



**EXAMINATION REPORT
OF**

**Alert Auto Insurance Company
Sarasota, Florida**

NAIC Company Code: 16584

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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December 16, 2024

Michael Yaworsky, Commissioner
Florida Office of Insurance Regulation
200 East Gaines Street
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:

Alert Auto Insurance Company
4054 Sawyer Road
Sarasota, Florida 34233

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

SCOPE OF EXAMINATION

This was a limited scope examination of Alert Auto Insurance Company 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, 2020. 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 the 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 April 4, 2024, and concluded as of December 16, 2024. Our limited scope examination only included material events occurring subsequent to December 31, 2020, 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 on a modified risk focus examination and covered the financial condition of the Company subsequent to the run-off. A reserve analysis as of June 30, 2024, and a limited scope information technology review were performed.

COMPANY HISTORY

General

Alert Auto Insurance Company (“Company”) is a Florida domestic property and casualty insurer that was incorporated on March 22, 2019, and received its Florida Certificate of Authority on May 10, 2019. The Company wrote non-standard auto and is licensed in Private Passenger Auto Liability (0192) and Private Passenger Auto Physical Damage (0211) lines of business exclusively in Florida. The Company began writing in August 2019. All of the Company’s business was produced by its affiliated managing general agency (“MGA”), Palm Insure, Inc.

The Company entered runoff on January, 27, 2023. The MGA currently has one professional with the sole responsibility of managing claims.

CAPITAL STOCK AND CAPITAL CONTRIBUTIONS

As of December 31, 2023, the Company's capitalization was as follows:

Number of authorized common capital shares	5,000,000
Number of shares issued and outstanding	5,000,000
Total common capital stock	\$5,000,000
Par value per share	\$1.00

The Company received the following capital contributions from the parent from 2021 to 2023:

September 2021	\$500,000
February 2022	\$235,000
September 2022	\$750,000
June 2022	\$100,000
May 2023	\$50,000

SURPLUS NOTES

The Company issued the following surplus notes from inception to December 31, 2023:

Date Issued	Original Amount of Note	Rate	12/31/23 Carrying Value	Unapproved Interest
6/30/2019	2,500,000	5.066%	2,500,000	\$677,928
9/30/2021	500,000	5.535%	500,000	\$80,712
12/31/2021	750,000	5.858%	750,000	\$113,034
3/31/2022	1,500,000	6.369%	1,500,000	\$210,195
Total	\$5,250,000		\$5,250,000	\$1,081,870

ACTUARIAL REVIEW

The actuarial firm of Lewis & Ellis, LLC completed an evaluation of the loss and loss adjustment expense (LAE) reserves held by the Company for the Personal Injury Protection (PIP) line of business as of June 30, 2024. The loss reserves carried by the Company for PIP appear to be within a reasonable range of estimates.

INFORMATION TECHNOLOGY REVIEW

A limited scope of the Company's Information Technology review did not reveal any significant issue.

COMPANY'S FUTURE PLAN

The Company has suffered large losses as a result of their operations. These losses have provided an opportunity for tax loss carryforwards that can be utilized by the Company.

The Company's management is actively reviewing various options to maximize the tax loss carryforwards, including but not limited to the sale of the Company.

FOLLOW-UP OF PRIOR EXAMINATION FINDINGS

There were no significant prior exam findings.

CURRENT EXAMINATION FINDINGS

There was no significant finding as a result of this examination.

CONCLUSION

The insurance examination included practices and procedures of a limited scope for Alert Auto Insurance Company as of December 31, 2023, consistent with the insurance laws of the State of Florida. In addition to the undersigned, the following individuals from Lewis and Ellis, LLC (L&E) and Global Insurance Enterprises, Inc. (GIE) also participated in the examination:

Greg Wilson, FCAS, MAAA	Actuarial Specialist	L&E
Robert Ficken, CISA, AES, CRISC, CISSP	IT Specialist	GIE
Larry Lucas, CFE	Participating Examiner	GIE

Respectfully submitted,



Roshi Fekrat, CFE, CPA, CIA, AMCM
Examiner In Charge
Global Insurance Enterprises, Inc.
Representing the Florida Office of Insurance Regulation



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