REPORT ON EXAMINATION
OF
HARTWICK TOWN INSURANCE COMPANY

AS OF DECEMBER 31, 2024

EXAMINER: **SHEIK MOHAMED**
DATE OF REPORT: **APRIL 24, 2025**

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April 24, 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 32766 dated April 1, 2025, attached hereto, I have made an examination into the condition and affairs of Hartwick Town Insurance Company as of December 31, 2024, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate Hartwick Town 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 Hartwick Town Insurance Company, a single-state insurer. The previous examination was conducted as of December 31, 2023. This examination covered the one-year period from January 1, 2024, through December 31, 2024. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

This examination comprised a verification of assets and liabilities as of December 31, 2024. The examination included a review of income, disbursements and company records deemed necessary to accomplish such analysis or verification. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

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

Hartwick Town Insurance Company was organized under the laws of the State of New York on April 15, 1886, for the purpose of transacting business as an assessment cooperative fire insurance company in the Town of Hartwick, Otsego County, New York. The Company's current license, issued on March 2, 1998, authorizes the Company to transact business in Otsego County, New York.

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 nine members. The board meets four times during each calendar year. At December 31, 2024, the board of directors was comprised of the following eight members:

Name and Residence	Principal Business Affiliation
Bart Barown Milford, New York	Vice President, Hartwick Town Insurance Company
Jean Barry Milford, New York	Retired

Name and Residence	Principal Business Affiliation
Judith Brown Milford, New York	Secretary and Treasurer, Hartwick Town Insurance Company Certified Public Accountant, Judith Brown CPA PLLC
Michael Chase Cooperstown, New York	Logging and Excavation, MJ Chase
Donald Elliott Milford, New York	Retired
Fred D. Field Milford, New York	Contractor, Fred Field & Son Excavating
Orrin Higgins Jr. Hartwick, New York	Fiber Technician, Otsego Electric Cooperative, Inc.
Patrick McBrearty Milford, New York	President, Hartwick Town Insurance Company

As of December 31, 2024, the principal officers of the Company were as follows:

Name	Title
Patrick McBrearty	President
Judith Brown	Secretary and Treasurer
Bart Barown	Vice President

B. Territory and Plan of Operation

As of December 31, 2024, the Company was licensed to write business solely in New York.

As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

Paragraph	Line of Business
4	Fire
5	Miscellaneous property

Based upon the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13, 41 and 66 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of $100,000.

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

Calendar Year	Total Direct Premiums
2024	$6,010

The Company writes fire insurance for rural residences and farmers. With a decline in farms, the Company has seen an increase in its writings for mobile homes and small seasonal camps. The Company does not use agents or brokers.

C. Reinsurance Ceded

The Company did not assume or cede any reinsurance during the examination period.

D. Holding Company System

The Company is not a member of a holding company system as of December 31, 2024.

E. Significant Ratios

The Company's two-year overall operating ratio of 156.2%, computed as of December 31, 2024, falls outside the benchmark range set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners. The unusual value is due to a high expense ratio and a low return on investments.

Operating Ratios	Result
Net premiums written to policyholders' surplus	4.2%
Adjusted liabilities to liquid assets	3.2%
Two-year overall operating	156.2%

Underwriting Ratios

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

	Amounts	Ratios
Losses and loss adjustment expenses incurred	$ 0	0.00%
Other underwriting expenses incurred	5,247	84.85%
Net underwriting gain (loss)	937	15.15%
Premiums earned	$6,184	100.00%

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2024, as reported by the Company:

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$ 66,034	$0	$ 66,034
Cash, cash equivalents and short-term investments	80,238	0	80,238
Total assets	$146,272	$0	$146,272
Liabilities, surplus and other funds			
Liabilities			
Unearned premiums			$ 4,667
Fire fee			29
Total liabilities			$ 4,696
Surplus and other funds			
Minimum surplus to policyholders		$100,000	
Unassigned funds (surplus)		41,576	
Surplus as regards policyholders			$141,576
Total liabilities, surplus and other funds			$146,272

Note: The Company is exempt from filing income tax returns with the Internal Revenue Service.

B. Statement of Income

The net income for the examination period as reported by the Company was $6,302, as detailed below:

Underwriting Income		
Premiums earned		$6,184
Deductions:		
Other underwriting expenses incurred	$5,247	
Total underwriting deductions		5,247
Net underwriting gain or (loss)		$ 937
Investment Income		
Net investment income earned	$5,034	
Net realized capital gains (losses)	330	
Net investment gain or (loss)		5,364
Other Income		
New York State Department of Financial Services refund	$ 1	
Total other income		1
Net income before federal income taxes		$6,302
Federal and foreign income taxes incurred		0
Net income		$6,302

C. Capital and Surplus

Surplus as regards policyholders increased $6,266 during the one-year examination period January 1, 2023, through December 31, 2024, as reported by the Company, detailed as follows:

Surplus as regards policyholders as reported by the Company as of December 31, 2023			$135,310
	Gains in Surplus	Losses in Surplus	
Net income	$6,302	$ 0	
Net unrealized capital gains or (losses)	0	36	
Net increase (decrease) in surplus	$6,302	$36	$ 6,266
Surplus as regards policyholders as reported by the Company as of December 31, 2024			$141,576

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, 2024. There were no claims reported during the examination period.

5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained no comments or recommendations.

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

This report contains no comments or recommendations.

Respectfully submitted,

_____/S/_____
Sheik H. Mohamed
Associate Insurance Examiner

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

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

_____/S/_____
Sheik H. Mohamed

Subscribed and sworn to before me

this_____ day of _____, 2025.

APPOINTMENT NO. 32766

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:*

Sheik Mohamed

as a proper person to examine the affairs of the

Hartwick Town 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 1st day of April 2025

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Eileen Fox

Eileen Fox
Assistant Deputy Superintendent