REPORT ON EXAMINATION
OF
BELMONT INSURANCE COMPANY

AS OF DECEMBER 31, 2021

EXAMINER: **WEI CAO**
DATE OF REPORT: **JUNE 26, 2023**

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September 29, 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 32471 dated February 1, 2023, attached hereto, I have made an examination into the condition and affairs of Belmont 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 Belmont Insurance Company.

Wherever the designation "the Parent" appears herein without qualification, it should be understood to indicate SL Green Operating Partnership, LP.

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 examination covers the period from January 1, 2017, through December 31, 2021, and was limited in its scope to a review or audit of only those balance sheet items considered by this Department to require analysis. Transactions occurring subsequent to this period were review where deemed appropriate. The examination included a review of Company records deemed necessary to accomplish such analysis or verification. Additionally, a review was performed to determine whether the captive insurer was operating within its by-laws, conforming with its plan of operation, as submitted to the New York State Department of Financial Services, and was in compliance with Article 70 of the New York Insurance Law ("the Law").

Comments and recommendations are limited to those items requiring financial adjustment, procedural recommendations, or instances where the Company was not conforming to the application submitted to the Department or Article 70 of the Law.

The report utilized work performed by the Company's independent certified public accountant and its opining actuary to the extent considered appropriate.

2. DESCRIPTION OF COMPANY

The Company was incorporated under the laws of New York State as a captive insurance company on July 31, 2006, and commenced business on October 31, 2006. Initially, the Company was directly owned by SL Green Operating Partnership, LP., a Delaware limit partnership. Effective March 31, 2009, SL Green transferred 100% of its interest in the Company to a wholly-owned subsidiary, eEmerge, Inc.

The Company provides SL Green and its affiliates with terrorism coverage, including nuclear, biological, chemical, and radiological (NBCR). It also provides commercial general liability, commercial pollution legal liability, professional liability, employment practices liability, and flood insurance coverages.

On April 7, 2017, Belmont Insurance Company formed a limited liability company and became the sole member of 520 WPR Funding LLC. On October 16, 2017, the Company formed a limited liability company and became the sole member of 125 Chubb II LLC. On October 12, 2018, the Company formed a limited liability company and became the sole member of 1231 Seller Funding LLC.

A. Article of Incorporation

The Company is organized to transact the kinds of insurance specified in Section 1113(a) of the New York Insurance Law, subject at all times to the limitations on the business of pure captive insurance companies set forth in Article 70 of the Law.

B. By-Laws

The examination found that the Company was in compliance with its by-laws in all material respects.

C. Capital Structure

As a pure captive insurance company incorporated as a stock insurer, the Company is required to maintain a total surplus as regards policyholders of not less than $250,000, of which $100,000 shall represent paid-in capital pursuant to the provisions of Section 7004(a)(1) of the Law.

As of December 31, 2021, the Company's paid-in capital was 12,161,529, consisting of 1,000 shares of common stock with a par value of one hundred dollar per share and an additional paid-in capital amount of $12,061,529. The Company had retained earnings of $84,363,975 for a total capital and surplus (surplus as regards policyholders) of $96,525,504.

D. Corporate Records

The corporate records reviewed appeared to be substantially accurate and complete in all material respects.

E. Operations

As of December 31, 2021, the Company provided the Parent and its subsidiaries with the following coverage:

- Commercial General & Product Liability with a limit of $125,000 per occurrence and $2 million in the aggregate. The policy covered the period from September 30, 2021, to September 30, 2022.
- Employment Practices Liability with a limit of $100,000 per occurrence. The policy covered the period from September 16, 2021, to September 16, 2022.
- Errors & Omissions coverage with a limit of $225,000 per occurrence. The policy covered the period from October 19, 2021, to October 19, 2022.

All policies include terrorism coverage for certified acts defined under the Terrorism Risk Insurance Acts of 2002 and its reauthorizations, including the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2007 and 2015. In 2021, coverage for certified acts of terrorism was $750 million per occurrence in excess of a $200 million threshold, while non-certified acts of terrorism coverage was $151 million per occurrence, also in excess of $200 million. The annual deductible was 20% of the insurer's direct earned premiums for covered lines from the prior calendar year. An aggregate cap $100 billion applies to all participating insurers . The 20% deductible not covered under TRIPRA is ceded to various reinsurers.

As of December 31, 2021, the Company provided NBCR terrorism coverage to the Parents and its subsidiaries. The limit of the coverage was $2,000,000,000 per occurrence. The coverage was backstopped by TRIPRA and its deductible was fully reinsured with Ticonderoga Insurance Company, an affiliate of the Parent.

During the period covered by the examination, the Company provided the Parent and its subsidiaries a five-year deductible reimbursement policy for Commercial Pollution Legal Liability. Effective July 10, 2019, the limit of the coverage was $475,000 per occurrence, in excess of a $25,000 self-insured retention. The Company also provided Builder's Risk coverage to the Parent and its subsidiaries, but the coverage expired and was not renewed as of December 31, 2020.

F. Management and Control

(i) Captive Manager

Section 7003(b)(4) of the Law provides that no captive insurer shall do any captive insurance business in this State unless it utilizes a captive manager resident in this State that is licensed as an agent or broker under the provisions of Article 21 of the Law, or any other person approved by the Superintendent.

During the period covered by this examination, the Company was managed by Willis of New York, Inc. ("Willis"), which is authorized to act as a manager for captive insurance companies by the Department.

Pursuant to a management agreement, effective March 4, 2016, Willis has the responsibility for providing the Company with underwriting, policyholder, claims, and other general management and operational services for a fee. These responsibilities include assisting the Company in complying with the rules, regulations and requirements of the Law, and maintaining true and complete books of account and records for all business conducted under this agreement. The agreement was amended on January 1, 2019, to reflect a new fee.

(ii) Board of Directors

Pursuant to its by-laws, management of the Company is vested in a board of directors consisting of at least three members, two of whom shall be residents of New York State. On December 31, 2021, the board of directors was comprised of the following three members:

Name and Residence	Principal Business Affiliation
Matthew J. DiLiberto Caldwell, NJ	Chief Financial Officer, SL Green Realty Corp.
Andrew Falk Scarsdale, NY	Senior Vice President, Asset Management, SL Green Realty Corp.
Andrew S. Levine Mamaroneck, NY	Chief Legal Officer, SL Green Realty Corp.

During the period covered by the examination, the board of directors met once each year. A review of the meeting minutes indicated that they were all well attended.

(iii) Officers

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

Name	Title
Marc Holliday	President
Andrew Mathias	Vice President
Andrew S. Levine	Secretary
Matthew J. DiLiberto	Treasurer

G. Certified Public Accountant

Crowe LLP ("Crowe") was the Company's independent certified public accounting firm for the period covered by the examination. Crowe stated that the Company's audited financial statements, in their opinion, presented fairly, in all material respects, the financial position of the Company as of December 31, 2021, and that the results of its operations and its cash flows for the year then ended was presented in accordance with accounting principles generally accepted in the United States of America.

3. FINANCIAL STATEMENTS

A. Balance Sheet

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America.

Assets		
Cash and cash equivalents	$44,862,589	
Investments	24,105,930	
Premium receivable	3,970,896	
Mortgage loan receivable	10,009,453	
Notes receivable	25,000,000	
Prepaid reinsurance	576,973	
Other assets	357,905	
Total assets		$108,883,746
Liabilities		
Unearned premiums	$4,076,167	
Unpaid losses and loss adjustment expenses	2,930,488	
Reinsurance payable	4,757,500	
Income tax payable	531,200	
Accounts payable and accrued expenses	62,887	
Total liabilities		$12,358,242
Capital and Surplus		
Common stock	$100,000	
Additional paid-in capital	12,061,529	
Retained earnings	84,363,975	
Total capital and surplus		96,525,504
Total liabilities, capital and surplus		$108,883,746

B. Statement of Income

The Company's net income for the period covered by the examination was $31,645,071, as detailed below:

Underwriting Income		
Premiums earned		$23,333,611
Deductions:		
Losses and loss adjustment expenses incurred	$1,259,773	
General and administrative	2,171,798	
Other underwriting expenses	718,114	
Total underwriting deductions		4,149,685
Total underwriting income		19,183,926
Investment income		
Investment income	16,221,275	
Total investment income		16,221,275
Total income before taxes		35,405,201
Income tax expenses		3,760,130
Net income		$31,645,071

C. Capital and Surplus Account

The Company's capital and surplus increased $35,613,256 during the period covered by this examination, detailed as follows:

Capital and surplus as of January 1, 2017			$60,912,248
	Increases in surplus	Decreases in surplus	
Net income	$31,645,071	$0	
Contributed capital	3,961,529		
Other comprehensive income	6,656		
Total increases and decreases in surplus	$35,613,256	$0	
Net increase in surplus			35,613,256
Capital and surplus as of December 31, 2021			$96,525,504

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

As of December 31, 2021, the Company reported total losses and loss adjustment expense reserves of $2,930,488. The Company's opining actuarial firm, Milliman Inc. noted in its Statement of Actuarial Opinion that, in its opinion, the reported statutory reserves were computed in accordance with actuarial standards of practice promulgated by the Actuarial Standards Board and met the requirement of the captive insurance laws of the State of New York. It was also noted that a reasonable provision for all unpaid losses and loss adjustment expense obligations of the Company had been made under the terms of its contracts and agreements.

5. ARTICLE 70 COMPLIANCE

Article 70 of the New York State Insurance Law is the governing section of the law for the formation and continued operation of captive insurers in New York State. A review was performed to test the Company's compliance with all applicable parts of Article 70. No significant areas of non-compliance were found.

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations in this report.

Respectfully submitted,

/S/
Wei Cao
Senior Insurance Examiner

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

WEI CAO, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

/S/
Wei Cao

Subscribed and sworn to before me

this_____ day of _____, 2025.

APPOINTMENT NO. 32471

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:*

Wei Cao

as a proper person to examine the affairs of the

Belmont Insurance Company

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

COMPANY

with such other information as she 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 February, 2023

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Joan Riddell

Joan Riddell
Deputy Bureau Chief