



**EXAMINATION REPORT  
OF**

**Accredited Surety and Casualty Company, Inc.  
Orlando, FL**

**NAIC Company Code: 26379**

**as of  
December 31, 2023**

**By  
The Florida Office of Insurance Regulation**

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May 7, 2025

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 (NAIC), we have conducted a limited scope examination as of December 31, 2023, for:

**Accredited Surety and Casualty Company, Inc.**

4798 New Broad Street, Suite 200

Orlando, FL 32814

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

## SCOPE OF EXAMINATION

This was a limited scope examination of Accredited Surety and Casualty Company, Inc (“ASC”) as directed by the Florida Office of Insurance Regulation (“the Office”). The Company was last examined by representatives of the Office as of December 31, 2019. To the extent applicable, the limited scope examination was conducted in accordance with the guidance of the National Association of Insurance Commissioners (NAIC) Financial Condition Examiner’s Handbook, the NAIC Accounting Practices and Procedures Manual and the Florida Administrative Code. This examination was limited to particular risk areas of operational processes and the focus is less comprehensive than a full-scope examination. This report is for a limited scope examination and is not intended to communicate all matters of importance for an understanding of the Company’s financial condition.

The fieldwork commenced on September 3, 2024, and concluded as of May 7, 2025. The limited scope examination only included material events occurring subsequent to December 31, 2023, and noted during the course of the examination as they related solely to the areas within the limited scope of the examination detailed in the following paragraph.

This examination was conducted by Lewis & Ellis, LLC and covered ASC’s reinsurance program as of December 31, 2023, based on the following factors:

- The Company was acquired on June 27, 2024, when Onex Raven Buyer, Inc. (Onex) completed the purchase of all issued and outstanding shares of Accredited Insurance Holdings, Inc. (AIH) from Randall & Quilter (R&Q).
- In 2024, ASC enhanced its team by establishing a new ceded reinsurance department to centralize the reinsurance purchasing process and placements, shifting responsibilities from underwriters to specialized reinsurance professionals.

## REINSURANCE

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

### **Reinsurance Assumed**

As of December 31, 2023, the Company had one instance of assumed risk on a quota share basis from the Commercial Multi-Peril (non-liability portion) and Commercial Multi-Peril (liability portion) lines of business, of which no irregularities were identified.

### **Reinsurance Ceded**

Accredited Surety and Casualty Company, Inc. (ASC) writes specialty program business via relationships with Managing General Agents and Managing General Underwriters (collectively, Program Administrators). Acting as stewards of capital, ASC outsources underwriting and expertise to Program Administrators who specialize in specific areas. These administrators operate within the guidelines set by ASC, ensuring the Company is comfortable with the controls, ratings, and coverages. ASC oversees the Program Administrators to ensure compliance with these controls and uses reinsurance to provide capital support for this business.

The Office allows ASC to engage in reinsurance transactions with unauthorized reinsurers under specific conditions:

- Collateralization of at least 105% of the total ceded unauthorized premium reserve, ceded outstanding loss reserves, and allocated LAE, and ceded IBNR losses and allocated LAE.
- Acceptable collateral includes surety bonds from authorized insurers, irrevocable letters of credit from federal financial institutions, or cash/securities held in trust.
- Florida deposit requirement of \$5 million.
- Maintenance of an RBC ratio of no less than 300% and a surplus of no less than \$20 million.
- Annual compliance examinations by the Office to ensure adherence to the Consent Order.

The examination team obtained and validated documentation for collateral support for all sampled programs involving unauthorized reinsurers.

In 2024, ASC enhanced its team by establishing a new ceded reinsurance department to centralize the reinsurance purchasing process and placements, shifting responsibilities from underwriters to specialized reinsurance professionals.

### **Managing General Agencies and Third-Party Administrators (TPAs)**

The Company uses Program Administrators to underwrite its business, with controls and reinsurer partnerships to protect capital. A due diligence process involving multiple departments is intended to ensure comprehensive risk assessment. Instead of traditional managing general agents, the Company works with various general agencies and program managers for its reinsurance program business, each handling different lines of business and reinsurers. Premiums are generated in multiple states, and annually, the Company submits a chart to the Office detailing the general agency, claims administrator, and reinsurer for each active program. These program managers do not meet the statutory definition of a 'managing general agent' under Section 626.015(16)(a).

## **CURRENT LIMITED-SCOPE EXAMINATION FINDINGS**

No current limited scope examination findings were noted.

## **SUBSEQUENT EVENTS**

On April 4, 2023, R&Q Insurance Holdings Ltd ("R&Q", the "Company" or the "Group") announced that it was undertaking a strategic initiative to separate its legacy insurance business ("R&Q Legacy") and its program management business ("Accredited"). On October 20, 2023, R&Q entered into a conditional agreement with funds advised by Onex Corporation to sell 100% of the equity interest in Randall & Quilter America Holding Inc., the holding company of Accredited. Shareholder approval was obtained on January 11, 2024. Closing of the sale was conditional on regulatory approval and customary consents from certain R&Q debt providers. The Form A for the change in control of the Company was filed with the Florida Office of Insurance Regulation on November 27, 2023, and was approved on April 18, 2024.

Effective June 27, 2024, Onex Raven Buyer, Inc. (Onex) acquired all the issued and outstanding shares of Accredited Insurance Holdings (“AIH”) from R&Q. Due to this change in control, the Intercompany Arrangements have been restated to include entities within the new holding company structure as the existing agreements are phased out during transition.

Immediately after closing, a commutation of existing reinsurance between the Company and a member of the R&Q Group was effectuated. As a result of the sale, certain funds were required to be contributed to the Company related to a retroactive reinsurance cover purchased for the Legacy reserves on the Company’s balance sheet. The \$10.6 million contribution was received on July 1, 2024.

The Company used SAP as its general ledger software for 2023 and continues to use SAP today. In 2022, the Company used Microsoft Dynamics, and the ending balances were migrated into SAP and mapped to a new COA hierarchy to align with a global COA framework being adopted across the R&Q Group. Post sale of Accredited Surety and Casualty Company, Inc. by R&Q to Onex, the Company acquired its own instance of SAP and migrated its data and is using the same hierarchy. The Company continues to optimize the interfaces and configurations with SAP but as it stands today the systems and methodologies are largely the same as they were at year end 2023.

## CONCLUSION

The insurance examination included practices and procedures of a limited scope for Accredited Surety and Casualty Company, Inc. as of December 31, 2023, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's Surplus as regards policyholders was \$69,399,157, which exceeded the minimum of \$21,102,062 as required by Section 624.408, Florida Statutes.

In addition to the undersigned, the following individuals from Lewis & Ellis, LLC (L&E) and the Florida Office of Insurance Regulation also participated in the examination:

Bobby Jackson, CPA, APIR	Examination Manager	Office
Steve Matthews, CFE	Examination Supervisor	L&E
Katie Koch, FCAS, MAAA	Exam Actuary & Reinsurance Specialist	L&E
Claire Chadick	Financial Examiner	L&E

Respectfully submitted,



Mel Heaps, CFE  
Examiner in Charge  
Lewis and Ellis, LLC  
Representing the Florida Office of Insurance Regulation



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