



## Department of Financial Services

### Premium Finance Agency Annual Report (NMLS) Calendar Year 2020

#### **General Instructions**

- The Annual Report is due at the Department of Financial Services (DFS) by the statutory deadline of **February 1, 2021**.
- All questions apply to the licensed legal entity as a whole, unless otherwise specified.
- Answer all questions. Type or print your answers legibly. Do not change the questions. State “None” or “Not Applicable” where appropriate.
- Attach an addendum to the report in response to any of the questions if additional space is necessary to provide all requested information.
- Subsequent to the initial submission of the Annual Report, if it is determined that information contained therein is substantially inaccurate, untrue, incorrect or incomplete, whether as a result of an audit, new information or otherwise, a revision must be submitted to DFS within two weeks of discovery along with a cover letter on company letterhead signed by an authorized executive officer of the Licensee.

#### **Reminder**

DFS must be notified within specified timeframes according to the type of changes contemplated. For example:

- Change of licensed locations – *before change* [Section 558 of the New York Banking Law (NYBL)]
- Change in members of the governing board, executive officers, and entities and individuals owning 20% or more of any class of the outstanding capital stock of the Licensee – *within 10 days after occurrence* [Part 405.4 of the Superintendent’s Regulations (SR)]
- Change in control – **prior approval of the Superintendent is required** [NYBL Section 555-a]
- Reports of any arrest, indictment or conviction and certain crimes committed against the Licensee – *immediately upon discovery* [SR Parts 405.5 and 300]

Additionally, licensees are permitted to conduct regulated activities only at licensed locations. Each additional location that conducts New York-regulated activities requires a separate branch license pursuant to NYBL Section 555.3.

# NYS DFS 2020 PREMIUM FINANCE AGENCY ANNUAL REPORT (NMLS)

## SCHEDULE A - GENERAL INFORMATION

1. Full legal name of the Licensee:

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2. All locations where New York premium finance business was conducted during the reporting year:

Complete Address	Contact	Phone	Email

3. Briefly describe the Licensee’s premium finance business model (e.g. financing of automobile, casualty, liability or property insurance policy premium):

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4. Membership in trade associations:

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5. List all banking relationships:

Bank	Account Type*	Branch Address where the Account is Held

\* For example, operating account, trust account, line of credit, loan, etc.

6. Pursuant to SR Part 405.2(b) & (c), the Licensee is required to file with the Superintendent a copy of its forms of premium finance agreements used by agents or brokers in connection with premium financing, within three business days after issuance. **Upload** to NMLS, a copy of each such forms currently in use, which must indicate the issuance date. Include “NY PFA” and the agreement’s issuance date in the file name. Upload the document under the document type *Document Samples* in the Document Uploads section of the Company Form (MU1).

7. Pursuant to SR Part 405.2(a) & (c), the Licensee is required to file with the Superintendent a copy of its charts setting forth rates or amounts for service charges, used in connection with premium finance agreements for the convenience of agents or brokers, within three business days after issuance. **Upload** to NMLS, a copy of each such charts currently in use, which must indicate the issuance date. Include “NY Rate Chart” and the chart’s issuance date in the file name. Upload the document under the document type *Document Samples* in the Document Uploads section of the Company Form (MU1).

8. Pursuant to NYBL Section 561 and DFS policy, has the Licensee maintained capital equal to at least 10% of the amount of outstanding premium finance agreements, inside and outside New York State, throughout the reporting year and at any time since?

\_\_\_\_\_ (Yes or No) If "No", provide details:

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9. Have any of the following individuals and entities been involved in any of the following listed matters in the reporting year and at any time since?

**Individuals and entities:**

- The Licensee
- Any of the Licensee’s parent, affiliate, and subsidiary companies
- Any of the Licensee’s owners, partners, stockholders with 10% or more of voting stock in the Licensee, members of the governing board, LLC members/managers, and executive officers

**Listed matters:**

- Felony conviction or guilty plea to felony
- Court proceeding or lawsuit *in which any of the above-listed individuals and entities was named a defendant*
- Investigation, civil or criminal
- Judgment
- Monetary penalty
- Regulatory or supervisory action
- Settlement *reached after a lawsuit, claim or court proceeding in which any of the above-listed individuals and entities was named a defendant*

\_\_\_\_\_ (Yes or No)

If "Yes", provide details. In addition, for the reported court proceedings, lawsuits and settlements, attach to this report a signed statement from legal counsel on whether the court proceedings, lawsuits and settlements, when aggregated, would materially impact the Licensee’s financial condition and/or ability to meet obligations.

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10. Independently audited financial statements for the Licensee’s fiscal year ended in 2020: If such statements are available, attach them to this report. If not, submit them within 90 calendar days of the Licensee’s 2020 fiscal year end.

11. Person responsible for completion of this report:

Full Name	Title	Phone	Email

**Note:** For purposes of this report, include premium finance receivable in loans.

**SCHEDULE B - STATEMENT OF FINANCIAL CONDITION**

*As of the end of the reporting year*

- Report consolidated figures inside and outside New York State.
- Round to the nearest dollar.

<b>Assets</b>		
1	Cash on hand and in banks	
2	Premium finance receivable (net)	
	Amount pledged:.....	
3	Marketable securities	
4	Accounts receivable	
5	Other short-term assets	
	Provide details:	
<b>6</b>	<b>Total Premium Finance Receivable and Current Assets</b> (sum of lines 1 through 5)	
7	Furniture, fixtures & equipment, and automobiles (less depreciation)	
8	Deferred charges and expenses	
9	Other assets	
	Provide details:	
<b>10</b>	<b>Total Assets</b> (sum of lines 6 through 9)	
<b>Liabilities and Capital</b>		
11	Accounts payable	
12	Short-term funds borrowed from banks	
13	Short-term funds borrowed from parent company or affiliates	
14	Short-term funds borrowed from other creditors	
15	Other short-term liabilities	
	Provide details:	
<b>16</b>	<b>Total Current Liabilities</b> (sum of lines 11 through 15)	
17	Long-term loans payable	
18	Bonds and debentures	
19	Other liabilities	
	Provide details:	
<b>20</b>	<b>Total Liabilities</b> (sum of lines 16 through 19)	
21	Common stock	
22	Preferred stock	
23	Appropriated surplus, capital reserves, and additional paid in capital	
24	Retained earnings/surplus (from line 11 on Schedule D)	
<b>25</b>	<b>Total Capital</b> (sum of lines 21 through 24)	
<b>26</b>	<b>Total Liabilities and Capital</b> (sum of lines 20 and 25)	

**SCHEDULE C - STATEMENT OF INCOME AND EXPENSES**  
**Related to Premium Finance Business Only**  
*During the reporting year*

**State basis for allocation of income and expenses to Premium Finance business:**

- Report consolidated figures inside and outside New York State.
- Round to the nearest dollar.

1	Interest and service charges earned	
2	Deferment charges earned	
3	Cancellation and default charges earned	
<b>4</b>	<b>Total Interest and Charges Earned</b> (sum of lines 1 through 3)	
5	Other income from Premium Finance business	
	Provide details:	
<b>6</b>	<b>Total Operating Income derived from Premium Finance business</b> (sum of lines 4 and 5)	
7	Interest paid:	
	(a) on borrowed funds:	
	(b) on bonds and debentures:	
	(c) on other liabilities:	
8	Provision for loan losses	
9	Selling, general & administrative expenses	
10	Occupancy and related expenses	
11	Salaries & other benefits	
12	Depreciation of furniture, fixtures & equipment, and automobiles	
13	Auditing	
14	Insurance and fidelity bonds	
15	Legal fees and disbursements	
16	Licensing expenses	
17	Other expenses related to Premium Finance business	
	Provide details:	
<b>18</b>	<b>Total Operating Expenses related to Premium Finance Business</b> (sum of lines 7 through 17)	
<b>19</b>	<b>Net Operating Income/Loss related to Premium Finance Business</b> (line 6 minus line 18)	
20	Income taxes	
<b>21</b>	<b>Net Income/Loss related to Premium Finance Business</b> (line 19 minus line 20)	

## SCHEDULE D - RECONCILEMENT OF RETAINED EARNINGS/SURPLUS

*During the reporting year*

- Report consolidated figures inside and outside New York State.
- Round to the nearest dollar.

<b>1</b>	<b>Beginning Retained Earnings/Surplus</b>	
2	Net income from Premium Finance business <i>(from line 21 on Schedule C - if income is reported)</i>	
3	Net income from sources other than Premium Finance business <i>(Attach addendum to provide details.)</i>	
4	Other credits to surplus Provide details:	
5	<b>Total Additions</b> (sum of lines 2 through 4)	
6	Net loss from Premium Finance business <i>(from line 21 on Schedule C - if loss is reported)</i>	
7	Net loss from sources other than Premium Finance business <i>(Attach addendum to provide details.)</i>	
8	Dividends paid	
9	Other charges to surplus Provide details:	
10	<b>Total Deductions</b> (sum of lines 6 through 9)	
11	<b>Ending Retained Earnings/Surplus</b> (line 1 plus line 5 minus line 10)	

## SCHEDULE E - VOLUME OF OPERATIONS *(New York State Only)*

*Premium finance agreements entered into and acquired by the Licensee during the reporting year*

Entered Into (with Insureds)						
	For Commercial Purposes		For Personal Purposes		Total	
	#	Nearest \$	#	Nearest \$	#	Nearest \$
<b>TOTAL</b>						

Acquired (from insurance agents, brokers or other premium finance agencies)						
Originating Entity	For Commercial Purposes		For Personal Purposes		Total	
	#	Nearest \$	#	Nearest \$	#	Nearest \$
<b>TOTAL ACQUIRED</b>						

TOTAL ENTERED INTO AND ACQUIRED						
	For Commercial Purposes		For Personal Purposes		Total	
	#	Nearest \$	#	Nearest \$	#	Nearest \$
<b>GRAND TOTAL</b>						

**SCHEDULE F - PREMIUM FINANCE AGREEMENTS SOLD**  
*By the Licensee during the reporting year (New York State Only)*

Purchased By:	Contracts sold with servicing retained by the Licensee		Contracts sold without servicing retained by the Licensee		Total contracts sold	
	Number	Nearest Dollar	Number	Nearest Dollar	Number	Nearest Dollar
<b>TOTAL</b>						

**SCHEDULE G – DELINQUENCIES, DEFAULTS & LOSSES**  
*As of the end of the year*

➤ Round to the nearest dollar.

	Inside and Outside NYS <sup>1</sup>			NYS Only <sup>2</sup>		
	2020	2019	2018	2020	2019	2018
Loans past due 30 days or more and still accruing interest						
Loans in nonaccrual status						
Loans in Collection (% of total loan balance)	%	%	%	%	%	%
Licensee's definition of Loans in Collection						
Default Rate (% of total loan balance)	%	%	%	%	%	%
Licensee's definition of Default						
Actual Loan Losses (during the reporting year)						

<sup>1</sup> Report only loans authorized under Article 12B of the New York Banking Law and similar loans in other states.

<sup>2</sup> Report only loans authorized under Article 12B of the New York Banking Law.

**AFFIDAVIT**

*I, the undersigned, do hereby swear or affirm under the penalties of perjury that (i) I am an executive officer of the Licensee; (ii) I am authorized to submit the above report (including all addenda and schedules); and (iii) the information contained therein is accurate, true, correct and complete, to the best of my knowledge and belief.*

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Full Name

Title

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Signature

Date