REPORT ON EXAMINATION
OF
NEW YORK MARINE AND GENERAL INSURANCE COMPANY

AS OF DECEMBER 31, 2021

EXAMINER: JUSTIN MATHEW
DATE OF REPORT: JULY 26, 2023

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July 26, 2023

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 32316, dated October 15, 2021, and attached hereto, I have made an examination into the condition and affairs of New York Marine and General Insurance Company as of December 31, 2021, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate New York Marine and General Insurance Company.

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

1. SCOPE OF EXAMINATION

The Department has performed an examination of the New York Marine and General Insurance Company, a multi-state insurer. The previous examination was conducted as of December 31, 2016. This examination covered the five-year period from January 1, 2017 through December 31, 2021. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

New York is the lead state of the ProSight Specialty Group. The examination was performed concurrently with the examinations of the following insurers: Gotham Insurance Company ("Gotham"), a New York domiciled company, and Southwest Marine and General Insurance Company ("Southwest"), an Arizona domiciled company. The State of Arizona participated in this examination.

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

A review was also made to ascertain what actions were taken by the Company with regard to the recommendations contained in the prior report on examination.

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

The Company was incorporated under the laws of the State of New York on March 22, 1972, as the New York Marine Insurance Company. It became licensed on June 13, 1972 and commenced business on July 1, 1972. The present corporate title, New York Marine and General Insurance Company was adopted on September 12, 1979.

On December 27, 1989, the Company became a controlled insurer when it was acquired by NYMAGIC, Inc., an insurance holding company. On November 23, 2010, NYMAGIC, Inc. was acquired by ProSight Specialty Insurance Holdings, Inc. ("ProSight Holdings"), and NYMAGIC, Inc. was renamed ProSight Specialty Insurance Group, Inc. ("PSIG"). Effective March 14, 2014, ProSight Holdings merged into its parent company, ProSight Global, Inc. ("ProSight Global") with ProSight Global as the surviving entity. ProSight Global was a wholly-owned subsidiary of ProSight Global Holdings Limited ("PSH"), a Bermuda holding company, until July 25, 2019, when PSH merged into ProSight Global with ProSight Global as the surviving entity. Also, on July 25, 2019, ProSight Global began trading publicly on the New York Stock Exchange.

On August 4, 2021, ProSight Global ceased to be a public company when it was merged with and into Pedal Merger Sub, Inc., a wholly owned subsidiary of Pedal Parent, Inc., a Delaware corporation, with ProSight Global as the surviving entity. In connection therewith, ProSight Global underwent a direct change of ownership and control, and ProSight Global's direct and indirect wholly owned subsidiaries, including PSIG and the Company, underwent an indirect change of ownership and control (new ownership is depicted in section D). It was determined that Neil Moszkowski and Ramez Sousou, who are the founders, co-Chairs, and co-Chief Executive Officers of TowerBrook Capital Partners L.P., and Pierre Olivier Sarkozy, who is the founder and managing partner of Further Global Capital Management, L.P., are the ultimate controlling persons of the Company. The Department approved this acquisition and control of the Company on July 28, 2021 (the "Take-private Transaction").

A. Corporate Governance

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than seven nor more than 19 members. During the examination period, the board met at least three times during each calendar year. At December 31, 2021, the board of directors was comprised of the following nine members[+]:

Name and Residence	Principal Business Affiliation
Michael E. Angelina Media, Pennsylvania	Independent Director, New York Marine and General Insurance Company
Jonathan Bilzin New York, New York	Co-Chief Executive Officer, Towerbrook Capital Partners L.P.
Susan M. Ciccarone New York, New York	Partner, Further Global Capital Management, L.P.
Stanley A. Galanski Ridgefield, Connecticut	Chairman, New York Marine and General Insurance Company
Karin Hirtler-Garvey Wyckoff, New Jersey	Independent Director, New York Marine and General Insurance Company
Bruce L. Kessler Bluffton, South Carolina	Independent Director, New York Marine and General Insurance Company
Eric W. Leathers New York, New York	Founding Partner, Further Global Capital Management, L.P.
Andrew J. Pinkes West Hartford, Connecticut	Independent Director, New York Marine and General Insurance Company
Jonathan P. Ritz New York, New York	Chief Executive Officer, New York Marine and General Insurance Company

[+]David Winokur was a director from August 4, 2021 until his resignation on December 31, 2021.

Department Regulation 118, Section 89.12(e) states:

> "The Company shall give written notice of the selection of its audit committee within 30 days of the effective date and within 30 days of any change in membership of the audit committee. The notice shall include a description of the reason for the change."

Effective July 25, 2019, in connection with the initial public offering of ProSight Global, the audit committee was realigned and reconstituted such that its membership changed. Effective August 4, 2021, the Company became privately held and the composition of the audit committee changed again. The Company failed to provide written notification to the Department regarding changes in the membership of the audit committee. It is recommended that the Company submit written notification of any changes in membership of its audit committee, including reason for the change, within the required timeframe.

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

Name	Title
Jonathan P. Ritz	Chief Executive Officer
Tim Ryan	President
Anthony Piszel	Treasurer and Chief Financial Officer
Linda Lin	Secretary and General Counsel
Gerald Ayash	Chief Accounting Officer
Chris Dougherty	Chief Underwriting Officer
Chris Finneran	Chief Claims Officer
Keyan Shahdi	Chief Risk Officer
Kari Hilder	Chief Human Resources Officer
Lee Lloyd	Chief Actuarial Officer
Nestor Lopez	Chief Information Officer
Nico Santini	Chief Investment Officer
Mike Sciole	Chief Operating Officer

Subsequent to the examination period, effective October 6, 2022, Sujatha Raju was appointed as the Company's Chief Information Officer and Ellen Edmonds was appointed as the Company's Chief Actuarial Officer. Effective December 8, 2022, Jon Levy was appointed as the Company's Chief Underwriting Officer. Effective March 31, 2023, Anthony Piszel retired. Effective May 18, 2023, William Sloan was appointed as the Company's Chief Financial Officer. Lastly, effective July 19, 2023, Erin Bagley became the Company's Secretary and General Counsel.

B. Territory and Plan of Operation

As of December 31, 2021, the Company was licensed to write business in all 50 states, as well as in the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

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:

Paragraph	Line of Business
3	Accident & 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
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity
29	Legal services

The Company is also empowered to transact 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 Longshoremen's and Harbor Workers' 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 to reinsure risks of every kind or description located or resident outside of the United States, its territories, and possessions.

The Company is also licensed to conduct business of special risk insurance pursuant to 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 and 41 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 Article 63 of the New York Insurance Law, in order to be licensed to write its special risks, the Company is required to maintain a surplus as regards policyholders of at least 200% of its authorized control level risk-based capital; therefore, the Company was required to maintain a minimum surplus to policyholders in the amount of $389,309,392 at December 31, 2021.

The Company utilizes the services of its affiliate, ProSight Specialty Management Company, Inc. ("PSMC"), to manage and service its business (refer to section D for further details). The following schedule shows the direct written premiums and premiums assumed by the Company for the period under examination:

Calendar Year	Direct Premiums	Assumed Premiums	Total Gross Premiums
2017	$645,565,295	$189,409,002	$834,974,297
2018	$703,831,761	$193,493,868	$897,325,629
2019	$747,223,076	$219,552,113	$966,775,189
2020	$605,673,572	$218,652,213	$824,325,785
2021	$662,391,301	$261,503,233	$923,894,534

The Company specializes in the underwriting of specialty businesses through producer distribution networks, such as program administrators and retail and wholesale brokers. The Company offers its specialty property and casualty insurance coverages across seven major verticals: binding authority, casualty, entertainment, excess casualty, executive liability, multiline, and property, which include, among other lines of business, ocean marine, professional liability, inland marine/fire, casualty, property, and commercial auto. Approximately half of direct writings in 2021 were derived from New York (30.0%) and California (20.1%); the remaining half was derived from all other licensed states and territories, with no one state or territory contributing more than 10%.

As of December 31, 2021, the Company's largest lines of business based on direct premiums written were commercial auto liability (31.5%), other liability – occurrence (28.0%), commercial multiple peril (7.2%), fire (7.2%) and ocean marine (6.0%). Other liability – occurrence was comprised mainly of general liability, umbrella, and construction liability.

Assumed premiums are mainly attributable to business assumed from subsidiaries Gotham Insurance Company (“Gotham”) and Southwest Marine and General Insurance Company (“Southwest”), pursuant to the intercompany reinsurance agreements described further herein. In 2021, approximately $128.1 million, or 49%, of the Company’s assumed business are attributable to Gotham, and the remainder to Southwest.

In 2017, the Company’s parent sold its affiliate, Lloyds Syndicate 1110 (“Syndicate”). As a result, the Company (i) assumed U.S.-produced business written directly with the Syndicate (ii) provided a stop loss agreement to the Syndicate regarding the U.K.-produced business and (iii) commuted its ceded reinsurance business with the Syndicate.

C. Reinsurance Ceded

As of December 31, 2021, the Company’s reinsurance program consisted of quota share, excess of loss, and intercompany reinsurance agreements. The reinsurance program is designed to first cede to external reinsurers; after these cessions, the Company’s net retained premiums are then pooled with that of its two subsidiaries. The Company also has in place an adverse development cover and loss portfolio transfer contract.

Intercompany Reinsurance Agreements

Effective January 1, 1987, and subsequently amended, the Company entered into an intercompany pooling agreement with its subsidiary, Gotham. The agreement provides that the Company assume 100% of Gotham’s direct business and retrocede 15% of the Company’s total retained business for underwriting years 1987 and forward.

Effective January 1, 2007, the Company entered into a reinsurance agreement with its subsidiary, Southwest, whereby the Company cedes to Southwest 5% of its retained business for underwriting years 2007 and forward. On December 31, 2015, the Company and Southwest executed an agreement whereby Southwest cedes to the Company 100% of its liability on all in-force, new, or renewal business written or assumed after January 1, 2007. In turn, the Company received 100% of Southwest’s unearned premium reserves, net loss reserves, and ceded premiums payable on each risk written or assumed on or after January 1, 2016. Southwest continues to assume a 5% share of the Company’s net retained business for underwriting years 2007 and forward.

The agreements were submitted to and non-disapproved by the Department pursuant to the provisions of Section 1505(d) of the New York Insurance Law.

In 2021, the Company ceded approximately $118,290,000 and $39,430,000 to Gotham and Southwest, respectively, representing approximately 54% of the Company's total cessions. It is additionally noted that the Company reported approximately $199.7 million in net reinsurance recoverable from Gotham and approximately $66.4 million in net reinsurance recoverable from Southwest. The recoverable amount due from Gotham is not collateralized due to its authorized insurer status. However, the recoverable amount due from Southwest is collateralized through a trust agreement, effective June 16, 2016.

Adverse Development Cover and Loss Portfolio Transfer Contract

Effective October 1, 2020, the Company, Gotham, and Southwest entered into an adverse development cover and loss portfolio transfer reinsurance contract with an unauthorized, non-affiliated reinsurer. The adverse development cover applies to specified policies issued by the Company and its subsidiaries prior to December 31, 2019, including policies for active lines of business consisting of commercial auto liability, commercial general liability, primary workers' compensation, marine, umbrella, and other short-tail lines, and all non-workers' compensation business, including commercial auto liability and commercial general liability in run-off. The loss portfolio coverage is provided for the excess workers' compensation and primary workers' compensation discontinued lines of business in run-off. The contract provides that the reinsurer will pay the ultimate net loss up to an amount not to exceed $175,000,000 in excess of the Company's retention of $795,195,000 with respect to the adverse development cover, and $631,638,000 less any roll-forward amount with respect to the loss portfolio transfer. This contract was entered into as part of the 2021 acquisition of the Company. On July 29, 2021, the Department approved a permitted practice for this contract, to allow the Company to utilize prospective accounting treatment, which allowed the new owners to acquire a company with a balance sheet and financial ratios that are not distorted by the effects of retroactive reinsurance accounting. Furthermore, the permitted practice also allows the contract to be accounted for uniformly, as the contract covers both lines in run-off eligible for prospective accounting treatment as well as active lines that would not ordinarily be eligible for prospective accounting treatment under a retroactive reinsurance contract such as this.

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. A majority of the Company's business is ceded to authorized insurers. Letters of credit and trust accounts obtained by the Company to take credit for cessions to unauthorized reinsurers were reviewed for compliance with Department Regulations 133 and 114, respectively. No exceptions were noted.

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.

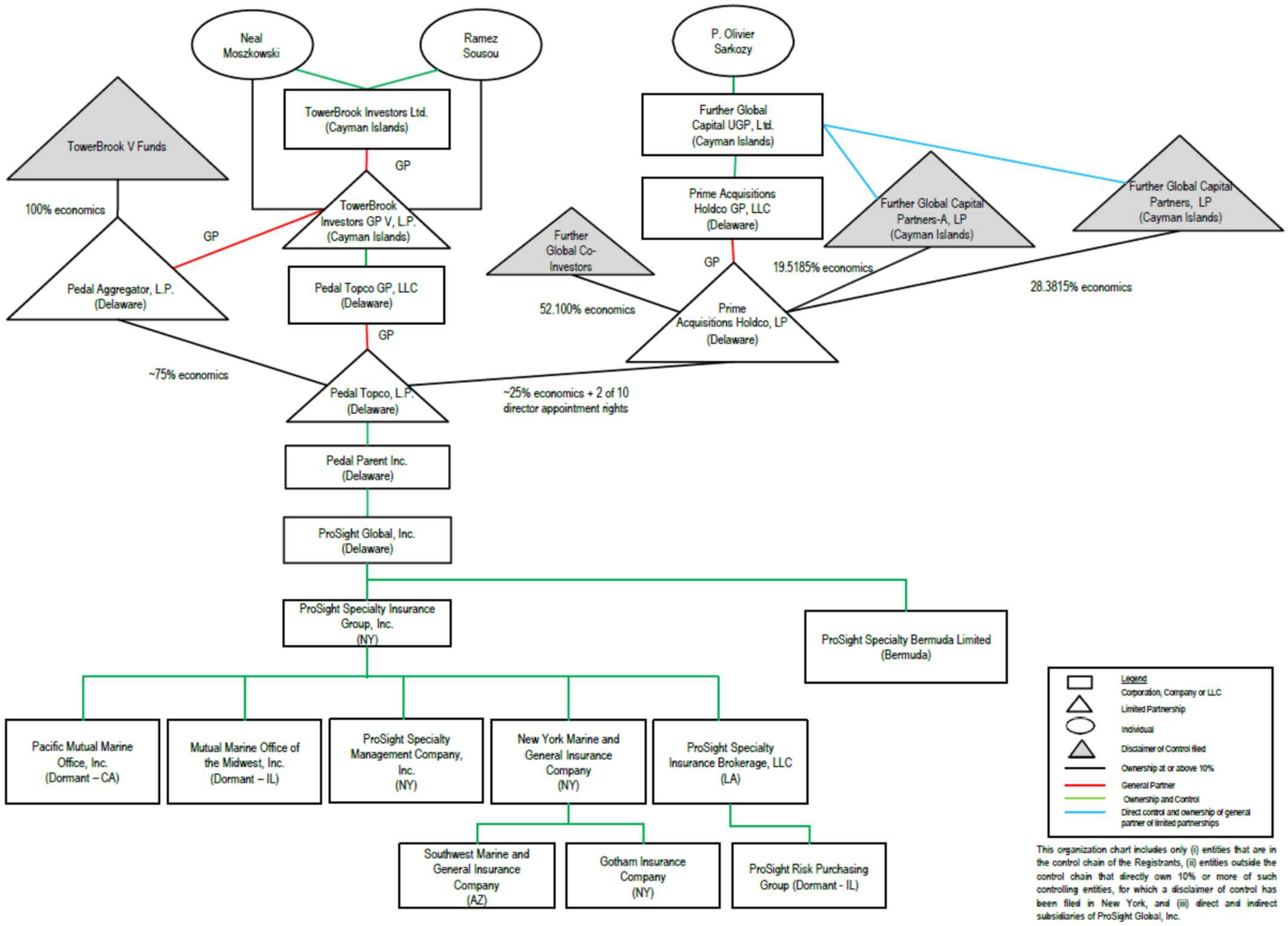
D. Holding Company System

The Company is a member of the ProSight Specialty Group. The Company is wholly owned by PSIG, a New York corporation, which, in turn, is a wholly-owned subsidiary of ProSight Global. ProSight Global is ultimately controlled by Neal Moszkowski, Ramez Sousou, and Pierre Olivier Sarkozy.

The Company wholly owns two insurance subsidiaries: Gotham and Southwest. Gotham, a New York domiciled insurer, was incorporated on October 17, 1986, and commenced business in February 1987. It is licensed in New York and is eligible or approved to write surplus lines in the remaining 49 states, the District of Columbia, and Puerto Rico. Southwest, an Arizona domiciled insurer, was incorporated on July 26, 2005, and has underwriting exposures dating back to 2007. It is licensed in 49 states and the District of Columbia, and is admitted to write surplus and excess lines of business in the State of 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 a chart of the holding company system at December 31, 2021:



Holding Company Agreements

At December 31, 2021, the Company was party to the following agreements with other members of its holding company system:

Amended and Restated Service Agreement

Effective November 20, 2014, the Company entered into a second amended and restated services agreement with PSMC. Pursuant to the terms of the agreement, PSMC provides services to the Company, including, but not limited to, underwriting, claims, and reinsurance, based upon the written criteria, standards, and guidelines of the Company. The Company pays PSMC a fee equal to the actual costs and expenses incurred by or on behalf of PSMC for rendering such services to the Company, including, without limitation, all reasonable employee, benefits, and overhead costs and expenses incurred by or on behalf of PSMC. All allocable expenses shall be allocated in accordance with Department Regulation 30. In 2021, the Company's expenses incurred for services provided by PSMC totaled $91,783,078.

This agreement was submitted to the Department pursuant to Section 1505(d)(3) of the New York Insurance Law and was non-disapproved.

Amended and Restated Program Management Agreement

Effective January 1, 2017, PSMC, on behalf of the Company, Gotham, and Southwest (collectively, the three insurance companies referred to as "Companies"), entered into a program management agreement with ProSight Specialty Insurance Solutions, LLC ("PSIS"). Pursuant to the terms of the agreement, the Companies appoint PSIS to act on the Companies' behalf in procuring, underwriting, binding, and servicing policies of insurance. This agreement only applies to programs mutually agreed upon by the Companies and PSIS. PSIS pays for all expenses associated with the production, marketing, and services of the programs. The Companies pay PSIS a fixed commission as compensation for services rendered and expenses incurred.

This agreement was submitted to the Department pursuant to Section 1505(d)(3) of the New York Insurance Law and was non-disapproved.

Tax Allocation Agreement

Effective August 4, 2021, the Company entered into a tax allocation agreement with the following affiliates: Pedal Parent Inc. ("Parent"), Gotham, Southwest, ProSight Global, PSMC, PSIG, Pacific Mutual Marine Office, Inc. and Mutual Marine Office of the Midwest, Inc. (collectively, including the Company, the "Affiliated Group"). Under this agreement, commencing with the tax year ending December 31, 2021, the Affiliated Group agrees that Parent shall file a consolidated U.S. federal income tax return. The method of allocation of the consolidated tax liability shall be based on the ratio of each company's separate taxable income/(loss) in comparison with the consolidated taxable income/(loss). No member of the Affiliated Group shall pay more than its separate return tax liability. To the extent benefits for net operating losses, tax credits or net capital losses are utilized on a consolidated basis, the Company will recognize the associated tax benefits based upon the amount of the deduction and credits utilized in the consolidated federal income tax return.

The agreement was filed with the Department pursuant to Section 1505 New York Insurance Law and Department Circular Letter No. 33 (1979).

E. Significant Ratios

The following operating ratios, computed as of December 31, 2021, are based on the results of this examination. The net premiums written to policyholders' surplus ratio fall within the benchmark range set forth in the Insurance Regulatory Information System of the NAIC; the remaining two operating ratios fall outside the benchmark range.

Operating Ratios	Result
Net premiums written to policyholders' surplus	128%
Adjusted liabilities to liquid assets	113%
Two-year overall operating	107%

Underwriting Ratios

The underwriting ratios presented below are based on the results of this examination, are computed on an earned/incurred basis, and encompass the five-year period covered by this examination:

	Amount	Ratio
Losses and loss adjustment expenses incurred	$1,910,010,909	66.83%
Other underwriting expenses incurred	1,092,528,780	38.23
Net underwriting gain (loss)	(144,685,412)	(5.06)
Premiums earned	$2,857,854,277	100.00%

The Company's reported risk-based capital score ("RBC") at December 31, 2021 was 345%. The RBC was calculated by dividing the total adjusted capital (surplus) of $589,284,806 by the authorized control level of $170,944,697. This examination is making a reserve adjustment of $96,901,000 (refer to sections 3D and 4 of this report for further detail), and an adjustment in the valuation of common stocks of

$26,146,000 (refer to sections 3D and 5 of this report for further detail), thereby reducing total adjusted capital to $466,237,806, which divided by the authorized control level of $170,944,697 results in an adjusted RBC of 273%. The RBC is a measure of the minimum amount of capital appropriate for a reporting entity to support its overall business operations in consideration of its size and risk profile. An RBC score of 200% or below can result in regulatory action. It is noted that the adjusted RBC does not take into consideration the 2022 loss portfolio transfer that is referenced in section 6 of this report.

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2021, as reported by the Company:

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$1,217,020,844	$ 0	$1,217,020,844
Preferred stocks	1,400,000	0	1,400,000
Common stocks	186,868,952	0	186,868,952
Cash	52,699,222	0	52,699,222
Other invested assets	82,700,137	0	82,700,137
Receivables for securities	10,180,255	0	10,180,255
Investment income due and accrued	7,230,167	0	7,230,167
Uncollected premiums and agents' balances in the course of collection	142,247,196	9,636,444	132,610,752
Deferred premiums, agents' balances and installments booked but deferred and not yet due	24,286,036	0	24,286,036
Amounts recoverable from reinsurers	16,679,505	0	16,679,505
Funds held by or deposited with reinsured companies	114,733,296	0	114,733,296
Current federal and foreign income tax recoverable and interest thereon	12,795,809	0	12,795,809
Net deferred tax asset	30,986,173	2,374,505	28,611,668
Electronic data processing equipment and software	3,143,301	0	3,143,301
Receivables from parent, subsidiaries, and affiliates	6,934,852	6,934,852	0
Claims cash in transit	54,968,039	0	54,968,039
Amounts due regards Syndicate 1110	19,711,772	0	19,711,772
Other assets	9,662,939	246,006	9,416,933
Total assets	$1,994,248,495	$19,191,807	$1,975,056,688

Liabilities, Surplus and Other Funds

Liabilities		
Losses and loss adjustment expenses		$ 871,623,114
Commissions payable, contingent commissions and other similar charges		1,146,924
Other expenses (excluding taxes, licenses and fees)		5,562,365
Taxes, licenses and fees (excluding federal and foreign income taxes)		8,350,722
Unearned premiums		336,668,972
Ceded reinsurance premiums payable (net of ceding commissions)		70,635,196
Funds held by company under reinsurance treaties		24,858,329
Amounts withheld or retained by company for account of others		955,863
Provision for reinsurance		5,261,000
Payable to parent, subsidiaries and affiliates		21,840,169
Payable for securities		470,889
Amount payable under retroactive contracts		30,025,645
Loss portfolio transfer assumed liability		8,451,794
Losses payable		(534,759)
Unclaimed property		455,659
Total liabilities		$1,385,771,882
Surplus and Other Funds		
Gain on reinsurance contracts	$ 8,573,594	
Common capital stock	8,827,889	
Gross paid in and contributed surplus	363,254,805	
Unassigned funds (surplus)	208,628,518	
Surplus as regards policyholders		589,284,806
Total liabilities, surplus and other funds		$1,975,056,688

Note: During the examination period, the Company was not subject to audit by the Internal Revenue Service. 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 $111,782,292, as detailed below:

Underwriting Income		
Premiums earned		$2,857,854,277
Deductions:		
Losses and loss adjustment expenses incurred	$1,813,109,909	
Other underwriting expenses incurred	1,092,528,780	
Total underwriting deductions		2,905,638,689
Net underwriting gain or (loss)		$ (47,784,412)
Investment Income		
Net investment income earned	$ 200,865,687	
Net realized capital gain	34,448,408	
Net investment gain or (loss)		235,314,095
Other Income		
Net loss from agents' or premium balances charged off	$ (4,815,503)	
Other income/expenses	3,266,605	
Loss portfolio retro contracts	(791,887)	
Syndicate 1110 stop loss	(29,559,626)	
Write-off of pool member's obligations	(423,981)	
Reduction of provision for future commission	6,386,705	
Total other income or (loss)		(25,937,687)
Net income before dividends to policyholders and before federal and foreign income taxes		$ 161,591,996
Dividends to policyholders		0
Net income after dividends to policyholders but before federal and foreign income taxes		$ 161,591,996
Federal and foreign income taxes incurred		49,809,704
Net income		$ 111,782,292

C. Capital and Surplus

Surplus as regards policyholders increased $233,919,299 during the five-year examination period January 1, 2017 through December 31, 2021, as reported by the Company, detailed as follows:

	Gains in Surplus	Losses in Surplus	
Surplus as regards policyholders, as reported by the Company as of December 31, 2016			$355,365,508
Net income	$111,782,292		
Net unrealized capital gains or (losses)	63,722,533		
Change in net deferred income tax	7,368,559		
Change in nonadmitted assets	226,280		
Change in provision for reinsurance	6,531,637		
Cumulative effect of changes in accounting principles		$37,576,161	
Surplus adjustments paid in	132,997,265	0	
Dividends to stockholders		55,000,000	
Prior period adjustment (2016)	3,866,894	0	
Total gains and losses	$326,495,460	$92,576,161	
Net increase in surplus			233,919,299
Surplus as regards policyholders, as reported by the Company as of December 31, 2021			$589,284,806*

*rounding adjustment of $1

Capital paid in is $8,827,889 consisting of 8,827,889 shares of $1 par value per share common stock. Gross paid in and contributed surplus is $363,254,805. Gross paid in and contributed surplus increased by $132,997,265 during the examination period, as follows:

Year	Description		Amount
2017	Beginning gross paid in and contributed surplus		$230,257,540
2017	Surplus contribution from parent	$50,000,000	
2019	Surplus contribution from parent	28,000,000	
2020	Surplus contribution from parent	54,997,265	
	Total surplus contributions		132,997,265
2021	Ending gross paid in and contributed surplus		$363,254,805

D. Analysis of Changes to Surplus

	Surplus Increase	Surplus Decrease	
Surplus as regards policyholders as of December 31, 2021, as reported by the Company			$589,284,806
Examination change in common stocks (affiliated)		$26,146,000	
Examination change in loss and loss adjustment expense reserves	$0	96,901,000	
Total increases and decreases	$0	$123,047,000	
Net increase/(decrease) in surplus			(123,047,000)
Surplus at December 31, 2021, per report on examination			$466,237,806

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of $968,524,114 is $96,901,000 more than the $871,623,114 reported by the Company as of December 31, 2021. 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.

The Department's actuarial indications showed that the Company's net carried loss and loss adjustment expense reserves were deficient by $96.9 million, representing 16.4% of its December 31, 2021 surplus of $589,284,806.

Section 1303 of the New York Insurance Law states:

> "Every insurer shall…maintain reserves in an amount estimated in the aggregate to provide for the payment of all losses or claims incurred on or prior to the date of statement, whether reported or unreported, which are unpaid as of such date and for which such insurer may be liable, and also reserves in an amount estimated to provide for the expenses of adjustment or settlement of such losses or claims."

Further, Paragraph 10 of SSAP No. 55 states:

> "The liability for claim reserves and claim liabilities, unpaid losses, and loss/claim adjustment expenses shall be based upon the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience."

It is recommended that the Company address the reserving deficiencies and report its loss and loss adjustment expense reserves pursuant to the provisions of Section 1303 of the New York Insurance Law and Paragraph 10 of SSAP No. 55.

Subsequent to the examination date, the Company has entered into a loss portfolio transfer reinsurance agreement (refer to section 6 for further detail).

5. COMMON STOCKS

The examination asset for the captioned item of $160,722,952 is $26,146,000 less than the amount reported by the Company as of December 31, 2021. The Company reported common stocks totaling $186,868,952 on page 2 line 2 of its 2021 filed Annual Statement. This amount represents the book values of the Company's wholly owned subsidiaries, Gotham, which totaled $108,159,269, and Southwest, which totaled $78,709,683. Similar to the actuarial analysis described above in section 4, the Department's actuarial indications indicated a deficiency of $26,146,000 for Gotham and Southwest:

- Gotham's net carried loss and loss adjustment expense reserves were deficient by $19,572,000;
- Southwest's net carried loss and loss adjustment expense reserves were deficient by $6,574,000.

The subsidiaries' examination changes of $26,146,000 in loss and loss adjustment expense reserves resulted in a $26,146,000 increase in the Company's unrealized capital losses and a $26,146,000 reduction in the Company's investment in common stocks.

The examination asset of $160,722,952 is comprised as follows:

- Gotham's book value at December 31, 2021, totaled $88,587,269;
- Southwest's book value at December 31, 2021, totaled $72,135,683.

6. SUBSEQUENT EVENTS

As part of the Take-private Transaction, the Company entered into an Adverse Development Cover and Loss Portfolio Transfer Agreement (as described in section 2C) that was reviewed and approved by the Department. Subsequently, shortly after the new senior leadership team was in place following the Take-private Transaction, and to address any past reserve deficiencies, effective April 1, 2022, the Company entered into another loss portfolio transfer reinsurance agreement ("LPT") with an unauthorized non-affiliated reinsurer. The agreement provides reinsurance protection for specified business lines that are both active and in runoff with an aggregate limit of $1.145 billion. The LPT provides for an initial transfer of approximately $645 million in reserves for an initial premium of $700 million. Additionally, an additional premium shall be paid to the reinsurer equal to 75% of the amount of ceded ultimate net loss in excess of $645 million subject to a maximum consideration of $774.5 million. The aggregate limit of the LPT coverage is $1,145,000,000. The Department granted the Company a permitted practice allowing the

Company to account for this agreement on a prospective basis. The agreement was approved by the Department effective December 31, 2022, pursuant to Section 1308(e) of the New York Insurance Law.

As part of a corporate rebrand, on March 14, 2022, the Company's indirect parent, ProSight Global, announced that many of the Company's affiliates and parents are changing names from ProSight to Coaction, including ProSight Global, Inc. which changed to Coaction Global, Inc., and ProSight Specialty Management Company, Inc. which changed to Coaction Specialty Management Company, Inc.

7. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained three recommendations as follows (page number refers to the prior report):

ITEM		PAGE NO.
A.	Corporate Governance	
	It was recommended that the Company maintain complete records of acknowledgments and disclosures regarding its conflicts of interest and make them available for inspection in all future examinations.	4
	The Company has complied with this recommendation.	
B.	Accounts and Records	
	It was recommended that the Company maintain documentation for the basis of allocating salaries and joint costs among affiliates, as required by Department Regulation No. 30, Part 109.2, Section (b)(2).	20
	The Company has complied with this recommendation.	
C.	Loss and Loss Adjustment Expenses	
	It was recommended that the Company address the reserving deficiencies and report its loss and loss adjustment expense reserves pursuant to the provisions of Section 1303 of the New York Insurance Law and Paragraph 10 of SSAP No. 55.	26
	The Company has not fully complied with this recommendation but has taken steps to comply.	

8. SUMMARY OF COMMENTS AND RECOMMENDATIONS

ITEM		PAGE NO.
A.	Corporate Governance	
	It is recommended that the Company submit a written notification of any changes in membership of its audit committee, including the reason for the change, within the required timeframe.	5
B.	Losses and Loss Adjustment Expenses	
	It is recommended that the Company address the reserving deficiencies and report its loss and loss adjustment expense reserves pursuant to the provisions of Section 1303 of the New York Insurance Law and Paragraph 10 of SSAP No. 55.	20
	Subsequent to the examination period, the Company entered into a loss portfolio transfer reinsurance agreement.	

Respectfully submitted,

_______________/S/________________
Justin Mathew
Senior Insurance Examiner

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

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

___________/S/____________
Justin Mathew

Subscribed and sworn to before me

this_________ day of __________________, 2023

APPOINTMENT NO. 32316

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:*

Justin Mathew

as a proper person to examine the affairs of the

New York Marine and General Insurance 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 15th day of October, 2021

ADRIENNE A. HARRIS
Acting Superintendent of Financial Services

By:

Joan Riddell

Joan Riddell
Deputy Bureau Chief