



**REPORT ON EXAMINATION  
OF  
PLYMOUTH ROCK ASSURANCE CORPORATION OF  
NEW YORK**

**AS OF DECEMBER 31, 2022**

**EXAMINER:  
DATE OF REPORT:**

**OSCAR CASTRO  
MARCH 27, 2024**

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KATHY HOCHUL  
Governor



ADRIENNE A. HARRIS  
Superintendent

March 27, 2024

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 32476 dated February 8, 2023, attached hereto, I have made an examination into the condition and affairs of Plymouth Rock Assurance Corporation of New York as of December 31, 2022, and submit the following report thereon.

Wherever the designation “the Company” appears herein without qualification, it should be understood to indicate Plymouth Rock Assurance Corporation of New York.

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 Plymouth Rock Assurance Corporation of New York, a multi-state insurer. The previous examination was conducted as of December 31, 2018. This examination covered the four-year period from January 1, 2019, through December 31, 2022. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

The examination of the Company was conducted in conjunction with the State of Massachusetts, which was the lead state of the Plymouth Rock Insurance Group. The examination was performed concurrently with the examinations of the following insurers:

<u>Company</u>	<u>State of Domicile</u>
Plymouth Rock Home Assurance Corporation (“PRHAC”)	Massachusetts
Bunker Hill Insurance Casualty Company (“BH Cas”)	Massachusetts
Bunker Hill Preferred Insurance Company (“BH Pref”)	Massachusetts
Bunker Hill Property Insurance Company (“BH Prop”)	Massachusetts
Bunker Hill Insurance Company (“BHIC”)	Massachusetts
Plymouth Rock Assurance Corporation (“PRAC”)	Massachusetts
Pilgrim Insurance Company (“Pilgrim”)	Massachusetts
Mt. Washington Assurance Corporation (“MWAC”)	New Hampshire
Plymouth Rock Assurance Preferred Corporation (“PRACP”)	New York

Other states participating in this examination were Massachusetts and New Hampshire.

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
- Summary of recommendations

A review was also made to ascertain what action was taken by the Company with regard to comments and 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**

Plymouth Rock Assurance Corporation of New York was incorporated under the laws of the State of New York on August 14, 1954, as the Truckmen's Insurance Company. The Company was licensed on September 9, 1954, and commenced business on October 1, 1954. On February 15, 2012, its name was changed to Mapfre Insurance Company of New York. On January 1, 2019, Plymouth Rock Assurance Corporation purchased all of the issued and outstanding shares of the Company from ACIC Holding Company, Inc., and the Company adopted its current name on August 19, 2019.

### 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 members. The board meets four times during each calendar year. At December 31, 2022, the board of directors was comprised of the following seven members:

#### Name and Residence

Mary Joyce Boyd  
Hingham, Massachusetts

#### Principal Business Affiliation

President, Chief Executive Officer, and Chief  
Operating Officer,  
Plymouth Rock Assurance Corporation of  
New York

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Colleen Mary Granahan Newton Highlands, Massachusetts	Director, Plymouth Rock Assurance Corporation
William Daniel Hartranft Newton, Massachusetts	Vice President and Chief Financial Officer, Plymouth Rock Assurance Corporation
John Conrad Hill Brooklyn, New York	President and Chief Executive Officer, Central Securities Corporation
Brendan Michael Kirby Needham, Massachusetts	Chief Information Security Officer, Shared Technology Services Group LLC
Andrew Allison McElwee, Jr. New London, New Hampshire	President and Chief Operating Officer, The Plymouth Rock Company Incorporated
Sandra Ann Urie Winchester, Massachusetts	Chair Emeritus, Cambridge Associates, LLC Board Member, Evolution AB Member, Stewardship Committee, NextWorld

As of December 31, 2022, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Mary Joyce Boyd	President, Chief Executive Officer, and Chief Operating Officer
William Daniel Hartranft	Treasurer and Chief Financial Officer
Lauren Elizabeth Dwyer	Secretary
Louis Charles Palomeque	Vice President
John Matthew Anglim	Assistant Treasurer
Erin Ruth Macgowan	Assistant Secretary

B. Territory and Plan of Operation

As of December 31, 2022, the Company was licensed to write business in New York and New Jersey.

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
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine

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 \$850,000.

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>
2019	\$ 35,531,536	\$ 8,354,262	\$ 43,885,618
2020	\$ 23,973,584	\$ 42,194,411	\$ 66,167,995
2021	\$ 12,053,448	\$ 43,003,382	\$ 55,056,830
2022	\$ 10,972,597	\$ 37,987,966	\$ 48,960,563

During the examination period, 100% of the Company's direct premiums were written in New York. The Company did not assume any unaffiliated business during the examination period. The Company sold its products through a network of New York licensed independent insurance agents. The Company's distribution system consisted of 554 agencies located throughout New York. The majority of the direct premiums written by the Company in 2022 were private passenger auto liability and private passenger auto physical damage, which accounted for 44.7% and 37.5%, respectively.

Due to the pooling agreement (described in section 2C of this report), the net exposure of the Company is significantly different from its direct and assumed exposure.

C. Reinsurance Ceded

Intercompany Pooling Agreement

Effective January 1, 2019, the Company entered into an intercompany pooling agreement with its immediate parent, PRAC, and its affiliates Pilgrim and PRACP (collectively, the “Pool Members”). Pursuant to the Agreement, Pilgrim, PRACP and the Company cede 100% of their business written, net of third-party reinsurance, to PRAC. PRAC then retrocedes the combined business written to each Pool Member based on their respective participation percentage in the pool. The intercompany pooling agreement was submitted to and non-disapproved by the Department pursuant to the provisions of Section 1505(d) of the New York Insurance Law.

The following table shows the pool participants and their respective pooling percentages as of December 31, 2022:

<u>Pool Participants</u>	<u>Percentage</u>
Plymouth Rock Assurance Corporation	79%
Pilgrim Insurance Company	9%
Plymouth Rock Assurance Preferred Corporation	5%
Plymouth Rock Assurance Corporation of New York	<u>7%</u>
Total	<u>100%</u>

In 2022, the Company reported reinsurance premiums ceded to PRAC in the amount of \$10,794,000 and reinsurance recoverable from PRAC in the amount of \$40,903,000. PRAC is an authorized reinsurer; therefore, the reinsurance recoverable due from PRAC is not collateralized.

All of the Company’s ceded business was to PRAC, pursuant to the intercompany pooling agreement. The Company had no external reinsurance.

D. Holding Company System

The Company is a member of the Plymouth Rock Insurance Group. The Company is 100% owned by Plymouth Rock Assurance Corporation, a Massachusetts domiciled corporation, which is ultimately controlled by Plymouth Rock Company Incorporated (“PRC”).

PRC is a privately held company which was founded in 1982 and has been headquartered in Boston, Massachusetts since its inception. Its primary business is the ownership and management of property and

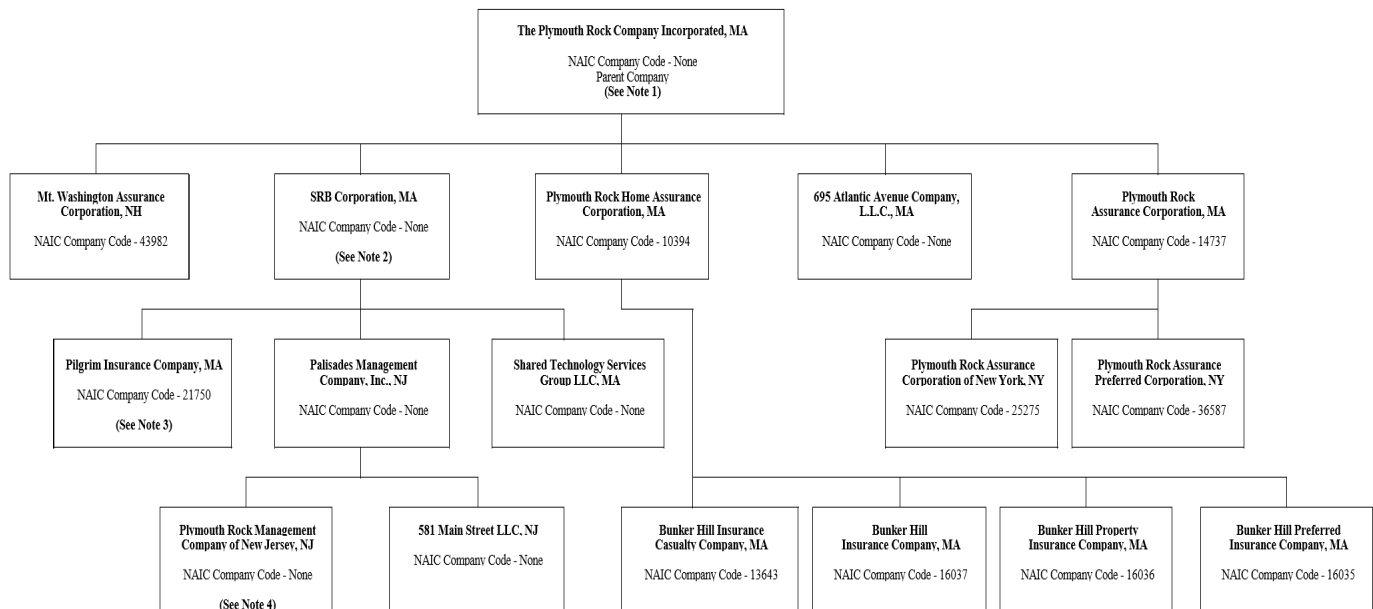


casualty insurance companies, specializing in coverage of personal automobiles and homes. PRC, through a number of operating subsidiaries, operates in Massachusetts, New York, New Hampshire, Connecticut, and Pennsylvania and provides various insurance and investment management services for insurance entities in those states and elsewhere in the United States.

The purpose of the Company in the holding company system is part of PRAC's plan to expand its insurance business in the New York market.

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, 2022:



#### Notes

- 1) The Plymouth Rock Company and Plymouth Rock Assurance Corporation own 99% and 1%, respectively, of Windmill Point Finance Company, L.L.C., MA; Federal ID # 04-3314857, NAIC Company Code - None.
- 2) SRB Corporation owns 100% of the following entities: Encharter Insurance, L.L.C., MA, Federal ID #06-1664611, NAIC Company Code - None, Encharter Insurance, L.L.C., CT, Federal ID # 30-0206265, NAIC Company Code - None, and Perks and More, LLC, MA; Federal ID # 83-4550882, NAIC Company Code - None.
- 3) Pilgrim Insurance Company owns 100% of Pilgrim Risk Management, L.L.C., MA; Federal ID # 20-2834400, NAIC Company Code - None.
- 4) Plymouth Rock Management Company of New Jersey owns 100% of the following entities: National Atlantic Insurance Agency, Inc., NJ; Federal ID # 22-3367170, NAIC Company Code - None, and High Point Brokerage Company, Inc., NJ; Federal ID # 22-3605411, NAIC Company Code - None.

## Holding Company Agreements

At December 31, 2022, the Company was party to the following agreements with other members of its holding company system:

### Services Agreement

Effective January 1, 2007, various members of the Plymouth Rock Companies entered into a Services Agreement, whereby the parties to the Agreement agree to provide various administrative services to each other, including accounting, legal, actuarial, general administrative, and such other services as the members may agree upon from time to time. Fees for services are paid quarterly. Effective January 1, 2019, the sixth amendment to the Agreement was executed to include the Company as a party to the Agreement. The Services Agreement and its amendments were filed with this Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on January 11, 2019.

In 2022, the Company paid expenses totaling \$2,731,857 to PRAC for services provided pursuant to the services agreement.

### Intercompany Technology Development, Operations, and Support Agreement

Effective February 4, 2004, various members of the Plymouth Rock Companies entered into the Second Amended and Restated Intercompany Technology Development, Operations and Support Agreement, whereby Shared Technology Services Group, Inc. (“STG”) provides technology services to the other parties to the Agreement. Effective January 1, 2019, the fifth amendment to the Agreement was executed to include the Company as a party to the Agreement. This Agreement and its amendments were filed with this Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on January 11, 2019.

### Investment Management Agreement

Effective January 1, 2019, the Company and its affiliate, SRB Corporation, entered into the investment management agreement pursuant to which the Company receives investment advising services, including the development of investment objectives, selection of investment managers, asset and cash management, for a quarterly fee based on the value of the fund. This agreement was filed with the Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on January 11, 2019.

The Company incurred \$466,803 in expenses during 2022 under the investment management agreement with SRB Corporation.

Consolidated Federal Income Tax Liability Allocation Agreement

Effective December 21, 2016, Plymouth Rock Company Incorporated (“PRC”) and various subsidiaries entered into a Consolidated Federal Income Tax Liability Allocation Agreement, whereby the parties to the agreement file consolidated federal income tax returns. The agreement provides that each company’s tax liability on a consolidated basis will not exceed the tax liability that it would have paid on a stand-alone basis.

Since 2019, when the Company became part of the Plymouth Rock group, its taxes have been filed on a consolidated basis with the parties to the tax allocation agreement; however, the Company was never added as a party to the agreement. Subsequent to the examination date, on July 31, 2023, the Company filed with the Department a new tax allocation agreement, which includes the Company, pursuant to Section 1505 of the New York Insurance Law. The new tax allocation agreement was non-disapproved on August 15, 2023.

E. Significant Ratios

The Company’s operating ratios, computed as of December 31, 2022, fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the NAIC.

<u>Operating Ratios</u>	<u>Result</u>
Net premiums written to policyholders’ surplus	142%
Adjusted liabilities to liquid assets	73%
Two-year overall operating	98%

Underwriting Ratios

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

	<u>Amounts</u>	<u>Ratio</u>
Losses and loss adjustment expenses incurred	\$112,613,660	69.79%
Other underwriting expenses incurred	37,185,373	23.04%
Net underwriting gain (loss)	<u>11,566,921</u>	<u>7.17%</u>
Premiums earned	<u>\$161,365,954</u>	<u>100.00%</u>

The Company's reported risk-based capital ("RBC") score was 463% at December 31, 2022. The RBC score 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, 2022, as reported by the Company:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$44,463,631	\$ 0	\$44,463,631
Common Stocks	29,402,182	0	29,402,182
Cash, cash equivalents and short-term equivalents	1,113,546	0	1,113,546
Investment income due and accrued	367,180	0	367,180
Uncollected premiums and agent's balances in the course of collection	442,233	30,930	411,303
Deferred premiums, agents' balances and installments booked but deferred and not yet due	6,218,346	0	6,218,346
Amounts recoverable from reinsurers	4,816,138	0	4,816,138
Current federal and foreign income tax recoverable and interest	172,635	0	172,635
Net deferred tax asset	2,938,547	1,888,426	1,050,121
Furniture and equipment, including health care delivery assets	377,992	377,992	0
Receivables from parent, subsidiaries and affiliates	21,266	0	21,266
Other assets	1,880	0	1,880
Leasehold improvements	129,161	129,161	0
Prepaid expenses	<u>174,186</u>	<u>174,186</u>	<u>0</u>
Total assets	<u>\$90,638,923</u>	<u>\$2,600,695</u>	<u>\$88,038,228</u>

Liabilities, Surplus and Other FundsLiabilities

Losses and loss adjustment expenses	\$24,620,461
Reinsurance payable on paid loss and loss adjustment expenses	4,645,426
Commissions payable, contingent commissions and other similar charges	140,015
Other expenses (excluding taxes, licenses and fees)	821,835
Taxes, licenses and fees (excluding federal and foreign income taxes)	(531,006)
Unearned premiums	20,495,411
Advance premium	76,269
Ceded reinsurance premiums payable (net of ceding commissions)	1,653,697
Remittances and items not allocated	(9,551)
Payable to parent, subsidiaries and affiliates	3,275,506
Other liabilities	<u>6,058,518</u>
 Total liabilities	 \$61,246,581

Surplus and Other Funds

Common capital stock	\$ 850,000
Gross paid in and contributed surplus	924,800
Unassigned funds (surplus)	<u>25,016,847</u>
 Surplus as regards policyholders	 <u>26,791,647</u>
 Total liabilities, surplus and other funds	 <u>\$88,038,228</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 \$17,506,590, as detailed below:

Underwriting Income

Premiums earned		\$161,365,954
Deductions:		
Losses and loss adjustment expenses incurred	\$112,613,660	
Other underwriting expenses incurred	43,569,195	
Servicing revenue	<u>(6,383,822)</u>	
Total underwriting deductions		<u>149,799,033</u>
Net underwriting gain or (loss)		\$ 11,566,921

Investment Income

Net investment income earned	\$ 6,672,748	
Net realized capital gain	<u>654,864</u>	
Net investment gain or (loss)		7,327,612

Other Income

Net gain or (loss) from agents' or premiums balances charged off	\$ (1,798,063)	
Finance and service charges not included in premiums	<u>753,477</u>	
Total other income or (loss)		<u>(1,044,586)</u>
Net income before federal and foreign income taxes		\$ 17,849,947
Federal and foreign income taxes incurred		<u>343,357</u>
Net income		\$ <u>17,506,590</u>

C. Capital and Surplus

Surplus as regards policyholders increased \$1,867,895 during the four-year examination period January 1, 2019 through December 31, 2022, as reported by the Company, detailed as follows:

Surplus as regards policyholders, as reported by the Company as of December 31, 2018			\$24,923,753
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$17,506,590		
Net unrealized capital gains or (losses)		\$ 7,404,067	
Change in net deferred income tax		2,546,314	
Change in nonadmitted assets		1,688,314	
Dividends to stockholders	<u>                    </u>	<u>4,000,000</u>	
Total gains and losses	\$17,506,590	\$15,638,695	
Net increase in surplus			<u>1,867,895</u>
Surplus as regards policyholders, as reported by the Company as of December 31, 2022			<u>\$26,791,647</u>

Capital paid in is \$850,000 consisting of 170,000 shares of \$5 par value per share common stock. Gross paid in and contributed surplus is \$924,800. Gross paid in and contributed surplus did not change during the examination period.

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



#### 4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of \$24,620,461 is the same as reported by the Company as of December 31, 2022. 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, 2022, the Company's loss and loss adjustment expense reserves are concentrated in other private passenger auto liability (73.93%), private passenger auto no-fault (15.29%), and other commercial auto liability (6.57%).

#### 5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained two recommendations as follows (page numbers refer to the prior report):

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Management</u>	
i. It was recommended that the Company maintain conflict of interest statements at its home office for each year under examination.	5
The Company has complied with this recommendation.	
ii. It was recommended that the Company comply with Section 312(b) of the New York Insurance Law by furnishing each member of the board a copy of the report on examination and retaining a statement from each board member that he or she has received and read such report.	5
The Company had complied with this recommendation.	

#### 6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations in this report.

Respectfully submitted,

\_\_\_\_\_/S/\_\_\_\_\_  
Oscar Castro  
Financial Services Examiner 2

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

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

\_\_\_\_\_/S/\_\_\_\_\_  
Oscar Castro

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

*NEW YORK STATE*

*DEPARTMENT OF FINANCIAL SERVICES*

*I, Adrienne A. Harris, 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:*

*Oscar Castro*

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

*Plymouth Rock Assurance Corporation of New York*

*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 8th day of February 2023*

*ADRIENNE A. HARRIS  
Superintendent of Financial Services*

*By:*

*Joan Riddell*

*Joan Riddell  
Deputy Bureau Chief*

