REPORT ON EXAMINATION
OF
ECCLESIA ASSURANCE COMPANY

AS OF DECEMBER 31, 2019

EXAMINER: **WEI CAO**
DATE OF REPORT: **OCTOBER 13, 2020**

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April 17, 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 32123 dated August 12, 2020, attached hereto, I have made an examination into the condition and affairs of Ecclesia Assurance Company as of December 31, 2019, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate Ecclesia Assurance Company.

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

Due to the outbreak of a novel coronavirus ("COVID-19") pandemic, the examination was conducted remotely.

1. SCOPE OF EXAMINATION

The examination covers the period from January 1, 2015, through December 31, 2019, 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 reviewed 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

Ecclesia Assurance Company was incorporated under the laws of the State of New York on December 10, 2003, and commenced business on March 8, 2004. The Company is a wholly owned subsidiary of the Roman Catholic Diocese of Rockville Centre ("the Diocese") and provides various property and casualty insurance coverages to the Diocese and certain related entities.

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, 2019, the Company's paid-in capital was $3,000,000, consisting of 100,000 shares of common stock with a par value of $1 per share and an additional paid-in capital amount of $2,900,000. The Company had retained earnings of $27,078,252 for a total capital and surplus (surplus as regards policyholders) of $30,078,252.

D. Corporate Records

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

E. Operations

During the period covered by this examination, the Company provided the Diocese and some of its related entities with primary property and excess property insurance protection. A portion of this coverage was reinsured with various reinsurers, including some not authorized to do business in New York. While the resulting reinsurance recoverable asset due from unauthorized reinsurers was not material, the Company's reporting was not in compliance with Section 1301(a)(9)(iii) of the Law. Section 1301(a)(9)(iii) provides that reinsurance recoverable from an unauthorized reinsurer must be adequately collateralized to be recognized as an admitted asset. The Company did not establish collateral as security for the receipt of this recoverable, but no examination change was made because it was not material.

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 Marsh Management Services, Inc. ("Marsh"), which is authorized to act as a manager for captive insurance companies by the Department.

Pursuant to a management agreement, effective May 1, 2012, Marsh has the responsibility for providing the Company with administrative 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 the preparation of the annual financial report required by the Department.

(ii) Board of Directors

Pursuant to the Company's by-laws, its business and affairs shall be managed under the direction of the board of directors. The number of directors shall not be less than three members, two of whom shall be residents of New York State. On December 31, 2019, the board of directors was comprised of the following three members:

Name and Residence	Principal Business Affiliation
Eric Robert Fasano Rockville Centre, NY	Vicar General, Diocese of Rockville Centre
John Joseph McCartney Rockville Centre, NY	Secretary to the Bishop and Co-Chancellor, Diocese of Rockville Centre
Richard John Joseph Sullivan Jr. Babylon, NY	President and Chief Executive Officer, CM &F Group, Inc.

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

(iii) Officers

As of December 31, 2019, the principal officers of the Company were as follows:

Name	Title
Eric Robert Fasano	President
William Gerald Chapin	Vice President
Joseph Young	Vice President
Thomas Doodian	Vice President
John McCartney	Secretary & Treasurer
Maureen Falanga	Assistant Treasurer

G. Certified Public Accountant

Crowe LLP was the Company's independent certified public accounting firm for the period covered by the examination. Crowe LLP stated in their opinion that the Company's financial statements present fairly, in all material respects, the financial position of Ecclesia Assurance Company as of December 31, 2019, and the results of its operation and its cash flows for the year then ended in accordance with accounting principles general 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	$18,814,044	
Investment	24,629,593	
Premium receivable	5,596,070	
Reinsurance recoverable on paid losses	129,988	
Reinsurance recoverable on unpaid losses	4,599,509	
Prepaid expenses	30,355	
Prepaid reinsurance	1,092,071	
Deferred policy acquisition costs	35,197	
Total assets		$54,926,827
Liabilities		
Unpaid losses and loss adjustment expenses	$15,801,884	
Unearned premium	8,799,144	
Loss payable	140,640	
Accrued expenses	106,907	
Total liabilities		$24,848,575
Capital and Surplus		
Common stock	$100,000	
Additional paid-in capital	2,900,000	
Retained earnings	27,078,252	
Total capital and surplus		$30,078,252
Total liabilities, capital and surplus		$54,926,827

B. Statement of Income

The Company's net income for the period covered by the examination was $8,571,764, as detailed below:

Underwriting Income		
Premiums earned		$13,238,359
Deductions		
General and administrative expenses	$2,167,593	
Loss and loss adjustment expenses	7,477,995	
Underwriting expenses	323,860	
Total underwriting deductions		9,969,448
Total underwriting income		3,268,911
Net gain on investment in Catholic United Investment Trust		2,718,795
Interest and dividend income		2,584,058
Total investment income		5,302,853
Net Income		$8,571,764

C. Capital and Surplus Account

The Company's capital and surplus increased $8,571,764 during the period covered by this examination, detailed as follows:

Capital and surplus as of January 1, 2015			$21,506,488
	Increase in surplus	Decrease in surplus	
Net income	$8,571,764	$0	
Net increase in surplus			8,571,764
Capital and surplus as of December 31, 2019			$30,078,252

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

As of December 31, 2019, the Company reported total losses and loss adjustment expense reserves of $15,801,884. The Company's opining actuarial firm, Actuarial & Technical Solutions, Inc., noted in its Statement of Actuarial Opinion that, in its opinion, the reported statutory reserves were consistent with reserves computed in accordance with Standards of Practice issued by the Actuarial Standards Board. It was also noted that a reasonable provision for all unpaid loss and ALAE 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 Insurance Law governs the formation and continued operation of captive insurers licensed in New York State. A review of the Company's compliance with Article 70 was performed for the period covered by this examination. The review included an evaluation of the Company's annual filing pursuant to Section 7006(c) of the Law. The filing provides evidence that the industrial insured or member of the industrial insured group owning the captive insurance company continues to maintain a net worth of more than one hundred million dollars. No material areas of non-compliance with Article 70 were found.

6. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared an outbreak of a novel coronavirus ("COVID-19") pandemic. The pandemic presented significant uncertainty to the U.S. and global insurance and reinsurance industry, with the full effect of COVID-19 still unknown. The Department has been in communication with the Company regarding the impact of COVID-19 on its operations and financial position.

7. 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. 32123

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, ***Linda A. Lacewell****, 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

Ecclesia Assurance 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 12th day of August, 2020

LINDA A. LACEWELL
Superintendent of Financial Services

By: Joan L. Riddell

Joan Riddell
Deputy Bureau Chief