



**EXAMINATION REPORT  
OF**

**RetailFirst Insurance Company  
Lakeland, Florida**

**NAIC Company Code: 10700**

**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:

**RetailFirst 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. 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 is a Florida domestic property and casualty insurer which was incorporated on January 1, 1979, and received its Florida Certificate of Authority on November 17, 2010. The Company was originally organized as a group self-insurance workers' compensation fund but converted to a stock insurance company within a mutual holding company system in 2010.

### 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	\$2,719,634
2021	\$5,817,867
2022	\$5,968,544
2023	\$6,562,703
2024	\$5,045,462

## 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	5,000,000
Total common capital stock	\$5,000,000
Par value per share	\$1.00

The Company did not make any capital stock 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:

<b>Senior Officers</b>		
<b>Name</b>	<b>City, State</b>	<b>Title</b>
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
Ricky 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.

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

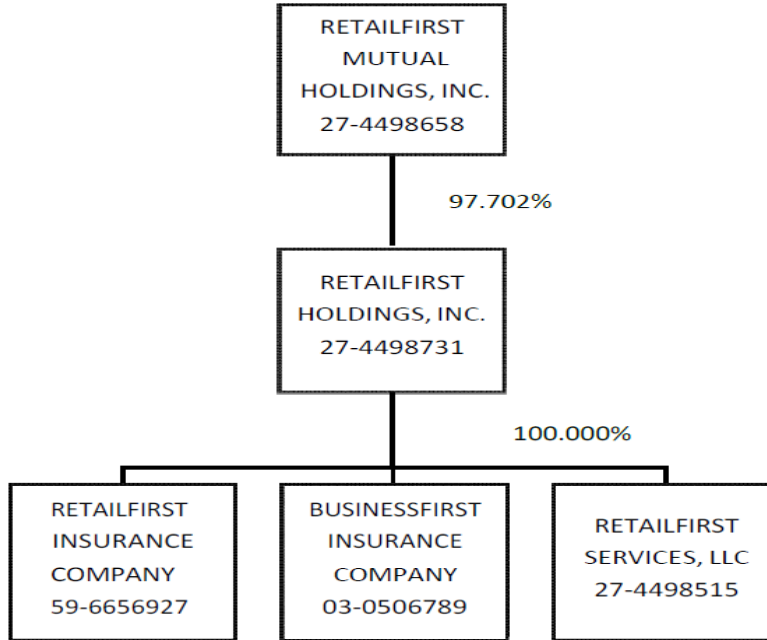
The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

<b>Audit &amp; Enterprise Risk Management Committee</b>		
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.

**RetailFirst 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 BusinessFirst Insurance Company (“BusinessFirst”) 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 BusinessFirst are parties to a Reinsurance Pooling Agreement effective January 1, 2011, and amended on August 16, 2011, and February 20, 2025. Based on the terms of the agreement, the Company assumes 100% of the BusinessFirst premium, losses, and expenses after external reinsurance. The Company then cedes 10% of the combined pool back to BusinessFirst with the Company retaining the remaining 90%. Net payments made by BusinessFirst 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 BusinessFirst executed a second amendment to the Reinsurance Pooling Agreement, whereby the Company assumes and retains 100% of BusinessFirst'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 BusinessFirst 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 any reinsurance through Brent Re.

### **Asset Management Agreement**

The Company maintained an Asset Management Agreement with Conning Asset Management Company effective December 29, 2005. The agreement was amended effective November 17, 2010, for a name change from Florida Retail Federation Self Insurers Fund to RetailFirst Insurance Company. 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. On December 15, 2022, the agreement was amended to add Collateralized Loan Obligation products. A fifth amendment, dated May 11, 2023, added private placement products.

### **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 only in the State of Florida.

The Company was authorized to transact insurance in Florida on November 17, 2010, 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, BusinessFirst, 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, BusinessFirst, are parties to a Reinsurance Pooling Agreement which is discussed above under the Holding Company System Section of this report.

BusinessFirst 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.)

**RetailFirst Insurance Company**  
**Assets**  
**December 31, 2024**

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 391,312,887		\$ 391,312,887
Stocks			
Preferred stocks	500,000		500,000
Common stocks	85,467,892		85,467,892
Real Estate, Properties held for production of income	1,280,191		1,280,191
Cash and short-term investments	10,628,884		10,628,884
Subtotals, cash and invested assets	489,189,854		489,189,854
Investment income due and accrued	3,397,071		3,397,071
Agents' balances			
Uncollected premiums	7,995,000	3,154,986	4,840,014
Deferred premiums	5,153,477	515,347	4,638,130
Accrued retrospective premiums	2,048,088	46,634	2,001,454
Reinsurance			
Amounts recoverable from reinsurers	718,387		718,387
Net deferred tax asset	5,164,520		5,164,520
Guaranty funds receivable or on deposit	27,402		27,402
Aggregate write-in for other than invested assets	89,613	89,613	
<b>Totals</b>	<b>\$ 513,783,412</b>	<b>\$ 3,806,580</b>	<b>\$ 509,976,832</b>

**RetailFirst Insurance Company**  
**Liabilities, Surplus and Other Funds**  
**December 31, 2024**

	Per Company
Losses	\$ 161,066,161
Reinsurance payable on paid losses and loss adjustment expenses	
Loss adjustment expenses	21,782,831
Commissions payable	2,997,562
Other expenses	11,614,796
Taxes, licenses and fees	1,221,569
Current federal and foreign income taxes	2,246,904
Unearned premiums	8,674,971
Advance premiums	1,100,166
Dividends declared and unpaid	
Policyholders	5,656,385
Ceded reinsurance premiums payable	276,379
Amounts withheld or retained by company for account of others	37,506
Aggregate write-in for liabilities	1,328,234
Total liabilities	218,003,464
Common capital stock	5,000,000
Gross paid-in and contributed surplus	2,285,679
Unassigned funds (surplus)	284,687,690
Surplus as regards policyholders	291,973,369
Total liabilities, surplus and other funds	\$ 509,976,833

**RetailFirst Insurance Company**  
**Statement of Income**  
**December 31, 2024**

	Per Company
<b>Underwriting Income</b>	
Premiums earned	\$ 158,468,962
<b>Deductions</b>	
Losses Incurred	77,791,279
Loss adjustment expenses incurred	19,511,923
Other underwriting expenses incurred	45,616,453
Aggregate write-ins for underwriting deductions	
Total Underwriting deductions	142,919,654
Net underwriting gain (loss)	15,549,308
<b>Investment Income</b>	
Net investment income earned	15,331,348
Net realized capital gains or (losses)	1,909,098
Net investment gain or (loss)	17,240,446
<b>Other Income</b>	
Net gain or (loss) from agents' or premium balances	(320,490)
Total other income (loss)	(320,490)
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	32,469,264
Dividends to policyholders	5,045,462
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	27,423,802
Federal & foreign income taxes incurred	5,691,528
Net Income	\$ 21,732,274
<b>Capital and Surplus Account</b>	
Surplus as regards policyholders, December 31 prior year	\$ 263,839,973
Net Income	21,732,374
Change in net unrealized capital gains or losses less capital gains tax	7,916,628
Change in net deferred income taxes	(1,082,379)
Change in non-admitted assets	(433,127)
Change in surplus as regards policyholders for the year	28,133,396
Surplus as regards policyholders, December 31, current year	\$ 291,973,369

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

<b>Capital/Surplus Change during Examination Period</b>			
Surplus at December 31, 2019, per Company			\$181,371,279
	Increase	Decrease	
Net Income	93,423,931		
Change in net unrealized capital gain (loss)	13,589,174		
Change in net deferred income tax	451,244		
Change in non-admitted assets	1,836,741		
Change in Provision for Reinsurance	1,301,000		
Net increase (or decrease)			110,602,090
Surplus at December 31, 2024, per Company			\$291,973,369

**RetailFirst 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 \$291,973,369 exceeded the minimum of \$19,395,236 as 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 RetailFirst 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