



**EXAMINATION REPORT
OF**

**American Traditions Insurance Company
Pinellas Park, Florida**

NAIC Company Code: 12359

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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March 24, 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 690-138.005, 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, 2023, of the financial condition and corporate affairs of

American Traditions Insurance Company
7785 66th Street
Pinellas Park, Florida 33781

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, 2019 through December 31, 2023 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on April 8, 2024. The fieldwork concluded as of March 24, 2025. The Company’s last full scope exam by representatives of the Office covered the period January 1, 2014 through December 31, 2018.

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.

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.

Previous Examination Findings

There were no significant findings as a result of the previous examination.

COMPANY HISTORY

General

American Traditions Insurance Company (“Company”) was incorporated on August 9, 2005, and commenced business on January 1, 2006. The Company obtained its Certificate of Authority from the Florida Office of Insurance Regulation on December 5, 2005. The Company is a Florida domiciled property and casualty company and is licensed to provide homeowners and mobile homeowners insurance, including flood policies through the National Flood Insurance Program (NFIP).

Dividends

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

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	1,000
Number of shares issued and outstanding	1,000
Total common capital stock	\$1,000
Par value per share	\$1.00

Surplus Notes

A surplus note in the amount of \$4,000,000 was issued in exchange for cash and held by TJ Jerger MGA, LLC, an affiliate of the Company. The assets and contribution to surplus have been approved by the Office pursuant to Chapter 625, Florida Statutes. Each payment of principal and interest may be made only with the prior approval of the Florida Insurance Commissioner. No principal payments were made during 2023.

A surplus note in the amount of \$7,000,000 was issued in exchange for cash under the Insurance Capital Build-up incentive Program and held by the State Board of Administration of Florida. The assets and contribution to surplus have been approved by the Office pursuant to Chapter 625, Florida Statutes. Each payment of principal and interest may be made only with the prior approval of the Florida Insurance Commissioner. Principal payments of \$514,706 were made during 2023.

<u>Date Issued</u>	<u>Interest Rate</u>	<u>Par value</u>	<u>Carrying value</u>	<u>Total Principal Paid</u>	<u>Total Interest Paid</u>	<u>Maturity Date</u>
6-21-2007	3.93%	7,000,000	1,338,235	5,661,765	2,189,611	6-20-2027
2-28-2023	10.0%	4,000,000	4,000,000	0	340,000	12-31-2032

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, 2023, are shown below:

Directors		
Name	City/State	Principal Occupation, Company Name
Thomas John Jerger	St. Pete Beach, FL	Chairman, Chief Executive Officer American Traditions Insurance Company
Thomas John Jerger, Jr.	St. Pete Beach, FL	President, Chief Operating Officer of West Point Underwriters, LLC
Brian James Adamski	Lutz, FL	Chief Financial Officer, Treasurer American Traditions Insurance Company
Raymond Mark Blacklidge	Blairsville, GA	Corporate Secretary and General Counsel Consultant American Traditions Insurance Company
Joel Peter Yanchuck	Tarpon Springs, FL	Attorney Yanchuck, Berman, Wadley & Zervos PA
Richard Mitchell Jerger, Jr.	St. Petersburg, FL	Director American Traditions Insurance Company
Keith Marco Lindgren	Townsend, TN	Certified Public Accountant
Gavin Michael Ryan (a)	Plano, TX	Retired - President/CEO Standard Casualty Company, a subsidiary of Cavco Industries
Stephen Harold Braun	Windermere, FL	Consultant for Hometown Insurance
Danny Lee Hurley (b)	Ellenton, FL	Vice President of Products and Compliance American Traditions Insurance Company
Justin Darby Locke	Largo, FL	Controller and Chief Risk Officer American Traditions Insurance Company
Gregory Sellner Hall	Fayetteville, GA	Director of West Point Underwriters, LLC
Sandra Darlene Jerger	St. Pete Beach, FL	Retired Insurance Agent

(a) Gavin Michael Ryan resigned on March 4, 2024 and was replaced by Robert G. Burkholder on March 26, 2024.

(b) Danny Hurley resigned on May 24, 2024 and was not replaced.

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

Senior Officers		
Name	City/State	Principal Occupation, Company Name
Thomas John Jerger	St. Pete Beach, FL	Chairman, Chief Executive Officer
Thomas John Jerger, Jr.	St. Pete Beach, FL	President, Chief Operating Officer
Brian James Adamski	Lutz, FL	Treasurer Chief Financial Officer
Raymond Mark Blacklidge	Blairsville, GA	EVP, General Counsel and Corporate Secretary
Jennifer Jean Sousa	Pinellas Park, FL	Vice President, Marketing and Sales
Danny Lee Hurley (a)	Ellenton, FL	Vice President of Products and Compliance
Edward Joseph Jerger	Pinellas Park, FL	Vice President, Claims
Daniel Joseph Ewin	St. Petersburg, FL	Vice President, Litigation
Justin Darby Locke	Largo, FL	Chief Risk Officer and Controller

(a) Danny Lee Hurley resigned on May 24, 2024 and was replaced by Ronald Scott Terzer as Vice President of Products and Compliance on January 1, 2025.

The Company's Board appointed internal committees. The following were the principal internal board committees and their members as of December 31, 2023. The first person listed for each committee is the chairman.

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

Audit Committee	
Joel P. Yanchuck	Keith M. Lindgren
Thomas J. Jerger	Greg S. Hall
Richard M. Jerger, Jr.	

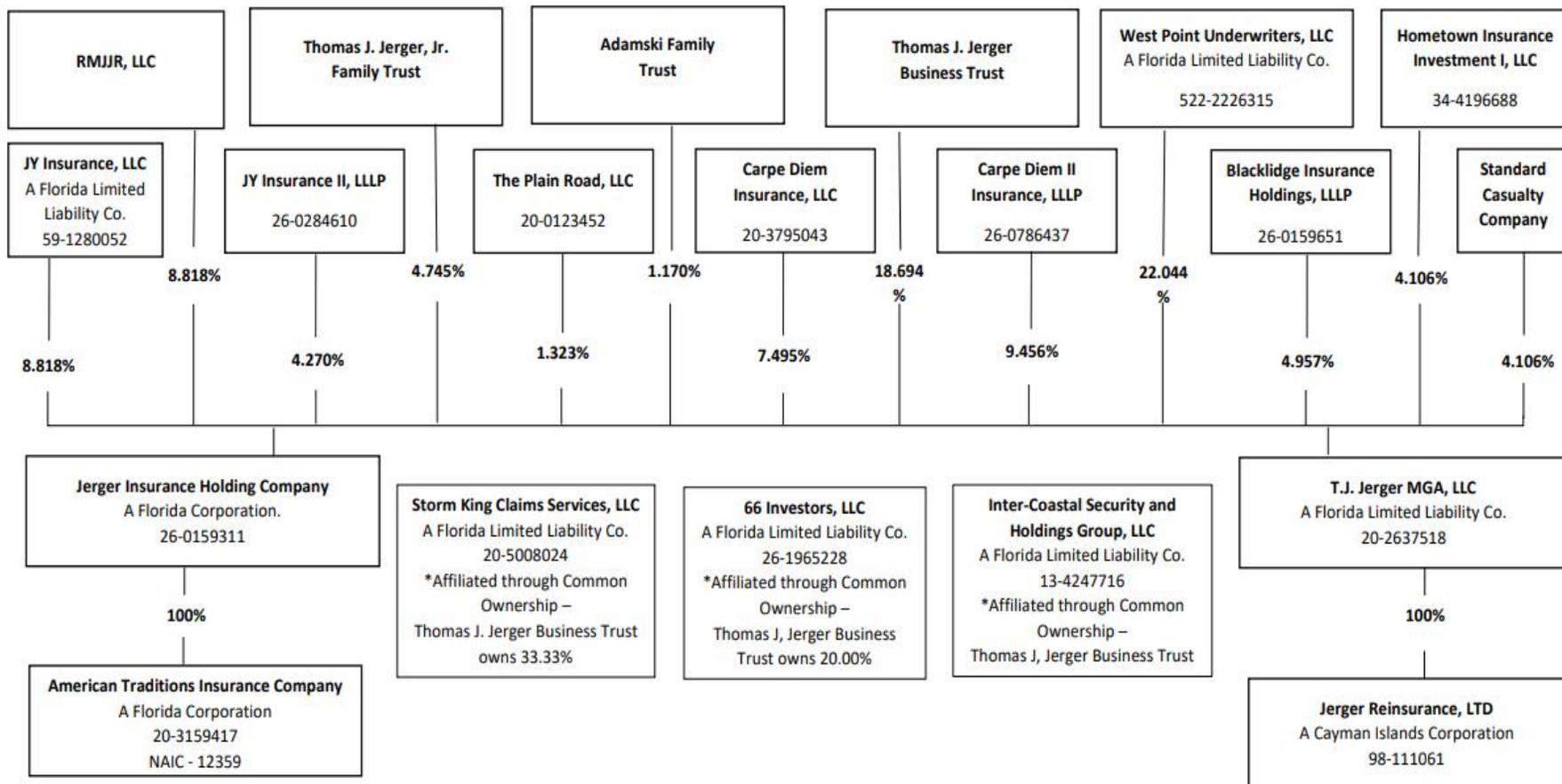
Investment Committee	
Thomas J. Jerger	Greg S. Hall
Brian J. Adamski	Richard M. Jerger, Jr.
Gavin M. Ryan	Joel P. Yanchuck

Holding Company System

The Company is a member of an insurance holding company system. The Company is a 100% owned subsidiary of Jerger Insurance Holding Company (“JIH”), a privately held company incorporated in Florida. There were no changes in the Holding Company system or changes in the relationships with affiliated entities during the exam period.

A simplified organizational chart as of December 31, 2023, reflecting the holding company system, is shown on the following page. Schedule Y of the Company’s 2023 annual statement provided a list of all related companies of the holding company group.

American Traditions Insurance Company



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

Tax Allocation Agreement

Effective December 31, 2018, the Company and its parent, JIH, entered into a consolidated federal income tax return agreement to file a consolidated federal income tax return for periods of time during which the Company is qualified to file a consolidated return as defined by Section 1504 of the Internal Revenue Code. Under the agreement, the Company is liable for the federal income tax in an amount not to exceed that which would have been due by the Company had it filed a separate tax return, or its pro rata portion of the tax paid under the consolidated income tax return, whichever is less.

Facilities Agreement

The Company had a Facilities Agreement, effective November 1, 2007, with MUIC, MUSA MGA, LLC, West Point Underwriters, LLC and T. J. Jerger MGA, LLC (TJMGA). The agreement served to establish the cost of running the facilities of the companies that were party to the agreement, and established procedures for the allocation of the cost of the facilities. The agreement called for monthly invoices submitted by the Treasurer of each company by the 15th day of the following month for reimbursable expenses to be paid by the last day of the following month. On January 1, 2018, the agreement was amended to update the participants and the percentages of the expenses to allocate to each participant.

Managing General Agent Agreement

The Company entered into a Managing General Agent agreement with TJMGA, effective September 1, 2005, to administer 100% of the policies written by the Company and to provide services for managing and administering the affairs of the Company. Services included, but were not limited to, policy issuance, underwriting, premium billing and collection, and the adjustment and payment of claims. Policies are sold through TJMGA pursuant to terms of a Managing General Agency Agreement. TJMGA contracts with independent agents throughout Florida to solicit coverage to individual policyholders. Policy processing is performed by an affiliated third-party administrator, West Point Insurance Services, LLC ("West Point").

Florida Commercial Lease Agreement

Effective June 25, 2008, the Company entered into a lease agreement, with an affiliate, 66 Investors, LLC. 66 Investors, LLC is the owner of the Company's home office building located in Pinellas Park, Florida. Annual rent pursuant to this lease agreement is \$101,968 and is due in monthly installments. The agreement is renewed on a yearly basis, ninety days prior to the expiration of the lease.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Pinellas Park, 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 December 5, 2005, and is currently authorized for the following lines of business in Florida as of December 31, 2023:

<ul style="list-style-type: none">• Allied Lines	<ul style="list-style-type: none">• Other Liability
<ul style="list-style-type: none">• Fire	<ul style="list-style-type: none">• Inland Marine
<ul style="list-style-type: none">• Homeowners Multi-Peril	<ul style="list-style-type: none">• Mobile Home Physical Damage
<ul style="list-style-type: none">• Mobile Home Multi-Peril	

The Company primarily writes homeowners and mobile home fire and renters' coverage policies in the State of Florida.

REINSURANCE

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

Reinsurance Assumed

The Company assumed \$994,944 of premium from a Citizens Property Insurance Corporation's ("Citizens") depopulation initiative during 2023.

Reinsurance Ceded

The Company entered into a 38% quota share reinsurance agreement with Jerger Re for the term June 1, 2023 through January 1, 2024. Jerger Re is affiliated through common ownership.

To minimize the Company's exposure to losses from catastrophes, primarily hurricanes, the Company has entered into various excess of loss agreements, including its mandatory participation in the Florida Hurricane Catastrophe Fund ("FHCF").

The Company has also purchased catastrophe reinsurance and other per risk reinsurance from private reinsurers, including a quota share agreement.

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, 2023. 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, 2023. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

American Traditions Insurance Company
Assets
December 31, 2023

	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	56,957,973		56,957,973
Stocks			
Preferred stocks	3,717,694		3,717,694
Cash and short-term investments	35,602,908		35,602,908
Other invested assets	1,700,222		1,700,222
Receivables for securities	86		86
Subtotals, cash and invested assets	97,978,883		97,978,883
Investment income due and accrued	525,734		525,734
Premiums and considerations			
Uncollected premiums and agents' balances	3,561,056	24,770	3,536,286
Deferred premiums, agents' balances and installments	7,791,931		7,791,391
Reinsurance			
Amounts recoverable from reinsurers	9,030,424	39,544	8,990,880
Current federal and foreign income taxes recoverable and interest thereon	1,118,448		1,118,448
Net deferred tax asset	3,328,724	149,331	3,179,393
Guaranty funds receivable or on deposit	18,736		18,736
Electronic data processing equipment and software	18,909	18,909	0
Furniture and equipment, including health care delivery assets	17,824	17,824	0
Receivable from parent, subsidiaries and affiliates	4,524,377		4,524,377
Aggregate write-in for other than invested assets	351,942	290,048	61,894
Total	128,266,988	540,426	127,726,562

American Traditions Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2023

	Per Company
Losses	17,831,838
Loss adjustment expenses	1,921,527
Other expenses	4,153,183
Taxes, licenses and fees	1,846,815
Unearned premiums	63,018,656
Advance premiums	3,904,969
Ceded reinsurance premiums payable	(2,967,269)
Funds held by company under reinsurance treaties	479,498
Payable to parent, subsidiaries and affiliates	4,197,954
Total liabilities	94,387,171
Common capital stock	1,000
Surplus notes	5,338,235
Gross paid-in and contributed surplus	18,021,084
Unassigned funds (surplus)	9,979,072
Surplus as regards policyholders	33,339,391
Totals	127,726,562

American Traditions Insurance Company
Statement of Income
December 31, 2023

	Per Company
Underwriting Income	
Premiums earned	44,739,539
Deductions	
Losses Incurred	26,344,021
Loss adjustment expenses incurred	7,236,372
Other underwriting expenses incurred	12,300,594
Total Underwriting deductions	45,880,987
Net underwriting gain (loss)	(1,141,448)
Investment Income	
Net investment income earned	1,538,391
Net realized capital gains or (losses)	(493,124)
Net investment gain or (loss)	1,045,267
Other Income	
Net gain or (loss) from agents' or premium balances charged off	3,709
Finance and service charges not included in premiums	348,068
Aggregate write-ins for miscellaneous income	3,457
Total other income	355,234
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	259,053
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	259,053
Federal & foreign income taxes incurred	(240,991)
Net Income	500,044
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	31,062,053
Net Income	500,044
Change in net unrealized capital gains or losses less capital gains tax	297,794
Change in net deferred income taxes	(280,313)
Change in non-admitted assets	(245,566)
Change in provision for reinsurance	
Change in surplus notes	(514,706)
Surplus adjustments:	
Paid in	2,520,000
Change in surplus as regards policyholders for the year	2,277,253
Surplus as regards policyholders, December 31, current year	33,339,391

**American Traditions Insurance Company
Reconciliation of Capital and Surplus
December 31, 2023**

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2018, per Company			30,004,623
	Increase	Decrease	
Loss in surplus		1,220,151	
Change in net unrealized capital gain (loss)		18,500	
Change in net deferred income tax	414,666		
Change in non-admitted assets		302,284	
Change in surplus notes	1,941,175		
Change in paid in surplus	2,520,000		
Prior Period Adjustment*		(\$138)	
Net increase (or decrease)			3,334,906
Surplus at December 31, 2023 per Company			33,339,391

* An adjustment was made to the 2022 beginning surplus due to entry that posted after the 2021 ledger closed.

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

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$33,339,391, exceeded the minimum of \$15,000,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

In January 2024, the Company received a capital contribution in the amount of \$2,520,000 from JIH. With approval from the Office, this capital contribution and related receivable from parent was recognized effective December 31, 2023, in accordance with statutory accounting principles.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of American Traditions 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 the Florida Office of Insurance Regulation, The NOVO Consulting Group, LLC (NOVO) and Lewis & Ellis (L&E) also participated in the examination:

Jeffrey Good, CFE, CIE, MCM	Supervisor	NOVO
Lori Ruggiero, CFE, CIE, MCM	Examiner in Charge	NOVO
Ray Conover, AIE, FLMI, MCM	Examiner	NOVO
Clifton Day, MPA, CPM, CSM, MCM	Examiner	NOVO
Robert Ficken	IT Specialist	NOVO
Greg Wilson, FCAS, MAAA	Actuary, VP, Principal	L&E

Respectfully submitted,



Lori Ruggiero, CFE, CIE, MCM
Principal
The NOVO Consulting Group, LLC
Representing the Florida Office of Insurance Regulation



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