



**EXAMINATION REPORT
OF**

**Cable Insurance Company
Fort Lauderdale, Florida**

NAIC Company Code: 16572

**as of
December 31, 2020**

**By
The Florida Office of Insurance Regulation**

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David Altmaier
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2020, of the financial condition and corporate affairs of

Cable Insurance Company
221 West Oakland Park Boulevard
Fort Lauderdale, FL, 33311

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of April 8, 2019 through December 31, 2020 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on July 19, 2021. The fieldwork concluded as of March 29, 2022. This report constitutes the first full scope exam by representatives of the Office.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed 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.

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 the NAIC Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no significant findings as a result of this examination.

Previous Examination Findings

This examination constitutes the first examination of this Company.

COMPANY HISTORY

General

The Company is a Florida domiciled property & casualty insurer that was incorporated on April 8, 2019 and received its Florida Certificate of Authority on May 2, 2019. The Company commenced business July 6, 2019. The Company is a wholly-owned Subsidiary of Cable Holdings, Inc. (“the Parent”). The Company was authorized to write commercial automobile liability insurance and subsequently added commercial auto physical damage coverage in the state of Florida.

The Company offers coverage to the niche market that is defined by for-hire transportation vehicles such as taxis, limousines and shuttles; with no plans to insure ride-sharing entities. The Company underwrites commercial auto liability and auto physical damage coverages through Cable Underwriters, a managing general underwriter in the state of Florida which is wholly owned by the Parent. Cable Underwriters provides management and underwriting services to the Company under a general agency agreement. Cable Underwriters does not administer claims or negotiate reinsurance. Cable Insurance Adjusters, Inc. (“CIA”), staffed with duly licensed adjusters, provides claims administration services on behalf of the Company

The Company’s primary focus is offering commercial automobile liability insurance solutions directly to the For-Hire industry. For-Hire refers to the commercial vehicles such as non-emergency medical transportation (NEMT), taxis, limousines, and shuttles. This target market consists of companies and individuals who own their own taxicabs and other For-Hire transportation vehicles

Dividends

The Company did not declare or pay any dividends during the period under examination.

Capital Stock and Capital Contributions

As of December 31, 2020, the Company's capitalization was as follows:

Number of authorized common capital shares	50,000
Number of shares issued and outstanding	25,000
Total common capital stock	\$2,500,000
Par value per share	\$100.00

A capital contribution of \$7.5 million was made on April 16, 2019.

Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

MANAGEMENT AND CONTROL

Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2020, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Ramon A. Rodriguez (a)	Fort Lauderdale, FL	CEO, Cable Insurance Company.
Michael R. Gaddis, Jr.	Fort Lauderdale, FL	Underwriter/Vice President, Cable Underwriters, Inc.
Ellyn Bogdanoff (b)	Fort Lauderdale, FL	Attorney/Shareholder, Becker Law Firm.
Perry Stamos	Fort Lauderdale, FL	President, Gaddis Capital Corporation.
Frederick Weinstein	Delray Beach, FL	CPA/Partner, Weinstein Zugman, LLC.

(a) Chairman

(b) On February 3, 2022, the Office received notification that the Company has a new Director, Lee Feldman, effective upon approval from the Office. He will replace Ellyn Bogdanoff as a Director.

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
John M. Camillo (a)	Fort Lauderdale, FL	President, Cable Insurance Company
Gary M. O'Neal (b)	Fort Lauderdale, FL	President, Cable Insurance Company
Julie W. Goldmintz	Weston, FL	Vice President, Cable Insurance Adjusters, Inc.
Jairo F. Villanueva	Hialeah, FL	Attorney/General Counsel, Cable Insurance Company.
Elvis R. Rivera	Boca Raton, FL	CFO and Treasurer, Cable Insurance Company.

(a) Resigned September 15, 2020 and was replaced in the interim by Elvis R. Rivera as President on September 15, 2020.

(b) The Office approved the appointment of Gary M. O'Neal as President on December 23, 2020.

The Company's Board appointed several internal committees. The following were the principal internal board committees and their members as of December 31, 2020. The first person listed on the left for each committee is the chair.

Executive Committee			
John M. Camillo (a)	Elvis R. Rivera	Michael R. Gaddis, Jr.	Perry J. Stamos

(a) Please see comments above under "Senior Officers."

The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes. Membership appears in the chart below.

Audit Committee		
Elvis R. Rivera	Ellyn Bogdanoff	Frederick S. Weinstein

The Company maintained an investment committee. Membership appears in the chart below.

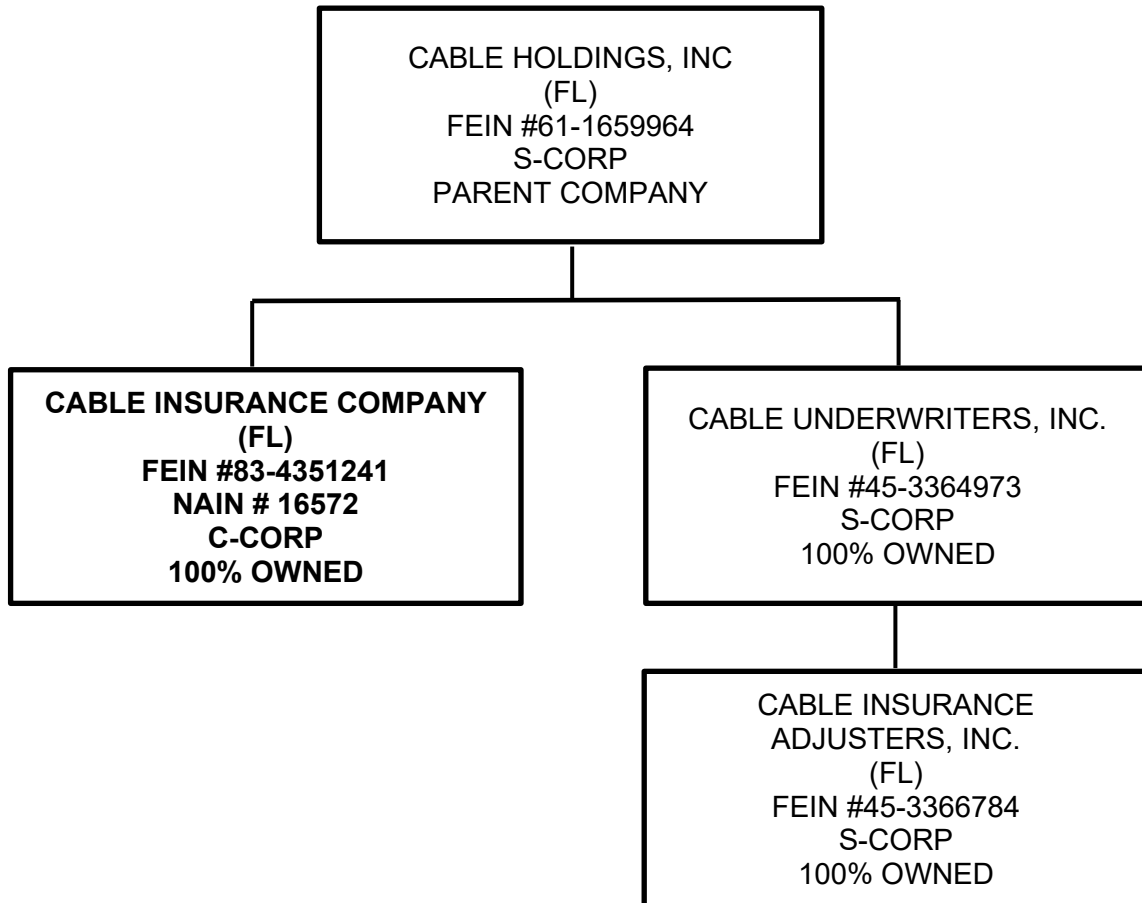
Investment Committee			
John M. Camillo (a)	Elvis R. Rivera	Michael R. Gaddis, Jr.	Perry J. Stamos

(a) Please see comments above under “Senior Officers.”

Holding Company System

A simplified organizational chart as of December 31, 2020, reflecting the holding company system, is shown on the following page. Schedule Y of the Company’s 2020 annual statement provided a list of all related companies of the holding company group.

**Cable Insurance Company
Organizational Chart
December 31, 2020**



The following agreements were in effect between the Company and its affiliates:

Claims Adjustment and Administrative Services Agreement

The Company has an agreement with an affiliate, Cable Insurance Adjusters, Inc. (CIA). Under the agreement, CIA provides claims adjusting and administrative services to the Company and the Company pays a fee based on direct earned premium. Compensation to CIA under this agreement for these services was approximately \$412,000 and \$121,000 for 2020 and 2019, respectively. Amounts payable to CIA at December 31, 2020 and 2019, were approximately \$46,000 and \$21,000, respectively, and are included in Loss and Loss Adjustment expense reserves on the statements of admitted assets, liabilities and capital and surplus.

Cost Allocation Agreement

Effective April 10, 2019, the Company entered into a cost allocation agreement with Cable Holdings, Inc., Cable Underwriters, Inc., and CIA. Amounts due to the Company under the agreement were approximately \$261,000 and \$248,000 at December 31, 2020 and 2019, respectively, and are included in Due from Affiliates on the Company's financial statements.

Managing General Agent Agreement

The Company entered into a Managing General Agency Agreement with an affiliate, Cable Underwriter's, Inc. (CU), to serve as its managing general agent (MGA). The Company pays CU a fee based on direct earned premium for the policy administration services provided to the Company. Compensation to CU under this agreement for these services was approximately \$412,000 and \$121,000 for 2020 and 2019, respectively. Amounts payable to CU at December 31, 2020 and 2019, were approximately \$46,000 and \$21,000, respectively, and are included in Due to Affiliates on the statements of admitted assets, liabilities and capital and surplus.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Fort Lauderdale, Florida.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance only in the State of Florida. The Company was authorized to transact insurance in Florida on May 2, 2019, and is currently authorized for Commercial Automobile Liability and Commercial Auto Physical Damage coverage as of December 31, 2020.

REINSURANCE

The reinsurance agreements reviewed and listed below complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The Company did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

Effective October 1, 2019, the Company entered into a quota share agreement that generally provides coverage for 25% of all losses subject to a limit of \$500,000 for each loss occurrence for commercial automobile liability. The reinsurers' liability in respect of all losses occurring during the contract period shall not exceed 225% of ceded net written premium for the contract period.

Effective October 1, 2020, the Company entered into an excess of loss reinsurance agreement that generally provides coverage of \$300,000 in excess of \$200,000 on policies classified by the Company as commercial automobile liability. The reinsurers' liability in respect of all losses occurring during the contract period shall not exceed \$1,200,000.

Effective October 1, 2019, the Company entered into an excess of loss reinsurance agreement that generally provides coverage of \$300,000 in excess of \$200,000 on policies classified by the Company as commercial automobile liability. The reinsurers' liability in respect of all losses occurring during the contract period shall not exceed \$900,000.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets; Liabilities, Surplus and Other Funds; statutory Statement of Income; Capital and Surplus Account; and Capital/Surplus Change during the Examination Period for the year ended December 31, 2020. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2020. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

Cable Insurance Company
Assets
December 31, 2020

	Assets	Non-admitted Assets	Net Admitted Assets
Bonds	\$6,474,906	\$0	\$6,474,906
Stocks			
Common stocks	796,926	0	796,926
Cash	1,524,670		1,524,670
Subtotals, cash and invested assets	8,796,502	0	8,796,502
Investment income due and accrued	39,765	0	39,765
Premiums and considerations			
Uncollected premiums and agents' balances	114,664	0	114,664
Deferred premiums, agents' balances and installments	2,086,499	0	2,086,499
Reinsurance			
Amounts recoverable from reinsurers	42,157	0	42,157
Net deferred tax asset	128,547	0	128,547
Electronic data processing equipment and software	211,564	10,366	201,198
Furniture and equipment, including health care delivery assets	10,565	10,565	0
Receivable from parent, subsidiaries and affiliates	261,126	0	261,126
Aggregate write-in for other than invested assets	49,463	49,463	0
Total	\$11,740,850	70,393	\$11,670,456

**Cable Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2020**

	Per Company
Losses	\$1,611,248
Loss adjustment expenses	376,753
Commissions payable, contingent commissions and other similar charges	82,269
Other expenses	81,582
Taxes, licenses and fees	24,800
Unearned premiums	1,919,196
Ceded reinsurance premiums payable	361,308
Aggregate write-in for liabilities	142,277
Total liabilities excluding protected cell liabilities	4,599,434
Total liabilities	4,599,434
Aggregate write-ins for special surplus funds	
Common capital stock	2,500,000
Gross paid-in and contributed surplus	5,000,000
Unassigned funds (surplus)	(428,978)
Surplus as regards policyholders	7,071,022
Totals	\$11,670,456

Cable Insurance Company
Statement of Income
December 31, 2020

	Per Company
Underwriting Income	
Premiums earned	2,987,944
Deductions	
Losses Incurred	1,653,085
Loss adjustment expenses incurred	768,979
Other underwriting expenses incurred	1,009,055
Total Underwriting deductions	3,431,118
Net underwriting gain (loss)	(443,174)
Investment Income	
Net investment income earned	105,618
Net realized capital gains or (losses)	26,487
Net investment gain or (loss)	132,105
Other Income	
Aggregate write-ins for miscellaneous income	32,708
Total other income	32,708
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(278,361)
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(278,361)
Net Income	\$(278,361)
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	7,142,295
Net Income	(278,361)
Change in net unrealized capital gains or losses less capital gains tax	56,319
Change in net deferred income taxes	56,428
Change in non-admitted assets	94,340
Change in surplus as regards policyholders for the year	(71,273)
Surplus as regards policyholders, December 31, current year	7,071,022

**Cable Insurance Company
Reconciliation of Capital and Surplus
December 31, 2020**

Capital/Surplus Change during Examination Period			
Surplus at May 2, 2019, per Company			\$7,500,000
	Increase	Decrease	
Loss in surplus		(543,451)	(543,451)
Change in net unrealized capital gain (loss)	56,319	0	56,319
Change in net deferred income tax	128,547		128,547
Change in non-admitted assets			(70,394)
Net decrease			(428,979)
Surplus at December 31, 2020 per Company			7,071,022

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$7,071,022, exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Cable Insurance Company as of December 31, 2020, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following also participated in the examination

Lori Ruggiero, CFE, CIE, MCM	Examiner	NOVO Consulting Group, LLC
Ray Conover, AIE, Are, FLMI, MCM	Examiner	NOVO Consulting Group, LLC
Clifton Day, MPA, MCM, CPM, CSM	Examiner	NOVO Consulting Group, LLC
Chad Mason	Exam Manager	Office
Alan Kaliski, FCAS, MAAA	Actuary	Eide Bailly, LLP
McKay Heasley, FSA, MAAA	Actuary	Eide Bailly, LLP
Earnest Collins, AES, CFE, CISM	Lead IT Specialist	RCE Consultants, LLC
Victor Smith	IT Specialist	RCE Consultants, LLC

Respectfully submitted,


Jeffrey Good, CFE, CIE, CPCU, AIAF, ARC, MCM
Examiner-in-Charge
Principal, The NOVO Consulting Group, LLC
Representing the Florida Office of Insurance Regulation


Daniel W. Applegarth, CFE, CPA, PFR
Chief Financial Examiner
Property & Casualty Financial Oversight
Florida Office of Insurance Regulation