



**EXAMINATION REPORT
OF**

**MAPFRE Insurance Company of Florida
Miami, Florida**

NAIC Company Code: 34932

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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May 22, 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 (“the NAIC”), we have conducted an examination as of December 31, 2023, of the financial condition and corporate affairs of

MAPFRE Insurance Company of Florida
5959 Blue Lagoon Drive, Suite 400
Miami, FL 33126

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 May 1, 2024. The fieldwork concluded as of May 22, 2025. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2014 through December 31, 2018.

The examination was a coordinated 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 a multi-state/coordinated process. The lead state for this examination was Massachusetts. Representatives of the following states also participated in this examination:

- California Department of Insurance
- Florida Office of Insurance Regulation
- New Jersey Department of Banking and Insurance
- New York Department of Financial Services
- Ohio Department of Insurance
- Vermont Department of Financial Regulation

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 on November 17, 1988, as a stock property and casualty insurer under the applicable provisions of the State of Florida as Consolidated Property and Casualty Insurance Company and commenced business on August 1, 1989. Mapfre Corporation of Florida Inc. received approval from the Office to purchase the Company on June 6, 2002, and the current name was adopted effective October 1, 2002. Mapfre Insurance Company of America merged into and with the Company on March 25, 2003. Amstar was merged into and with the Company on July 1, 2009. On the same day, the Company was acquired by a Massachusetts affiliate, The Commerce Insurance Company (“Commerce”).

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	30,000
Number of shares issued and outstanding	20,000
Total common capital stock	\$2,000,000
Par value per share	\$100.00

Borrowed Money

On December 30, 2022, with the approval from the Office, the Company issued a Line of Credit Promissory Note (“Promissory Note”) in favor of Commerce, in the principal amount of \$8.5

million, with interest at the Prime Rate, as published by the Wall Street Journal. As of December 31, 2023, the amount outstanding under the Promissory Note was \$10,336,068 (\$9,973,653 principal and \$362,415 interest). This note was paid in full in December 2024 with proceeds from an \$18 million Line of Credit Promissory Note from Commerce (“Line of Credit”).

On December 28, 2023, with the approval from the Office, the Company issued the Line of Credit with interest at Prime Rate, as published by the Wall Street Journal. The principal balance and accrued interest on the Line of Credit is payable December 31, 2026.

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
Jaime Tamayo ^(a)	Weston, Massachusetts	CEO, MAPFRE North America
Jose Manuel Corral Vazquez ^(b)	Boston, Massachusetts	CEO, MAPFRE Vida & D.G. Bancaseguros MAPFRE España Director, EVP and COO, MAPFRE USA, Commerce Insurance Company
John Martin Meciak, Jr.	Dudley, Massachusetts	SVP Chief Accounting Officer, MAPFRE USA
Daniel Patrick Olohan ^(c)	Walpole, Massachusetts	EVP, General Counsel and Secretary, MAPFRE USA, Commerce Insurance Company
Jesus Alberto Amadori Carrillo	Boston, Massachusetts	EVP and CFO, MAPFRE USA, Commerce Insurance Company

(a) Chairman

- (b) Resigned effective August 1, 2024, and became Managing Director of Mapfre Vida and General Manager of the Bancassurance Channel in Spain.
- (c) Appointed COO of MAPFRE USA effective August 1, 2024.

Since August 1, 2024, the Company has been operating with four active Directors. Florida statute Section 628.231 F.S. requires a minimum of five Directors serving on the Board.

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

Senior Officers		
Jaime Tamayo	Weston, Massachusetts	President and Chief Executive Officer
John Martin Meciak, Jr.	Dudley, Massachusetts	Treasurer, Chief Accounting Office & SVP
Michael Steven Sher ^(c)	Webster, Massachusetts	Secretary, Deputy General Counsel & SVP
Jesus Alberto Amadori Carrillo	Boston, Massachusetts	Chief Financial Officer & EVP

^(c) Resigned effective December 2023

As of December 31, 2023, the MAPFRE USA Audit committee was designated to serve as the Audit Committee for the Company. The MAPFRE USA Audit Committee was comprised of the following members as of December 31, 2023, in compliance with Section 624.424(8)(c), Florida Statutes.

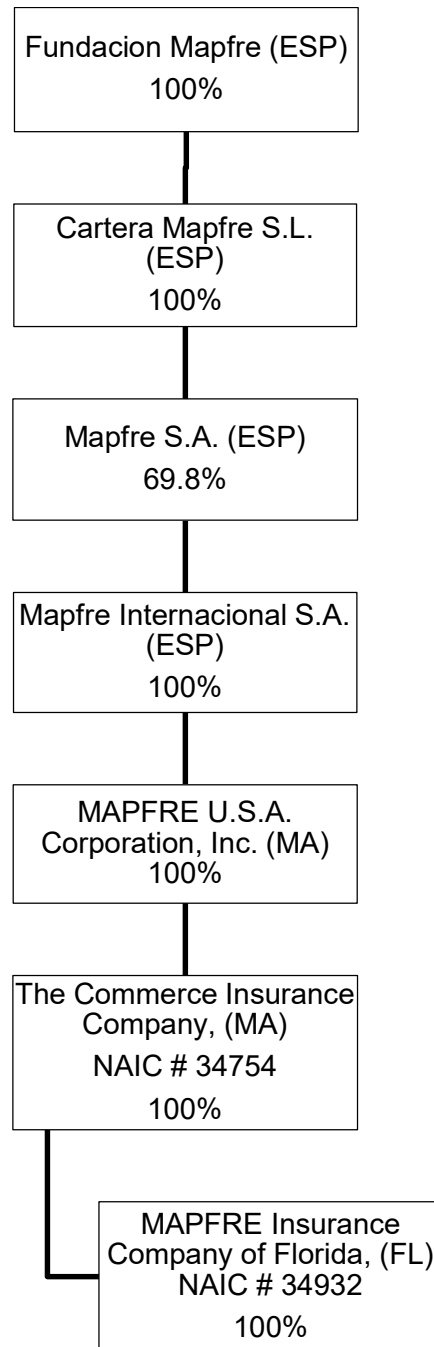
Audit Committee		
Ed Timmes, Chairman	Randy Becker	Maureen Brundage
Daniel Olohan, Secretary		

The Investment responsibilities were assumed by the entire Board of Directors as of December 31, 2018.

Holding Company System

The Company is a member of the MAPFRE U.S.A. Corporation, Inc., holding company. 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.

MAPFRE INSURANCE COMPANY OF FLORIDA
Simplified Organizational Chart
December 31, 2023



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

Management Cost Allocation Agreement

The Company is a party to the Seventh Amended and Restated Management Cost Allocation Agreement effective January 1, 2019, and executed by and among the Company and its affiliates: Commerce, Citation Insurance Company, American Commerce Insurance Company, Commerce West Insurance Company, MAPFRE Insurance Company, and Verti Insurance Company.

Companies from time to time may provide the other parties with the personnel, property, and services necessary to perform certain management services, support, assistance, and functions. For non-investment related services, the party providing the management services shall be compensated for the actual costs and expenses borne by such party for those functions for which the party supports the other party. Loss adjustment expenses are apportioned to each company through studies in accordance with SSAP No. 70. The 2023 Annual Statement Schedule Y Part 2, reports fees under this agreement totaling \$508,659. Under the agreement, applicable fees are payable within 30 days of the end of each calendar quarter.

Tax Allocation Agreement

Effective November 1, 2022, the Company is a party to the Sixth Amended and Restated Tax Allocation Agreement by and among MAPFRE USA Corp., Commerce, ACIC Holding Co., Inc., American Commerce Insurance Company, Citation Insurance Company, Commerce West Insurance Company, BFC Holding Corporation, MAPFRE Insurance Company, Bright Idea Insurance Solutions, Verti Insurance Company, MAPFRE Tech USA, Inc., MAPFRE Assistance USA Inc., Century Automotive Service Corporation, Federal Assist Company, and MAPFRE Warranty Corporation of Florida.

Under the agreement, taxes are allocated on a separate return basis. Each member of the group records an intercompany income tax receivable or payable with Holding Company. Intercompany income tax receivables and payable balances are settled within ninety (90) days of the remittance.

Custodial Agreement

Under the terms of the Management Cost Allocation Agreement, the Company receives investment management services and investment recordkeeping services from Commerce. Commerce maintains a global custody agreement with The Bank of New York for safekeeping of securities.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Webster, Massachusetts.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance only in the State of Florida and is authorized for the following lines of business as of December 31, 2023.

- Commercial Automobile Liability
- Aircraft
- Inland Marine
- Surety
- Glass
- Commercial Multi-Peril
- Fire
- Private Passenger Auto Physical Damage
- Commercial Auto Physical Damage
- Other Liability
- Fidelity
- Private Passenger Auto Liability
- Allied Lines
- Homeowners Multi-Peril
- Burglary and Theft

On June 19, 2019, the Company placed its commercial lines policies in runoff. On March 4, 2022, the Company placed its private passenger automobile and other liability lines in runoff. The Company ceased writing new business on April 1, 2022, with no active policies after June 30, 2023.

REINSURANCE

As of January 1, 2022, the Company had no active reinsurance agreements.

Reinsurance Pooling Agreement

Until January 1, 2022, the Company was a participant in a Reinsurance Pooling Agreement with affiliated insurance entities of the MAPFRE USA Corp.: Commerce, Citation Insurance Company, MAPFRE Insurance Company, Commerce West Insurance Company, American Commerce Insurance Company, and Verti Insurance Company. Commerce was the lead insurer and assumed 100% of the premium written and loss insurance liabilities.

Casualty Excess of Loss

The Company was a participant in a 2017 Casualty Excess of Loss Reinsurance Agreement between Commerce and MAPFRE RE, Compañía de Reaseguros, S.A., Madrid Spain (MAPFRE RE), an affiliate. Under the agreement, MAPFRE RE assumed \$3 million in excess losses over a \$2 million retention. In 2024, the Company recorded ceded loss and loss adjustment expenses totaling \$1,890,461 relating to this 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 Office 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.)

MAPFRE Insurance Company of Florida
Assets
December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$55,822,599	\$0	\$55,822,599
Cash and short-term investments	(2,095,434)		(2,095,434)
Investment income due and accrued	364,126		364,126
Uncollected premiums and agents' balances in the course of collection	92,716		92,716
Net deferred tax asset	210,101	82,016	128,085
Aggregate write-in for other than invested assets:			
Premium tax recoverable	1,508		1,508
Commission recoverable	95,852		95,852
Prepaid expenses	38,261	38,261	0
Totals	\$54,529,729	\$38,261	\$54,409,452

MAPFRE Insurance Company of Florida
Liabilities, Surplus and Other Funds
December 31, 2023

	Per Company
Losses	\$9,787,518
Loss adjustment expenses	2,878,759
Other expenses	119,673
Taxes, licenses and fees	181
Current federal and foreign income taxes	240,182
Borrowed money and interest thereon	10,336,068
Payable to parent, subsidiaries and affiliates	75,269
Unclaimed Property	300,145
Miscellaneous Liabilities	187,169
Total liabilities	\$23,924,964
Common capital stock	\$2,000,000
Gross paid-in and contributed surplus	25,035,252
Unassigned funds (surplus)	3,449,236
Surplus as regards policyholders	\$30,484,488
Totals	\$54,409,452

MAPFRE Insurance Company of Florida
Statement of Income
December 31, 2023

Underwriting Income	Per Company
Premiums earned	\$515,762
Deductions	
Losses Incurred	(\$1,312,165)
Loss adjustment expenses incurred	\$343,453
Other underwriting expenses incurred	\$155,091
Total Underwriting deductions	(\$813,621)
Net underwriting gain (loss)	\$1,329,383
Investment Income	
Net investment income earned	\$588,326
Net realized capital gains or (losses) less capital gains tax of (\$110,449)	(\$548,538)
Net investment gain or (loss)	\$39,788
Other Income	
Finance and service charges not included in premiums	\$921
Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$1,370,092
Federal and foreign income taxes incurred	\$297,842
Net income	\$1,072,250
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	\$29,823,637
Net income	\$1,072,250
Change in net deferred income tax	(\$475,422)
Change in nonadmitted assets	\$64,023
Change in surplus as regards policyholders for the year	\$660,851
Surplus as regards policyholders, December 31, current year	\$30,484,488

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

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2018			\$30,677,703
	Increase	Decrease	
Net income	10,868,771		
Change in net deferred income taxes		3,543,901	
Change in non-admitted assets	70,309		
Capital Changes: Paid In		10,000,000	
Aggregate write-ins for Gains and Losses	2,411,606		
Net increase (or decrease)			\$(193,215)
Surplus at December 31, 2023			<u>\$30,484,488</u>

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

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$30,484,488, exceeded the minimum of \$15,000,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENT

The Company repaid \$10,336,068 outstanding under the Promissory Note payable to Commerce, an affiliate, in December 2024 with proceeds from an \$18 million Line with of Credit with Commerce, established on December 28, 2023.

In 2024, the Company recorded ceded loss and loss adjustment expenses totaling \$1,890,461 relating to the 2017 Casualty Excess of Loss Reinsurance Agreement between Commerce and MAPFRE RE, Compañía de Reaseguros, S.A., Madrid Spain, an affiliate.

SUMMARY OF RECOMMENDATIONS

Since August 1, 2024, the Company has been operating with four active Directors. It is recommended the Company have a minimum of five Directors serving the Board as required by Section 628.231 F.S.

CONCLUSION

The insurance examination practices and procedures promulgated by the NAIC have been followed in ascertaining the financial condition of MAPFRE Insurance Company of Florida 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 Office and Assurity Resources, Inc., also participated in the examination:

James Wheeler, PIR	Examination Manager	Office
Robert Panah, CFE, CISA, MCM, FLMI	Examination Manager	Assurity Resources, Inc.

Respectfully submitted,



Sarah Bridendall, CFE, CISA, CIE, ALMI, AMCM, ACS, CICS, AIRC, CCP, MHP, HCAFA, FAHM, ARA
Examiner-in-Charge
Assurity Resources, Inc.
Representing the Florida Office of Insurance Regulation



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