



**REPORT ON EXAMINATION
OF
MLMIC INSURANCE COMPANY**

AS OF DECEMBER 31, 2020

**EXAMINER:
DATE OF REPORT:**

**M. IRENE TRAN
MARCH 31, 2022**

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KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

March 31, 2022

Honorable Adrienne A. Harris
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 32240 dated April 15, 2021, attached hereto, I have made an examination into the condition and affairs of MLMIC Insurance Company as of December 31, 2020, and submit the following report thereon.

Wherever the designation “the Company” or “MLMIC” appears herein without qualification, it should be understood to indicate MLMIC Insurance 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, this examination was conducted remotely.

1. SCOPE OF EXAMINATION

The Department has performed an examination of MLMIC Insurance Company, a multi-state insurer. The previous examination was conducted as of June 30, 2016. This examination covered the four-and-half year period from July 1, 2016 through December 31, 2020. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook, which requires that we plan and perform the examination to evaluate the financial condition and identify current and prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. This examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with New York laws, statutory accounting principles, and annual statement instructions.

This examination report includes, but is not limited to, the following:

- Company history
- Management and control
- Territory and plan of operation
- Reinsurance
- Holding company description
- Financial statement presentation
- Loss review and analysis
- Significant subsequent events
- Summary of recommendations

This report on examination is confined to financial statements and comments on those matters that involve departures from laws, regulations, or rules, or that are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

MLMIC Insurance Company was incorporated on April 4, 1975, as the Medical Liability Mutual Insurance Company (“Original MLMIC”) and commenced business on July 1 of the same year. The Company was formed under the auspices of the Medical Society of the State of New York.

Hospital Underwriters Mutual Company (“HUM”) was incorporated on September 30, 1976, and commenced business on May 26, 1977, pursuant to Section 4107 of the New York Insurance Law. HUM’s membership was originally limited to hospitals and healthcare facilities; however, HUM received approval from the Department to issue policies to individual physicians on July 20, 1990, and allied healthcare professionals on June 6, 1994. On November 18, 1993, HUM’s name was changed to Healthcare Underwriters Mutual Insurance Company.

On July 18, 2001, Original MLMIC was merged with and into HUM, with HUM as the surviving entity which then assumed the name Medical Liability Mutual Insurance Company.

On October 1, 2018, the National Indemnity Company (“NICO”) acquired the Company. NICO, a Nebraska domiciled insurance company, is a wholly-owned subsidiary of Berkshire Hathaway, Inc. (“BHI”), a Delaware corporation. The Company demutualized and became a stock company upon acquisition. Effective at the same time, the Company issued 200,000 common stock shares with a par value of \$100 to NICO and changed its name to its current title.

A. Corporate Governance

Pursuant to the Company’s amended and restated charter and by-laws, management of the Company is vested in a board of directors consisting of not less than seven nor more than 40 members. The board meets at least four times during each calendar year. At December 31, 2020, the board of directors was comprised of the following nine members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Edward John Amsler, Esq. New York, NY	Chief Executive Officer, MLMIC Insurance Company
Ann Marie Barbaccia, MD Oyster Bay, NY	Vice President and Secretary, MLMIC Insurance Company
Beth Cady Burghardt, MD Lafayette, NY	Otolaryngologist, Private practice
Mark Jay Feldman, DMD East Hills, NY	Executive Director, New York State Dental Association
David William Felton Cleveland, NY	President, Crouse Community Nursing Home

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
John Wynne Lombardo, MD New York, NY	Vice Chairman and Chief Medical Officer, MLMIC Insurance Company
Robert Amel Menotti, MD Clinton, NY	Retired
James Keel Reed, MD Cohoes, NY	President and Chief Executive Officer, St. Peter's Health Partners Board Chairman, MLMIC Insurance Company
Kenneth Douglas Roberts Setauket, NY	President, Mather Hospital Vice President and Treasurer, MLMIC Insurance Company

As of December 31, 2020, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Michael Schoppmann, Esq	President
Edward John Amsler, Esq	Chief Executive Officer
Ann Marie Barbaccia, MD	Vice President and Secretary
Kenneth Douglas Roberts	Vice President and Treasurer
Daniel Francis Canniff	Vice President and Comptroller
Patrick Gerald Conway	Vice President

B. Territory and Plan of Operation

As of December 31, 2020, the Company was licensed to write business in nine states; however, during the examination period, it only wrote business in New York. As of the examination date, the Company was 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 & health
4	Fire
5	Miscellaneous property
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery

<u>Paragraph</u>	<u>Line of Business</u>
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
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity
24	Credit unemployment
26	Gap
27	Prize indemnification
28	Service contract reimbursement
29	Legal services

The Company is also licensed to write such workers' compensation insurance as may be incidental to coverage contemplated under paragraphs 20 and 21 of Section 1113(a) of the New York Insurance Law, including insurances described in the Longshore and Harbor Worker's Compensation Act (Public Law No. 803, 69th Congress as amended; 33 USC Section 901 et. seq. as amended) and as authorized by Section 4102(c) of the New York Insurance Law, reinsurance of every kind or description. The Company is also licensed to write special risk insurance under Article 63 of the New York Insurance Law.

Based upon 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, 41, and 63 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of \$35,000,000. However, pursuant to Section 6302(c)(3) of the New York Insurance Law, in order to be licensed to write special risks, the Company is required to maintain surplus as regards policyholders of at least twice the minimum surplus to policyholders required to be maintained for the kinds of insurance that it is authorized to write in this state; therefore, the Company was required to maintain a minimum surplus of \$70,000,000 as of December 31, 2020.

The Company primarily writes professional liability insurance on a direct basis for physicians, surgeons, dentists, hospitals, and other healthcare professionals and facilities on both an occurrence and claims-made basis. Additionally, the Company is a voluntary member of the Medical Malpractice Insurance Pool of New York State ("MMIP" or "the Pool") and shares in the operations based on its proportional market share (42.38% of MMIP premiums for 2020) of the New York medical professional liability

insurance market, which represents less than 5% of MLMIC's total direct premiums written in 2020. The Company was chosen by the MMIP Members Committee to be MMIP's servicing company (refer to section 2D for more information).

The following schedule shows the direct and assumed premiums written by the Company for the period under examination:

<u>Calendar Year</u>	<u>Direct Premiums</u>	<u>Assumed Premiums</u>	<u>Total Gross Premiums</u>
2016*	\$380,679,226	\$ 2,935	\$380,682,161
2017	\$410,622,815	\$ (25,463)	\$410,597,352
2018	\$383,455,471	\$ 43	\$383,455,514
2019	\$353,776,885	\$ 0	\$353,776,885
2020	\$302,290,376	\$ 0	\$302,290,376

*July 1, 2016, to December 31, 2016. It is noted that most policies renew annually effective July 1st.

The decrease in premiums during the examination period is attributable to physician retirements and because physicians are joining the hospital policies.

C. Reinsurance Ceded

Effective 2016 through 2018, the Company had a casualty catastrophe excess of loss reinsurance contract. It provided coverages for the entire book of business, covering \$5 million above \$7 million ultimate net loss for each event with a limit of \$10 million for all occasions.

Effective October 1, 2018, due to the NICO's acquisition, the Company has the following reinsurance agreements:

Loss Portfolio Transfer Agreement

Effective October 1, 2018, the Company entered into a ceded loss portfolio transfer ("LPT") with NICO, its direct parent company and authorized reinsurer, whereby NICO agreed to assume 100% of the Company's loss and loss adjustment expense reserves outstanding as of October 1, 2018. The agreement transferred initial reserves in the amount of \$3,255,955,000 for which the Company paid in initial consideration of \$3,235,955,000. The transaction resulted in \$20,000,000 of surplus gains. Under a permitted accounting practice received from the Department, the Company records this LPT as a prospective reinsurance contract due to the minimal surplus gains. In conjunction with this LPT agreement, NICO maintains a trust to hold assets as security to satisfy its obligations to the Company. As of December

31, 2020, the total reinsurance recoverable netted against loss and loss adjustment expense reserves are approximately \$2.2 billion.

Quota Share Agreement

With the same effective date, for business commencing October 1, 2018, the Company also entered into an 85% quota share reinsurance agreement with authorized affiliates NICO and National Liability & Fire Insurance Company (“NLF”), split between 75% to NICO and 25% to NLF. Under the agreement terms, the affiliates would provide collateral when the ratio of the Company's reinsurance recoverable to surplus ratio exceeds a certain threshold. As of December 31, 2020, the total reinsurance recoverable netted against loss and loss adjustment expense reserves are approximately \$526 million.

The reinsurance agreements with affiliates were reviewed for compliance with Article 15 of the New York Insurance Law. It is noted that all affiliated reinsurance agreements were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

All significant ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

Examination review found that the Schedule F data reported by the Company in its filed annual statement accurately reflected its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in the NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles (“SSAP”) No. 62R. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's Chief Executive Officer and Chief Financial Officer pursuant to the NAIC annual statement instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting outlined in SSAP No. 62R, except for the LPT. The Company records the LPT as a prospective reinsurance agreement under the Department’s permitted accounting practice.

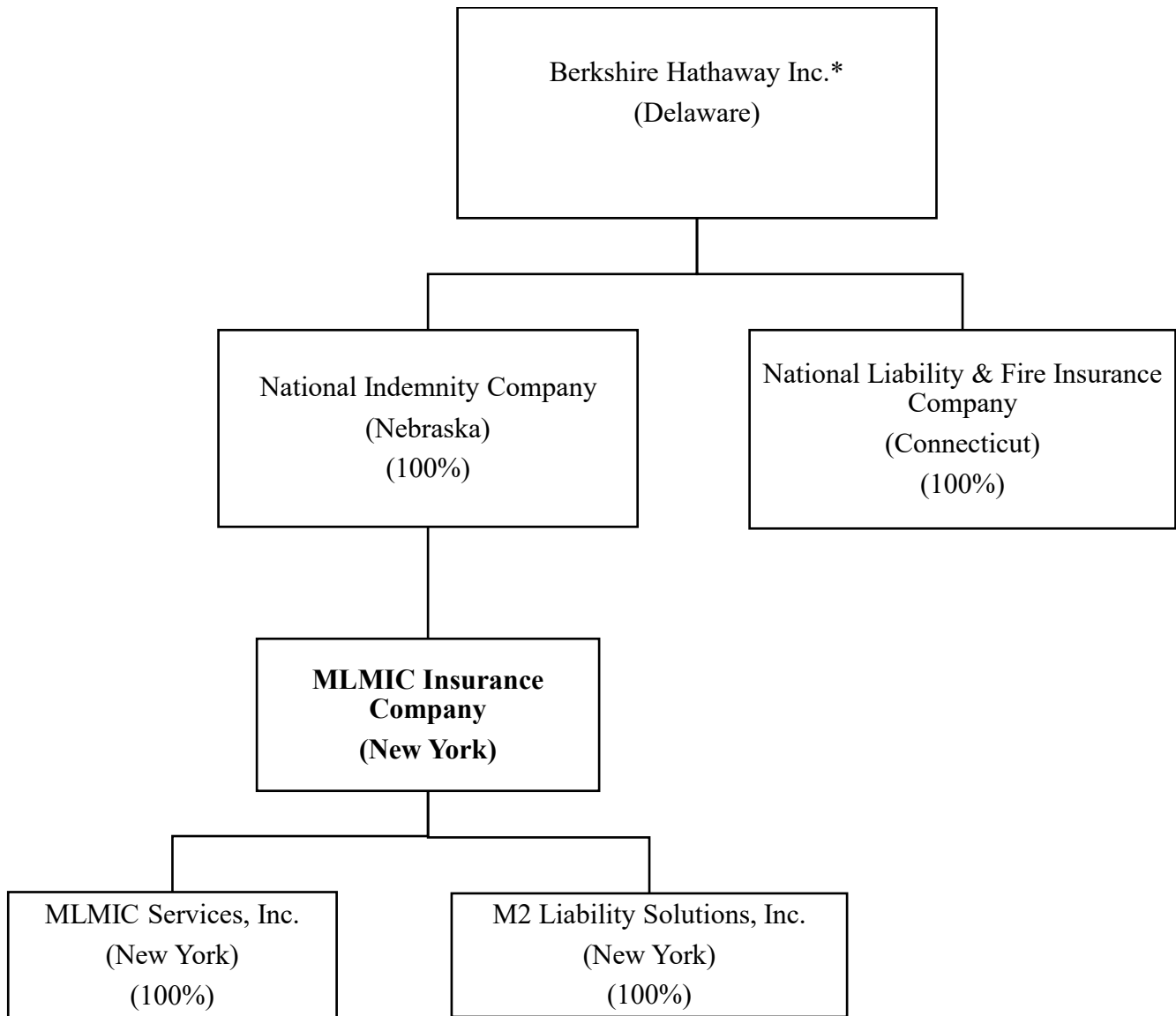
D. Holding Company System

The Company is a member of the Berkshire Hathaway Group. The Company is a wholly-owned subsidiary of NICO, a Nebraska insurance company, which is a wholly-owned subsidiary of BHI, a multinational conglomerate public holding company.

BHI operates its businesses through various segments, including Insurance and Reinsurance; Railroads, Utilities and Energy; Manufacturing; and Service and Retailing. The Insurance and Reinsurance segment is comprised of three sub-groups: GEICO; Berkshire Hathaway Primary Group; and Berkshire Hathaway Reinsurance Group. The Company is an independently managed insurance company under the Berkshire Hathaway Primary Group. Its immediate parent, NICO, is part of the Berkshire Hathaway Primary Group and the Berkshire Hathaway Reinsurance Group. NICO principally provides excess and quota-share reinsurance. The Company also wholly-owns companies: MLMIC Services, Inc. (“MSI”) and M2 Liability Solutions, Inc. (formerly, HUM Marketing Group, Inc.), a company licensed as a producer in New York.

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the holding company system at December 31, 2020:



*At December 31, 2020, Mr. Warren Buffett owns 31.84654% of BHI.

Holding Company Agreements

At December 31, 2020, the Company was party to the following agreements with other members of its holding company system:

Service Agreement

Effective January 1, 2017, the Company entered into a service agreement with its subsidiary, MSI (formerly known as Donald J. Fager & Associates, Inc.), whereby MSI provides accounting, underwriting, claims processing, premiums collection, actuarial, legal, data processing, investment, regulatory compliance, and human resources. This agreement replaced the prior service agreement dated December 12, 2012. Under the agreement, the fee for services is based on approximate costs and will not be greater than the Company would expend in providing services for itself. The Company paid a \$52 million service fee in 2020 to MSI under this agreement. Pursuant to Section 1608(e) of the New York Insurance Law, the agreement was filed with and approved by the Department.

Tax Allocation Agreement

Effective October 1, 2018, by NICO's acquisition, the Company and its subsidiaries became a party to a tax allocation agreement with BHI and other affiliates. Following the terms of the agreement, BHI files a U.S. consolidated income tax return and related estimated tax payments. The allocation of tax liabilities among affiliates is based on the ratio of each member's tax liabilities to the consolidated tax for each consolidated tax return. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Investment Services Agreement

Effective October 1, 2018, by Amendment No. 7, the Company became party to an existing investment services agreement between BHI and NICO. The amendment appoints BHI as the investment manager of the Company. BHI provides services to the Company on the same terms and subject to the same conditions as it provides services to NICO under the agreement. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Consulting Services Agreement

Effective September 18, 2019, the Company entered into a consulting services agreement with its affiliate, Princeton Insurance Company ("PIC"), whereby PIC provides loss control surveys specific to clinical/biomedical engineering management and general liability for healthcare facilities. All charges for

services and the use of facilities are incurred at cost and are to be settled quarterly. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Producer Agreement

Effective September 30, 2019, the Company entered into an agreement with its affiliate, C&R Insurance Services LLC (“C&R”), an insurance producer. Under agreement terms, the Company appoints C&R as one of its producers, and the Company provides services and facilities to C&R. The Company pays a producer commission for services provided, and charges for services and use of facilities are to be reasonable. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Affiliate Services Agreement

Effective February 21, 2020, the Company, MSI, MedPro Group Inc., The Medical Protective Company, and Med Pro RRG Risk Retention Group (“MedPro RRG”), by and through its attorney-in-fact, MedPro Risk Retention Services Inc. entered into an affiliate service agreement. Under this agreement, the Medical Protective Company provides certain services to the Company and MSI provides certain services to MedPro RRG with respect to providing the business of claims services, risk management, underwriting, and accounting services associated with professional and general liability insurance policies. All charges for services and the use of facilities are incurred at cost and are to be settled quarterly. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Producer and Marketing Administrative Affiliate Services Agreement

Effective December 1, 2020, the Company and its subsidiaries, MSI, M2 Liability Solutions, Inc. (“M2”), as well as affiliates MedPro Group Inc., The Medical Protective Company, and MedPro RRG, by and through its attorney-in-fact MedPro Risk Retention Services Inc. entered into a producer marketing and administration service agreement. Under this agreement, M2 provides producer and marketing services associated with professional and general liability insurance policies; the Company, MSI, and affiliates provide select services to M2. All charges for services and the use of facilities are incurred at cost and are to be settled quarterly. Pursuant to Section 1505 of the New York Insurance Law, the agreement was filed with and approved by the Department.

Besides the above holding company agreements, at December 31, 2020, the Company has a contract with MMIP as follows:

Agreement with Medical Malpractice Insurance Pool of New York State

Effective July 1, 2000, the MMIP was established pursuant to the Department Regulation 170 and Article 55 of New York Insurance Law. The Pool is a state-mandated mechanism and a joint underwriting facility created after the Medical Malpractice Insurance Association was dissolved. The Pool is authorized to write medical professional liability insurance on a direct basis in New York State. It provides medical professional liability coverage for physicians, surgeons, and health care providers that cannot obtain medical professional liability insurance policies in a voluntary market. A committee of seven members governs the MMIP. The Company and all other New York writers of medical professional liability insurance are voluntary members of the Pool. As a member of the MMIP, the Company records its MMIP share as directly written by the Company. The Company records its share of written premiums net of paid losses and loss adjustment expenses, expenses, and net investment income in the aggregate write-ins titled "Participation in MMIP". Since its inception, the cumulative effect of MMIP business has been an increase of the Company's surplus of \$3,355,573 as of December 31, 2020.

Effective March 12, 2001, the Company entered into a service agreement with MMIP to administer the Pool's operations for a management fee of 12% of the annual premiums written by the Pool. The agreement stipulates that the Company maintain a "Working Fund Account" for funds collected and expensed related to MMIP activities on behalf of the Pool. Any shortfall of funds in the account shall be assessed upon the Pool members in accordance with their shares of participation. MLMIC holds and records the MMIP's related assets and investments in its financial statements, as MLMIC is the legal owner of these assets since MMIP is not a legal entity. As a practice prescribed by the Department, the Company reports all cash and investments related to the Pool's operations as a contra-asset and other investment activities in the detail line in the aggregate write-ins in the statutory basis financial statements.

E. Significant Ratios

The Company's operating ratios, computed as of December 31, 2020, fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the NAIC, except for the two-year overall operating ratio.

<u>Operating Ratios</u>	<u>Result</u>
Net premiums written to policyholders' surplus	7%
Adjusted liabilities to liquid assets	7%
Two-year overall operating	114%

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2020, as reported by the Company:

Assets

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$592,092,655	\$ 0	\$592,092,655
Common stocks	8,381,608	4,518,381	3,863,227
Properties held for sale	3,321,949	0	3,321,949
Cash, cash equivalents, and short-term investments	279,393,400	0	279,393,400
Medical Malpractice Insurance Pool of NYS(MMIP) related contra-asset	(530,419,260)	0	(530,419,260)
Investment income due and accrued	3,543,349	0	3,543,349
Uncollected premiums and agents' balances in the course of collection	14,813,655	2,362,185	12,451,470
Deferred premiums, agents' balances and installments booked but deferred and not yet due	87,205,440	770,961	86,434,479
Amounts recoverable from reinsurers	80,509,241	0	80,509,241
Current federal and foreign income tax recoverable and interest thereon	1,764,842	0	1,764,842
Net deferred tax asset	14,881,682	3,857,388	11,024,294
Electronic data processing equipment and software	395,075	301,500	93,575
Furniture and equipment, including health care delivery assets	35,064	35,064	0
Receivables from parent, subsidiaries and affiliates	1,500,071	0	1,500,071
Participation in MMIP	249,172,587	319	249,172,268
Prepaid expense & other receivables	3,609,477	2,745,218	864,259
Leasehold improvements	<u>90,827</u>	<u>90,827</u>	<u>0</u>
Total assets	<u>\$810,291,662</u>	<u>\$14,681,843</u>	<u>\$795,609,819</u>

Liabilities, Surplus, and Other FundsLiabilities

Losses and loss adjustment expenses	\$ 92,853,634
Reinsurance payable on paid losses and loss adjustment expenses	13
Commissions payable, contingent commissions, and other similar charges	2,772,422
Other expenses (excluding taxes, licenses, and fees)	5,093,247
Taxes, licenses, and fees (excluding federal and foreign income taxes)	(307,358)
Unearned premiums	26,278,251
Ceded reinsurance premiums payable (net of ceding commissions)	7,524,923
Amounts withheld or retained by company for account of others	7,797,884
Remittances and items not allocated	994
Payable to parent, subsidiaries, and affiliates	50,885
Premium deficiency reserve	5,374,378
Retroactive reins assumed payable	<u>30,690</u>
Total liabilities	\$147,469,963

Surplus and Other Funds

Common capital stock	\$ 20,000,000
Unassigned funds (surplus)	<u>628,139,856</u>
Surplus as regards policyholders	<u>648,139,856</u>
Total liabilities, surplus, and other funds	<u>\$795,609,819</u>

Note: The Internal Revenue Service has not audited tax returns covering tax years 2016 through 2020. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Statement of Income

The net income for the examination period as reported by the Company was \$680,666,132, as detailed below:

Underwriting Income

Premiums earned or (loss)		\$(1,969,153,120)
Deductions:		
Losses and loss adjustment expenses incurred	\$(2,359,870,050)	
Other underwriting expenses incurred	147,342,270	
Change in premium deficiency reserves	<u>4,966,378</u>	
Total underwriting deductions		<u>(2,207,561,402)</u>
Net underwriting gain or (loss)		\$ 238,408,282

Investment Income

Net investment income earned	\$ 243,263,621	
Net realized capital gain	<u>524,426,472</u>	
Net investment gain or (loss)		767,690,093

Other Income

Net gain or (loss) from agents' or premium balances charged off	\$ (785,168)	
Finance and service charges not included in premiums	422,065	
Change in anticipated future investment earnings	(247,344,702)	
Participation in MMIP investment income	27,347,307	
Management fee income MMIP and other income	<u>23,398,296</u>	
Total other income or (loss)		<u>(196,962,202)</u>
Net income before dividends to policyholders and before federal and foreign income taxes		\$ 809,136,173
Dividends to policyholders		<u>73,197,454</u>
Net income after dividends to policyholders but before federal and foreign income taxes		\$ 735,938,719
Federal and foreign income taxes incurred		<u>55,272,587</u>
Net income		<u>\$ 680,666,132</u>

C. Capital and Surplus

Surplus as regards policyholders decreased \$1,217,319,612 during the four-and-half-year examination period July 1, 2016 through December 31, 2020, as reported by the Company, detailed as follows:

Surplus as regards policyholders as reported by the Company as of June 30, 2016			\$ 1,865,459,468
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$680,666,132		
Net unrealized capital gains or (losses)		\$ 5,218,377	
Change in net deferred income tax		44,613,101	
Change in nonadmitted assets	56,845,734		
Capital changes transferred from surplus (stock dividend)	20,000,000		
Surplus adjustments transferred to capital (stock dividend)		20,000,000	
Dividends to stockholders	<u>0</u>	<u>1,905,000,000</u>	
Total gains and losses	\$757,511,866	\$1,974,831,478	
Net increase (decrease) in surplus			<u>(1,217,319,612)</u>
Surplus as regards policyholders as reported by the Company as of December 31, 2020			<u>\$ 648,139,856</u>

No adjustments were made to surplus as a result of this examination.

Capital paid in is \$20,000,000 consisting of 200,000 shares of common stock authorized, issued, and outstanding with a par value of \$100. Gross paid in and contributed surplus is zero. NICO directly owns all common shares of the Company. As part of demutualization in 2018, the Company paid a \$1,905,000,000 extraordinary dividend to NICO through a combination of transferring securities and cash.

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of \$92,853,634 is the same as reported by the Company as of December 31, 2020. The examination analysis of the loss and loss adjustment expense reserves was conducted in accordance with actuarial standards of practice and statutory accounting principles, including SSAP No. 55.

As of December 31, 2018, the Company's loss and loss adjustment expense reserves were discounted by approximately \$20,489. Pursuant to Section 4117(e) of the New York Insurance Law, the Department provisionally granted a permitted practice to the Company that allowed its liability to be discounted, reflecting the time value of money. Effective January 1, 2019, the Company requested and received permission from the Department to discontinue the permitted practice of discounting and eliminate the discount from its financial statements.

5. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared an outbreak of a novel coronavirus ("COVID-19") pandemic. The COVID-19 pandemic has continued to develop, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. When releasing this report, the examination's review noted that there had not been a significant impact to the Company. The Department has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The Department continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination did not contain any comments or recommendations.

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

This report on examination does not contain any comments or recommendations.

Respectfully submitted,

_____/S/_____
M. Irene Tran, CFE
Senior Insurance Examiner

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

Irene Tran, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

_____/S/_____
M. Irene Tran

Subscribed and sworn to before me

this _____ day of _____, 2022.

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, Linda A. Lacewell, 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:

M. Irene Tran

as a proper person to examine the affairs of the

MLMIC Insurance Company

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

COMPANY

with such other information as she 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 15th day of April, 2021

*LINDA A. LACEWELL
Superintendent of Financial Services*

By:

Joan Riddell

*Joan Riddell
Deputy Bureau Chief*

