



**EXAMINATION REPORT
OF**

**BusinessFirst Insurance Company
Lakeland, Florida**

NAIC Company Code: 11697

**as of
December 31, 2024**

**By
The Florida Office of Insurance Regulation**

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October 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 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, 2024, of the financial condition and corporate affairs of

BusinessFirst Insurance Company
117 N. Massachusetts Avenue
Lakeland, Florida 33801

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, 2024, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on May 2, 2025. The fieldwork concluded as of October 17, 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.

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 is a Florida domestic property and casualty insurer which was incorporated in Florida on February 14, 2003, and commenced business on August 1, 2003.

Dividends

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

The Company declared dividends to its policyholders during the period of examination as shown below:

2020	\$	309,917
2021	\$	519,313
2022	\$	704,148
2023	\$	807,477
2024	\$	628,487

Capital Stock and Capital Contributions

As of December 31, 2024, the Company's capitalization was as follows:

Number of authorized common capital shares	10,000,000
Number of shares issued and outstanding	5,360,000
Total common capital stock	\$5,360,000
Par value per share	\$1.00

The Company did not make any capital contributions during the period under examination.

Surplus Notes

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

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, 2024, are shown below with the first one listed being the Chairman of the Board:

Directors		
Name	City, State	Principal Occupation, Company Name
Thomas Samuel Petcoff	Lakeland, Florida	Retired
David John Conway	Lakeland, Florida	Retired
John Douglas Hanselman	Greenville, South Carolina	Consultant, North Star Business Consultants LLC
Ricky Tarver Hodges	Lakeland, Florida	Consultant, Rick Hodges Consulting Inc.

Nis Hansen Nissen III	Lakeland, Florida	Banking/Financial/Advertising Consulting, Nissen Advertising, Inc.
Cory Thomas Petcoff	Lakeland, Florida	Commercial Real Estate Broker, Baron Realty, Inc.

(a) Effective January 1, 2025, Carol Sipe joined the Company's Board of Directors.

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

Senior Officers		
Name	City, State	Title
Thomas S. Petcoff	Lakeland, Florida	President
John D. Hanselman	Greenville, South Carolina	Treasurer
Nis H. Nissen III	Lakeland, Florida	Secretary
David J. Conway	Lakeland, Florida	Vice President
Rickey T. Hodges	Lakeland, Florida	Vice President
Cory T. Petcoff	Lakeland, Florida	Vice President

The Company's Board appointed several internal committees. The following were the principal internal board committees and their members as of December 31, 2024. The first person listed for each committee is the chairman.

Nominating and Governance Committee		
Ricky T. Hodges	Thomas S. Petcoff	Nis H. Nissen III
John D. Hanselman	Cory T. Petcoff	David J. Conway

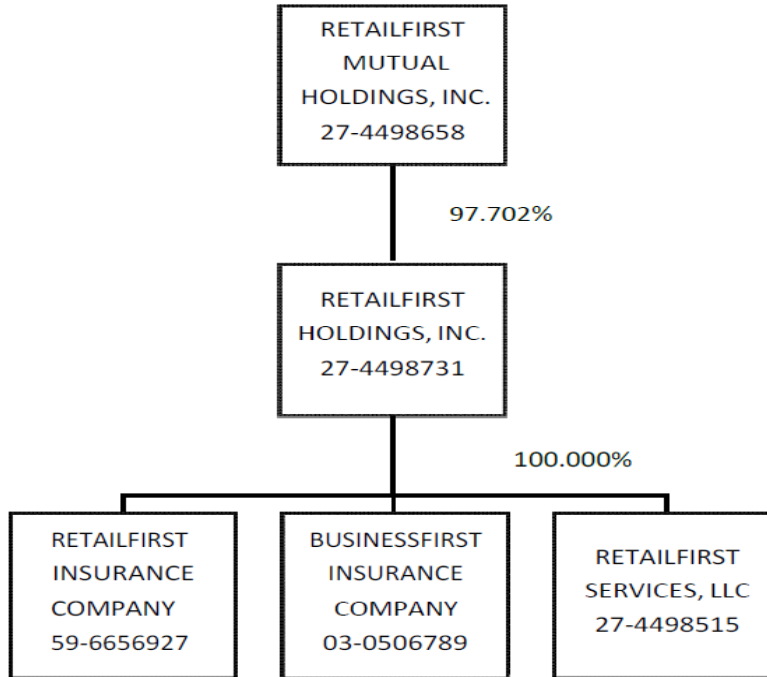
The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

Audit & Enterprise Risk Management Committee		
David J. Conway	John D. Hanselman	Ricky T. Hodges
Nis H. Nissen III	Cory T. Petcoff	Thomas S. Petcoff

Holding Company System

An organizational chart as of December 31, 2024, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2024 annual statement provided a list of all related companies of the holding company group.

**BusinessFirst Insurance Company
Organizational Chart
December 31, 2024**



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

Amended and Restated Tax Allocation Agreement

The Company and RetailFirst Insurance Company (“RetailFirst”) are parties to an Amended and Restated Tax Allocation Agreement effective dated May 19, 2011. This agreement supersedes the Tax Allocation Agreement effective March 16, 2006. The agreement provides for the allocation, per Treasury Regs. Section 1.1552-1(a)(2) and 1.1502-33(d)(3), and payment of the group’s consolidated tax liability and for the allocation and distribution of tax refunds. The agreement was filed with the Office on May 24, 2011.

Reinsurance Pooling Agreement

The Company and RetailFirst are parties to a Reinsurance Pooling Agreement effective February 17, 2011, and amended on August 16, 2011. Based on terms of the agreement, RetailFirst assumes 100% of the Company's premium, losses, and expenses after external reinsurance. RetailFirst then cedes 10% of the combined pool back to the Company with RetailFirst retaining the remaining 90%. Net payments made by the Company to RetailFirst during 2024 were \$23,839,372. The original and first amendment to the agreement were approved by the Office on March 30, 2011, and October 24, 2011, respectively. Effective January 1, 2025, the Company and RetailFirst executed a second amendment to the Reinsurance Pooling Agreement, whereby RetailFirst assumes and retains 100% of the Company's premium, losses and expenses after external reinsurance. This amendment was approved by the Office on February 7, 2025.

Multiple Cedant Agreement

The Company and RetailFirst entered into a Multiple Cedant Agreement effective January 1, 2012, which governs the allocation of ceded reinsurance premium, limits, retention and deductible based on the ratio of premium ceded under the terms of the reinsurance pooling agreement.

ACCOUNTS AND RECORDS

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

The Company and non-affiliates had the following material agreements:

Managing General Agent Agreement

The Company entered into a Managing General Agency ("MGA") Agreement with Summit Consulting, LLC ("Summit") effective January 1, 2024. Summit was responsible for providing administrative services to the Company including policy servicing, underwriting, claims administration, loss control, marketing, sales, premium billing and collection services, and financial management. The agreement remains in effect until December 31, 2026, and shall be renewed automatically for successive three-year terms unless otherwise terminated in accordance with Section VI of the agreement. Summit's annual management fees are calculated

as 15.5% of earned normal premium, plus 100% of the expense constant, attributed to the policies.

Reinsurance Intermediary Agreements

The Company was party to a reinsurance intermediary agreement with Guy Carpenter effective January 1, 2015.

The Company entered into a reinsurance intermediary agreement with Brent Re effective November 17, 2010. During the year ended December 31, 2024, the Company did not purchase reinsurance through Brent Re.

Asset Management Agreement

The Company maintained an Asset Management Agreement with Conning Asset Management Company effective December 29, 2005. Effective January 1, 2013, the agreement was amended to change how assets in High Dividend Equity products are billed. Effective January 1, 2014, the agreement was amended to change terms related to application of the investment guidelines, distribution of notices, proxy voting procedures, and updates to the fee schedule.

Managed Care Agreement

The Company entered into a Managed Care Agreement with Heritage Summit Healthcare, Inc. ("HSHI") effective April 22, 2003. Heritage Summit provides a network of physicians and facilities related to the initial and continuing treatment of work-related injuries and the arrangement of medical examinations, depositions, billing, and other related administrative services. Fees for these services are calculated based on the Company's calendar year earned normal workers' compensation premium.

Effective January 1, 2025, the Company entered into an agreement with Heritage Summit HealthCare, Inc., who will act on behalf of the Company to provide access to PPO networks that have contracted with Heritage Summit HealthCare, Inc., as well as access to its own PPO network and managed care services.

Independent Auditor Agreement

An independent CPA, EisnerAmper, LLP (EA) audited the Company's statutory basis financial statements annually for the years 2020 through 2024. In 2023, EA purchased the Company's prior CPA firm Postlethwaite & Netterville; however, this merger was not considered a change of the Company's independent auditor.

TERRITORY AND PLAN OF OPERATIONS

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

- Delaware
- District of Columbia
- Florida
- Indiana
- Kentucky
- North Carolina
- South Carolina
- Tennessee
- Virginia
- Georgia

The Company was authorized to transact insurance in Florida on July 21, 2003, and is currently authorized to write Workers' Compensation coverage.

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 and its affiliate, RetailFirst, are parties to a Reinsurance Pooling Agreement which is discussed above under the Holding Company System Section of this report.

Reinsurance Ceded

As previously mentioned, the Company and its affiliate, RetailFirst, are parties to a Reinsurance Pooling Agreement which is discussed above under the Holding Company System Section of this report.

RetailFirst and the Company entered into a multiple-cedant agreement effective January 1, 2012, which is also discussed above in the Holding Company System section of this report.

During 2024, the group maintained an excess of loss reinsurance agreement for Workers' Compensation and Employers' Liability business, a Terrorism FAC Reporter agreement, and a Catastrophic Excess of Loss agreement for Catastrophe Workers' Compensation and Employers' Liability business.

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, 2024. 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, 2024. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

BusinessFirst Insurance Company
Assets
December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 43,805,948		\$ 43,805,948
Stocks			
Common stocks	5,924,254		5,924,254
Cash and short-term investments	2,915,326		2,915,326
Subtotals, cash and invested assets	52,645,528		52,645,528
Investment income due and accrued	390,540		390,540
Agents' balances			
Uncollected premiums	888,333	\$ 350,554	537,779
Deferred premiums	572,609	57,261	515,348
Accrued retrospective premiums	227,566	5,182	222,384
Reinsurance			
Amounts recoverable from reinsurers	191,662		191,662
Net deferred tax asset	1,005,546		1,005,546
Guaranty funds receivable or on deposit	3,045		3,045
Aggregate write-in for other than invested assets	9,957	9,957	0
Totals	\$ 55,934,786	\$ 422,954	\$ 55,511,832

BusinessFirst Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2024

	Per Company
Losses	\$ 17,896,240
Loss adjustment expenses	2,420,315
Commissions payable	333,063
Other expenses	1,299,359
Taxes, licenses and fees	135,730
Current federal and foreign income taxes	120,494
Unearned premiums	963,886
Advance premiums	122,241
Dividends declared and unpaid	
Policyholders	628,487
Ceded reinsurance premiums payable	202,377
Amounts withheld or retained by company for account of others	4,167
Aggregate write-in for liabilities	147,582
Total liabilities	24,273,941
Common capital stock	5,360,000
Preferred capital stock	
Aggregate write-ins for other than special surplus funds	
Surplus notes	
Gross paid-in and contributed surplus	3,259,964
Unassigned funds (surplus)	22,617,927
Surplus as regards policyholders	31,237,891
Total liabilities, surplus and other funds	\$ 55,511,832

BusinessFirst Insurance Company
Statement of Income
December 31, 2024

	Per Company
Underwriting Income	
Premiums earned	\$ 17,607,662
Deductions	
Losses Incurred	8,643,476
Loss adjustment expenses incurred	2,167,991
Other underwriting expenses incurred	5,077,322
Total Underwriting deductions	15,888,789
Net underwriting gain (loss)	1,718,873
Investment Income	
Net investment income earned	2,060,352
Net realized capital gains or (losses)	206,649
Net investment gain or (loss)	2,267,001
Other Income	
Net gain or (loss) from agents' or premium balances	(35,609)
Total other income (loss)	(35,609)
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	3,950,265
Dividends to policyholders	560,607
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	3,389,658
Federal & foreign income taxes incurred	670,981
Net Income	\$ 2,718,677
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	\$ 28,147,757
Net Income	2,718,677
Change in net unrealized capital gains or losses less capital gains tax	406,074
Change in net deferred income taxes	13,507
Change in non-admitted assets	(48,126)
Change in surplus as regards policyholders for the year	3,090,132
Surplus as regards policyholders, December 31, current year	\$ 31,237,890

**BusinessFirst Insurance Company
Reconciliation of Capital and Surplus
December 31, 2024**

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2019, per Company			\$ 19,955,366
	Increase	Decrease	
Net Income	10,411,203		
Change in net unrealized capital gain (loss)	345,083		
Change in net deferred income tax	296,716		
Change in non-admitted assets	229,521		
Net increase (or decrease)			11,282,523
Surplus at December 31, 2024 per Company			\$ 31,237,890

BusinessFirst Insurance Company
Analysis of Changes in Financial Statement Resulting from the Examination
December 31, 2024

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 \$31,237,891 exceeded the minimum of \$4,000,000 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 BusinessFirst Insurance Company as of December 31, 2024, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following individuals from the Office and The INS Companies ("INS") also participated in the examination:

James Wheeler, PIR	Examination Manager	Office
Jonathan Alberts, APIR	Participating Examiner	Office
Kelly Willison, CPA, CFE, CFE(Fraud)	Examination Manager	INS
Christopher Hughes, CPA	Staff Examiner	INS
David Gordon, CISA, CFE(Fraud), CDFE	IT Specialist	INS
Alex Albertini	IT Specialist	INS
John Pedrick, FCAS, MAAA	Consulting Actuary	INS
Allan Becker, FCAS, MAAA	Consulting Actuary	INS

Respectfully submitted,



Renee Hanshaw, CPA, CFE
Examiner-in-charge
The INS Companies
Representing the Florida Office of Insurance Regulation



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