES .....	2
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS .....	3
<b>MANAGEMENT AND CONTROL</b> .....	3
CORPORATE GOVERNANCE .....	3
HOLDING COMPANY SYSTEM .....	4
SIMPLIFIED ORGANIZATIONAL CHART .....	4
COST ALLOCATION AGREEMENT .....	5
GENERAL AGENT BAIL BOND AGREEMENT.....	5
MANAGING GENERAL AGENT AGREEMENT.....	5
<b>ACCOUNTS AND RECORDS</b> .....	5
<b>TERRITORY AND PLAN OF OPERATIONS</b> .....	5
<b>REINSURANCE</b> .....	6
REINSURANCE ASSUMED.....	6
REINSURANCE CEDED.....	6
<b>FINANCIAL STATEMENTS</b> .....	7
ASSETS.....	8
LIABILITIES, SURPLUS AND OTHER FUNDS .....	8
STATEMENT OF INCOME .....	9
RECONCILIATION OF CAPITAL AND SURPLUS.....	10
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS</b> .....	11
CAPITAL AND SURPLUS .....	11
<b>CONCLUSION</b> .....	12

May 26, 2023

Michael Yaworsky  
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, 2021, of the financial condition and corporate affairs of

**O’Shaughnahill Surety & Insurance, Inc.**

428 South Congress Avenue  
West Palm Beach, FL 33406

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

## SCOPE OF EXAMINATION

This examination covered the period of February 19, 2021 through December 31, 2021 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on March 20, 2023. The fieldwork concluded as of May 26, 2023. This is the Company’s first full scope exam by representatives of the Office.

The examination was 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.

The examination was on a Florida domestic only and did not involve participation from other states. The Company solely writes in the State of Florida.

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

There were no significant findings as a result of this examination.

## COMPANY HISTORY

### General

The Company is a Bail Bond Insurance Company incorporated in Florida on July 1, 2020 and received a certificate of authority on February 19, 2021 from the Office. The Company is 100% owned by O'Shaughnahill Holdings, LLC. O'Shaughnahill Holdings, LLC is a Florida limited liability company that is owned 50% by Peter Hill and 50% by Kevin O'Shaughnessy. Bail Bonds Now, LLC is a Florida limited liability company that is 100% owned by Peter Hill. The ultimate controlling persons are Peter Hill and Kevin O'Shaughnessy.

### Dividends

The Company did not declare or pay any dividends during the period under examination.

### Capital Stock and Capital Contributions

As of December 31, 2021, the Company's capitalization was as follows:

Number of authorized common capital shares	50,000
Number of shares issued and outstanding	15,000
Total common capital stock	\$1,500,000
Par value per share	\$100.00

On January 28, 2021, O'Shaughnahill Holdings, LLC, the parent company, contributed \$1,000,000 in capital.

### 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, 2021, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Peter Douglas Hill	West Palm Beach, FL	Chief Executive Officer, Chairman O'Shaughnahill Surety & Insurance, Inc.
Kevin Michael O'Shaughnesy	Delray Beach, FL	President, O'Shaughnahill Surety & Insurance, Inc.
Samuel Jochananov	Miami, FL	Chief Operating Officer, O'Shaughnahill Surety & Insurance, Inc.
Selena Marie Breedlove	Ponte Vedra, FL	Controller, US Assure Insurance Services of Florida, Inc
Martin Paul Weinbaum	Parkland, FL	Chief Financial Officer, O'Shaughnahill Surety & Insurance, Inc.

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

Senior Officers		
Peter Douglas Hill	Kevin Michael O'Shaughnesy	Martin Paul Weinbaum
Samuel Jochananov		

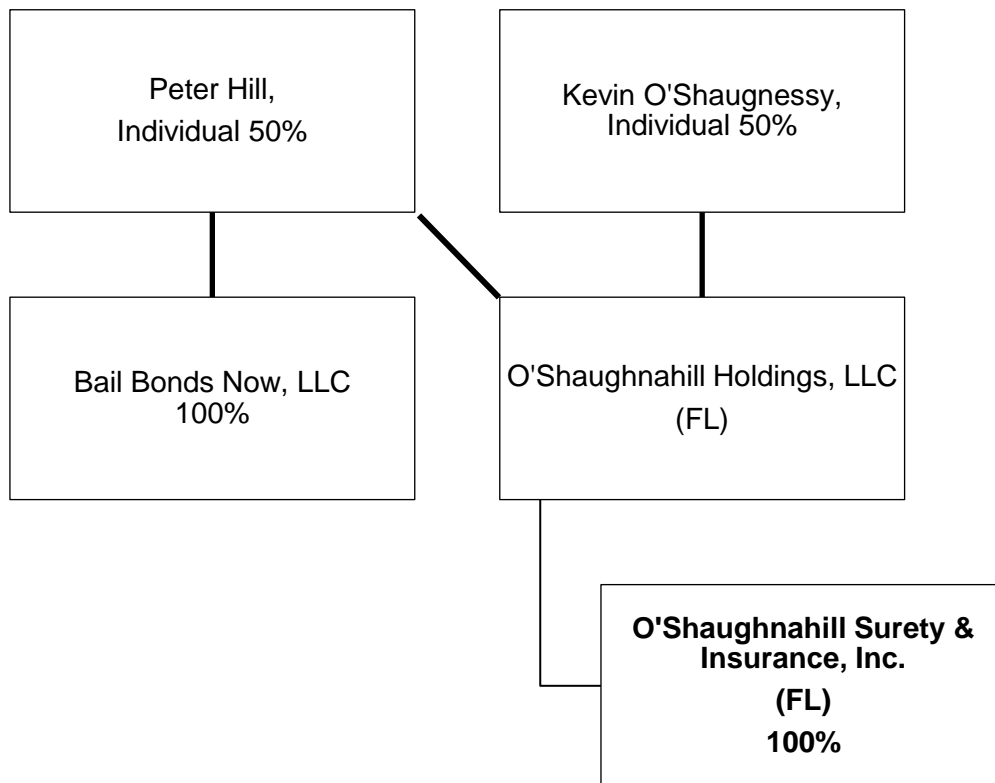
The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

<b>Audit Committee</b>		
Martin Paul Weinbaum	Selena Marie Breedlove	Peter Douglas Hill

### **Holding Company System**

A simplified organizational chart as of December 31, 2021, reflecting the holding company system, is shown on the following page. Schedule Y of the Company’s 2021 annual statement provided a list of all related companies of the holding company group.

**O’Shaughnahill Surety & Insurance, Inc.  
Simplified Organizational Chart  
December 31, 2021**



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

### **Cost Allocation Agreement**

The Company entered into a Cost Allocation Agreement with O'Shaughnahill Holdings, LLC and Bail Bonds Now, LLC on January 22, 2021. The agreement allocated cost based upon the scope of work and responsibilities performed for the benefit of the affiliated company.

### **General Agent Bail Bond Agreement**

The Company entered into a General Agent Bail Bond Agreement with affiliate, Bail Bonds Now, LLC on March 21, 2021. Under the terms of the agreement, Bail Bonds Now, LLC is appointed as a managing general agent with respect to policies issued during the term of the Agreement until terminated within the guidelines of the agreement.

### **Managing General Agent Agreement**

The Company entered into a Managing General Agency (MGA) Agreement with Peter Hill on February 1, 2021. Under the terms of the agreement, Peter Hill is appointed to act as the Company's managing general agent, as required by Florida Statute Section 648.388, to supervise the Company's agents. The agreement states that the MGA will receive no additional compensation for the services provided.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in West Palm Beach, 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 February 19, 2021,

and is currently only authorized to write Bail Bonds line of business in Florida as of December 31, 2021. The Company primarily writes surety coverage in the form of bail bonds utilizing a network of independently licensed bail bond agents in the state of Florida.

## **REINSURANCE**

The Company did not have any reinsurance agreements executed during the period of this examination.

### **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, 2021. 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, 2021. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

**O'SHAUGHNAHILL SURETY & INSURANCE, INC**

**Assets**

**December 31, 2021**

	Assets	Nonadmitted Assets	Net Admitted Assets
Cash and short-term investments	2,170,777		2,170,777
Subtotals, cash and invested assets	2,170,777		2,170,777
Furniture and equipment, including health care delivery assets	17,389	17,389	
Aggregate write-in for other than invested assets	110,245	29,273	80,972
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	2,298,411	46,662	2,251,749
Total	2,298,411	46,662	2,251,749

**O'SHAUGHNAHILL SURETY & INSURANCE, INC**

**Liabilities, Surplus and Other Funds**

**December 31, 2021**

	Per Company
Other expenses	17,560
Advance premiums	81
Payable to parent, subsidiaries and affiliates	7,301
Aggregate write-in for liabilities	77,148
Total liabilities excluding protected cell liabilities	102,090
Total liabilities	102,090
Common capital stock	1,500,000
Gross paid-in and contributed surplus	1,000,000
Unassigned funds (surplus)	(350,341)
Surplus as regards policyholders	2,149,658
Totals	2,251,749

**O'SHAUGHNAHILL SURETY & INSURANCE, INC**  
**Statement of Income**  
**December 31, 2021**

	Per Company
<b>Underwriting Income</b>	
Premiums earned	179,596
<b>Deductions</b>	
Other underwriting expenses incurred	484,318
Total Underwriting deductions	484,318
Net underwriting gain (loss)	(304,722)
<b>Investment Income</b>	
Net investment income earned	1,042
Net investment gain or (loss)	1,042
<b>Other Income</b>	
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(303,680)
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(303,680)
Net Income	(303,680)
<b>Capital and Surplus Account</b>	
Net Income	(303,680)
Change in non-admitted assets	(46,662)
Capital Changes:	
Paid in	1,500,000
Surplus adjustments:	
Paid in	1,000,000
Change in surplus as regards policyholders for the year	2,149,658
Surplus as regards policyholders, December 31, current year	2,149,658

**O'SHAUGHNAHILL SURETY & INSURANCE, INC**  
**Reconciliation of Capital and Surplus**  
**December 31, 2021**

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

<b>Capital/Surplus Change during Examination Period</b>			
Surplus at December 31, 2020, per Company			0
	Increase	Decrease	
Net Income (loss)		\$303,680	
Change in non-admitted assets		46,662	
Change in paid in capital	1,500,000		
Change in paid in surplus	1,000,000		
Net increase (or decrease)			2,149,658
Surplus at December 31, 2021 per Company			2,149,658

## COMMENTS ON FINANCIAL STATEMENT ITEMS

### Capital and Surplus

The amount of capital and surplus reported by the Company of \$2,149,658, exceeded the minimum of \$1,500,000 required by Section 624.408, Florida Statutes.

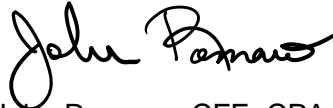
## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of O'Shaughnahill Surety & Insurance Inc. as of December 31, 2021, consistent with the insurance laws of the State of Florida.

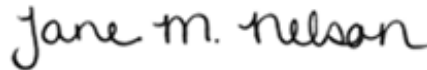
In addition to the undersigned, the following individuals also participated in the examination:

Chad Mason, PIR	Exam Manager	Office
Dan Applegarth, CFE, CPA, PIR	Chief Financial Examiner	Office
Michelle January, MCM	Senior Examiner	Baker Tilly US, LLP
Russel Sommers, CPA, CISA	IT Director	Baker Tilly US, LLP
T.J Helm, CPA, CISA	IT Senior Examiner	Baker Tilly US, LLP

Respectfully submitted,



John Romano, CFE, CPA, CITP, CIA  
Examiner-in-Charge  
Baker Tilly US, LLP  
Representing the Florida Office of Insurance Regulation



Jane Nelson, PIR  
Director  
Property & Casualty Financial Oversight  
Florida Office of Insurance Regulation