

REPORT ON ORGANIZATION

OF

GREATER MIDWESTERN INDEMNITY COMPANY

AS OF

AUGUST 31, 2021

DATE OF REPORT

OCTOBER 18, 2021

EXAMINER

LAMIN JAMMEH

## TABLE OF CONTENTS

<u>ITEM NO.</u>		<u>PAGE NO.</u>
1.	Scope of examination	2
2.	Incorporation	2
3.	Capitalization and subscription	3
4.	Balance sheet	4
5.	Authorization powers and minimum capital required	5
6.	Affiliated group	5
7.	Conclusion	7
8.	Summary of comments and recommendations	7
	Affidavit	



## Department of Financial Services

**KATHY HOCHUL**  
Governor

**ADRIENNE A. HARRIS**  
Acting Superintendent

October 18, 2021

Honorable Adrienne A. Harris  
Acting Superintendent  
New York State Department of Financial Services  
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 32320 dated October 18, 2021, attached hereto, I have made an examination on organization of Greater Midwestern Indemnity Company as of August 31, 2021, and submit the following report thereon.

Wherever the designations “the Company” appears herein without qualification, it should be understood to indicate Greater Midwestern Indemnity Company.

Wherever the term “Department” appears herein without qualification, it should be understood to mean the New York State Department of Financial Services.

Due to the COVID-19 pandemic, the examination was conducted remotely.

## 1. SCOPE OF EXAMINATION

The examination comprised a complete verification of the issuance of the Company's capital stock, the receipt of capital and surplus funds, and the determination of the Company's assets and liabilities. The records examined were the declaration of intention and charter, the by-laws, the certificate of incorporation, the corporate minutes, the stock register and the inter-company and custodial agreements entered into by the Company as of the examination date. In addition, an affidavit, appended hereto, was obtained from two officers of the Company indicating that the transactions noted in this report were lawful and bona fide.

## 2. INCORPORATION

Greater Midwestern Indemnity Company was incorporated under the laws of the State of New York on May 6, 2020. The Department approved the Company's declaration of intention and charter on the same date. The Company's office is intended to be located at 200 Madison Ave, Third Floor, New York, NY 10016.

The Company's board of directors was comprised of the following 11 members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Joan L. Cadd Sarasota, FL	Chartered Professional Accountant, Self-employed Consultant
Donald T. DeCarlo, Esq. Fresh Meadow, NY	Self-employed Lawyer
Elizabeth Heck New York, NY	Chairman, President and Chief Executive Officer, Greater New York Mutual Insurance Company
Warren W. Heck New York, NY	Retired
Carol Ivanick, Esq. New York, NY	Partner/Of Counsel, Schulte Roth & Zabel
Charles F. Jacey Esterro, FL	Retired
Robert P. Lewis Santa Fe, NM	Retired

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Lance Liebman, Esq. New York, NY	Retired
Paul Segal New York, NY	Self-employed, Architect and Professor with Columbia University
Thomas W. Synnott III Brooklyn, NY	Retired
James Wrynn Garden City, NY	Chief Commercial Officer, National Arbitration and Mediation

As of August 31, 2021, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Elizabeth Heck	Chairman, President and Chief Executive Officer
Christopher McNulty	Executive Vice President, Chief Financial Officer and Treasurer
Thomas Hughes	Executive Vice President and General Counsel, and Corporate Secretary

### **3. CAPITALIZATION AND SUBSCRIPTION**

Greater Midwestern Indemnity Company is a wholly-owned subsidiary of Greater New York Mutual Insurance Company, a New York-domiciled insurance company.

The Company has authorized capital of \$5,000,000, consisting of 50,000 shares of common stock at \$100 par value per share.

In order to fulfill the deposit requirements of Section 4104 of the New York Insurance Law, the Company has placed securities with a par and market value of \$500,000 in a custodial account in the name of “Superintendent of Financial Services of the State of New York in trust for the security of the policyholders of Greater Midwestern Indemnity Company within the United States, its territories and possessions.”

#### 4. BALANCE SHEET

The following shows the assets, liabilities and surplus as regards policyholders as determined by this examination as of August 31, 2021 and as reported by the Company:

##### Assets

Bonds	\$ 9,946,111
Cash	81,179
Investment income due and accrued	33,807
Other assets	<u>243</u>
Total admitted assets	<u>\$10,061,340</u>

##### Liabilities

Federal income taxes payable	\$ <u>12,881</u>
Total liabilities	12,881

##### Capital and Surplus

Common capital stock	\$ 5,000,000
Gross paid in and contributed surplus	5,000,000
Unassigned funds (surplus)	<u>48,459</u>
Total surplus as regards policyholders	<u>10,048,459</u>
Total liabilities and surplus as regards policyholders	<u>\$10,061,340</u>

## 5. **AUTHORIZATION POWERS AND MINIMUM CAPITAL REQUIRED**

The Company is authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

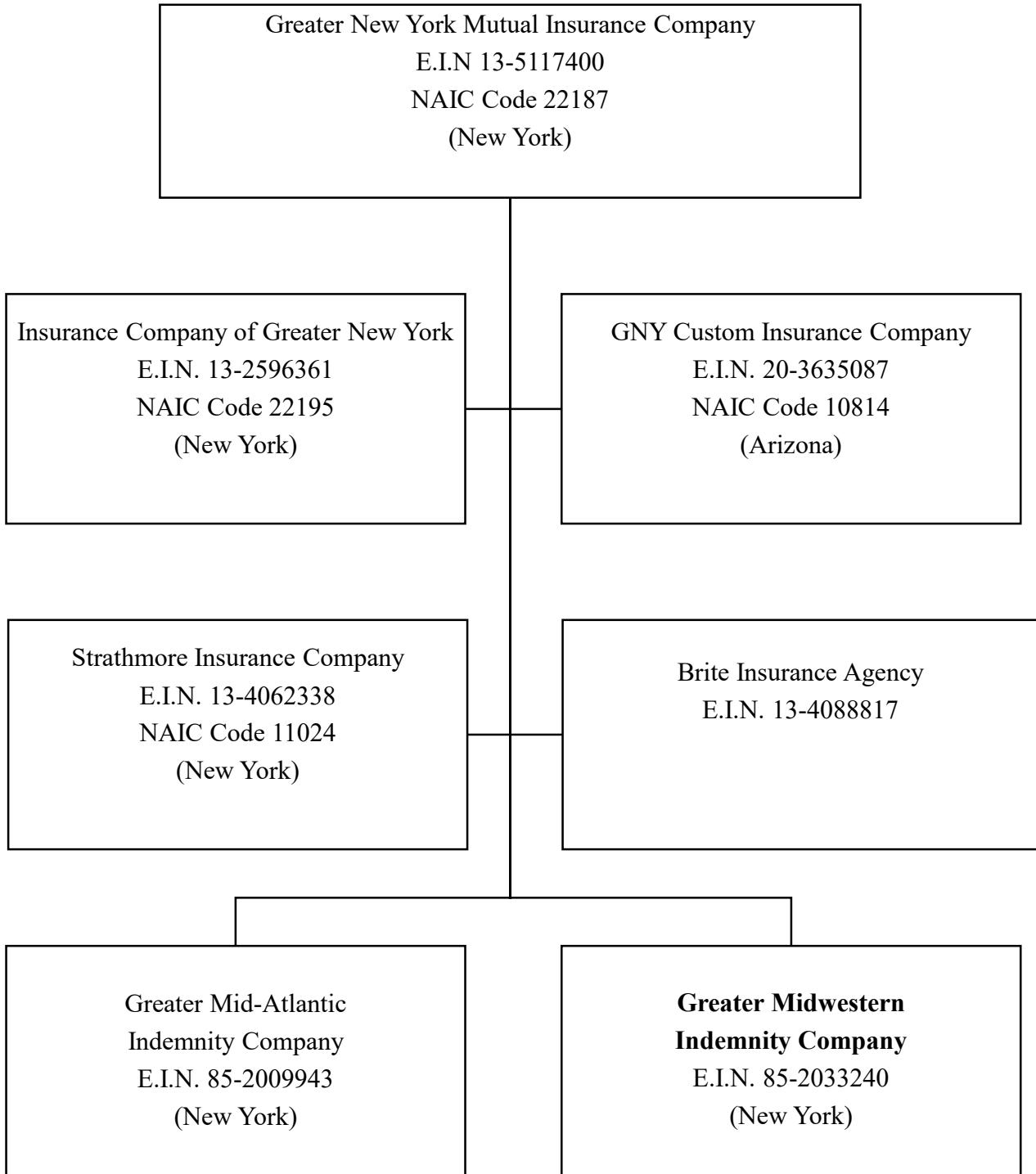
<u>Paragraph</u>	<u>Line of Business</u>
3	Accident and Health
4	Fire
5	Miscellaneous Property
6	Water Damage
7	Burglary and Theft
8	Glass
9	Boiler and Machinery
10	Elevator
11	Animal
12	Collision
13	Personal Injury Liability
14	Property Damage Liability
15	Workers' Compensation and Employers' Liability
16	Fidelity and Surety
17	Credit Insurance
19	Motor Vehicle and Aircraft Physical Damage
20	Marine and Inland Marine
21	Marine Protection and Indemnity

Based on the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13 and 41 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$4,400,000.

## 6. **AFFILIATED GROUP**

Greater Midwestern Indemnity Company is a wholly-owned subsidiary of Greater New York Mutual Insurance Company, a New York-domiciled insurance company.

The following is a chart of the affiliated group at August 31, 2021:





## Inter-Company Agreements

The Company filed the following inter-company agreements with the Department in accordance with Section 1505(d) of the New York Insurance Law:

### Investment Expense Cost Sharing Agreement

The investment expense cost sharing agreement is made and entered into whereby investment expenses are allocated between Greater New York Mutual Insurance Company, and its wholly owned subsidiaries: Insurance Company of Greater New York, Strathmore Insurance Company, GNY Custom Insurance Company, Greater Midwestern Indemnity Company, and Greater Mid-Atlantic Indemnity Company, (collectively the “Companies”) based upon their share of the Companies’ total cash and investments as per the most recently filed annual statements, excluding any affiliated investments.

### Federal Income Tax Allocation Agreement

The federal income tax allocation agreement in place between Greater New York Mutual Insurance Company and its wholly-owned subsidiaries was amended to include Greater Midwestern Indemnity Company as a member company.

## 7. CONCLUSION

Based on the foregoing examination, it is concluded that the Company sold 50,000 shares of common stock with a par value of \$100 per share. These shares represented the total authorized and issued stock for which the Company received a consideration of \$10,000,000, of which \$5,000,000 represents capital paid in and \$5,000,000 represents gross paid in and contributed surplus.

## 8. SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations contained in this report.

Respectfully submitted,

\_\_\_\_\_/S/  
Lamin Jammeh  
Senior Insurance Examiner

STATE OF NEW YORK     )  
  )SS:  
COUNTY OF \_\_\_\_\_ )

Lamin Jammeh, being duly sworn, deposes and says that the foregoing report, subscribed to by him, is true to the best of his knowledge and belief.

\_\_\_\_\_/S/  
Lamin Jammeh

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

STATE OF NEW YORK, )  
 ) SS.:  
COUNTY OF NEW YORK )

The undersigned, each an executive officer of Greater Midwestern Indemnity Company (the "Company"), duly sworn, depose, and say under oath that, on the date of September 30, 2021:

- (1) Each of the undersigned is an officer of the Company.
- (2) The Company's capital and surplus equals ten million dollars (\$10,000,000), consisting of paid in capital of five million dollars (\$5,000,000) and contributed surplus of five million dollars (\$5,000,000) (the "Capital and Surplus"). The capital and surplus is on deposit with Bank of America, N.A.
- (3) No part of the Capital and Surplus has been withdrawn, pledged, or in any way impaired.
- (4) No part of the Capital and Surplus is to be invested or otherwise legitimately used or appropriated except for the sole and exclusive use and benefit of the Company.
- (5) There is no agreement or understanding, express or implied, made or existing between the Company and its officers, or any or either of them, or any person or persons, to the effect or import that the money paid in by any stockholder shall be loaned or returned to it.
- (6) Neither the Company nor any of its officers is in any way, manner or form pledged or committed to make any investment, loan or disposition of the Capital and Surplus, or any part or portion thereof, which is not in strict conformity in all respects with the provisions of the Insurance Law of the State of New York.
- (7) The Capital and Surplus is the property of the Company and is possessed by the Company in its corporate name and capacity for the benefit of its policyholders.

Elizabeth Heck 9/30/21  
(Signature) (Date)

Chairman, President, and Chief Executive Officer  
(Title)

[Signature] 9/30/21  
(Signature) (Date)

Executive Vice President, Chief Financial Officer & Treasurer  
(Title)

Subscribed and sworn to before me  
this 30th day of September, 2021

[Signature]  
Notary Public Stamp.

*APPOINTMENT NO. 32320*

*NEW YORK STATE*

***DEPARTMENT OF FINANCIAL SERVICES***

*I, Adrienne A. Harris, Acting Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

***Lamin Jammeh***

*as a proper person to examine the affairs of the*

***Greater Midwestern Indemnity Company***

*and to make a report to me in writing of the condition of said*

***COMPANY***

*with such other information as he shall deem requisite.*

*In Witness Whereof, I have hereunto subscribed by name  
and affixed the official Seal of the Department  
at the City of New York*

*this 18th day of October, 2021*

***ADRIENNE A. HARRIS***  
*Acting Superintendent of Financial Services*

*By:*

*Joan Riddell*

\_\_\_\_\_  
*Joan Riddell*  
*Deputy Bureau Chief*

