REPORT ON EXAMINATION
OF
GREATER MIDWESTERN INDEMNITY COMPANY

AS OF DECEMBER 31, 2023

EXAMINER: **JUSTIN MATHEW**
DATE OF REPORT: **APRIL 1, 2025**

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April 1, 2025

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 32596 dated February 6, 2024, attached hereto, I have made an examination into the condition and affairs of Greater Midwestern Indemnity Company as of December 31, 2023, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate Greater Midwestern Indemnity Company.

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

1. SCOPE OF EXAMINATION

The Department has performed an examination of Greater Midwestern Indemnity Company, a multi-state insurer. This is the first financial examination of the Company after the Report on Organization, which was conducted as of August 31, 2021. This examination covered the period from September 1, 2021 through December 31, 2023. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

New York is the lead state of the Greater New York Group. The examination was performed concurrently with the examination of the following insurers: Greater New York Mutual Insurance Company ("GNY"), Insurance Company of Greater New York ("INSCO"), Strathmore Insurance Company ("Strathmore"), Greater Mid-Atlantic Indemnity Company ("GMAIC"), and GNY Custom Insurance Company ("Custom"). The Company, GNY, INSCO, Strathmore, and GMAIC are domiciled in New York. Custom is domiciled in Arizona. 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
Affiliated group description
Financial statement presentation
Loss review and analysis
Summary of recommendations

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

2. DESCRIPTION OF COMPANY

Greater Midwestern Indemnity Company was incorporated under the laws of the State of New York on May 6, 2020. It became licensed on November 8, 2021 and commenced business on the same day.

The Company is a wholly owned subsidiary of GNY. The Company participates in a pooling agreement with GNY (refer to Section 2C of this report for further detail).

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 13 members. The board meets five times during each calendar year. At December 31, 2023, the board of directors was comprised of the following 11 members:

Name and Residence	Principal Business Affiliation
Joan Louise Cadd Sarasota, Florida	Certified Public Accountant, Retired Reinsurance Company CFO
Donald Thomas DeCarlo Douglaston, New York	Attorney, Self-Employed
Elizabeth Heck New York, New York	President, Chief Executive Officer, and Chairman of the Board, Greater New York Mutual Insurance Company
Warren William Heck New York, New York	Lead Director, Retired Chairman and CEO of GNY
John Thomas Hill II Pennington, New Jersey	Certified Public Accountant, Retired Insurance Company Executive
Carol Trencher Ivanick New York, New York	Partner of Counsel, Schulte, Roth & Zabel

Name and Residence	Principal Business Affiliation
Charles Frederick Jacey Estero, Florida	Certified Public Accountant, Retired Vice Chairman PwC
Robert Peter Lewis Santa Fe, New Mexico	Retired
Lance Malcolm Liebman New York, New York	Retired Professor, Columbia University Law School
Paul Segal New York, New York	Retired, Architect
James Joseph Wrynn New York, New York	Senior Executive, FTI Consulting

As of December 31, 2023, the principal officers of the Company were as follows:

Name	Title
Elizabeth Heck	President, Chief Executive Officer, and Chairman of the Board
Thomas Donald Hughes	Executive Vice President, General Counsel and Secretary
Christopher Thomas McNulty	Executive Vice President, Chief Financial Officer and Treasurer
Margaret Grealis Klein	Vice President
Nancy Pearlstein	Vice President
Gerard Ragusa	Executive Vice President
Lucas James Sheldon	Executive Vice President and Chief Underwriting Officer
Vasudevan Veeraraghavan	Vice President and Chief Information Officer

B. Territory and Plan of Operation

As of December 31, 2023, the Company was licensed to write business in 14 states and in the District of Columbia.

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 and health
4	Fire
5	Miscellaneous property
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
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).

Additionally, the Company is licensed to conduct business of special risk insurance pursuant to Article 63 of the New York Insurance Law. Pursuant to Section 6302(c)(1) of the New York Insurance Law, in order to be licensed to write special risks, the Company is required to maintain surplus as regards policyholders of at least 250% of its authorized control level risk-based capital.

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 $4,400,000.

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

Calendar Year	Direct Premiums
2021	$ 0
2022	$ 0
2023	$293,000

The Company is a niche writer of commercial multiple peril insurance which consists of habitational, light industrial, office building and restaurant risks. In 2023, commercial multiple peril – non-liability represented 18.8% of the Company's direct premiums written and commercial multiple peril – liability represented 81.2%. Business was mainly written in New York (62.7%), followed by New Jersey (37.3%). All of its business originates through independent brokers. The Company maintains branch offices in Wethersfield, Connecticut; Edison, New Jersey; Quincy, Massachusetts and Hunt Valley, Maryland. Each office, including the New York home office, handles the underwriting function for a specific territory.

C. Reinsurance Ceded

Pursuant to the Ninth Amendment to the Pooling Agreement, effective December 31, 2021, the Company and GMAIC became participants in a pooling agreement with GNY, the pool leader. GNY has had this pooling agreement in place with its insurance subsidiaries since 1968. Under the terms of the amended agreement, each insurance subsidiary agrees to cede, and GNY agrees to accept, 100% of the insurance subsidiaries' gross policy liabilities; each insurance subsidiaries' pool percentage is 0%.

This agreement and all amendments were filed with and non-disapproved by the Department.

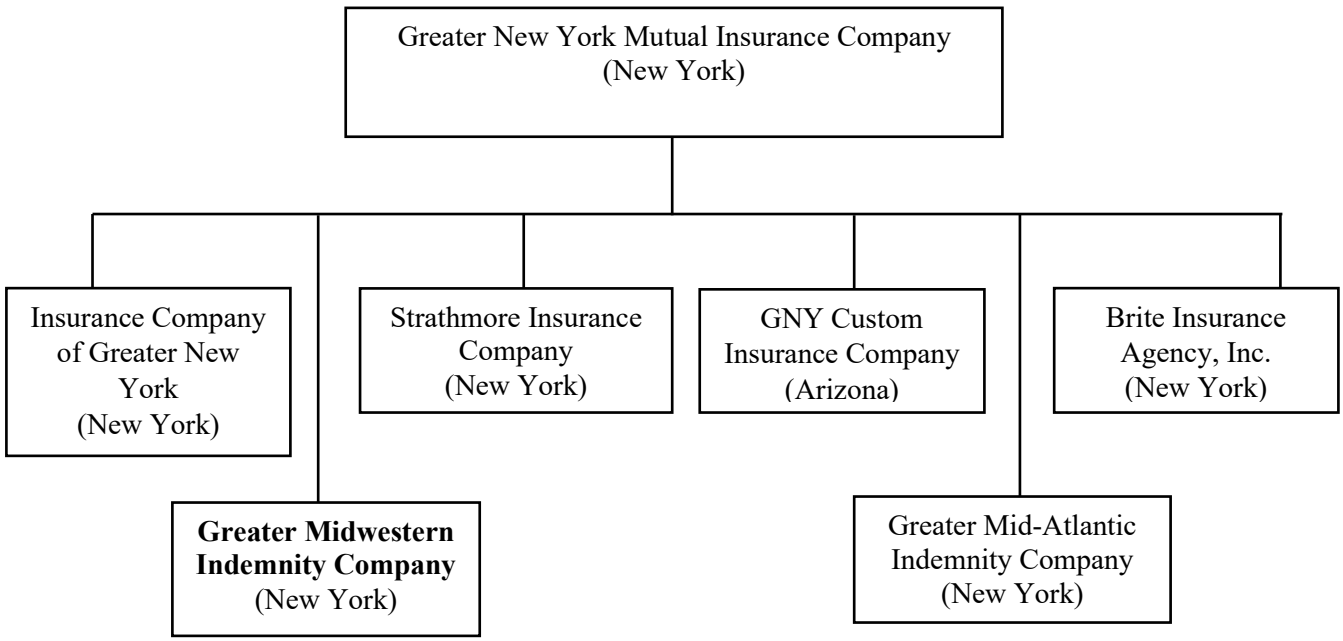
As of December 31, 2023, the Company reported approximately $282,000 in reinsurance recoverables due from GNY. It is noted that GNY was examined concurrently with the Company, and there were no financial adjustments that impacted GNY's surplus as a result of the examination.

Examination review found that the Schedule F data reported by the Company in its filed annual statement accurately reflected its reinsurance transactions.

D. Affiliated Group

The Company is a member of the Greater New York Group ("Group"). It is wholly owned by GNY, a New York domiciled mutual insurance company. During the examination period, on May 6, 2020, GNY formed the Company and GMAIC. Like INSCO and Strathmore, both the Company and GMAIC are property and casualty insurers that are niche writers of real estate and hospitality businesses. With the formation of the two new subsidiaries, the Group has five different rating levels. Custom is an excess and surplus lines company and writes similar risks on a non-admitted basis. GNY also owns an insurance agency, Brite Insurance Agency, Inc., which is incorporated in New York.

The following is an unabridged chart of the holding company system at December 31, 2023:



As of December 31, 2023, the Company was party to the following agreements with other members of its affiliated group:

Investment Expense Cost Sharing Agreement

Effective December 31, 2021, the Company, INSCO, Strathmore, GMAIC, and Custom entered into an investment expense cost sharing agreement with GNY. This agreement replaced the investment expense cost sharing agreement effective February 1, 2015. This agreement provides for a method of

allocating investment expenses amongst the insurers that are incurred by GNY. The expenses that are to be allocated are primarily related to the costs associated with GNY's management and administration of its subsidiaries' investment portfolios. Each insurer is 100% liable for expenses charged by external investment managers and custodial banks that are specifically related to its own investment portfolio. GNY bills its allocated investment expenses to each subsidiary on a quarterly basis; each subsidiary agrees to remit payment to GNY no more than 90 days following the end of each quarter.

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

Federal Income Tax Allocation Agreement

Effective January 25, 2021, the Company and GMAIC became parties to the tax allocation agreement with GNY and affiliates. GNY has had this agreement in place with its subsidiaries since June 15, 2001, and it was subsequently amended on August 2, 2006.

The tax allocation agreement and amendments were filed with the Department pursuant to Section 1505(d) of the New York Insurance Law and Circular Letter No. 33 (1979).

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2023, as reported by the Company:

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$10,139,424	$0	$10,139,424
Cash, cash equivalents and short-term Investments	187,124	0	187,124
Investment income due and accrued	52,156	0	52,156
Total assets	$10,378,704	$0	$10,378,704

Liabilities, Surplus and Other Funds		
Liabilities		
Losses and Loss Adjustment Expenses		$ 0
Other expenses (excluding taxes, licenses and fees)		5,369
Current federal and foreign income taxes		10,128
Payable to parent, subsidiaries and affiliates		6,620
Total liabilities		$ 22,117
Surplus and Other Funds		
Common capital stock	$5,000,000	
Gross paid in and contributed surplus	5,000,000	
Unassigned funds (surplus)	356,587	
Surplus as regards policyholders		$10,356,587
Total liabilities, surplus and other funds		$10,378,704

Note: During the examination period, the Company was not audited 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 $308,128, as detailed below:

Underwriting Income		
Premiums earned		$ 0
Underwriting deductions		0
Net underwriting gain/loss		$ 0
Investment Income		
Net investment income earned	$390,037	
Net realized capital gain	0	
Net investment gain		$390,037
Other Income		
Total other income		0
Net income before dividends to policyholders and before federal and foreign income taxes		$390,037
Dividends to policyholders		0
Net income after dividends to policyholders but before federal and foreign income taxes		$390,037
Federal and foreign income taxes incurred		81,908
Net income		$308,128

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 $5,000,000. Capital paid in and gross paid in and contributed surplus did not change during the examination period.

Surplus as regards policyholders increased $308,128 for the period September 1, 2021 through December 31, 2023, as reported by the Company, detailed as follows:

Surplus as regards policyholders, as reported by the Company, as of August 31, 2021			$10,048,459
	Gains in Surplus	Losses in Surplus	
Net income	$308,128	$0	
Net increase in surplus			308,128
Surplus as regards policyholders, as reported by the Company, as of December 31, 2023			$10,356,587

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 $0 is the same as reported by the Company as of December 31, 2023. This is consistent with the intercompany pooling agreement the Company has in place with its parent, as discussed in Section 2C of this report, wherein the Company cedes 100% of its business to GNY. 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.

5. SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Respectfully submitted,

_____/S/_____
Justin Mathew
Financial Services Examiner 3

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 _____, 2025

APPOINTMENT NO. 32596

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:*

Justin Mathew

as a proper person to examine the affairs of the

Greater Midwestern Indemnity Company

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

COMPANY

with such other information as he shall deem requisite.

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

this 6th day of February, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Joan Riddell

Joan Riddell
Deputy Bureau Chief