



**REPORT ON EXAMINATION
OF
GOTHAM INSURANCE COMPANY**

AS OF DECEMBER 31, 2021

**EXAMINER:
DATE OF REPORT:**

**JUSTIN MATHEW
JULY 26, 2023**

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KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

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 32317 dated October 15, 2021, attached hereto, I have made an examination into the condition and affairs of Gotham 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 Gotham 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 Gotham 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: New York Marine and General Insurance Company (“NYM”), 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 on October 17, 1986, under the laws of the State of New York, and commenced business on February 26, 1987. It is a wholly-owned subsidiary of New York Marine and General Insurance Company (“NYM”).

On December 27, 1989, NYM and its subsidiaries were 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 NYM and 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⁺:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Michael E. Angelina Media, Pennsylvania	Independent Director, Gotham 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
Stanley A. Galanski Ridgefield, Connecticut	Chairman, Gotham Insurance Company
Karin Hirtler-Garvey Wyckoff, New Jersey	Independent Director, Gotham Insurance Company
Bruce L. Kessler Bluffton, South Carolina	Independent Director, Gotham 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, Gotham Insurance Company
Jonathan P. Ritz New York, New York	Chief Executive Officer, Gotham 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:

<u>Name</u>	<u>Title</u>
Jonathan P. Ritz	Chief Executive Officer
Tim Ryan	President
Anthony Pizsel	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 Pizsel 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 solely in New York and is eligible to write surplus lines in the remaining 49 states, the District of Columbia, and Puerto Rico.

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>
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

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).

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 \$4,200,000. 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 \$55,489,676 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:

<u>Calendar Year</u>	<u>Direct Premiums</u>	<u>Assumed Premiums</u>	<u>Total Gross Premiums</u>
2017	\$ 57,213,534	\$ 90,713,043	\$147,926,577
2018	\$ 71,015,225	\$126,815,134	\$197,830,359
2019	\$ 99,370,010	\$127,618,315	\$226,988,325
2020	\$105,606,983	\$105,134,093	\$210,741,076
2021	\$128,133,668	\$118,290,479	\$246,424,147

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. In 2021, the states with the highest percentages of the Company’s direct written premiums were California and New Jersey, representing 19% and 14%, respectively, of direct written premiums. As of December 31, 2021, the Company’s largest lines of direct business were other liability-occurrence (42.09%), other liability-claims made (22.21%), fire (12.75%), and commercial multiple peril (8.37%). Other liability-occurrence was comprised mainly of general liability and excess liability. Other liability-claims made was comprised mainly of professional liability.

Assumed reinsurance is solely attributable to an internal reinsurance pooling arrangement with the Company’s affiliated property and casualty companies, further described below.

C. Reinsurance Ceded

Affiliated Reinsurance

The Company and NYM are parties to a reinsurance agreement whereby, effective with the policy year 1987, the Company assumes 15% of NYM's net retained premiums, losses, and expenses ("the New York Marine Pool") and cedes 100% of its total direct business to NYM. On December 31, 2015, Southwest and NYM entered into an agreement whereby Southwest cedes 100% of its direct business, effective with policy year 2007 and forward, to NYM. This business is included in the New York Marine Pool. Southwest and NYM are also parties to a reinsurance agreement whereby, effective January 1, 2007, Southwest assumes 5% of the New York Marine Pool's net retained premiums, losses, and expenses.

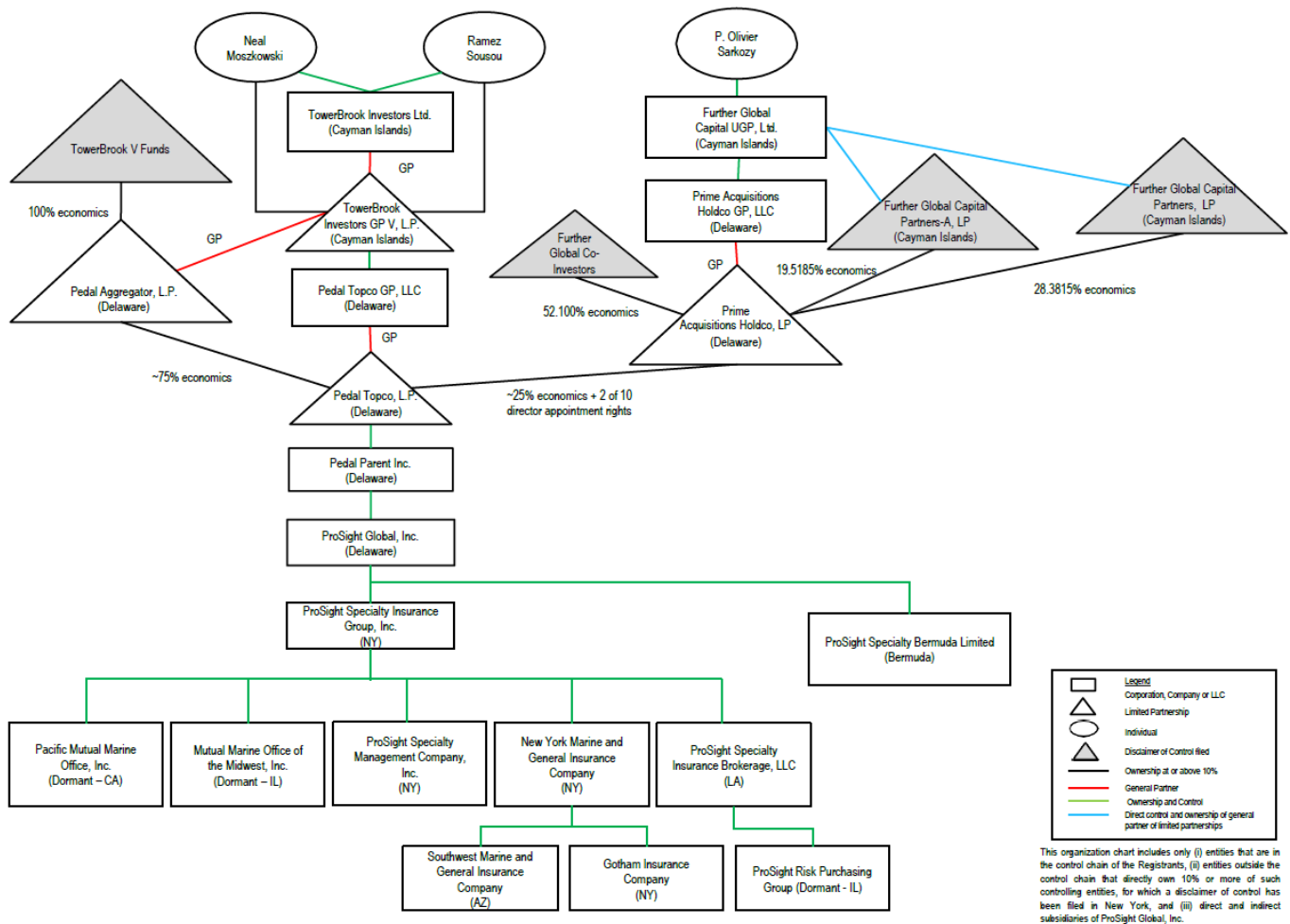
These agreements were submitted to and non-disapproved by the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

D. Holding Company System

The Company is a member of the ProSight Specialty Group. The Company is wholly owned by NYM, a New York domiciled insurer, which is an indirect wholly-owned subsidiary of ProSight Global. ProSight Global is ultimately controlled by Neal Moszkowski, Ramez Sousou, and Pierre Olivier Sarkozy.

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

As of 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 third amended and restated service 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 \$17,209,327. 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, NYM, 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"), NYM, 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.

This 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:

<u>Operating Ratios</u>	<u>Result</u>
Net premiums written to policyholders' surplus	134%
Adjusted liabilities to liquid assets	97%
Two-year overall operating	106%

The two-year overall operating ratio of 106% falls outside the benchmark range set forth in the Insurance Regulatory Information System of the NAIC.

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:

	<u>Amount</u>	<u>Ratio</u>
Losses and loss adjustment expenses incurred	\$361,460,032	67.46%
Other underwriting expenses incurred	196,670,669	36.70%
Net underwriting gain (loss)	<u>(22,283,015)</u>	(4.16)%
Premiums earned	<u>\$535,847,686</u>	<u>100.00%</u>

The Company's reported risk-based capital score ("RBC") at December 31, 2021 was 483%. The RBC was calculated by dividing the total adjusted capital (surplus) of \$108,159,269 by the authorized control level of \$22,380,527. This examination is making a reserve adjustment of \$19,572,000 (refer to sections 3D and 4 for further detail), thereby reducing total adjusted capital to \$88,587,269, which divided by the authorized control level of \$22,380,527 results in an adjusted RBC of 396%. 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.

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:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$291,759,131	\$0	\$291,759,131
Cash	17,680,112	0	17,680,112
Other invested assets	12,124,755	0	12,124,755
Investment income due and accrued	1,151,985	0	1,151,985
Uncollected premiums and agents' balances in the course of collection	42,151,084	0	42,151,084
Deferred premiums, agents' balances and installments booked but deferred and not yet due	449,334	0	449,334
Net deferred tax asset	4,560,941	0	4,560,941
Receivables from parent, subsidiaries and affiliates	<u>20,400,125</u>	<u>0</u>	<u>20,400,125</u>
Total assets	<u>\$390,277,467</u>	<u>\$0</u>	<u>\$390,277,467</u>

Liabilities, Surplus and Other FundsLiabilities

Losses and loss adjustment expenses	\$161,808,553
Commissions payable, contingent commissions and other similar charges	2,350,336
Other expenses (excluding taxes, licenses and fees)	384,931
Taxes, licenses and fees (excluding federal and foreign income taxes)	494,175
Current federal and foreign income taxes	2,026,570
Unearned premiums	63,125,418
Ceded reinsurance premiums payable (net of ceding commissions)	37,467,924
Payable for securities	27,427
Losses payable	14,399,034
Unclaimed funds	<u>33,830</u>
 Total liabilities	 \$282,118,198

Surplus and Other Funds

Common capital stock	\$ 5,000,000
Gross paid in and contributed surplus	20,131,019
Unassigned funds (surplus)	<u>83,028,250</u>
 Surplus as regards policyholders	 <u>108,159,269</u>
 Total liabilities, surplus and other funds	 <u>\$390,277,467</u>

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 \$33,691,964, as detailed below:

Underwriting Income

Premiums earned		\$535,847,686
Deductions:		
Losses and loss adjustment expenses incurred	\$341,888,032	
Other underwriting expenses incurred	<u>196,670,669</u>	
Total underwriting deductions		<u>538,558,701</u>
Net underwriting gain or (loss)		\$ (2,711,015)

Investment Income

Net investment income earned	\$ 39,861,255	
Net realized capital gain	<u>11,736,576</u>	
Net investment gain or (loss)		51,597,831

Other Income

Net gain or (loss) from agents' or premiums balances charged off	\$ (420,691)	
ADC cover income	(450,000)	
Other income	244,241	
Other miscellaneous income	(32,967)	
Syndicate 1110 stop loss	(5,092,430)	
Reduction in provision for future commission	<u>1,198,106</u>	
Total other income or (loss)		<u>(4,553,741)</u>
Net income before dividends to policyholders and before federal and foreign income taxes		\$ 44,333,075
Dividends to policyholders		<u>0</u>
Net income after dividends to policyholders but before federal and foreign income taxes		\$ 44,333,075
Federal and foreign income taxes incurred		<u>10,641,111</u>
Net income		<u>\$ 33,691,964</u>

C. Capital and Surplus

Capital paid in is \$5,000,000 consisting of 50,000 shares of \$100 par value per share common stock. Gross paid in and contributed surplus is \$20,131,019, which remained the same during the examination period.

Surplus as regards policyholders increased \$34,271,115 during the five-year examination period January 01, 2017 through December 31, 2021, as reported by the Company, detailed as follows:

Surplus as regards policyholders, as reported by the Company as of December 31, 2016			\$ 73,888,153
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$33,691,964		
Net unrealized capital gains or (losses)	4,010,798		
Change in net deferred income tax	828,033		
Change in nonadmitted assets	1,903,282		
Cumulative effect of changes in accounting principles		\$7,045,530	
Prior period adjustment (2016)	<u>882,570</u>	<u>0</u>	
Total gains and losses	\$41,316,647	\$7,045,530	
Net increase in surplus			<u>34,271,117</u>
Surplus as regards policyholders, as reported by the Company as of December 31, 2021			<u>\$108,159,269*</u>

*rounding adjustment of \$1

D. Analysis of Changes to Surplus

Surplus as regards policyholders as of December 31, 2021, as reported by the Company	\$108,159,269
Decrease in surplus due to examination change in loss and loss adjustment expense reserves	<u>(19,572,000)</u>
Surplus at December 31, 2021, per report on examination	<u>\$ 88,587,269</u>

4. **LOSSES AND LOSS ADJUSTMENT EXPENSES**

The examination liability for the captioned items of \$181,380,553 is \$19,572,000 more than the \$161,808,553 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 \$19,572,000, representing 18.1% of its surplus of \$108,159,269 at December 31, 2021.

Section 1303 of the New York Insurance Law states, in part:

“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 5 for further detail).

5. SUBSEQUENT EVENTS

As part of the Take-private Transaction, the Company, along with NYM and Southwest 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's parent, NYM, 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.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

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

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Corporate Governance</u>	
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. <u>Accounts and Records</u>	
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. <u>Losses and Loss Adjustment Expenses</u>	
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.	

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>		<u>PAGE NO.</u>
A.	<u>Corporate Governance</u>	
	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.	<u>Losses and Loss Adjustment Expenses</u>	
	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.	16
	Subsequent to the examination date, 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. 32317

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

Gotham 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

