

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
**Sagamore Insurance Company** )  
**111 Congressional Boulevard, Suite 500** )  
**Carmel, Indiana 46032** )

Examination of: **Sagamore Insurance Company**

**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Sagamore Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Sagamore Insurance Company, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 27, 2024 \_\_\_\_\_  
Date Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7021**

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**Carmel, Indiana 46032** )

Examination of: **Sagamore Insurance Company**

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Sagamore Insurance Company (hereinafter “Company”) for the time period January 1, 2022 through December 31, 2022.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 15, 2024.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 6, 2024 and was received by the Company on June 10, 2024.

On June 25, 2024 pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2022.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 27 day of  
June, 2024.



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Amy L. Beard  
Insurance Commissioner

## ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

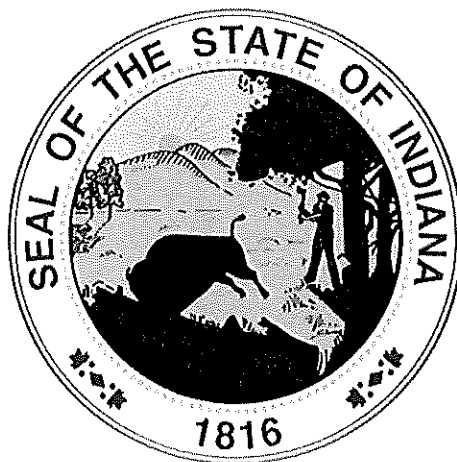
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**SAGAMORE INSURANCE COMPANY**  
NAIC Co. CODE 40460  
NAIC GROUP CODE 0155

As of

December 31, 2022



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# STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

**Indiana Department of Insurance**

Amy L. Beard, Commissioner  
311 W. Washington Street, Suite 103  
Indianapolis, Indiana 46204-2787  
Telephone: 317-232-2385  
Fax: 317-234-2103  
Website: [in.gov/idoi](http://in.gov/idoi)

May 15, 2024

Honorable Amy L. Beard, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4147, an examination has been made of the affairs and financial condition of:

**Sagamore Insurance Company**  
**111 Congressional Boulevard, Suite 500**  
**Carmel, Indiana 46032**

hereinafter referred to as the "Company", or "SIC", an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate office in Carmel, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2022, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES	COMPANY COMPLIANCE	CONSUMER SERVICES	FINANCIAL SERVICES	MEDICAL MALPRACTICE	COMPANY RECORDS	STATE HEALTH INSURANCE PROGRAM
317-232-2389	317-232-3495	317-232-2395/1-800-622-4461	317-232-2390	317-232-5253	317-232-2383	1-800-452-4800

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2017, through December 31, 2021. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2022, through December 31, 2022, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the Ohio domestic insurance companies of The Progressive Corporation (TPC) was called by the Ohio Department of Insurance (OHDOI) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The OHDOI served as the lead state on the examination, and the INDOI and the state insurance departments representing Florida, Illinois, Louisiana, Michigan, New Jersey, New York, Texas, and Wisconsin served as participants.

Robert Daniel, ACAS, MAAA, and Mark Davenport, ACAS, MAAA of Merlinos & Associates, Inc., provided actuarial services throughout the examination and conducted a review of the Company's actuarial related risks as of December 31, 2022.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## HISTORY

SIC was incorporated on December 15, 1981. The Company was a subsidiary of Baldwin & Lyons, Inc. (B&L), a publicly traded company formed in 1930. SIC specializes in underwriting cargo, commercial auto, physical damage, and workers' compensation liability lines of insurance.

On December 15, 1985, B&L contributed the stock of SIC to Protective Insurance Company (PIC) and SIC became a wholly owned subsidiary of PIC. Effective August 1, 2018, B&L changed its name to Protective Insurance Corporation (Protective Corp).

On June 1, 2021, TPC acquired Protective Corp resulting in TPC being the ultimate parent of Protective Corp, PIC, Protective Specialty Insurance Company (PSIC), and SIC.



## CAPITAL AND SURPLUS

As of December 31, 2022, the Company had 75,000 common shares authorized, issued, and outstanding, with a par value of \$100 each. SIC has no preferred stock authorized, issued, or outstanding. All issued and outstanding common shares have been owned by PIC throughout the examination period.

## DIVIDENDS TO STOCKHOLDERS

The Company paid no dividends during the examination period. In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year.

## TERRITORY AND PLAN OF OPERATION

SIC is licensed in forty-nine (49) states, the District of Columbia, and is registered as a surplus lines writer in the state of Florida. The Company currently writes cargo, fleet truck liability, physical damage, and workers' compensation in forty-six (46) states, and customized product business to specific markets through a partnership with a program administrator in twenty-eight (28) states.

In 2022, the Company's largest three (3) states with regards to direct premiums written were New York, with 32% Georgia with 6.8% and California with 6.5% of total written premiums. No other state made up over 7% of direct writings in 2022.

The Company's small fleet trucking program and workers' compensation coverage is marketed through independent agents.

## GROWTH OF THE COMPANY

The following table summarizes the financial results of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Surplus and Other Funds</u>	<u>Premiums Earned</u>	<u>Net Income</u>
2022	\$ 219,923,146	\$ 60,105,065	\$ 159,818,081	\$ 21,298,450	\$ 3,124,986

## MANAGEMENT AND CONTROL

### Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than seven (7) and no more than twelve (12) directors. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board. It was determined that during the May 2022 Shareholder meeting seven (7) directors were elected but only six (6) were reported on the 2022 Annual Statement Jurat page. See Other Significant Issues section of this Report of Examination.

The following is a listing of persons serving as directors as of December 31, 2022, and their principal occupations as of that date:

Name and Address	Principal Occupation
Jeremy F. Goldstein Indianapolis, Indiana	Executive Vice President, Claims The Progressive Corporation
Michael J. Miller Rocky River, Ohio	Chairman, President, Chief Executive Officer and Chief Operating Officer The Progressive Corporation
Matthew F. Moore Sheridan, Indiana	Chief Financial Officer The Progressive Corporation
Patrick S. Schmiedt Indianapolis, Indiana	Senior Vice President, Underwriting The Progressive Corporation
Matthew A. Thompson Fishers, Indiana	Executive Vice President, Sales and Marketing The Progressive Corporation
Sally B. Wignall Indianapolis, Indiana	Vice President, General Counsel and Secretary The Progressive Corporation

Note – the titles listed above are considered each person’s title for SIC and would not be accurate titles for TPC.

### Officers

The Bylaws state that the elected officers of the Company shall consist of a Chairman, a Chief Executive Officer, a Chief Operating Officer, a President, one (1) or more Executive Vice Presidents, one (1) or more Senior Vice Presidents, one (1) or more Vice Presidents, a Secretary, a Treasurer, and such assistant officers as the Board shall designate. Any two (2) or more offices may be held by the same person, except that the duties of the President and Secretary shall not be performed by the same person. Each officer (other than assistant officers) of the corporation shall be elected annually by the Board at its annual meeting and shall hold office for a term of one (1) year.

The following is a list of key officers and their respective titles as of December 31, 2022:

Name	Office
Michael J. Miller	Chairman, President, Chief Executive Officer and Chief Operating Officer
Jeremy F. Goldstein	Executive Vice President, Claims
William C. Reid	Executive Vice President, Programs
Matthew A. Thompson	Executive Vice President, Sales and Marketing
Sally B. Wignall	Vice President, General Counsel and Secretary
Ronald A. Goshen	Treasurer
Matthew F. Moore	Chief Financial Officer
Patrick S. Schmiedt	Senior Vice President, Underwriting

Note – the titles listed above are considered each person’s title for SIC and would not be accurate titles for TPC.

## CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2022.

## OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take, and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that not all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2022. See Other Significant Issues section of this Report of Examination.

## CORPORATE RECORDS

### Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

### Bylaws

There were no amendments made to the Bylaws during the examination period.

### Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws specify the date of the annual meeting of shareholders is to be held within four (4) months after the close of the fiscal year, namely, on the third Tuesday in April of each year or on such other date five (5) business days prior to or following this date as may be designated by the Board. For the year under review, the annual meeting of shareholders was held within five (5) months following the close of the fiscal year but was not in compliance with the Company's Bylaws regarding meeting dates. See the Other Significant Issues section of this Report of Examination.

## AFFILIATED COMPANIES

### Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2022:

	NAIC Co. Code	Domiciliary State/Country
The Progressive Corporation		OH
Progressive Commercial Holdings, Inc.		DE
Protective Insurance Corporation		IN
<b>Protective Insurance Company</b>	<b>12416</b>	<b>IN</b>
<b>Protective Specialty Insurance Company</b>	<b>13149</b>	<b>IN</b>
<b>Sagamore Insurance Company</b>	<b>40460</b>	<b>IN</b>
B&L Insurance LTD.		Bermuda
B&L Management, Inc.		DE
B&L Brokerage Services, Inc.		IN
Transport Specialty Insurance Agency, Inc.		MI
Progressive Direct Holdings, Inc.		DE
<b>Progressive Paloverde Insurance Company</b>	<b>44695</b>	<b>IN</b>
Progressive Agency Holdings, Inc.		DE
<b>Progressive Southeastern Insurance Company</b>	<b>38784</b>	<b>IN</b>
ARX Holding Corp.		DE
<b>ASI Select Insurance Corp.</b>	<b>14042</b>	<b>IN</b>

### Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

#### *Investment Services Agreement*

Effective June 1, 2021, the Company entered into an Investment Services Agreement with Progressive Capital Management Corporation (PCMC), a non-insurance affiliate. Under the terms of the agreement, the Company is provided investment and capital management services in exchange for an investment management fee based on its use of services. During 2022, SIC paid \$42.7 thousand to PCMC for these services.

#### *Allocation of Federal Taxes Agreement*

Effective June 1, 2021, SIC participates in an Allocation of Federal Income Taxes Agreement with TPC and all its eligible subsidiaries. The method of allocation between the companies is subject to written agreement and is jointly approved by an officer of TPC and of the Company. The tax liability allocated to any member of the TPC agreement shall not exceed the amount that such member would be liable for if it filed a separate income tax return. If a member of the TPC agreement has a net operating loss as determined on a separate return basis, the member will be reimbursed for such loss to the extent that the loss results in a reduction in the consolidated tax liability.

#### *Intercompany Expense Allocation Agreement*

Under an Amended and Restated Intercompany Expense Allocation Agreement dated January 1, 2014, Protective Corp serves as common paymaster for PIC, PSIC, and SIC and many other shared expenses paid by Protective Corp are allocated to each operating company subsidiary. In 2022, SIC paid Protective Corp \$1.7 million.

*Building Occupancy Expense Allocation Agreement*

PIC owns the home office building utilized by all members of the Protective Insurance Group companies. The Amended and Restated Intercompany Building Occupancy Expense Allocation Agreement dated January 1, 2014, allocates occupancy expenses to PSIC, SIC and Protective Corp and PSIC, SIC and Protective Corp remits to PIC within thirty (30) days following the end of each quarter, their respective share of allocated net occupancy expense for the home office as reflected on the invoices prepared by PIC. This agreement automatically renews and extends itself for additional terms of one (1) year extending from January 1 to December 31 on the same terms and conditions without the need to execute any other instrument or document. During 2022, SIC paid PIC \$313.9 thousand.

*Cash Management Agreement*

Effective December 1, 2021, SIC entered into a Cash Management Agreement with Progressive Casualty Insurance Company (PCIC), an affiliate TPC company, which has a central cash management system for the benefit of members of the TPC group of companies. PCIC provides cash management services to participating TPC companies and the participating companies pay or receive interest on their payable or receivable balances based on the prevailing U.S. Treasury Bill rate.

*Interest Agreement*

The Company became a participant, effective February 1, 2022, to the existing Interest Agreement with PCIC and members of the Progressive holding company system. Pursuant to the agreement, the Company agrees to pay PCIC or receive credit from PCIC for any balances owed to PCIC or owed by PCIC, as a result of the activity in the cashier account as stated in the Cash Management Agreement.

*Reinsurance Agreements*

See the Reinsurance section of this Report of Examination for further information regarding affiliated reinsurance agreements.

**FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Federal Insurance Company, a member of the Chubb Insurance Group. The bond has a single loss coverage limit of \$1 million, with an aggregate amount of \$2 million, and a \$10 million deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2022, including but not limited to, commercial property liability, general liability, management indemnity/directors and officers liability, umbrella coverage, and workers' compensation.

**PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS**

The Company does not have employees or payroll and as such, does not have legal obligations for employee benefit plans. Employees of other TPC entities provide management, operations, investment, and claims service under the agreements previously described in the Affiliated Agreement section of this Report of Examination.

## SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits as of December 31, 2022:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Arkansas	\$ 164,925	\$ 152,043
California	17,894,371	16,496,687
Delaware	113,386	104,530
Indiana	2,618,186	2,413,686
Ohio	257,695	237,568
All Other Special Deposits:		
Arizona	463,852	427,622
Georgia	103,078	95,027
Idaho	268,003	247,070
Massachusetts	195,849	180,551
Missouri	525,699	484,638
Nevada	329,850	304,086
New Hampshire	541,160	498,892
New Mexico	747,317	688,946
North Carolina	360,774	332,595
Oregon	1,365,786	1,259,108
Tennessee	118,540	109,281
Virginia	257,695	237,568
Total Deposits	<u>\$26,326,166</u>	<u>\$24,269,898</u>

## REINSURANCE

The Company has no intercompany pooling arrangements; however, the following intercompany reinsurance agreements are in place:

Under the Property/Casualty Excess of Loss Reinsurance Agreement dated January 1, 2016, PIC will indemnify SIC for certain losses and expenses. SIC ceded no premium to PIC under this agreement in 2022. SIC ceded \$13.4 million of losses and expenses to PIC related to this treaty in 2022.

Under an agreement effective January 15, 2003, SIC cedes certain excess of loss risks to PIC. During 2022, PIC incurred no losses or expenses from SIC under this agreement.

Under the Contingent Liability Quota Share Reinsurance Agreement dated October 1, 2010, PIC and SIC indemnify PSIC for certain losses and expenses. In 2022, no premiums were ceded by PSIC to PIC or SIC, and PSIC incurred no losses and expenses under this agreement.

Under the Commercial Quota Share Reinsurance Agreement dated March 14, 2009, SIC cedes certain risks to PSIC. No premium was ceded and no losses were incurred under this agreement in 2022.

Under the Professional Liability Quota Share Reinsurance Agreement dated December 1, 2009, PIC and SIC cede certain risks to PSIC. In 2022, PSIC incurred \$786.1 thousand in losses and expenses from PIC and no premiums were ceded to PSIC under this agreement.

### Ceded Reinsurance

SIC cedes portions of its gross premiums written to certain insurers using excess of loss, quota share, and facultative agreements for commercial automobile and workers' compensation business. These agreements principally provide SIC with the ability to offer the higher limits required by trucking company insureds.

### Assumed Reinsurance

SIC also assumes reinsurance voluntarily from other insurers using treaty arrangements and participates in certain reinsurance pools that require insurance companies to provide coverages on assigned risks. The assigned risk pools allocate participation to all insurers based upon each insurer's portion of the premium writings on a state or national level.

## ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended December 31, 2022 was agreed to the Annual Statement. The Annual Statement for the year ended December 31, 2022 was agreed to the independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

**FINANCIAL STATEMENTS**

SAGAMORE INSURANCE COMPANY

Assets

As of December 31, 2022

	<u>Per Examination*</u>
Bonds	\$ 190,058,648
Cash, cash equivalents and short-term investments	13,126,651
Receivable for securities	32,500
Subtotal, cash and invested assets	<u>203,217,799</u>
Investment income due and accrued	1,004,462
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	4,197,156
Deferred premiums, agents' balances and installments booked but deferred and not yet due	2,264,770
Reinsurance:	
Amounts recoverable from reinsurers	7,673,676
Net deferred tax asset	1,232,663
Guaranty funds receivable or on deposit	14,025
Receivables from parent, subsidiaries, and affiliates	206,860
Aggregate write-ins for other-than-invested assets	<u>111,735</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>219,923,146</u>
Total	<u>\$ 219,923,146</u>

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\*There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



SAGAMORE INSURANCE COMPANY  
Liabilities, Surplus and Other Funds  
As of December 31, 2022

	Per Examination*
Losses	\$ 38,929,717
Loss adjustment expenses	9,605,000
Commissions payable, contingent commissions and other similar charges	138,224
Taxes, licenses, and fees	(158,542)
Current federal and foreign income taxes	1,365,244
Unearned premiums	4,741,006
Ceded reinsurance premiums payable	3,791,082
Amounts withheld or retained by company for account of others	679,813
Remittances and items not allocated	(122,310)
Payable to parent, subsidiaries, and affiliates	715,304
Aggregate write-ins for liabilities	420,527
Total liabilities excluding protected cell liabilities	60,105,065
Total liabilities	60,105,065
Common capital stock	7,500,000
Gross paid in and contributed surplus	24,559,612
Unassigned funds (surplus)	127,758,469
Surplus as regards policyholders	159,818,081
Total	\$ 219,923,146

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\*There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

SAGAMORE INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2022

	Per Examination*
<b>UNDERWRITING INCOME</b>	
Premiums earned	\$ 21,298,450
<b>DEDUCTIONS</b>	
Losses incurred	2,284,764
Loss adjustment expenses incurred	6,145,699
Other underwriting expenses incurred	11,105,840
Total underwriting deductions	19,536,303
Net underwriting gain or (loss)	1,762,147
<b>INVESTMENT INCOME</b>	
Net investment income earned	3,540,219
Net realized capital gains or (losses) less capital gains tax	(1,065,615)
Net investment gain (loss)	2,474,604
<b>OTHER INCOME</b>	
Net gain (loss) from agents' or premium balances charged off	45,682
Finance and service charges not included in premiums	535
Total other income	46,217
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	4,282,968
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	4,282,968
Federal and foreign income taxes incurred	1,157,982
Net income	\$ 3,124,986

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\*There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

SAGAMORE INSURANCE COMPANY  
Capital and Surplus Account Reconciliation

	2022
Surplus as regards policyholders, December 31 prior year	157,103,733
Net income	3,124,986
Change in net unrealized capital gains or (losses) less capital gains tax	-
Change in net deferred income tax	129,103
Change in nonadmitted assets	(539,741)
Change in surplus as regards policyholders for the year	2,714,348
Surplus as regards policyholders, December 31 current year**	\$159,818,081

\*\*The balance includes immaterial rounding differences.

## COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2022, based on the results of this examination.

## OTHER SIGNIFICANT ISSUES

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than seven (7) and no more than twelve (12) directors. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board. It was determined that during the May 2022 Shareholder meeting seven (7) directors were elected but only six (6) were reported on the 2022 Annual Statement Jurat page.

IC 27-1-7-10(i) stipulates that every director, when elected, shall take, and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that not all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2022.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws specify the date of the annual meeting of shareholders is to be held within four (4) months after the close of the fiscal year, namely, on the third Tuesday in April of each year or on such other date five (5) business days prior to or following this date as may be designated by the Board. For the year under review, the annual meeting of shareholders was held within five (5) months following the close of the fiscal year but was not in compliance with the Company's Bylaws regarding meeting dates.

## SUBSEQUENT EVENTS

There were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

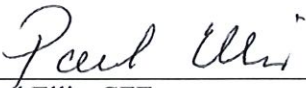
**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc. and actuarial assistance from Merlinos & Associates, Inc., performed an examination of Sagamore Insurance Company, as of December 31, 2022.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Sagamore Insurance Company as of December 31, 2022, as determined by the undersigned.

  
\_\_\_\_\_  
Paul Ellis, CFE  
Noble Consulting Services, Inc.

State of: Ohio  
County of: Mahoning

On this 6 day of JUNE, 2024, before me personally appeared, Paul Ellis, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: 10-10-2025 \_\_\_\_\_  
Notary Public



DENISE HILBERT  
Notary Public, State of Ohio  
My Commission Expires October 10, 2025



Under the Supervision of:

Jerry Ehlers, CFE, AES  
Examinations Manager  
Indiana Department of Insurance

State of: Indiana  
County of: Marion

On this 10<sup>th</sup> day of June, 2024, before me personally appeared, Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:

July 11, 2025

Lorie A. Ellert  
Notary Public

