



**EXAMINATION REPORT
OF**

**Granada Insurance Company
Miami, Florida**

NAIC Company Code: 16870

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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June 2, 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

Granada Insurance Company
4075 SW 83 Avenue
Miami, Florida 33155

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, 2020 through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on July 24, 2024. The fieldwork concluded as of June 2, 2025. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2015 through December 31, 2019.

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 Florida domestics only and did not involve participation from other states. The Company is licensed in Georgia and Florida. 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.

Previous Examination Findings

There were no significant findings in the previous examination.

COMPANY HISTORY

General

The Company was incorporated in Florida on August 27, 1986, and commenced business on May 20, 1987.

Dividends

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

Capital Stock and Capital Contributions

As of December 31, 2023, the Company had no capital contributions during the exam period. The Company's capitalization was as follows:

Number of authorized common capital shares	1,955,800
Number of shares issued and outstanding	1,955,800
Total common capital stock	\$1,955,800
Par value per share	\$1.00

Control of the Company was maintained by its parent, Hattbert Holdings, Inc ("Hattbert"), a Florida corporation, which owned 100% of the stock issued by the Company. The Company received contributions as additional paid in surplus of \$16,850,000 and \$9,000,000 from Hattbert in 2023 and 2022, respectively.

Surplus Notes

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

Acquisitions, Mergers, Disposals, Dissolutions

The Company became a member of the Insurance Holding Company System in accordance with Section 628.801, Florida Statutes, on September 3, 2003, when it was acquired 100% by Hattbert. On November 12, 2021, Hattbert was acquired by Ambrose Investment Group, LLC (“Ambrose”). Ambrose acquired 100% ownership of Hattbert. On September 16, 2022, Ambrose changed its name to Granada Financial Group, LLC.

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 with the first person listed being the Chairman of the Board:

Directors		
Name	City, State	Principal Occupation, Company Name
Juan M. Diaz-Padron	Coral Gables, Florida	Chief Executive Officer Granada Insurance Company
Carmen M. Diaz-Padron	Coral Gables, Florida	President Granada Insurance Company
Carlos Diaz-Padron	Coral Gables, Florida	Secretary/General Counsel Granada Insurance Company
Ramon Arias	Palmetto Bay, Florida	Independent Management Consultant Intermark American
Alberto N. Parjus	Miami, Florida	Budget Coordinator Miami-Dade County
Anthony F. Sierra	Coral Gables, Florida	President/CEO Best Meridian Insurance Company

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

Senior Officers		
Name	City, State	Title
Carmen M. Diaz-Padron	Coral Gables, Florida	President
Juan M. Diaz-Padron	Coral Gables, Florida	Chief Executive Officer
Carlos Diaz-Padron	Coral Gables, Florida	Secretary/General Counsel
Celia I. Acosta-Galvin	Miami, Florida	Vice President Underwriting

The Company's Board appointed an audit committee and an investment committee. 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.

Investment Committee		
Juan M. Diaz-Padron	Carmen M. Diaz-Padron	Carlos Diaz-Padron

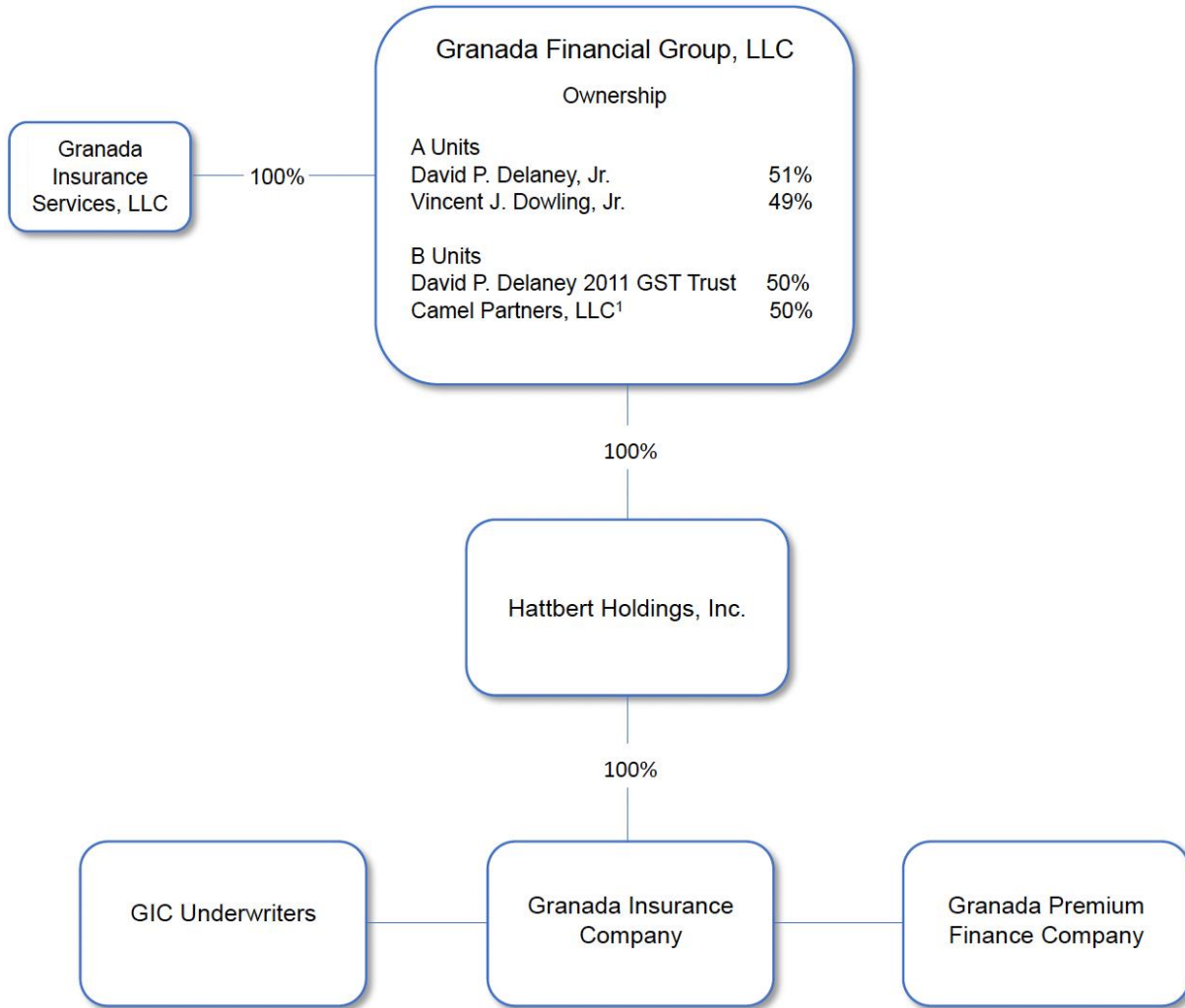
Audit Committee		
Ramon Arias	Alberto N. Parjus	Anthony F. Sierra

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

Holding Company System

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.

**Granada Insurance Company
Simplified Organizational Chart
December 31, 2023**



¹ Camel Partners, LLC is owned by various close family members, Trusts and an entity beneficially owned by Vincent J. Dowling, Jr.

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

Managing General Agency Agreement

The Company entered into an Amended Managing General Agency Agreement with GIC Underwriters, Inc. (“GIC Underwriters”) on April 28, 2016, to market and produce all of the Company’s policies, including the collection of premium and processing and settlement of claims. Direct premiums written by GIC Underwriters were \$78,765,286 and the Company paid approximately \$17,722,189 in compensation to GIC Underwriters in 2023.

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 in the State of Florida and Georgia; however, the Company only writes business in Florida.

The Company was authorized to transact insurance in Florida on May 20, 1987, and is currently authorized for the following lines of business in Florida as of December 31, 2023:

- Fire
- Allied Lines
- Commercial Multi-Peril
- Inland Marine
- Private Passenger Auto (“PPA”) Physical Damage
- Commercial Auto Liability
- Glass
- Commercial Auto Physical Damage
- Other Liability

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

Reinsurance Ceded

The Company's excess of loss treaty with various reinsurers is in run-off. The Company maintains a quota share with Swiss Reinsurance America Corporation ("Swiss Re"). The quota share percentages vary by program and by treaty effective date.

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.)

Granada Insurance Company
Assets
December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	1,152,741		1,152,741
Preferred Stocks	126,536		126,536
Cash and short-term investments	65,808,626		65,808,626
Subtotals, cash and invested assets	67,087,903		67,087,903
Investment income due and accrued	3,579		3,579
Premiums and considerations:			
Uncollected premiums and agents' balances	2,866,011		2,866,011
Deferred premiums, agents' balances and installments	25,937,208		25,937,208
Reinsurance:			
Amounts recoverable from reinsurers	9,636,214		9,636,214
Amounts receivable relating to uninsured plans			
Current federal and foreign income taxes recoverable and interest thereon	5,845,291		5,845,291
Net deferred tax asset	1,900,892		1,900,892
Electronic data processing equipment and software	440,850		440,850
Aggregate write-in for other than invested assets	11,348,804	26,083	11,322,721
Total	125,066,752	26,083	125,040,669

**Granada Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2023**

	Per Company
Losses	59,874,871
Loss adjustment expenses	4,610,488
Other expenses	468,481
Taxes, licenses and fees	198,014
Unearned premiums	34,543,909
Ceded reinsurance premiums payable	2,220,648
Total liabilities	101,916,411
Common capital stock	1,955,800
Gross paid-in and contributed surplus	34,020,816
Unassigned funds (surplus)	(12,852,357)
Surplus as regards policyholders	23,124,259
Totals	125,040,670

Granada Insurance Company
Statement of Income
December 31, 2023

	Per Company
Underwriting Income	
Premiums earned	56,376,627
Deductions	
Losses Incurred	49,108,074
Loss adjustment expenses incurred	9,162,738
Other underwriting expenses incurred	21,847,426
Total Underwriting deductions	80,118,238
Net underwriting gain (loss)	(23,741,611)
Investment Income	
Net investment income earned	1,819,896
Net realized capital gains or (losses)	0
Net investment gain or (loss)	1,819,896
Other Income	
Finance and service charges not included in premiums	3,902,787
Total other income	3,902,787
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(18,018,928)
Federal & foreign income taxes incurred	(2,886,291)
Net Income	(15,132,637)
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	21,406,895
Net Income	(15,132,637)
Surplus adjustments:	
Paid in	16,850,000
Change in surplus as regards policyholders for the year	1,717,363
Surplus as regards policyholders, December 31, current year	23,124,258

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

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

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2019, per Company			\$18,449,387
	Increase	Decrease	
Loss in surplus		(22,756,995)	
Change in net deferred income tax	1,584,866		
Change in non-admitted assets		(3,000)	
Change in paid in surplus	25,850,000		
Net increase (or decrease)			4,674,871
Surplus at December 31, 2023 per Company			\$23,124,258

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses – Charles C. Emma, FCAS, MAAA, Managing Principal, EVP Advisors, Inc. appointed by the Board, rendered an opinion that amounts carried in the balance sheet as of December 31, 2023, made a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its policies and agreements.

The Office consulting actuary, Kathryn M. Koch, FCAS, MAAA, Lewis & Ellis, LLC, reviewed the loss and loss adjustment expense workpapers provided by the Company and she was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$23,124,258, exceeded the minimum of \$10,000,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

Correction of Error

During the preparation of the 2024 audited financial statements by GLSC & Company, PLLC, an error was discovered in the application of accounting principles related to income taxes, specifically related to the treatment of net operating losses. As of December 31, 2023, the current federal income taxes recoverable and state tax receivable were overstated by \$2,390,235 and \$1,326,079, respectively. For the year ended December 31, 2023, federal taxes incurred, and other underwriting expenses were understated by \$1,146,140 and \$802,079, respectively. The cumulative effect of the error resulted in an overstatement of \$3,716,314 of the Company's surplus as of December 31, 2023. The Company corrected the error as an adjustment to surplus in the financial statements for the period ending December 31, 2024.

Tax Allocation Agreement

The Company entered into a Tax Allocation Agreement with GIC Underwriters, Hattbert, and Granada Premium Finance Company effective June 28, 2019, where Hattbert files a consolidated tax return on behalf of all named entities. The agreement includes state and local income and franchise tax returns. The agreement was filed with the Office on February 18, 2025.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Granada 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 & Ellis, Inc. (L&E) also participated in the examination:

David Palmer, MCM, CFE	Exam Supervisor	L&E
Derek Petersen, MCM, CFE	Senior Examiner	L&E
Kathryn Koch, FCAS, MAAA	Actuary Specialist	L&E
Jenny Jeffers, AES, CISA, CFE (Fraud)	IT Specialist	Jennan Enterprises, LLC
Joseph Detrick, AES, CISA, CPA, CFE	IT Specialist	Jennan Enterprises, LLC

Respectfully submitted,



Omar D. Akel, CFE
Examiner-in-Charge
Lewis & Ellis, LLC
Representing the Florida Office of Insurance Regulation



Charles Mason
Chief Financial Examiner
Property & Casualty Financial Oversight
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