REPORT ON EXAMINATION
OF
GRAPHIC ARTS MUTUAL INSURANCE COMPANY

AS OF

DECEMBER 31, 2024

EXAMINER: MARC MOYER, CFE
DATE OF REPORT: MARCH 24, 2026

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March 24, 2026

Honorable Kaitlin Asrow
Acting 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 32727 dated December 17, 2024, attached hereto, I have made an examination into the condition and affairs of Graphic Arts Mutual 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 Graphic Arts Mutual 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 Graphic Arts Mutual Insurance Company, a multi-state insurer. The previous examination was conducted as of December 31, 2019. This examination covered the five-year period from January 1, 2020 through December 31, 2024. Transactions occurring subsequent to this period were reviewed when deemed appropriate by the examiner.

New York was the lead state of the Utica National Insurance Group ("Group"). The examination was performed concurrently with the examinations of the following entities:

Company	State of Domicile
Founders Insurance Company	Illinois
Founders Insurance Company of Michigan	Michigan
Utica Mutual Insurance Company	New York
Republic–Franklin Insurance Company	Ohio
Utica Lloyds of Texas	Texas
Utica National Assurance Company	New York
Utica National Insurance Company of Ohio	Ohio
Utica National Insurance Company of Texas	Texas
Utica Specialty Risk Insurance Company	Texas

Other states participating in this examination were Illinois, Michigan, Ohio and Texas.

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

A review was also made to ascertain what action was taken by the Company regarding the 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

Graphic Arts Mutual Insurance Company was incorporated under the laws of the State of New York on April 20, 1914, as the New York Printers and Bookbinders Mutual Insurance Company. Effective September 1, 1959, the current name was adopted. It became licensed and commenced business on June 18, 1914.

In 1967, the Company entered into an agreement with Utica Mutual Insurance Company ("UMIC") providing for common management of the two companies. Since 1969, the Company has pooled premiums, losses and expenses with UMIC through a reinsurance pooling agreement.

In 1983, the Company purchased 6% of the outstanding shares of the Republic-Franklin Insurance Company ("RFIC") of Columbus, Ohio from UMIC. Effective January 1, 1984, RFIC was made party to the aforementioned pooling agreement.

A. Corporate Governance

Pursuant to the Company's charter, management of the Company is vested in a board of directors consisting of not less than seven nor more than 31 members. During the examination period, the board met at least 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
Russell A. Acevedo, M.D. New York	Medical Director of Intensive Care, Crouse Hospital

Name and Residence	Principal Business Affiliation
Richard P. Creedon Florida	Chairman of the Board, Utica National Insurance Group
Gregory M. Harden New York	Retired
Zelda J. Holcomb, Ph.D. Maryland	Retired
Kristen H. Martin New York	President and Chief Executive Officer, Utica National Insurance Group
Timothy R. Reed New York	Retired
Linda E. Romano, Esq. Florida	Attorney at Law, Bond, Schoeneck & King, PLLC
Eric K. Scholl New Hampshire	Retired

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

Name	Title
Richard P. Creedon	Chairman of the Board
Kristen H. Martin	President and Chief Executive Officer
Elizabeth M. Miller	Senior Vice President, Chief Financial Officer and Treasurer
Louisa S. Ruffine	Secretary

B. Territory and Plan of Operation

As of December 31, 2024, the Company was licensed to write business in 29 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

Paragraph	Line of Business
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
24	Credit unemployment
26(A)(B)(C)(D)	Gap
27	Prize indemnification
28	Service contract reimbursement
29	Legal services insurance

The Company is also licensed to conduct the business of special risk insurance pursuant to Article 63 of the New York Insurance Law.

Based upon the lines of business for which the Company is licensed 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 $5,750,000. However, pursuant to Section 6302(c)(1) of the New York Insurance Law, 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; therefore, the Company was required to maintain a minimum surplus to policyholders in the amount of $26,953,563 as of December 31, 2024.

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

Calendar Year	Direct Premiums	Assumed Premiums	Total Gross Premiums
2020	$165,714,722	$59,640,843	$225,355,565
2021	$180,769,585	$65,735,916	$246,505,501
2022	$221,160,529	$72,668,521	$293,829,050
2023	$245,565,349	$78,003,340	$323,568,689
2024	$288,013,110	$85,997,188	$374,010,298

As of December 31, 2024, the Company utilizes independent agents to produce and distribute most of its business. Brokers produced less than 10% of total business.

The following lines of business represent the largest lines written by the Company (by percentage of total 2024 direct premiums): commercial multiple peril, other commercial auto liability, workers compensation, other liability-occurrence and commercial auto physical damage, which account for 40.0%, 20.8%, 16.2%, 7.9% and 6.3%, respectively. Other liability – occurrence includes umbrella personal, other liability bodily injury, other liability umbrella commercial, other liability property damage, and liquor liability. The Company produced a majority of its 2024 direct written premiums in the following states: New York (37.8%), New Jersey (9.7%), Pennsylvania (8.2%), Georgia (6.8%) and Massachusetts (6.2%).

Assumed premiums are due to the Company's participation in the inter-company pooling agreement, further discussed below.

C. Reinsurance Ceded

UMIC is the lead company in an inter-company reinsurance pooling agreement with the Company and four other affiliates ("pool members"). The pool members cede 100% of their written premiums to UMIC, and then UMIC retrocedes 16% of the pooled premiums, net of external reinsurance, to the pool members. As of December 31, 2024, the pooling percentages are as follows:

Utica Mutual Insurance Company (pool leader)	84%
Graphic Arts Mutual Insurance Company	**5%**
Founders Insurance Company	5%
Republic–Franklin Insurance Company	3%
Utica National Assurance Company	2%
Utica National Insurance Company of Texas	1%

Under the present agreement, all transactions and items related to the insurance and/or general operations of the companies are pooled. The only major items that remain exempt are those related to investments and inter-company accounts.

At December 31, 2024, all losses and premiums written by three other affiliates, namely, Utica Specialty Risk Insurance Company ("USRIC"), Utica Lloyds of Texas ("ULOT"), and Utica National Insurance Company of Ohio ("UNICO"), are ceded 100% to UMIC and are shared with the pool members in accordance with the above-mentioned pooling percentages.

The Group's 2024 reinsurance program included the following coverages:

Treaty Type	Cession
Property Per Risk 4 layers	a) $7,000,000 in excess of $3,000,000 with 6 reinstatements. 77.5% placed b) $7,500,000 in excess of $2,500,000 with 6 reinstatements. 22.5% placed
	The Company retains the remaining 77.5% of $500,000 in excess of $2,500,000.
	$15,000,000 in excess of $10,000,000 with 2 reinstatements
	$25,000,000 in excess of $25,000,000 with 2 reinstatements
Property Catastrophe 5 layers	$125,000,000 in excess of $75,000,000 with 1 reinstatement
	$200,000,000 in excess of $200,000,000 with 1 reinstatement
	$300,000,000 in excess of $400,000,000 with 1 reinstatement
	$100,000,000 in excess of $700,000,000 with 1 reinstatement
	$20,000,000 in excess of $800,000,000 with 1 reinstatement
Casualty 4 layers	$5,000,000 in excess of $5,000,000 with 1 reinstatement
	$10,000,000 in excess of $10,000,000 with 1 reinstatement

Treaty Type	Cession
	$20,000,000 in excess of $20,000,000 with 1 reinstatement $60,000,000 in excess of $40,000,000 with 1 reinstatement
Agents E&O Excess Cessions Treaty	100% coverage of $10,000,000 excess $5,000,000
School Umbrella Treaty	Company retains 66% of the first $5,000,000; 10% of the $5,000,000 excess $5,000,000; 10% of the $5,000,000 excess $10,000,000
CyberSurance Treaty	100% cyber liability up to $2,000,000
Commercial Umbrella Automatic Treaty	Company retains first $5,000,000, 100% of the $5,000,000 excess $5,000,000
Personal Umbrella Automatic	25%/75% quota share first $1,000,000, 100% $4,000,000 excess of $1,000,000
School Property Facultative Automatic	For losses $50,000,000 to $125,000,000
Property Facultative Automatic	For losses $50,000,000 and covering losses $75,000,000 or $90,000,000 depending on class of business
Commercial Equipment Breakdown	100% with coverage to $100,000,000
Homeowner Equipment Breakdown	100% with coverage to $100,000
Cyber Suite	100% with coverage to $1,000,000

Approximately 97% of the ceded business went to authorized reinsurers. It is the Company's policy to obtain the appropriate collateral for its cessions to unauthorized reinsurers.

Reinsurance agreements with affiliates were reviewed for compliance with Article 15 of the New York Insurance Law.

All significant ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

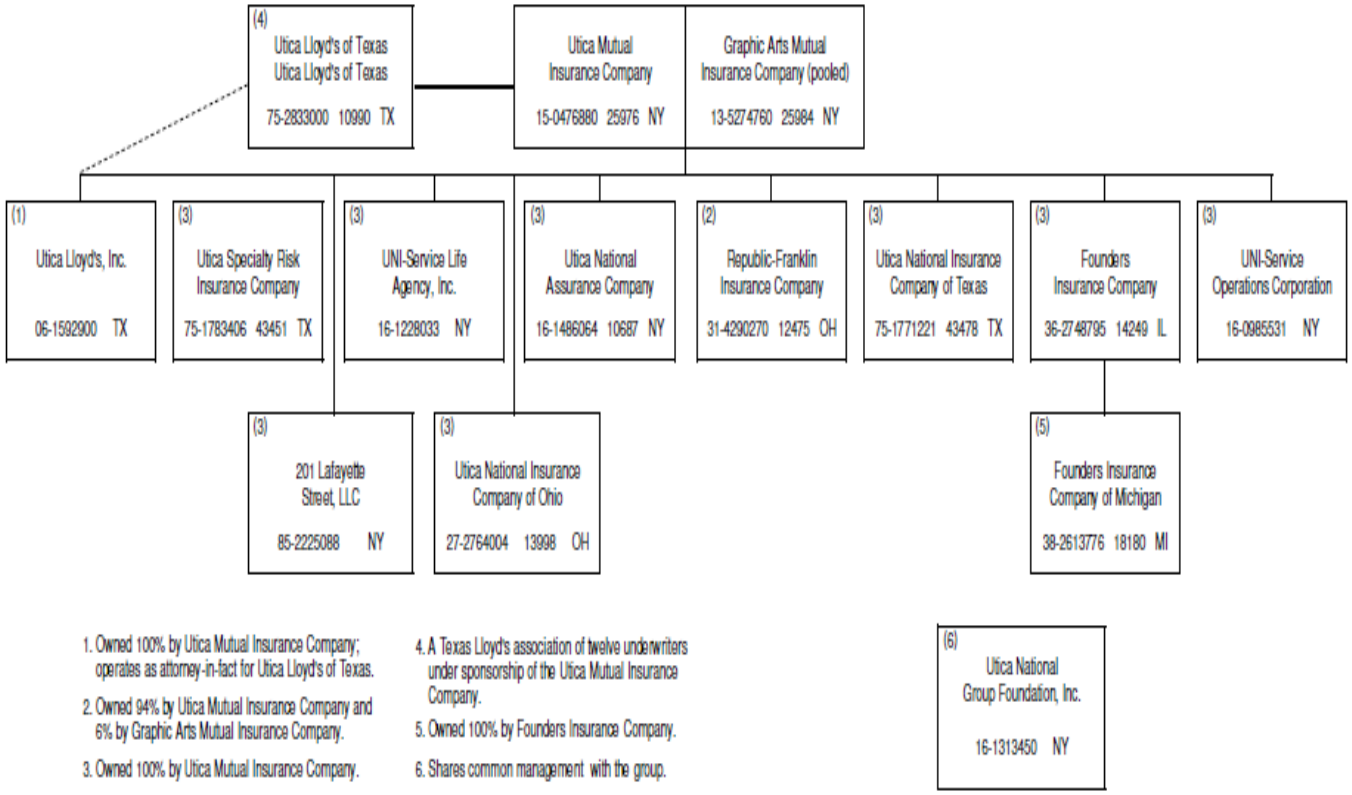
Examination review found that the Schedule F data reported by the Company in its filed annual statement accurately reflected its reinsurance transactions. Additionally, management has stated that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in the NAIC Accounting Practices and Procedures Manual, SSAP No. 62R. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's Chief Executive Officer and Chief Financial Officer pursuant to the NAIC annual statement instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62R.

D. Affiliated Group

The Company is a member of the various companies that operate under the trade name Utica National Insurance Group.

Pursuant to Section 1502(a) of the New York Insurance Law, the Company is exempt from the filing requirements of Article 15. However, pursuant to Department Circular Letter No. 10 (2010), domestic insurers are required to file with the superintendent copies of the insurance holding company system annual registration statement ("NAIC Form B") filed in another state by the insurer or its parent authorized insurer, and any amendments thereto, at the same time that the insurer files the statement and any amendments with another state. If an insurer is not required to file the NAIC Form B in another state, then the insurer should file the information contained in NAIC Form B with the Department within 120 days following the close of the ultimate holding company's fiscal year. The Company is noted to have made the required filings in a timely manner during the period covered by the examination.

The following is an abridged organizational chart outlining the relationship between members of the affiliated group at December 31, 2024:



At December 31, 2024, the Company was party to the following related party agreement:

Common Management Agreement

This agreement became effective August 1, 1967, between the Company and UMIC. The agreement delegates to the president of UMIC the responsibility for the common management of both companies.

The agreement may be terminated by action of the board of directors of either party, but no such termination shall be effective until at least one year after notice thereof is given to the other party.

After the effective date of this agreement, all officers, employees and personnel, with the exception of the Company's Chairman of the Board and the Company's Board of Directors, shall become and thereafter be deemed to be employees of UMIC. The allocation of expenses of the consolidated functions of UMIC and the Company shall be reasonable, fair and equitable, and shall be satisfactory to and meet any requirements of the Department.

E. Significant Ratios

The Company's operating ratios, computed as of December 31, 2024, fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the NAIC.

Operating Ratios	Result
Net premiums written to policyholders' surplus	88%
Adjusted liabilities to liquid assets	73%
Two-year overall operating	90%

Underwriting Ratios

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

	Amount	Ratio
Losses and loss adjustment expenses incurred	$220,459,311	63.66%
Other underwriting expenses incurred	115,460,125	33.35%
Net underwriting gain	10,336,228	2 .99%
Premiums earned	$346,255,664	100.00%

The Company's reported risk-based capital ("RBC") score was 858.1% at December 31, 2024. 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. There were no financial adjustments in this report that impacted on the Company's RBC score.

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	$190,737,464	$ 0	$190,737,464
Common stocks (stocks)	13,994,864	0	13,994,864
Cash, cash equivalents and short-term investments	4,694,706	0	4,694,706
Other invested assets	479,313	0	479,313
Investment income due and accrued	1,500,976	0	1,500,976
Uncollected premiums and agents' balances in the course of collection	29,228,390	384,802	28,843,587
Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,767,220	43,360	1,723,860
Amounts recoverable from reinsurers	737,868	0	737,868
Current federal and foreign income tax recoverable and interest thereon	76,622	0	76,622
Net deferred tax asset	1,905,277	0	1,905,277
Guaranty funds receivable or on deposit	139,817	0	139,817
Electronic data processing equipment and software	65,988	0	65,988
Furniture and equipment, including health care delivery assets	220,061	220,061	0
Receivables from parent, subsidiaries and affiliates	2,980,341	0	2,980,341
Accounts receivable – other	821,273	0	821,273
Equities and deposits in pools and associations	301,347	6,426	294,921
Miscellaneous office equipment	376,485	376,485	0
Prepaid expenses	1,314,995	1,314,995	0
Total assets	$251,343,007	$2,346,130	$248,996,877

Liabilities, Surplus and Other Funds

Liabilities

Losses and loss adjustment expenses		$ 98,353,733
Commissions payable, contingent commissions and other similar charges		3,198,240
Other expenses (excluding taxes, licenses and fees)		2,603,136
Current federal and foreign income taxes		198,512
Unearned premiums		43,786,799
Advance premium		327,002
Policyholders (dividends declared and unpaid)		238,651
Ceded reinsurance premiums payable (net of ceding commissions)		926,676
Funds held by company under reinsurance treaties		3,657
Amounts withheld or retained by company for account of others		1,207,039
Provision for reinsurance		246,437
Payable for securities		397
Contingent balances in safety groups		31,850
Liability for pension benefits		(231,406)
Miscellaneous accounts payable		484,030
Total liabilities		$151,374,755

Surplus and Other Funds

Special contingent surplus	$ 1,700,000	
Unassigned funds (surplus)	95,922,122	
Surplus as regards policyholders		$ 97,622,122
Total liabilities, surplus and other funds		$248,996,877

Note: The Internal Revenue Service did not audit any of the Company's federal income tax returns during the period under examination. 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 $26,548,219, as detailed below:

Underwriting Income		
Premiums earned		$346,255,664
Deductions:		
Losses and loss adjustment expenses incurred	$220,459,311	
Other underwriting expenses incurred	115,460,125	
Total underwriting deductions		335,919,436
Net underwriting gain or (loss)		$ 10,336,228
Investment Income		
Net investment income earned	$ 25,876,780	
Net realized capital gain	1,045,177	
Net investment gain or (loss)		$ 26,921,957
Other Income		
Net gain or (loss) from agents' or premium balances charged off	$ (855,665)	
Finance and service charges not included in premiums	2,258,872	
Gain/loss on sale of assets	215	
Miscellaneous income	(2,074,039)	
Total other income		(670,617)
Net income before dividends to policyholders and before federal and foreign income taxes		$ 36,587,568
Dividends to policyholders		2,340,300
Net income after dividends to policyholders but before federal and foreign income taxes		$ 34,247,268
Federal and foreign income taxes incurred		7,699,049
Net income		$ 26,548,219

C. Capital and Surplus

Surplus as regards policyholders increased $28,858,669 during the five-year examination period January 1, 2020, 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, 2019			$68,763,453
	Gains in Surplus	Losses in Surplus	
Net income	$26,548,219		
Net unrealized capital gains or (losses)	2,544,635		
Change in net deferred income tax	1,142,982		
Change in non-admitted assets	946,316		
Change in provision for reinsurance	20,207		
Contingent balance in safety groups		$ 12,000	
Pension benefit obligation		156,944	
Pension expense	0	2,174,746	
Total gains and losses	$31,202,359	$2,343,690	
Net increase (decrease) in surplus			28,858,669
Surplus as regards policyholders as reported by the Company as of December 31, 2024			$97,622,122

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

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of $98,353,733 is the same as reported by the Company as of December 31, 2024. 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. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

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

ITEM		PAGE NO.
A.	Accounts and Records	
i.	It was recommended that the Company establish procedures to ensure that its engagement letters with its appointed CPA firm include all language required by Regulation 118, Sections 89.4 (b), 89.8 (a), and 89.11.	11
	The Company has complied with this recommendation	
ii.	It was recommended that the Company establish procedures to ensure compliance with Section 4110(a) of the New York Insurance Law.	12
	The Company has complied with this recommendation.	

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Respectfully submitted,

_____/S/_____
Marc Moyer, CFE
Examiner-In-Charge

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

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

_____/S/_____
Marc Moyer

Subscribed and sworn to before me

this_____ day of_____, 2026

APPOINTMENT NO. 32727

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:*

Marc Moyer

as a proper person to examine the affairs of the

Graphic Art Mutual 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 17th day of December 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Eileen Fox

Eileen Fox
Assistant Deputy Superintendent