



**EXAMINATION REPORT
OF**

**Safe Harbor Insurance Company
Tallahassee, Florida**

NAIC Company Code: 12563

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

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June 17, 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

Safe Harbor Insurance Company
2549 Barrington Circle
Tallahassee, Florida 32308

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 June 4, 2024. The fieldwork concluded on June 17, 2025.

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 conducted on Florida domestics only. Hawaii and Minnesota were both invited to coordinate with the Florida Office of Insurance Regulation on this examination but declined to participate.

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

The prior examination found that the Company was party to multi-cedent reinsurance agreements with its affiliates, but did not maintain a written reinsurance allocation agreement. NAIC Statements of Statutory Accounting Principles 62R, paragraph 9 requires that reinsurance agreements with multiple cedents must be in writing and the terms must be fair and equitable.

Resolution: The Company remediated this prior finding on June 1, 2021, by executing a Reinsurance Allocation Agreement with Ocean Harbor Casualty Insurance Company, Great Northwest Insurance Company, and Hawaiian Insurance and Guaranty Company, Limited.

COMPANY HISTORY

General

The Company incorporated on February 21, 2006, under the laws of the State of Florida, and commenced business on June 1, 2006.

Dividends

On May 30, 2022, the Company issued a dividend of 402,012 shares of \$1 par value common stock, declared from unassigned surplus. The shares were issued in proportion to the Shareholders' percentage interest in the stock of the corporation as follows:

RM Ocean Harbor Holding, Inc.	83.02%	333,759.30
Blue Fin Investment Company, LLC	12.31%	49,476.40
Blue Fin II Investment Company, LLC	4.67%	18,776.30

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	2,500,000
Number of shares issued and outstanding	2,500,000
Total common capital stock	\$2,500,000
Par value per share	\$1.00

On December 29, 2020, the Company Shareholders made a cash contribution of \$6,000,000 to the Company. The contribution was made in proportion to the Shareholders' percentage interest in the stock of the corporation as follows:

RM Ocean Harbor Holding, Inc.	83.02%	\$4,981,333.39
Blue Fin Investment Company, LLC	12.31%	738,431.69
Blue Fin II Investment Company, LLC	4.67%	280,234.92

Surplus Notes

There were no surplus notes issued during the exam period.

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
Ralph Milo ⁽¹⁾	Fisher Island, FL	Insurance Executive, Ocean Harbor Insurance Company
William Emerson Roche	Brooklyn, NY	Actuary; Insurance Executive, Ocean Harbor Insurance Company
Beth Ann McDougal	Monticello, FL	Accountant; Insurance Executive, Ocean Harbor Insurance Company
Michael Lee McNitt	Gainesville, FL	MGA; Insurance Executive, Cabrillo Coastal General Insurance Agency, LLC
Michael Keith Eigen	Sands Point, NY	Insurance Executive, Ocean Harbor Insurance Company

⁽¹⁾ Chairman

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

Senior Officers		
Name	City, State	Title
William Emerson Roche	Brooklyn, NY	President and Treasurer, Safe Harbor Insurance Company
Michael Keith Eigen	Sands Point, NY	Secretary and Vice President, Safe Harbor Insurance Company
Beth Ann McDougal	Monticello, FL	Vice President, Safe Harbor Insurance Company
Philip John Milo	Oceanside, NY	Vice President, Safe Harbor Insurance Company
Michael Lee McNitt	Gainesville, FL	Vice President, Safe Harbor Insurance Company

The Company’s Board appointed several internal committees. The following were the principal internal board committees and their members as of December 31, 2023, the first person listed serves as the committee chair:

Audit Committee		
Ralph Milo	William E. Roche	Beth A. McDougal
Michael L. McNitt	Michael K. Eigen	

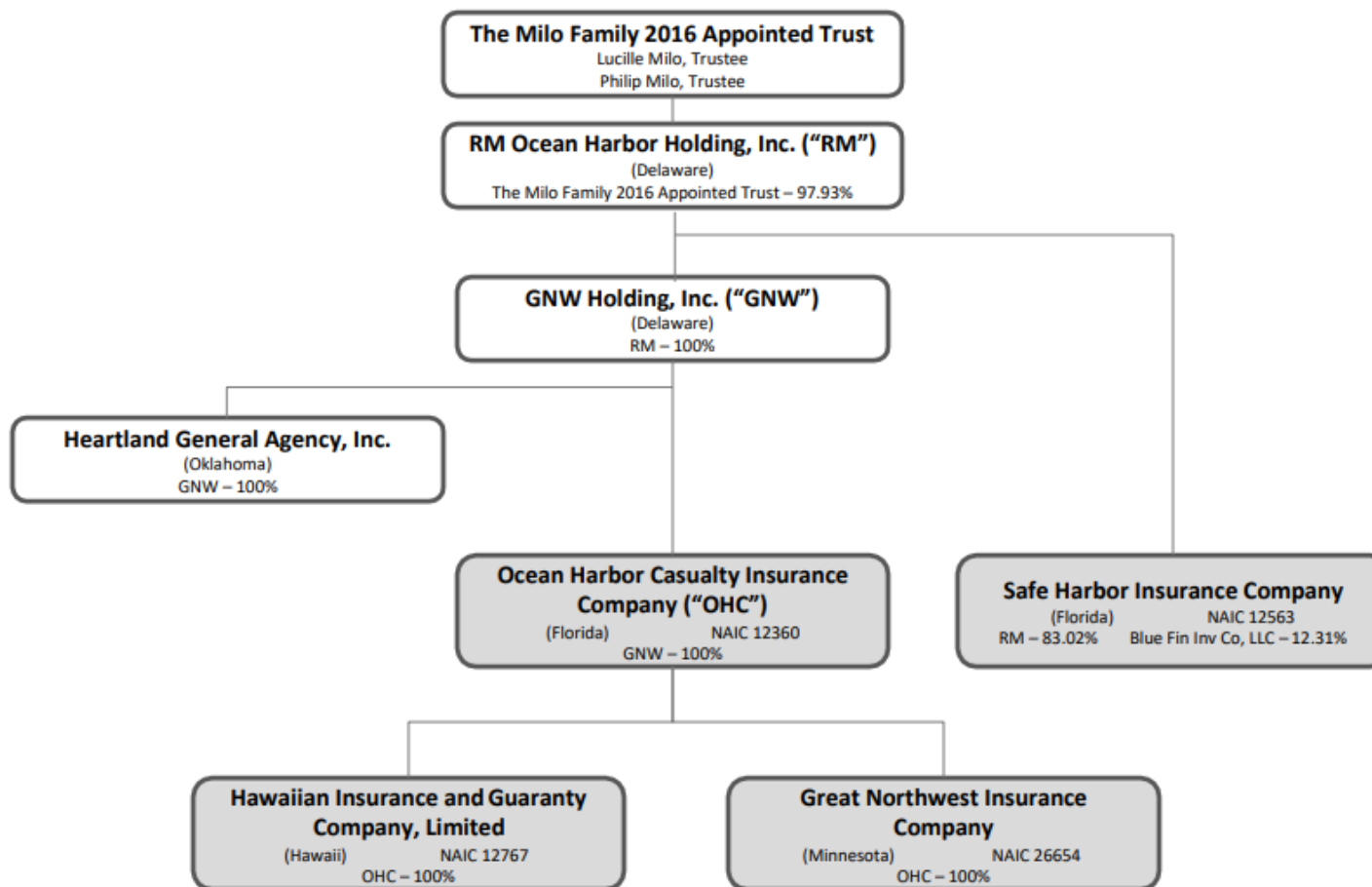
Investment Committee		
Ralph Milo	William E. Roche	Beth A. McDougal
Michael Lee McNitt	Michael K. Eigen	

Nominating Committee		
Ralph Milo	William E. Roche	Beth A. McDougal
Michael L. McNitt	Michael K. Eigen	

Holding Company System

An 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.

**Safe Harbor Insurance Company
Organizational Chart
December 31, 2023**



Related Party Agreements

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

Management General Agency Agreement

Effective November 1, 2006, the Company entered into a Managing General Agent (MGA) agreement with Cabrillo Coastal General Insurance Agency, LLC. ("Cabrillo"). Under this agreement, Cabrillo was authorized to perform underwriting, billing, and premium collection on behalf of the Company. The majority member of Cabrillo also owns 56.4% of Blue Fin Investment Company LLC, which owns 12.31% of the Company's common stock. The agreement includes a commission of 20% of gross written premiums, effective June 1, 2010.

Claims Management Agreement

The Company entered into a claims management agreement with Harbor Claims, Inc. ("Harbor Claims") effective June 1, 2010. Harbor Claims is a Florida corporation. Like Cabrillo, Harbor Claims is a related party with the Company through common ownership. Under the terms of this agreement, Harbor Claims receives a service fee equal to 5% of earned premium. Legal, expert, independent adjustment, and medical expenses associated with claims are excluded from the 5% service fee. These costs are treated as Allocated Loss Adjustment Expenses and are paid separately.

RM Ocean Harbor Holding, Inc. and Subsidiaries Tax Allocation Agreement

On May 11, 2011, the Company entered into a Tax Allocation Agreement with the following RM Ocean Harbor Holding, Inc., Ocean Harbor Casualty Insurance Company, GNW Holding, Inc., Heartland General Agency, Inc., Great Northwest Insurance Company, Hawaiian Insurance and Guaranty Company, Limited, and Wyndham Insurance Company (SAC). Settlements are due with each estimated tax payment or the filing of the consolidated return, with refunds settled within 30 days of receipt.

Under the terms of this agreement for 2023 and 2022 the Company paid federal income tax expenses to RM Ocean Harbor Holding of \$2,583,565 and \$773,498 respectively.

Amended and Restated Cost Allocation Agreement

On December 19, 2006, the Company entered into a Cost Allocation Agreement with RM Ocean Harbor Holding, Inc. and Ocean Harbor Casualty Insurance Company. The agreement was amended and restated on May 11, 2011, to include GNW Holding, Inc., Great Northwest Insurance Company, and Hawaiian Insurance and Guaranty Company, Limited.

The agreement provides for allocation of expenses among parties who share equipment, personnel, leased office space, and other costs. With expenses allocated according to generally accepted accounting practices and the guidelines established by the National Association of Insurance Commissioners.

Under the terms of this agreement for 2023 and 2022 the Company was allocated \$854,357 and \$663,308 in expenses incurred by Ocean Harbor Casualty Insurance Company respectively.

Reinsurance Allocation Agreement

On June 1, 2021, the Company entered into a Reinsurance Allocation Agreement along with Ocean Harbor Casualty Insurance Company, Great Northwest Insurance Company, and Hawaiian Insurance and Guaranty Company, Limited. Under the terms of this agreement, premium for its Catastrophe XOL treaties is based on the modeled average annual loss for each company and is allocated accordingly. The premium for property per risk and aggregate risk XOL treaties is based on each company's modeled and actual prior experience.

Captive Reinsurer

The Company's ultimate parent, RM Ocean Harbor Holding, Inc., owns 100% of the non-voting preferred shares in Wyndham Insurance Company (SAC) Ltd. in respect of its Segregated Account 018 Ocean Harbor (Wyndham). Wyndham has various participations in the first four layers of the Company's catastrophe excess of loss reinsurance program, which are settled on a funds held basis. In 2023, the Company ceded approximately \$13 million in premiums to Wyndham.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Tallahassee, Florida.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in the following states:

Alabama	Florida	Louisiana	Mississippi
North Carolina	South Carolina	Texas	

In 2023, the Company wrote more than 87% of its direct premiums in Florida, followed South Carolina, North Carolina, and Alabama at 6%, 4%, and 2%, respectively.

The Company was authorized to transact insurance in Florida on February 1, 2006, and is currently authorized for the following lines of business as of December 31, 2023:

- Fire
- Homeowners' Multi-Peril
- Mobile Home Physical Damage
- Allied Lines
- Mobile Home Multi-Peril

The Company primarily writes allied, fire and homeowners multiple peril policies in 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 did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

As of December 31, 2023, the Company's primary catastrophe excess of loss reinsurance contracts included multiple layers of coverage above a defined retention. Reinstatement for certain initial layers has been prepaid under the catastrophe excess of loss treaties. All layers apply to second and subsequent events until fully utilized.

The Company also maintains property excess per risk and aggregate loss reinsurance contracts. The property per risk coverage includes amounts in excess of a specified per-risk threshold and applies to an unlimited number of occurrences. The aggregate loss coverage includes a per-occurrence deductible per Company, an aggregate retention, and an overall limit for the contract term. These multi-creditor treaties are shared among the Company and its affiliates under terms established in the Reinsurance Allocation Agreement.

The Company also participates in the Florida Hurricane Catastrophe Fund, providing hurricane catastrophe coverage above a specified attachment point. In addition, the FHCF Reinsurance to Assist Policyholders (RAP) program offers additional excess coverage.

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 ending on 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.)

Safe Harbor Insurance Company
Assets
December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 41,285,855		\$ 41,285,855
Stocks			
Preferred Stocks	12,979,224		12,979,224
Common Stocks	897,423		897,423
Cash and short-term investments	66,371,560		66,371,560
Subtotals, cash, and invested assets	121,534,062		121,534,062
Investment income due and accrued	498,445		498,445
Premiums and considerations			
Uncollected Premiums and agents' balances in the course of collection	434,539	97,231	337,308
Deferred premiums, agents' balances, and installments	8,086,431		8,086,431
Reinsurance			
Amounts recoverable from reinsurer	1,629,736		1,629,736
Net deferred tax asset	2,476,666	329,172	2,147,494
Receivables from parent, subsidiaries and affiliates	3,988		3,988
Aggregate write-in for other than invested assets	9,089	9,089	
Total assets excluding Separate Accounts, Segregated Accounts, and Protected Cell Accounts	134,672,956	435,492	134,237,463
Total	\$ 134,672,956	\$ 435,492	\$ 134,237,463

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

	Per Company
Losses	\$ 12,801,284
Loss adjustment expenses	2,835,042
Commissions payable, contingent commissions	3,837,888
Other expenses	341,638
Taxes, licenses and fees	1,510,327
Current federal and foreign income taxes	631,774
Unearned premiums	45,323,475
Advance premiums	3,109,192
Ceded reinsurance premiums payable	12,935,489
Funds held by company under reinsurance treaties	18,300,968
Remittances and items not allocated	2,377
Provision for reinsurance	2,210
Payable to parent, subsidiaries and affiliates	300,480
Aggregate write-in for liabilities	28,703
Total liabilities excluding protected cell liabilities	101,960,846
Total liabilities	101,960,846
Common capital stock	2,500,000
Gross paid-in and contributed surplus	10,542,012
Unassigned funds (surplus)	19,234,609
Surplus as regards policyholders	32,276,621
Totals	\$ 134,237,467

Safe Harbor Insurance Company
Statement of Income
December 31, 2023

	Per Company
Underwriting Income	
Premiums earned	\$ 74,235,499
Deductions	
Losses incurred	24,448,138
Loss adjustment expenses incurred	8,355,110
Other underwriting expenses incurred	33,146,199
Total Underwriting deductions	65,949,447
Net underwriting gain (loss)	8,286,053
Investment Income	
Net investment income earned	3,052,181
Net realized capital gains or (losses)	(723,690)
Net investment gain or (loss)	2,328,491
Other Income	
Net gain or (loss) from agents' or premium balances charged off	(379)
Aggregate write-ins for miscellaneous income	279
Total other income	(100)
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	10,614,444
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	10,614,444
Federal & foreign income taxes incurred	2,576,247
Net Income	\$ 8,038,197
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	23,637,538
Net Income	8,038,197
Change in net unrealized capital gains or (losses) less capital gains tax	451,152
Change in net deferred income taxes	254,860
Change in non-admitted assets	(102,917)
Change in provision for reinsurance	(2,210)
Capital Changes:	
Transferred from surplus (Stock Dividend)	402,012
Surplus adjustments:	
Transferred to capital (Stock Dividend)	(402,012)
Change in surplus as regards policyholders for the year	8,639,083
Surplus as regards policyholders, December 31, current year	\$ 32,276,621

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

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

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2019, per Company			\$24,188,140
	Increase	Decrease	
Net Income	2,325,925		
Change in net deferred income tax	445,526		
Change in net unrealized capital gain (loss)		396,077	
Change in non-admitted assets		284,683	
Change in provision for reinsurance		2,210	
Change in paid in surplus	6,000,000		
Transferred from surplus (Stock Dividend)		402,012	
Transferred to capital (Stock Dividend)	402,012		
Total Gains and Losses	9,173,463	1,084,982	
Net increase (or decrease)			\$8,088,481
Balance as of December 31, 2023, per Examination			\$32,276,621

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$32,276,621 exceeded the minimum of \$15,000,000 required by Section 624.408, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Safe Harbor 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 Highland Clark, LLC (HC); Exam 360, LLC (E360); Oliver Wyman, LLC (OW); and the Florida Office of Insurance Regulation (Office) also participated in the examination:

Bobby Jackson, CPA, APIR	Exam Manager	Office
Scott Eady, CFE	Supervising Examiner	E360
Megan Langston	Examiner	HC
Sydney Gates, ARe	Examiner, Reinsurance Specialist	HC
Michael Solomon, FCAS, MAAA, ARe	Exam Actuary, Reinsurance Specialist	OW
Rajesh Sahasrabuddhe, FCAS, MAAA	Exam Actuary	OW

Respectfully submitted,



Tracy, D. Gates, CISA, CFE
Examiner in Charge, IT Specialist
Highland Clark, LLC
Representing the Florida Office of Insurance Regulation



Chad Mason, PIR
Chief Financial Examiner
Florida Office of Insurance Regulation