



**STATE OF TENNESSEE**  
**DEPARTMENT OF COMMERCE AND INSURANCE**

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**REPORT ON EXAMINATION**  
**OF**  
**OAKWOOD INSURANCE COMPANY**  
**NASHVILLE, TENNESSEE**

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**AS OF**  
**DECEMBER 31, 2021**

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Nashville, Tennessee  
March 31, 2023

Honorable Carter Lawrence  
Commissioner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, Tennessee 37243

Dear Commissioner:

In accordance with your instructions and pursuant to Tennessee Code Annotated (“Tenn. Code Ann.”) § 56-1-408, a full-scope financial examination and market conduct review, as of December 31, 2021, has been made of the condition and affairs of:

**OAKWOOD INSURANCE COMPANY**

NAIC # 31208  
NAIC Group # 4863  
2908 Poston Avenue  
Nashville, TN 37203

hereinafter referred to as the “Company” or “OIC” and a report thereon is submitted as follows:

**INTRODUCTION**

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or “Department”). The examination was conducted by duly authorized representatives of the Department. This examination was called through the National Association of Insurance Commissioners' (NAIC) Financial Examination Electronic Tracking System (FEETS). This examination was not part of a coordinated examination with any other states which had domiciled companies within the SiriusPoint Ltd. group of companies (“SiriusPoint Group”).

**SCOPE OF EXAMINATION**

The last examination of the Company was made as of December 31, 2016. This full-scope examination covers the period January 1, 2017, through December 31, 2021, and includes any material transactions and/or events occurring subsequent to the examination date.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee and in accordance with practices and procedures promulgated by the NAIC in the *Financial Condition Examiners Handbook* (“Handbook”), as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company, as of December 31, 2021. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation and management’s compliance with statutory accounting principles and annual statement instructions.

All significant risks were considered when planning which key activities and accounts would be examined. The key activities included: Financial Reporting; Investments; Related Party; and Capital and Surplus.

The Company’s 2021 Annual Statement was compared with or reconciled to the corresponding general ledger account balances.

An examination of the Company’s information technology general controls (ITGC) was conducted and reviewed as part of this examination. The examination included a review of the following controls: management and organizational; logical and physical security; system and program development; contingency planning; service provider; operations; processing; e-commerce; and network and internet.

A separate market conduct review was also performed concurrently with the financial examination. See the “Market Conduct Activities” section of this report.

The Company’s ultimate parent, SiriusPoint Ltd., maintains an internal audit (IA) Department, which is charged with performing the IA function for all companies within the holding company system. However, due to the Company’s size, it is generally scoped out of any of the IA Department’s audits.

There were no independent specialists engaged by the TDCI for this examination.

The Company’s certified public accountant (CPA) workpapers were reviewed for the 2021 audit, and copies were incorporated into the examination, as deemed appropriate.

## **COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS**

The previous full-scope examination report dated April 24, 2018, which covered the period from January 1, 2012, through December 31, 2016, contained one (1) comment and no recommendations.

The examination comment was related to the Company's non-compliance with its Bylaws, when it held some of its annual shareholder meetings after July 1. The Company's Bylaws specify that the meeting is to be held prior to July 1. The comment was appropriately responded to, and the appropriate actions were taken.

## **COMPANY HISTORY**

The Company was incorporated as NPO Insurance Company (NPO), a Tennessee company, on September 24, 1974, to write policies of disability, property, casualty, and surety insurance, as well as reinsurance. NPO was wholly-owned by NLT Corporation (NLT). Another subsidiary of NLT, Service Casualty Company of New York ("Service Casualty") was incorporated under the laws of New York on August 31, 1945. The name of Service Casualty was changed to The National Property Owners Insurance Company ("National Property Owners") on February 12, 1974. On January 1, 1975, National Property Owners was merged with and into NPO, and the name of the surviving corporation was immediately changed to The National Property Owners.

NLT became a wholly-owned subsidiary of American General Corporation (AGC) via an Agreement of Merger, supplemented by an Agreement and Plan of Merger, effective November 4, 1982. Effective January 27, 1984, NLT paid a dividend of the outstanding capital stock of National Property Owners to AGC and, on December 20, 1985, the TDCI approved a petition for the acquisition of National Property Owners by Maryland Casualty Company, a subsidiary of AGC.

On May 15, 1989, Maryland Casualty Company was acquired by Zurich Insurance Company, and National Property Owners was given as a dividend to AGC. National Property Owners changed its name to American General Property Insurance Company (AGPIC) effective January 1, 1990. On June 30, 1992, the Company merged with Interstate Fire Insurance Company, with the Company being the surviving entity.

The Company's Parent, AGC, completed its acquisition of the Independent Insurance Group, Inc. (IIG), of Jacksonville, Florida, on February 29, 1996. IIG's subsidiaries included four (4) property and casualty insurance companies that write basic needs fire products, primarily in the Southeast. Subject to the terms of an Agreement and Plan of

Reorganization, one of IIG's subsidiaries, Independent Fire Insurance Company was merged with the Company effective February 28, 1999. The TDCI approved the transfer and the agreement on May 7, 1999.

On August 29, 2001, AGC was acquired by American International Group (AIG), a Delaware corporation. AIG is a holding company which, through its subsidiaries, is engaged primarily in the broad range of insurance and insurance related activities in the United States and abroad.

In 2000, the Company discontinued writing new direct business, and by 2007, the policies were non-renewed. The Company's remaining operations primarily pertained to the settlement of claims associated with the business in run-off.

On September 11, 2009, the TDCI approved a merger request by the Company to merge its subsidiary, American General Property Insurance Company of Florida, with and into the Company, with the Company being the surviving entity.

On November 30, 2012, the Company was purchased by Sirius Global Solutions Holding Company (f/k/a White Mountains Solutions Holding Company) and would continue as a run-off insurer.

On January 17, 2013, the Company changed its name from AGPIC to OIC. On September 13, 2013, the Company was merged with an affiliate, Physicians Insurance Company of Ohio (PICO) with the Company being the surviving company. PICO's business was in run-off.

Effective March 31, 2014, the Company was merged with Central National Insurance Company of Omaha ("Central National"), with the Company being the surviving company. Central National's business was in run-off.

On April 15, 2016, the TDCI approved an acquisition of the SiriusPoint Group by China Minsheng Investment Co., Ltd. (CMI), which is the Company's ultimate controlling person. Sirius Global Solutions Holding Company remains the Company's immediate parent, directly owning one hundred percent (100%) of the Company.

On February 17, 2021, the TDCI approved an acquisition of the Company by Third Point Reinsurance Ltd. (TPRE) by virtue of TPRE's acquisition of Sirius International Insurance Group, Ltd. (SIIG), the Company's indirect parent. As a result of the acquisition, TPRE indirectly acquired one hundred percent (100%) control of the Company. After the merger, TPRE was renamed SiriusPoint Reinsurance Ltd.

On May 27, 2021, in connection with an internal reorganization, Sirius International Group Ltd., Sirius International Holdings Ltd., and SIIG, wholly-owned subsidiaries of SiriusPoint Ltd. (“SiriusPoint”), merged with and into SiriusPoint, with SiriusPoint being the surviving entity. Also on May 27, 2021, TPRE merged with and into Sirius Bermuda Insurance Company Ltd. (“Sirius Bermuda”), with Sirius Bermuda being the surviving entity. Upon the effectiveness of the merger, Sirius Bermuda changed its name to SiriusPoint Bermuda Insurance Company Ltd.

At December 31, 2021, the Company had authorized capital stock of one million (1,000,000) shares of common stock with a par value of \$18.00 per share, of which one hundred seventy-five thousand, seven hundred forty-one (175,741) shares were issued and outstanding, for a capital paid up of \$3,163,338.

## **MANAGEMENT AND CONTROL**

### **MANAGEMENT**

#### **Directors**

The Company’s Bylaws state that the business and affairs of the corporation shall be managed by a Board of Directors (“Board”) who shall be elected at the annual meeting of the shareholders. Directors need not be shareholders of the corporation.

The Company’s Bylaws state that the number of directors shall consist of five (5) or more directors. A majority of directors constitutes a quorum. Directors serve until the next annual meeting of the shareholders, and thereafter, until a successor has been elected.

The following persons were duly elected by the shareholders and were serving as members of the Board, as of December 31, 2021:

<b><u>Name</u></b>	<b><u>Principal Occupation</u></b>
Patrick J. Charles	Senior Vice President, Insurance Services, Sirius Global Services LLC
Brent P. Donaldson	Head of Actuarial Reserving, Sirius Global Services LLC
Min Huang-Li	Chief Financial Officer, Sirius Global Services LLC
Robert P. Kuehn	President & General Counsel, Sirius Global Services LLC
Thomas C. Leonardo	U.S. Head of Accident and Health, Sirius America Insurance Company

The Bylaws allow any action required or permitted to be taken at a meeting of the Board, or of any committee thereof, to be taken without a meeting, if prior to such action, written consent thereto is signed by all Board or committee members, and such written consent

is filed with the minutes of proceedings. Such consent shall have the same force and effect as a vote at a meeting. Any or all of the directors or committee members may participate in meetings by means of conference telephone or similar communication equipment.

### **Officers**

The Bylaws provide that the officers of the Company shall be a President, a Treasurer, and a Secretary, and such other officers as the Board may determine. More than two (2) offices may be held by the same person, except that the President shall not also hold the office of Secretary.

The following officers were duly elected by the Board and were serving as officers of the Company, as of December 31, 2021:

<b><u>Name</u></b>	<b><u>Title</u></b>
Patrick J. Charles	President
Davis J. Kim	Secretary
Edward J. Park	Treasurer

Subsequent to the examination period, the Board elected Kevin B. Grzelak as Chief Financial Officer and Thomas C. Leonardo as Senior Vice President.

The Board from time to time may, by resolution passed by a majority of the full Board, designate members to constitute committees as it deems appropriate, including an Executive Committee, consisting of two (2) or more directors. The Executive Committee shall have all the powers of the Board in the interim between meetings of the Board.

The administrative and executive functions of the Company are performed by affiliated entities, which are fully described in this report under the heading "Agreements with Parent and Affiliates."

### **Committees**

As of December 31, 2021, no committees had been appointed.

### **CONTROL**

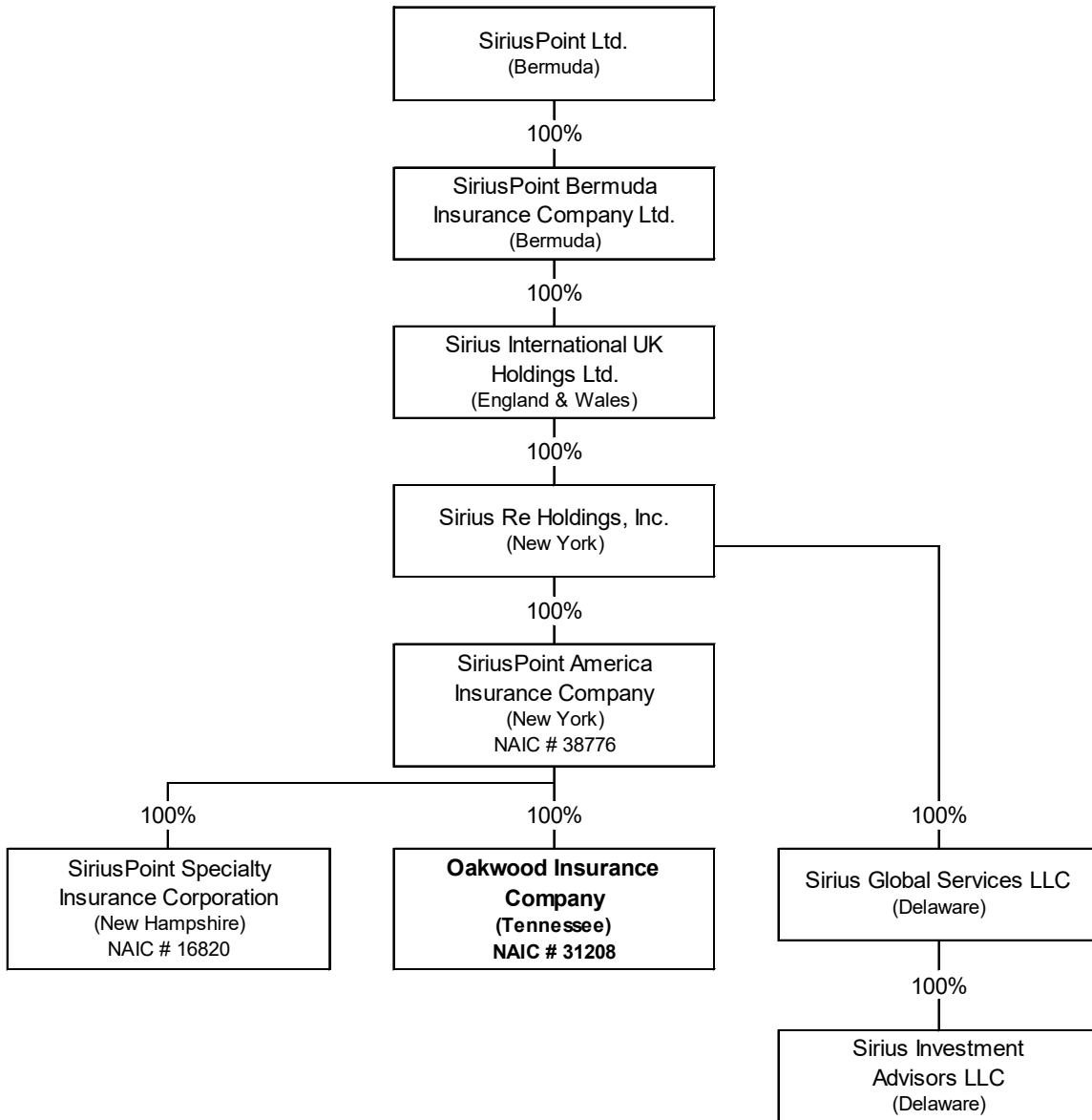
The Company is a member of an insurance holding company system as defined by Tenn. Code Ann. § 56-11-101(b)(8), and as such, is subject to the Insurance Holding Company System Act of 1986, set forth in Tenn. Code Ann. §§ 56-11-101, *et seq.* The Company is a wholly-owned subsidiary of SiriusPoint America Insurance Company (SAIC), which is an indirect wholly-owned subsidiary of SiriusPoint Ltd., a publicly traded entity and ultimate controlling person. No one person or entity owns or controls ten percent (10%)



or more of SiriusPoint Ltd. The Company files a holding company registration statement annually, as required by Tenn. Code Ann. § 56-11-105.

**ABBREVIATED ORGANIZATIONAL CHART**

The following abbreviated organizational chart shows all U.S. insurance companies and their respective domiciliary states within the group insurance holding company system:



**DIVIDENDS**

During the period of examination, the Company did not declare or pay any dividends.

## **CORPORATE RECORDS**

The minutes of meetings of the Company's shareholders, Board, and committees were reviewed for the period under examination. The minutes were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

There were no amendments or restatements made to the Company's Charter during the period of examination. The original Charter of the Company was filed with the Tennessee Secretary of State on September 23, 1974. The Company's Amended and Restated Charter was adopted by the Board on November 8, 1989, and filed with the Tennessee Secretary of State and with the TDCI on November 22, 1989.

An amendment of the Charter adopted by the Board on December 2, 2012, and approved by the TDCI on December 21, 2012, changed the par value of the Company's one million (1,000,000) shares of capital common stock from a par value of one hundred dollars (\$100) per share to a par value of ten dollars (\$10) per share.

An amendment of the Charter adopted by the Board on January 17, 2013, and approved by the TDCI on February 4, 2013, changed the name of the Company from AGPIC to OIC.

An amendment of the Charter adopted by the Board on February 14, 2013, and approved by the TDCI on April 4, 2013, changed the home address to be located and maintained in Nashville, Davidson County, Tennessee.

An amendment of the Charter adopted by the Board on October 3, 2013, and approved by the TDCI on November 15, 2013, changed the par value of the one million (1,000,000) shares of capital common stock from a par value of ten dollars (\$10) per share to a par value of eighteen dollars (\$18) a share.

The Charter states the corporation is for-profit and its purpose is to engage in the business of insurance, including but not limited to property or casualty insurance, and to engage in any other lawful business under the laws of the State of Tennessee. The general provisions and powers enumerated in the Company's Charter are usual and consistent with corporations of this type.

There were no changes to the Company's Bylaws during the period of examination. The Bylaws of the Company, in effect as of December 31, 2021, are the Company's Amended and Restated Bylaws that were adopted by the Board on November 8, 2004, and went

into effect April 27, 2005. There have been only minor changes made to the Company's Bylaws from the version previously in effect since February 11, 1991.

The Bylaws provide for an annual shareholders' meeting at which a Board is elected. Officers are elected by the Board. The Bylaws are such as generally found in corporations of this type and contain no unusual provisions. They provide for the regulation of the business and the conduct of the affairs of the Company, the Board, and its shareholders.

## **AGREEMENTS WITH PARENT AND AFFILIATES**

The Company had the following significant agreements with its parent and affiliated companies in effect, as of December 31, 2021:

### **Investment Management Agreement with Sirius Investment Advisors LLC**

Effective September 26, 2016, Sirius Investment Advisors LLC (SIA) began providing investment services to the Company. SIA has full discretionary authority to manage the Company's portfolio in accordance with investment guidelines attached to and made part of the agreement. SIA is paid a quarterly management fee for services provided.

### **Expense Allocation Agreement**

The Company has no employees. All administrative and executive functions are performed by staff employed through its affiliates. Effective February 23, 2015, Sirius Re Holdings, Inc., Sirius International Holding Company, Inc., the Company, SAIC, SiriusPoint Specialty Insurance Corporation, and various other affiliates entered into an Expense Allocation Agreement. SAIC will provide the services of certain personnel, office space, the use of equipment, and other services to the companies as long as such arrangement does not interfere with SAIC's business operations. SAIC will determine the costs and expenses of providing the services on a quarterly basis. Expenses are billed thirty (30) days after the last day of each quarter.

### **Tax Allocation Agreement with Sirius Re Holdings, Inc.**

Effective December 1, 2004, the Company and other affiliates entered into a Tax Allocation Agreement with Fund American Enterprises Holdings, Inc. and White Mountains Re Holdings, Inc. (now known as Sirius Re Holdings, Inc. or SRH). Following a number of mergers and corporate changes, the Company currently files a consolidated federal income tax return with SRH and its subsidiaries. The method of allocation among companies is made primarily on a separate return basis with a current credit for net losses. Each participant, per return, is liable for its proportionate share of the tax assessments in accordance with the Tax Allocation Agreement.

## TERRITORY AND PLAN OF OPERATION

### TERRITORY

On December 31, 2021, the Company was licensed to transact business in forty-three (43) states and the District of Columbia. Effective July 1, 2021, the Company transferred all of its existing insurance obligations to its immediate parent, SAIC, under the terms of a Transfer and Assumption agreement. The Company did not report any direct written premiums in 2021. Per Schedule T in the 2021 Annual Statement, \$18,926 of direct premiums earned were reported for the State of Nebraska.

### PLAN OF OPERATION

The Company ceased writing new property and casualty business in 2000 and by 2007 had no remaining in-force policies. Prior to the 2021 execution of the Transfer and Assumption agreement with SAIC, the Company's core activity had been the administration and management of numerous old assumed and ceded reinsurance agreements which were acquired through various acquisitions. The Company's former operations primarily pertained to the settlement of claims associated with this assumed business. While the Company has no plans to commence underwriting new business, any resumption of new business activities must first receive the prior approval of the TDCI.

## GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination, according to its annual statements as filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Premiums Earned</u>	<u>Net Income (Loss)</u>
2021	\$40,513,741	\$817,541	\$39,696,200	\$18,926	(\$368,418)
2020	\$61,569,628	\$21,576,000	\$39,993,618	\$3,992	\$145,548
2019	\$62,680,494	\$22,933,624	\$39,746,870	\$5,787	(\$976,243)
2018	\$66,717,141	\$26,214,933	\$40,502,208	\$7,398	(\$1,078,654)
2017	\$72,112,311	\$30,750,971	\$41,361,340	\$8,321	\$509,352

## LOSS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements, the ratios of losses and loss adjustment expenses (LAE) incurred to earned premiums, for the period subject to this examination were as follows:

<u>Year</u>	<u>Premiums Earned</u>	<u>Total Losses and Loss Adjustment Expenses</u>	<u>Total Underwriting Expenses</u>	<u>Net Loss Ratio</u>
2021	\$18,926	\$999,999	\$71,928	5,283.7%
2020	\$3,992	\$0	\$1,903,220	0.0%
2019	\$5,787	\$1,664,001	\$710,676	28,754.1%
2018	\$7,398	\$2,200,001	\$1,086,947	29,737.8%
2017	\$8,321	\$925,628	(\$153,394)	11,124.0%

While the Company was in run-off, there was a small amount of earned premiums related to 1) reinstatement premiums found in excess of loss reinsurance contracts and 2) multi-year accidental death and dismemberment policies written in the 1980s.

## **REINSURANCE AGREEMENTS**

As of December 31, 2021, the Company did not report any assumed or ceded reinsurance agreements. Upon the 2021 execution of the Transfer and Assumption agreement, all existing insurance liabilities (both direct and assumed) were transferred to SAIC as described below.

Effective July 1, 2021, the Company and SAIC entered into a Transfer and Assumption agreement, under which all existing insurance liabilities, and certain assets equal to the amount of the insurance liabilities, were transferred to SAIC. Total liabilities transferred under the agreement approximated \$19.2 million. A review of the agreement revealed no limiting provisions and proper transfer of risk in accordance with Statement of Statutory Accounting Principles (SSAP) No. 62 and NAIC guidelines was evident. The agreement was submitted to the TDCI and was not disapproved on September 28, 2021.

## **ACCOUNTS AND RECORDS**

During the examination, certain balances were tested, and amounts were traced from the Company's trial balance to the annual statement. All the Company's investment securities were confirmed with the custodian of such securities, as of the date of this examination. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

The Company's books and records are located in New York, New York.

## MARKET CONDUCT ACTIVITIES

A limited market conduct review was made of the Company, as of December 31, 2021, in conjunction with this examination. As the Company's business was in run-off prior to the execution of the Transfer and Assumption agreement, certain standards are not applicable: marketing and sales; producer licensing; and underwriting and rating. No complaints were filed in Tennessee. The following items were addressed:

### **Operations and Management Standards**

The Company's antifraud initiatives were examined to determine if the initiatives are reasonably designed to prevent, detect, or mitigate fraudulent insurance acts. Company procedures and policies relating to privacy were reviewed to determine compliance with Tenn. Code Ann. § 56-8-104(19). No issues were noted.

### **Complaint Handling Standards**

The Company maintains a complaint register, as required by various state Unfair Trade Practices Acts, and the register and the accompanying files are maintained since the date of the last examination in accordance with statutory requirements. The Company provided a complaint log which indicated that only two (2) complaints were received during the period under examination. Neither complaint pertained to a Tennessee policyholder as the Company had no in-force business in Tennessee. One complaint was determined to have incorrectly named the Company and it was closed in 2017. The second complaint was determined to be a request for assistance rather than a formal complaint and the matter was closed in 2023. The Company's complaint procedures and complaint register were examined in accordance with the requirements of Tenn. Code Ann. § 56-8-104(11) and the NAIC *Market Regulation Handbook* ("Market Handbook") and were found to be in compliance.

### **Claims Handling Standards**

The Company discontinued writing new direct business in 2000 and was in run-off until the execution of the Transfer and Assumption agreement in 2021. Prior to the execution of the 2021 reinsurance agreement, the Company's claims handling was confined to the process of closing out old claims. The Company has no claims in Tennessee.

During the period under review, the Company used two (2) third-party administrators (TPA) to handle California workers' compensation claims: InterCare and Berkley, and one TPA for Florida homeowner claims: ISACS.

## **SUBSEQUENT EVENTS**

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in this examination report. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2021, that could have a material effect on the Company's financial condition. Our review confirmed the Company's disclosures in its 2021 Annual Statement and its Letter of Representation.

## FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, surplus, and other funds, and a statement of income, as of December 31, 2021, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2021 Annual Statement.

### ASSETS

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$29,183,913		\$29,183,913
Cash and cash equivalents	10,990,136		10,990,136
Investment income due or accrued	149,257		149,257
Current federal and foreign income tax recoverable	190,435		190,435
Net deferred tax asset	<u>3,059,557</u>	<u>\$3,059,557</u>	<u>0</u>
<b>Totals</b>	<u>\$43,573,298</u>	<u>\$3,059,557</u>	<u>\$40,513,741</u>



**LIABILITIES, SURPLUS, AND OTHER FUNDS**

Other expenses		\$374,204
Payable to parent, subsidiaries and affiliates		435,331
Payable for securities		<u>8,006</u>
Total Liabilities		817,541
Common capital stock	\$3,163,338	
Gross paid in and contributed surplus	36,730,427	
Unassigned funds (surplus)	<u>(197,565)</u>	
Total Surplus as Regards Policyholders		<u>39,696,200</u>
<b>Totals</b>		<u>\$40,513,741</u>

## STATEMENT OF INCOME

Premiums earned		\$18,926
Deductions:		
Losses incurred	(\$40,083)	
Loss adjustment expenses incurred	1,040,082	
Other underwriting expenses incurred	<u>71,928</u>	
Total underwriting deductions		<u>1,071,927</u>
Net underwriting gain (loss)		(1,053,001)
Net investment income earned		697,000
Net realized capital gains or (losses)		6,652
Miscellaneous income		<u>(20,004)</u>
Net income after dividends to policyholders		(369,353)
Federal and foreign income taxes incurred		<u>(935)</u>
<b>Net Income (Loss)</b>		<u><b>(\$368,418)</b></u>

**CAPITAL AND SURPLUS ACCOUNT**

	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Surplus as Regards Policyholders December 31, previous year	<u>\$39,993,618</u>	<u>\$39,746,870</u>	<u>\$40,502,208</u>	<u>\$41,361,340</u>	<u>\$41,614,213</u>
Net income or (loss)	(368,418)	145,548	(976,243)	(1,078,654)	509,352
Change in net deferred income tax	(100,143)	(265,991)	93,833	(154,132)	(2,105,237)
Change in non-admitted assets	150,143	265,991	225,925	362,714	1,282,956
Change in provision for reinsurance	<u>21,000</u>	<u>101,200</u>	<u>(98,853)</u>	<u>10,940</u>	<u>60,056</u>
Net change in capital and surplus for the year	<u>(297,418)</u>	<u>246,748</u>	<u>(755,338)</u>	<u>(859,132)</u>	<u>(252,873)</u>
Surplus as Regards Policyholders December 31, current year	<u>\$39,696,200</u>	<u>\$39,993,618</u>	<u>\$39,746,870</u>	<u>\$40,502,208</u>	<u>\$41,361,340</u>

## **ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS**

Total Surplus as Regards Policyholders

\$39,696,200

Total surplus as regards policyholders, as established by this examination, is the same as reported by the Company in its 2021 Annual Statement. There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2021.

## **COMMENTS AND RECOMMENDATIONS**

The following list presents a summary of comments and recommendations noted in this report:

### **Comments**

There were no comments noted during the completion of this examination.

### **Recommendations**

There were no recommendations noted during the completion of this examination.

## CONCLUSION


Rules and procedures as prescribed by the statutes of the State of Tennessee and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of Oakwood Insurance Company.

In such a manner, it was found that as of December 31, 2021, the Company had admitted assets of \$40,513,741 and liabilities, exclusive of capital and surplus, of \$817,541. Thus, there existed for the additional protection of the policyholders, the amount of \$39,696,200 in the form of common capital stock, gross paid in and contributed surplus, and unassigned funds. Tenn. Code Ann. §§ 56-2-114 and 56-2-115 require an insurer of this Company's type to maintain a minimum capital of \$1,000,000 and a minimum surplus of \$1,000,000, respectively. For this examination, as of December 31, 2021, the Company maintains capital and surplus sufficient to satisfy those requirements.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Kelly Willison, CFE, Financial Examiner from The INS Companies; participated in the work of this examination.

Respectfully submitted,

  
\_\_\_\_\_  
Jerry Kennedy, CFE  
Examiner-in-Charge  
The INS Companies  
Representing the State of Tennessee

  
\_\_\_\_\_  
Jay Uselton, CFE  
Department Designee  
Tennessee Department of Commerce and Insurance

**AFFIDAVIT**

The undersigned deposes and says that he has duly executed the attached examination report of Oakwood Insurance Company located in New York, New York, dated March 31, 2023, and made as of December 31, 2021, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.




Jerry Kennedy, CFE  
Examiner-in-Charge  
The INS Companies  
Representing the State of Tennessee

State MO

County platte

Subscribed to and sworn before me

this 20<sup>th</sup> day of May, 2023

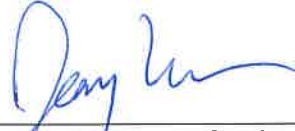
  
(NOTARY)

My Commission Expires: 9/5/2026

**LESLIE G RUIZ**  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Platte County  
My Commission Expires: Sept. 5, 2026  
22739326

# AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Oakwood Insurance Company located in New York, New York, dated March 31, 2023, and made as of December 31, 2021, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.



A. Jay Uselton, CFE  
Department Designee  
State of Tennessee

State of Tennessee

County of Davidson

Subscribed to and sworn before me

this 24<sup>th</sup> day of May, 2023

Mandy Johnson  
(NOTARY)

My Commission Expires: 7-7-2025



# **EXHIBIT B**





VIA EMAIL

May 25, 2023

E. Joy Little  
Director of Financial Examinations/Chief Examiner  
Tennessee Department of Commerce and Insurance  
500 James Robertson Parkway  
Nashville, TN 37243-1135

RE: Final Report of Examination – Oakwood Insurance Company

Dear Ms. Little:

We hereby acknowledge receipt of the Final Report of Examination for Oakwood Insurance Company, made as of December 31, 2021.

By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

DocuSigned by:

*Patrick Charles*

Patrick Charles

President

Oakwood Insurance Company