

**REPORT ON EXAMINATION AS TO THE CONDITION OF**

**NEW JERSEY INDEMNITY INSURANCE COMPANY**

**TOWNSHIP OF EWING, NEW JERSEY 08628**

**AS OF DECEMBER 31, 2024**

**NAIC GROUP CODE 0708**

**NAIC COMPANY CODE 10978**

**FILED**

**APR 16 2026**

**COMMISSIONER  
NJ DEPT OF BANKING & INSURANCE**

## TABLE OF CONTENTS

SALUTATION .....	1
SCOPE OF EXAMINATION.....	2
COMPLIANCE WITH PRIOR EXAM FINDINGS .....	2
HISTORY AND KIND OF BUSINESS .....	3
TERRITORY AND PLAN OF OPERATIONS .....	3
GROWTH OF THE COMPANY .....	4
CORPORATE RECORDS.....	4
MANAGEMENT AND CONTROL .....	4
REINSURANCE.....	6
REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS .....	7
INTER-COMPANY AGREEMENTS .....	7
POLICY ON CONFLICTS OF INTEREST.....	9
EMPLOYEES WELFARE AND PENSION PLANS .....	9
FIDELITY BOND AND OTHER INSURANCE COVERAGES.....	9
POLICY FORMS AND UNDERWRITING PRACTICES.....	10
ACCOUNTS AND RECORDS .....	10
TREATMENT OF POLICYHOLDERS.....	10
FINANCIAL STATEMENTS AND OTHER EXHIBITS .....	10
Balance Sheet As of December 31, 2024.....	11
Summary of Operations for the Five-Year Period Ending December 31, 2024 .....	12
Capital and Surplus Account for the Five-Year Period Ending December 31, 2024.....	13
NOTES TO THE FINANCIAL STATEMENT .....	14
SUMMARY OF RECOMMENDATIONS.....	15
SUBSEQUENT EVENTS .....	15
CONCLUSION.....	16
AFFIDAVIT .....	17



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DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF INSURANCE  
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MIKIE SHERRILL  
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DR. DALE G. CALDWELL  
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SUSAN OCHS  
*Acting Commissioner*

April 13, 2026

Honorable Susan Ochs  
Acting Commissioner  
State of New Jersey  
Department of Banking and Insurance  
P.O. Box 325  
20 West State Street  
Trenton, NJ 08625-0325

Commissioner:

Pursuant to the Revised Statutes of the State of New Jersey, an examination has been made of the conditions and affairs of the assets and liabilities, method of conducting business and other affairs of the:

New Jersey Indemnity Insurance Company  
301 Sullivan Way  
West Trenton, New Jersey 08628  
NAIC Group Code 0708 NAIC Company Code 10978

a domestic property and casualty insurer authorized to transact business in the State of New Jersey. Hereinafter, New Jersey Indemnity Insurance Company, will be referred to as the "Company".

## **SCOPE OF EXAMINATION.**

The New Jersey Department of Banking and Insurance, hereinafter referred to as the “NJDOBI” or “We”, performed a full scope risk focused examination of the Company. The examination covers the period of January 1, 2020, through December 31, 2024, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination. The examination was conducted remotely.

The Company was last examined as of December 31, 2019. The current examination was conducted concurrent with a financial condition examination of the Company's affiliates, New Jersey Manufacturers Insurance Company (NJM), New Jersey Re-Insurance Company (NJRE) and New Jersey Casualty Insurance Company (NJC).

The examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identification, and assessment of inherent risks within the Company and evaluation of system controls and procedures used to mitigate those risks. An examination also includes assessment of inherent risks within the Company and evaluation of systems controls and procedures used to mitigate those risks. An examination also includes assessment of the principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation, management’s compliance with Statutory Accounting Principles and Annual Statement instructions when applicable to domestic state regulations. The general procedure of the examination followed the rules established by the Financial Condition (E) Committee, Examination Oversight Task Force of the NAIC, and included such other examination procedures as were deemed necessary.

During the course of this examination, consideration was given to work performed by the Enterprise Risk and Controls Department regarding the Company’s compliance with the Annual Financial Reporting Model Regulation (the Model Audit Rule), including risk analysis, documentation, test work, and remediation efforts over weaknesses identified, as well as work performed by the Company’s Internal Audit Department and external accounting firm. Certain auditor work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the 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 Statutory Accounting Principles. However, the examination does not attest to the fair presentation of the financial statements included herein. In addition, a review was made of the following matters to develop an understanding of the Company’s operations and its conformity with the insurance laws of the various jurisdictions in which it operates.

## **COMPLIANCE WITH PRIOR EXAM FINDINGS**

There were no prior examination report findings.

## **HISTORY AND KIND OF BUSINESS**

On October 31, 1997, the Board of Directors of NJM adopted a resolution authorizing the establishment of a wholly owned subsidiary, NJI, for the purpose of transacting workers' compensation insurance, automobile insurance, residence insurance and such other insurance business as the laws of New Jersey may authorize. The Company was incorporated June 16, 1998, under the laws of New Jersey and commenced business June 3, 1999.

The Company is a domestic property and casualty insurance company and is authorized to transact the kinds of insurance authorized by paragraphs "a", "b", "e", "f", "g", "j", "k", "l", "m", "n", and "o", of N.J.S.A. 17:17-1, against all physical loss to buildings and structures including consequential loss, radioactive contamination and other perils affecting nuclear energy facilities, loss or damage to property of others caused by an insured except as provided in paragraphs "a" to "n", inclusive of N.J.S.A. 17:17-1, all other miscellaneous coverage being the kinds of insurance permitted to be written by the Company's Charter.

The capital stock of the Company is five million dollars (\$5,000,000) divided into five hundred thousand (500,000) shares having a par value of ten dollars (\$10) each.

The Company is a wholly-owned subsidiary of NJM and a member of the NJM Insurance Group. NJM is the owner of 499,987 shares of the 500,000 issued and outstanding shares of \$10 par value capital stock of the Company. The remaining shares are issued and held one each by the Directors of the Company.

The principal office of the Company is located on Sullivan Way, West Trenton, New Jersey and its mailing address is 301 Sullivan Way, West Trenton, New Jersey 08628.

## **TERRITORY AND PLAN OF OPERATIONS**

At December 31, 2024, the Company was licensed to transact the business of insurance in the States of New Jersey, Delaware, Pennsylvania, Maryland, Connecticut, and New York. During the five-year period under review, the majority of the total premium writings were on risks located in New York and New Jersey. In 2024 New York accounted for 42.1% and New Jersey for 31.0% of the Company's direct written premium.

The NJM Insurance Group (collectively the Company, NJM, NJRE, and NJC) works to operate for the exclusive service and benefit of its policyholders. While organized as stock insurers, the NJM Insurance Group's operations resemble that of a mutual insurer, in which underwriting profits and a portion of investment income can be returned to the policyholders in the form of dividends, measured across all lines and in the aggregate. These annual dividend payments have continued uninterrupted since 1918.

During the examination period, the NJM Insurance Group continued to advance product and geographical expansion for personal and commercial lines. NJM Insurance Group's geographic expansion focus for personal lines is in Western Pennsylvania, Connecticut, Ohio, and Maryland.

NJM Insurance Group offers personal property and commercial lines coverage including, personal passenger automobile, homeowners, workers' compensation and commercial automobile. NJM Insurance Group traditionally writes business on a direct basis. Historically, the NJM Insurance Group did not have agency relationships; though it implemented an agency model for distribution of its Commercial Auto, Workers' Compensation and Commercial General Liability products beginning in July 2020 with the introduction of Commercial Package Policy and Business Owners Property, and Commercial Umbrella resulting in robust cross-sell opportunities. The Company continues to build strong agency relationships. The registered agent upon process may be served is Kate E. Ro at 301 Sullivan Way, West Trenton, New Jersey 08628.

## **GROWTH OF THE COMPANY**

The following exhibit shows the results of the Company's operations during the current five-year examination period:

<u>Year</u>	Gross Premiums <u>Written</u>	Premium <u>Earned</u>	Net Underwriting <u>Net Gain/(Loss)</u>	Net Investment <u>Net Gain</u>	Admitted <u>Assets</u>	Surplus As Regards <u>Policyholders</u>
2024	\$ 11,208,344	\$ -	\$ 368,408	\$ 2,359,556	\$ 84,785,755	\$ 81,089,671
2023	4,431,467	-	119,409	2,257,255	81,901,227	79,000,153
2022	3,535,721	-	215,534	2,034,888	80,413,639	77,166,298
2021	3,151,599	3,581,531	(423,018)	2,011,699	80,379,134	75,581,978
2020	4,227,795	4,736,699	(309,087)	2,118,989	79,710,786	74,353,063

## **CORPORATE RECORDS**

A review of the minutes of all meetings of the Board held during the examination period indicated they were held and conducted in accordance with Company by-laws. The primary governing body is the Board of Directors.

The Company's Secretary is required to maintain records of all meetings of the Stockholders, the Board of Directors and of the various Board Committees. The Secretary is responsible for the giving and serving of all notices of meetings and has custody of the corporate seal of the Company, which the Secretary is required to affix to any proper instrument on behalf of the Company. The Secretary also has charge of the stock certificate books, transfer books, stock ledgers, and such other books and papers (other than books of financial accounts) as the Board of Directors may prescribe and shall perform all other acts normally and properly incident to the office of the Secretary.

## **MANAGEMENT AND CONTROL**

The business and property of the Company is managed and controlled by the Board of Directors, except as otherwise provided by the by-laws.

At December 31, 2024 the Company had 13 directors of whom only one is an officer of the Company as denoted by \*. Hence, the Company was in compliance with N.J.S.A. 17:27A-4d (3). Upon review of all meetings held it was determined by the examination that the meetings were well attended. The members of the Board of Directors elected and serving at December 31, 2024 were as follows:

<u>Name</u>	<u>Principal Occupation</u>
Brenda Ross-Dulan	Ross-Dulan Group, LLC, Managing Principal
Edward J. Graham	South Jersey Industries, Inc., Retired Chairman & CEO
Vaughan S. Grundy, III	IEW Construction Group, President
Joshua T. Kalafer	Somerset Patriots, Co-owner
Clifford F. Lindholm, III	Falstrom Company, President & CEO
Mitchell A. Livingston*	NJM Insurance Group, President & CEO
Brian F. Neuwirth	Unex Manufacturing, Inc. President
Celestina S. Quintana	McDonald's Restaurants Owner/Operator
Lisa Hirsh-Schlossman	Accurate Box Co., Inc., President & CEO
Robert J. Staudinger	National Manufacturing Co., Inc., President & CEO
Edward A. Stern	Kreiser Manufacturing Corporation, Former Co-President & COO
Joan E. Wainwright	TE Connectivity, Retired President
Thomas H. Welch	Grange Mutual Casualty Company, Retired President & CEO

The Company had various committees of the Board of Directors including an Audit Committee of which all eight members were outside Directors. Therefore, the Company was in compliance with N.J.S.A. 17:27-4d (4). Members of the various Committees as of December 31, 2024 were as follows:

<u>Executive</u>	<u>Investment</u>
Edward J. Graham	Edward J. Graham
Lisa Hirsh-Schlossman	Vaughan S. Grundy III
Clifford F. Lindholm III	Lisa Hirsh-Schlossman (Chairman)
Mitchell A. Livingston	Joshua T. Kalafer
Edward A. Stern (Chairman)	Celestina S. Quintana
Joan E. Wainwright	Brenda Ross-Dulan
Thomas H. Welch	Edward A. Stern
	Joan E. Wainwright

Nominating & Corporate Governance

Edward J. Graham (Chairman)  
 Lisa Hirsh-Schlossman  
 Clifford F. Lindholm III  
 Brian F. Neuwirth  
 Edward A. Stern

Compensation & Benefits

Edward J. Graham (Chairman)  
 Lisa Hirsh-Schlossman  
 Clifford F. Lindholm III  
 Robert J. Staudinger  
 Edward A. Stern  
 Thomas H. Welch

Audit

Edward J. Graham  
 Vaughan S. Grundy III  
 Joshua T. Kalafer  
 Clifford F. Lindholm III (Chairman)  
 Celestina S. Quintana  
 Brenda Ross-Dulan  
 Robert J. Staudinger  
 Joan E. Wainwright

Trust

Edward J. Graham  
 Lisa Hirsh-Schlossman  
 Joshua T. Kalafer  
 Clifford F. Lindholm III  
 Mitchell A. Livingston  
 Brian F. Neuwirth  
 Celestina S. Quintana  
 Edward A. Stern (Chairman)

The Executive Officers, which includes the Executive Leadership Team; denoted by \*, and those required by the By-Laws (President, Treasurer, and Secretary), serving and the positions they held at December 31, 2024, were as follows:

<u>Name</u>	<u>Office</u>
Theodore H. Hilke	Secretary
Mitchell A. Livingston*	President & CEO
Christopher F. Malone*	Senior Vice President, CFO, & Treasurer
Kate E. Ro*	Senior Vice President & General Counsel
Carol L. Voorhees*	Executive Vice President & COO

**REINSURANCE**

The Company had reinsurance agreements and treaties in force at December 31, 2024, providing excess, catastrophe and pro rata reinsurance for various lines of business written. The various reinsurance treaties and contracts in effect and the maximum limits of reinsurance are summarized below. Ceded coverages included:

Property Catastrophe Excess of Loss

	<u>Retention</u>	<u>Maximum Limits</u>	<u>Placement</u>
First Layer	\$ 300,000,000	\$ 300,000,000	28.243400%
Second Layer	600,000,000	200,000,000	47.852000%
Third Layer	800,000,000	300,000,000	56.522000%

### Property Catastrophe (Bond)

First Layer	\$ 300,000,000	\$ 300,000,000	41.666667%
Second Layer	600,000,000	200,000,000	32.500000%

Effective January 1, 2022, the Company and NJM entered into a 100% Multiline QS Reinsurance Contract (MLQS), where NJM assumes 100% from the Company beginning with accident year 2022. NJM pays a ceding expense to offset all adjusting and other expenses, underwriting expenses and other net expenses incurred.

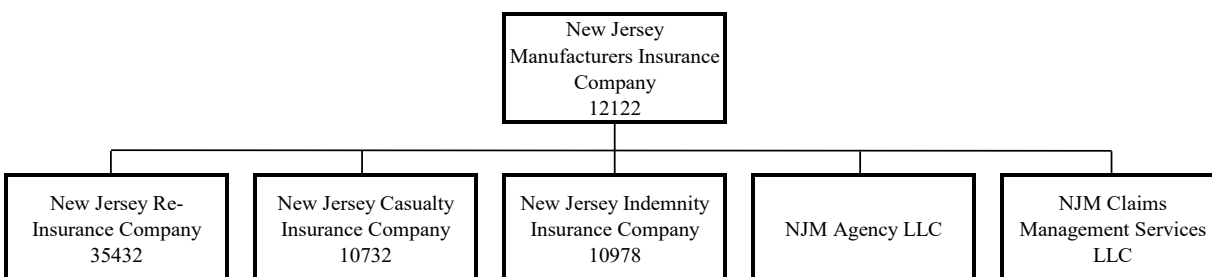
Also effective January 1, 2022, the Company and NJM entered into an Adverse Loss Development Reinsurance Agreement. NJM acts as the reinsurer and indemnifies the Company for any increase in its 2021 and all prior year ultimate net losses in the event they exceed the established retention of \$1,000,000 during the term of the agreement, subject to a maximum limit of \$10,000,000

The Company maintained separate reinsurance intermediary-broker agreements with JLT Re (North America) Inc. & Guy Carpenter and Thomas E. Sears, Inc. These agreements were in compliance with N.J.S.A. 17:22E-6, which requires a written contract for transactions between an insurer and a reinsurance intermediary-broker.

### **REGULATION OF INSURANCE HOLDING COMPANY SYSTEMS**

The Company is a member of an insurance holding company system as defined in N.J.S.A. 17:27A-1 and is subject to the registration requirements of N.J.S.A. 17:27A-3. The Company files an annual insurance Holding Company Registration Statement; submitted by its parent, NJM, on behalf of itself and other affiliates.

NJM Insurance Group consists of the Parent, NJM, the Company, NJRE, and NJI, and two non-insurer subsidiaries as of December 31, 2024. The organizational chart for this group is as follows:



### **INTER-COMPANY AGREEMENTS**

At December 31, 2024, the Company participated in inter-company agreements with its affiliates, including NJM, NJRE, and NJC. These agreements include:

### Intercompany Cost Allocation Agreement

Effective May 5, 2016, the Company executed an Intercompany Cost Allocation Agreement with affiliates NJM, NJRE, and NJC. Under the terms of the agreement, services provided by NJM's employees on behalf of the Company, NJRE, and NJC include each and every service associated with the underwriting of the several types of insurance policies that the Company, NJRE, and NJC are authorized to write and the processing of any claims covered by those policies. Services provided also include Information Technology, Accounts Receivable, Collections, Accounting, central files and other areas necessary to conduct this type of business. Employee time is allocated using customer service calls received, policies in force, premium written, claims reported or any other reasonable basis identifiable to the Company, NJRE, or NJC.

Salary and employee benefit allocation is based on time charged to the Company, NJRE, and NJC by NJM employees who perform services for the Company, NJRE, or NJC. Whenever possible, overhead expenses will be paid directly by the parties of the agreement. In instances where this is not possible, NJM will charge the Company, NJRE, and NJC allocated rent based on the percentage of space that each party occupies to conduct its business. Allocated rent includes building maintenance expenses, real estate taxes, depreciation, utilities, building security and cafeteria costs.

### Intercompany Revolving Loan Agreement

Effective October 3, 2016, and amended February 19, 2019, the Company entered into a Revolving Loan with NJM. Under the terms of the agreement, NJM agreed to make short term loans to the Company from time to time to accommodate fluctuations in daily cash flow and promote efficient management of investments for the Company. The borrowing Company may not request more than one advance from lending companies until full repayment of any outstanding advance; additionally, at no time can the total amount of the loan outstanding exceed \$5,000,000.

The borrowing company must repay the advance, in full, no later than fifteen business days from the date the advance was issued. The borrowing company shall pay accrued interest for each advance upon full repayment of the loan. The rate of interest applicable to each advance shall be equal to the federal rates for a Federal Home Loan Bank of New York REPO Advance applicable the date the advance is made. There were no borrowings during the examination period, and no outstanding balances under the agreement as of December 31, 2024.

### Intercompany Tax Sharing Agreement

Effective September 7, 1999, the Company executed a Tax Sharing agreement with the insurance affiliates of the NJM Insurance Group. Under the terms of the agreement, the tax liability of the Company, NJRE, NJC and NJM is computed on a consolidated tax basis. The consolidated tax liability is allocated to each party proportionately based on the relationship each party's individual tax bears to the total tax liability of all parties as if filed on an individual basis. NJM will pay any consolidated tax liability due. NJRE, NJC, and the Company will reimburse their allocated tax liability to NJM within 90 days of payment of any consolidated tax liability or quarterly deposit by NJM.

## **POLICY ON CONFLICTS OF INTEREST**

The Company has an established policy on conflicts of interest. Per this policy, all Officers, Managers, Attorney's, and Physicians are required to execute a Conflict of Interest Questionnaire on an annual basis. Potential conflicts of interest or any questions concerning the policy are to be addressed by the Company's General Counsel.

## **EMPLOYEES WELFARE AND PENSION PLANS**

The Company does not have employees. For the examination period, the Company participated in an Intercompany Cost Allocation Agreement with its parent, NJM. The Intercompany Cost Allocation Agreement establishes NJM as the service provider of the Company and provides for the allocation of defined benefit and defined contribution plans to the Company for the NJM employees performing the contracted services.

## **FIDELITY BOND AND OTHER INSURANCE COVERAGES**

NJM Insurance Group maintains insurance coverages for the protection of its assets from losses arising out of property and casualty risks. The following listing shows the types and amounts of coverages that were in force at the examination date:

<u>Coverages</u>	<u>Limits</u>
Fidelity Bond	\$ 3,300,000 w/ 250,000 Retention
Directors & Officers Liability	10,000,000 w/ 175,000 Retention
Commercial General Liability	2,000,000
Commercial Umbrella Liability	15,000,000 w/ 10,000 Retention
Commercial Property Policy:	
Flood	50,000,000 w/ 100,000 Retention
Earthquake	50,000,000 w/ 100,000 Retention
Building, Personal Property EDP	278,965,500 w/ 25,000 Retention
Employee Benefits Liability	2,000,000 w/ 1,000 Retention
Commercial Auto:	
Liability	1,000,000
PIP	250,000 w/ 250 Retention
Med Commercial Auto	50,000
Med Personal Auto	10,000
Workers Compensation - Employer's Liability	1,000,000
Business Travel Accident	500,000

The Company's insurance coverages were verified on a consolidated basis in conjunction with the other members of the NJM Insurance Group.

## **POLICY FORMS AND UNDERWRITING PRACTICES**

The Company's writings are restricted to a few lines of insurance with the largest amount of its direct premium volume, 42.1%, attributable to risks written within the state of New York and 31% in the state of New Jersey. The Company's total direct written premiums for 2024 included 63.7% for its workers' compensation business, 25.0% for commercial multi-peril and 11.3% for commercial and personal auto lines. The Company maintains its underwriting department at the home office.

The Company is a subscriber to the Insurance Services Office and avails itself to the organization's policy forms, rating classes and other rate related services. The Company is in compliance with N.J.S.A. 17:18-9, which limits the exposure on a single risk to an amount not exceeding 10% of the Company's net assets.

## **ACCOUNTS AND RECORDS**

The Treasurer is responsible for the collection of all items due to the Company and for the payment of all obligations when due, and for the maintenance of full and accurate accounts thereof and of the securities of the Company. Additionally, the Treasurer will have custody of all money and securities owned by the Company subject to the direction and approval of the Board of Directors.

The Company's general ledger, investment ledger, general journal (entries), cash receipts and disbursements books, are maintained in the home office. Extensive use is made of electronic data processing in providing the essential underlying accounting and record keeping data necessary to control the insurance operations and other areas including investments, claims and personnel.

## **TREATMENT OF POLICYHOLDERS**

NJM Insurance Group's complaint handling procedures as well as its complaint log were reviewed during the examination. The Group complies with N.J.S.A. 17:29B-4(10), which requires the Company to maintain a complaint handling procedure.

## **FINANCIAL STATEMENTS AND OTHER EXHIBITS**

<b><u>Exhibit A</u></b>	Balance Sheet as of December 31, 2024
<b><u>Exhibit B</u></b>	Summary of Operations for the Five-Year Period Ending December 31, 2024
<b><u>Exhibit C</u></b>	Capital and Surplus Account for the Five-Year Period Ended December 31, 2024

## Exhibit A

### Balance Sheet As of December 31, 2024

<b><u>NET ADMITTED ASSETS</u></b>	<b><u>Per Examination 12/31/2024</u></b>	<b><u>Per Company 12/31/2024</u></b>	<b><u>Examination Change</u></b>	<b><u>Note Number</u></b>
Bonds	\$ 75,886,029	\$ 75,886,029	\$ -	1
Cash, cash equivalents and short-term investments	3,243,180	3,243,180	-	
Subtotals, cash and invested assets	79,129,209	79,129,209	-	
Investment income due and accrued	723,267	723,267	-	
Premiums and considerations:				
Uncollected premiums and agents' balances	218,938	218,938	-	
Deferred premiums	4,604,869	4,604,869	-	
Reinsurance:				
Amounts recoverable from reinsurers	35,632	35,632	-	
Aggregate write-ins for other than invested assets:				
Accounts receivable and prepaid expenses	73,839	73,839	-	
<b>Total Net Admitted Assets</b>	<b>\$ 84,785,755</b>	<b>\$ 84,785,755</b>	<b>\$ -</b>	
<b><u>LIABILITIES, SURPLUS AND OTHER FUNDS</u></b>	<b><u>Per Examination 12/31/2024</u></b>	<b><u>Per Company 12/31/2024</u></b>	<b><u>Examination Change</u></b>	<b><u>Note Number</u></b>
Losses	\$ 282,751	\$ 282,751	\$ -	2
Loss adjustment expenses	287,811	287,811	-	2
Commissions payable	607,781	607,781	-	
Other expenses (excluding taxes, licenses and fees)	45	45	-	
Taxes, licenses and fees	31,500	31,500	-	
Current federal and foreign income taxes	51,662	51,662	-	
Net deferred tax liability	16,131	16,131	-	
Unearned premiums	-	-	-	
Advance premiums	1,431	1,431	-	
Dividends declared and unpaid - policyholder	41,017	41,017	-	
Ceded reinsurance premiums payable	2,027,242	2,027,242	-	
Amounts withheld or retained by Company for account of others	97,635	97,635	-	
Remittances and items not allocated	40,345	40,345	-	
Provision for reinsurance	4,376	4,376	-	
Payable to parent, subsidiaries and affiliates	204,317	204,317	-	
Aggregate write-ins for liabilities	2,040	2,040	-	
<b>Total Liabilities</b>	<b>\$ 3,696,083</b>	<b>\$ 3,696,083</b>	<b>\$ -</b>	
Aggregate write-ins for special surplus funds	\$ 116,000	\$ 116,000	\$ -	3
Common capital stock	5,000,000	5,000,000	-	3
Gross paid in and contributed surplus	28,500,000	28,500,000	-	3
Unassigned funds (surplus)	47,473,671	47,473,671	-	3
<b>Surplus As Regards Policyholders</b>	<b>\$ 81,089,671</b>	<b>\$ 81,089,671</b>	<b>\$ -</b>	
<b>Total Liabilities, Surplus and Other Funds</b>	<b>\$ 84,785,755</b>	<b>\$ 84,785,755</b>	<b>\$ -</b>	

## Exhibit B

### Summary of Operations for the Five-Year Period Ending December 31, 2024

As of December 31,	2024	2023	2022	2021	2020
<b>UNDERWRITING INCOME</b>					
Premiums earned	\$ -	\$ -	\$ -	\$ 3,581,531	\$ 4,736,699
<b>DEDUCTIONS</b>					
Losses incurred	(379,111)	(28,481)	(424,196)	2,181,627	2,914,298
Loss adjustment expenses incurred	711,242	328,779	707,768	857,731	566,662
Other underwriting expenses incurred	(700,538)	(419,707)	(499,105)	965,192	1,564,826
Aggregate write-ins for underwriting deductions	-	-	-	-	-
Total underwriting deductions	<u>(368,408)</u>	<u>(119,409)</u>	<u>(215,534)</u>	<u>4,004,549</u>	<u>5,045,786</u>
Net underwriting gain (loss)	<u>368,408</u>	<u>119,409</u>	<u>215,534</u>	<u>(423,018)</u>	<u>(309,087)</u>
<b>INVESTMENT INCOME</b>					
Net investment income earned	2,359,556	2,257,258	2,034,404	2,012,483	2,117,774
Net realized capital gains (losses) less capital gains tax	<u>-</u>	<u>(3)</u>	<u>484</u>	<u>(785)</u>	<u>1,215</u>
Net investment gain (loss)	<u>2,359,556</u>	<u>2,257,255</u>	<u>2,034,888</u>	<u>2,011,699</u>	<u>2,118,989</u>
<b>OTHER INCOME</b>					
Net gain (loss) from agents' or premium balances charged off	(5,539)	(2,656)	(30,303)	(42,186)	(6,871)
Finance and service charges not included in premium	3,795	5,805	12,921	14,712	18,936
Aggregate write-ins for miscellaneous income	<u>5,641</u>	<u>502</u>	<u>(249,373)</u>	<u>400</u>	<u>503</u>
Total other income	<u>3,897</u>	<u>3,651</u>	<u>(266,755)</u>	<u>(27,074)</u>	<u>12,569</u>
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	2,731,860	2,380,314	1,983,667	1,561,606	1,822,471
Dividends to policyholders	<u>92,025</u>	<u>62,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	2,639,835	2,318,001	1,983,667	1,561,606	1,822,471
Federal and foreign income tax incurred	<u>552,225</u>	<u>479,787</u>	<u>343,561</u>	<u>308,452</u>	<u>333,832</u>
<b>Net Income</b>	<u><u>\$ 2,087,610</u></u>	<u><u>\$ 1,838,214</u></u>	<u><u>\$ 1,640,106</u></u>	<u><u>\$ 1,253,154</u></u>	<u><u>\$ 1,488,639</u></u>

## Exhibit C

### Capital and Surplus Account for the Five-Year Period Ending December 31, 2024

As of December 31, Capital and Surplus	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
December 31, Previous Year	\$ 79,000,153	\$ 77,166,298	\$ 75,581,978	\$ 74,353,063	\$ 72,924,399
Net income	2,087,610	1,838,214	1,640,106	1,253,154	1,488,639
Change in net unrealized capital gains or losses	-	-	-	-	-
Change in net deferred income tax	(3,494)	(6,297)	(76,434)	(17,800)	(34,910)
Change in non admitted assets	9,776	1,748	22,413	(6,385)	(24,907)
Change in provision for reinsurance	(4,374)	190	156	(54)	(158)
Aggregate write-ins for gains or losses in surplus	-	-	(1,920)	-	-
Total other surplus gains or losses	<u>1,908</u>	<u>(4,359)</u>	<u>(55,785)</u>	<u>(24,239)</u>	<u>(59,975)</u>
Net change in capital and surplus for the year	2,089,518	1,833,855	1,584,321	1,228,914	1,428,664
<b>Capital and Surplus</b> December 31, Current Year	<u><u>\$ 81,089,671</u></u>	<u><u>\$ 79,000,153</u></u>	<u><u>\$ 77,166,298</u></u>	<u><u>\$ 75,581,978</u></u>	<u><u>\$ 74,353,063</u></u>

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 1: INVESTMENTS

#### Bonds, Common Stocks, Cash, Cash Equivalents and Short-Term Investments

The Company reported admitted assets for Bonds of \$75,886,029 and Cash of \$3,243,180 respectively at December 31, 2024.

#### Statutory Deposits

At December 31, 2024 the Company held a U.S. Treasury Note with a fair value of \$2,848,687 with the Commissioner of Banking and Insurance of the State of New Jersey in trust for the benefit and security of the policyholders of the Company. The certificate was held at TD Bank as required by the State of New Jersey. Additionally, the Company held a U.S. Treasury Bond with a fair value of \$122,567 with the Commissioner of Insurance of the State of Delaware in trust for the benefit and security of the policyholders of the Company.

### NOTE 2: LOSS AND LOSS ADJUSTMENT EXPENSES

At December 31, 2024 the Company reported a net liability for Losses and Loss Adjustment Expenses of \$570,562.

Actuarial findings, as reviewed within this examination report, are the sole responsibility of the NJDOBI's Property and Casualty Actuarial Unit of the Office of Solvency Regulation. The NJDOBI engaged Actuarial Specialists from the firm Risk & Regulatory Consulting, LLC. It was determined that the Company's gross and net of reinsurance loss and loss adjustment expense reserves were determined to be reasonable.

### NOTE 3: SURPLUS AS REGARDS POLICYHOLDERS

#### Common Capital Stock

The capital stock of the Company consists of \$5,000,000 divided into 500,000 authorized and outstanding shares of common stock having a par value per share of \$10 each.

#### Gross Paid In and Contributed Surplus

At December 31, 2024 the Company reported \$28,500,000 in paid in and contributed surplus.

#### Aggregate Write-Ins for Special Surplus Funds

At December 31, 2024 the Company reported \$116,000 in Special Surplus Funds as a contingency reserve for policyholder dividends.

Unassigned Funds (Surplus)

The Company reported an amount for unassigned funds at December 31, 2024 of \$47,473,671. This balance has been accepted by this examination as stated.

**SUMMARY OF RECOMMENDATIONS**

There were no recommendations as a result of this examination.

**SUBSEQUENT EVENTS**

No events occurred subsequent to the report date requiring disclosure.

**CONCLUSION**

A regular statutory condition examination was conducted by the undersigned with the assistance of contract examiners of Risk & Regulatory Consulting, LLC.

The examination and audit was conducted remotely. The courteous assistance and cooperation of the Company's officers and employees is acknowledged.

Respectfully Submitted,



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Kristen Sharrow, CPA, CFE  
Examiner-In-Charge  
Risk & Regulatory Consulting, LLC  
Representing the New Jersey Department of Banking  
and Insurance

Under the Supervision of



---

Nancy Lee Chice, CFE  
CFE Reviewer  
New Jersey Department of Banking and Insurance

**NEW JERSEY INDEMNITY INSURANCE COMPANY**

The undersigned hereby certifies that an examination has been made of New Jersey Indemnity Insurance Company and the foregoing report is true to the best of my knowledge and belief.

Respectfully Submitted,



Kristen Sharrow, CPA, CFE  
Examiner-In-Charge  
Risk & Regulatory Consulting, LLC



Nancy Lee Chice, CFE  
CFE Reviewer  
New Jersey Department of Banking and Insurance

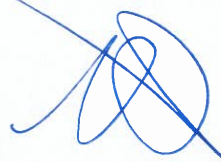
State of New Jersey  
County of Mercer

Subscribed and sworn to before me,



On this 13<sup>th</sup> day of April, 2026

Signed,



Notary Public of New Jersey  
My commission expires: 3/17/2029

