



**EXAMINATION REPORT
OF**

**PracticeProtection Casualty Company
Jacksonville, Florida**

NAIC Company Code: 12843

**as of
December 31, 2024**

**By
The Florida Office of Insurance Regulation**

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March 9, 2026

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, 2024, of the financial condition and corporate affairs of

PracticeProtection Casualty Company

12276 San Jose Blvd, Suite 427
Jacksonville, Florida, 32223

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 September 1, 2025. The fieldwork concluded as of March 9, 2026. The Company redomesticated from Illinois to Florida in 2024, and this is the first full scope examination being conducted by the Office. The Company’s last full scope exam was conducted by the Illinois Department of Insurance and 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 the Florida domestic only and did not involve participation from other states. The Company has business or licenses in multiple states. The Company is part of a broader insurance group that includes PracticeProtection Insurance Company (a Risk Retention Group) (“PPIC”). That entity was last examined as of year-end 2021; therefore, the Alabama Department of Insurance declined to participate in this examination.

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 identified in the prior examination that extended beyond Illinois-specific compliance matters. The Company has since redomesticated from Illinois to Florida.

COMPANY HISTORY

General

Doctors Direct Insurance, Inc. was incorporated as an Illinois stock company on August 14, 2006. The Company began writing insurance in March of 2007. The Company was formed by a small group of Illinois physicians, lawyers and business people and was highly specialized in that it wrote only comprehensive medical professional liability (malpractice) insurance policies primarily for physician specialists in the state of Illinois. Starting in 2016, the Company began a process of diversifying their book of business to seek more general physicians and less physician specialists.

On August 27, 2018, the Company's shareholders entered into a Stock Purchase Agreement whereby 100% of the issued and outstanding stock of the Company was sold to Practice Protection, Inc. ("PPI"). This sale was approved by the Illinois Director of Insurance on February 6, 2019.

On April 22, 2019, Practice Protection, Inc. purchased 100% of the issued and outstanding stock of the Company (which was at the time, Doctors Direct Insurance, Inc.). The Company now operates as a wholly owned subsidiary of PPI as does PPIC under managing general agency agreements. The Company is an insurance company organized under the laws of the state of Florida.

In the fourth quarter of 2024, the Company completed redomestication from Illinois to Florida. As part of this transition, the Company also rebranded from Doctors Direct Insurance, Inc. to

PracticeProtection Casualty Company, aligning its corporate structure with its strategic objectives. This redomestication reflects the Company's commitment to optimizing its operational framework while continuing to provide reliable insurance solutions.

Dividends

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

Capital Stock and Capital Contributions

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

Number of authorized common capital shares	200,000
Number of shares issued and outstanding	181,000
Shares held as Treasury Stock	67
Total common capital stock	\$3,258,000
Par value per share	\$18.00

The Parent Company made capital contributions of \$500,000 in 2020, \$1,500,000 in 2021, and \$500,000 in 2023.

Surplus Notes

On December 26, 2023, a \$2,000,000 surplus note with a 7 percent interest rate was issued by the Company, in favor of its parent company, PPI as approved by the Illinois Department of Insurance. The carrying value of the note as of December 31, 2024, was \$2,000,000 and the Interest Expense recognized as of December 31, 2024, was \$141,944.

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:

Directors		
Name	City, State	Principal Occupation, Company Name
Cory Edward Brown	Pace, Florida	Insurance Executive and Director
David Wayne Dumas	Fort Wayne, Indiana	Real Estate
Scott Andrew Dutton	Geneva, Illinois	Insurance Consultant
Todd Charles Johnson	Chicago, Illinois	Financial Advisor/Risk Management Advisor
James Shields Khorshid	Fort Wayne, Indiana	President of Mossberg Industries Inc.
Eric John Stetzel	Fort Wayne, Indiana	Manager, Entrepreneur
Peter Dane Theodore	Lincolnwood, Illinois	Real Estate Investor and Broker
Michael John Wallace	Saint Johns, Florida	Insurance Executive and Director

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

Senior Officers		
Name	City, State	Title
Michael John Wallace	Saint Johns, Florida	President and CEO
Eric John Stetzel	Fort Wayne, Indiana	Executive Vice President and Treasurer
Cory Edward Brown	Pace, Florida	CFO
William Saunders Bliss	Jacksonville, Florida	Vice President, General Counsel & Secretary
Timothy Robert Bone	Carmel, Indiana	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 Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

Audit Committee		
Cory Edward Brown	Eric John Stetzel	Michael John Wallace

Investment Committee		
Cory Edward Brown	Eric John Stetzel	Michael John Wallace

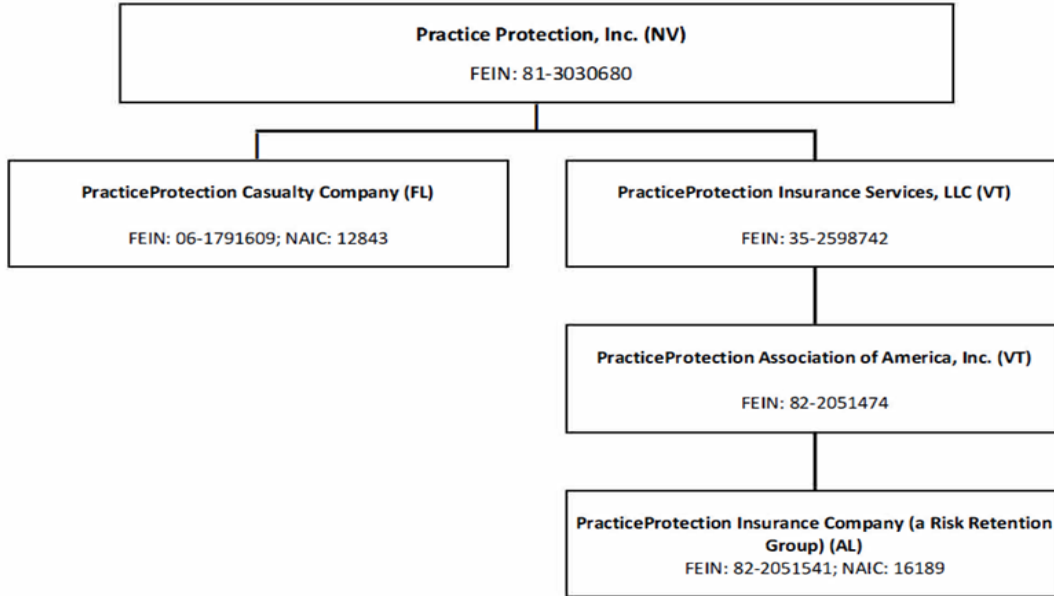
Reinsurance Committee		
Cory Edward Brown	Eric John Stetzel	Michael John Wallace

Director and Officer Oversight Committee		
Eric John Stetzel	Scott Andrew Dutton	Todd Charles Johnson

Holding Company System

A simplified 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.

**PracticeProtection Casualty Company
Simplified Organizational Chart
December 31, 2024**



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

Managing General Agent Agreement

The Company entered into a Managing General Agency Agreement effective May 1, 2019 with PracticeProtection Insurance Services, LLC. The Company and PracticeProtection Insurance Services, LLC are commonly owned and controlled by Practice Protection, Inc. The Company paid management and claim service fees totaling \$4,295,918 and \$3,977,695 for the year ended December 31, 2024 and 2023, respectively. As of December 31, 2024, the Company is due a receivable from PracticeProtection Insurance Services, LLC in the amount of \$315,835, which is reported in an intercompany account.

ACCOUNTS AND RECORDS

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

TERRITORY AND PLAN OF OPERATIONS

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

Alabama	Arizona	Florida
Georgia	Illinois	Indiana
Kentucky	Louisiana	Missouri
Nevada	North Carolina	Texas

The Company was authorized to transact insurance in Florida on October 14th 2021 and is currently authorized for the following lines of business in Florida as of December 31, 2024:

Medical Professional Liability – Occurrence	Medical Professional Liability – Claims-made
---------------------------------------------	----------------------------------------------

The Company primarily writes medical professional liability insurance to physicians and surgeons on a claims-made basis.

REINSURANCE

Reinsurance Assumed

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

Reinsurance Ceded

The Company has had in place since January 1, 2022, a fixed premium reinsurance treaty covering \$500,000 excess of \$500,000 per claim, with associated allocated loss adjustment expense ceded on a pro rata basis. For the previous two years, the attachment point for the treaty was \$300,000. To supplement this Excess of Loss cover, the Company augmented its reinsurance arrangements in 2023 by purchasing CAT Excess of Loss cover to provide additional coverage in the event of a multiple defendant claim.

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.)

PracticeProtection Casualty Company
Assets
December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	17,618,087		17,618,087
Cash and short-term investments	4,248,608		4,248,608
Investment income due and accrued	177,057		177,057
Premiums and considerations			
Deferred premiums, agents' balances and installments	1,336,636		1,336,636
Reinsurance			
Amounts recoverable from reinsurers	443,792		443,792
Net deferred tax asset	1,010,742	350,006	660,736
Receivable from parent, subsidiaries and affiliates	340,185		340,185
Aggregate write-in for other than invested assets	65,267		65,267
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	25,240,375	350,006	24,890,369
Total	25,240,375	350,006	24,890,369

PracticeProtection Casualty Company
Liabilities, Surplus and Other Funds
December 31, 2024

	Per Company
Losses	6,477,377
Loss adjustment expenses	4,518,123
Other expenses	(50,630)
Taxes, licenses and fees	24,460
Borrowed money and interest thereon	35,000
Unearned premiums	5,189,278
Advance premiums	551,924
Ceded reinsurance premiums payable	133,889
Payable to parent, subsidiaries and affiliates	13,154
Aggregate write-in for liabilities	311,430
Total liabilities excluding protected cell liabilities	17,204,004
Common Capital Stock	3,258,000
Surplus notes	2,000,000
Gross paid-in and contributed surplus	5,792,000
Unassigned funds (surplus)	(2,991,235)
Shares common	372,400
Surplus as regards policyholders	7,686,365
Totals	24,890,369

PracticeProtection Casualty Company
Statement of Income
December 31, 2024

	Per Company
Underwriting Income	
Premiums earned	11,350,420
Deductions	
Losses Incurred	4,491,229
Loss adjustment expenses incurred	3,476,065
Other underwriting expenses incurred	4,906,452
Aggregate write-ins for underwriting deductions	0
Total Underwriting deductions	12,873,746
Net underwriting gain (loss)	(1,523,326)
Investment Income	
Net investment income earned	737,272
Net realized capital gains or (losses)	(4,117)
Net investment gain or (loss)	733,156
Other Income	
Aggregate write-ins for miscellaneous income	(141,944)
Total other income	
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(932,114)
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(932,114)
Net Income	(932,114)
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	
Surplus as regards policyholders, December 31 prior year	8,954,644
Net Income	(932,114)
Change in net unrealized capital gains or losses less capital gains tax	6,225
Change in net unrealized foreign exchange capital gain (loss)	
Change in net deferred income taxes	7,616
Change in non-admitted assets	(350,006)
Change in surplus as regards policyholders for the year	(1,268,279)
Surplus as regards policyholders, December 31, current year	7,686,365

**PracticeProtection Casualty Company
Reconciliation of Capital and Surplus
December 31, 2024**

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			\$ 3,029,017
	Increase	Decrease	
Loss in surplus		280,366	
Change in net unrealized capital gain (loss)	166,190		
Change in net deferred income tax	302,455		
Change in non-admitted assets		30,931	
Change in surplus notes	2,000,000		
Change in paid in surplus	1,452,000		
Transferred to surplus	1,048,000		
Net increase (or decrease)			\$ 4,657,348
Surplus at December 31, 2024, per Company			\$ 7,686,365

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$7,686,365, 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 PracticeProtection Casualty Company as of December 31, 2024, consistent with the insurance laws of the State of Florida.

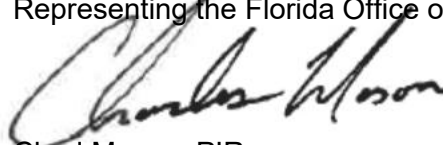
In addition to the undersigned, the following individuals from Carr, Riggs & Ingram, LLC (CRI) and Kerper and Bowron LLC (KB) also participated in the examination:

Francois Houde, CPA, CFE, CISA, AES	IT Specialist	CRI
Dale Miller, CPA, CFE	Supervising Examiner	CRI
Kaytlynn Roland	Senior Examiner	CRI
Issac Dotson	Examiner	CRI
Don Manis, FCAS, MAAA	Actuary	KB

Respectfully submitted,



Taylor Phillips, CPA, CFE
Examiner-in-Charge
Carr, Riggs & Ingram LLC
Representing the Florida Office of Insurance Regulation



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