



NC DEPARTMENT
of **INSURANCE**
MIKE CAUSEY, COMMISSIONER

COMPANY SERVICES GROUP
FINANCIAL EXAMINATION DIVISION

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I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused the Report on Examination of the North Carolina Operators Self-Insurers Fund as of December 31, 2023 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 27th day of March, 2025.



Mike Causey
Commissioner of Insurance

Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
Financial Examination Division

North Carolina Operators Self-Insurers Fund

Tampa, Florida

Report on Examination

As of December 31, 2023

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March 5, 2025

Honorable Mike Causey
Commissioner of Insurance
State of North Carolina
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-47-100 and 58-2-131 of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

North Carolina Operators Self-Insurers Fund

(hereinafter referred to as the “Fund”), acknowledging that its main administrative and statutory office is located at 4350 West Cypress Street, Suite 300, Tampa, Florida 33607. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Fund. This examination covers the period from January 1, 2019, to December 31, 2023, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination. The Department’s most recent prior examination of the Fund was as of December 31, 2018.

The purpose of this examination is to assess the financial condition and controls of the Fund and set forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

We conducted our examination in accordance with auditing standards established by the Department and the National Association of Insurance Commissioners (“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 Fund, 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 Fund were considered in accordance with the risk-focused examination process and the following key functional activities were identified:

Capital and Surplus
Claims and Reserves Handling
Investments
Premiums and Underwriting
Reinsurance Ceding
Related Parties

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This 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 from the Fund's financial statements.

This examination report includes significant findings of fact and general information about the Fund 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 the Fund.

The Fund's Annual Statements, work papers, and the independent audit work papers were reviewed and relied upon whenever possible. A trial balance reconciliation of the Annual Statement was performed, as were a verification of ownership and valuation of assets, determination of liabilities and reserves, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Fund's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from Fund management.

The books and records of the Fund are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). Shores, Tagman, Butler & Company, P.A. of Orlando, Florida, the designated independent public accountant of the Fund, issued an unmodified opinion for each year subsequent to the Department's prior examination through, and including, the year ended December 31, 2023.

REPORT ACRONYMS

Arthur J. Gallagher Risk Management Services, Inc.	“AJG”
Board of Directors	“Board”
Financial Condition Examiners Handbook	“Handbook”
General Statutes of North Carolina	“GS”
Information Technology Planning Questionnaire	“ITPQ”
Information Technology General Controls	“ITGCs”
Midwest Employers Casualty Company	“Midwest”
National Association of Insurance Commissioners	“NAIC”
North Carolina Department of Insurance	“Department”
North Carolina Operators Self-Insurers Fund, Inc.	“Fund”
Sedgwick Claims Management Services, Inc.	“Sedgwick”
Third-Party Administrator	“TPA”

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS, AND DIRECTIVES

- a. The Fund did not properly disclose Arthur J. Gallagher Risk Management Services, Inc. (“AJG”) as a related party in Note 10 of its Annual Statements for 2019 through 2023 as required by the NAIC Property & Casualty Annual Statement Instructions, which require information to be disclosed regarding relationships, types of transactions, and amounts charged to/from related parties. AJG is not considered to be an affiliate of the Fund; however, pursuant to the Statement of Statutory Accounting Principles No. 25, paragraph 4(j), AJG is a related party due to its ability to significantly influence the Fund’s policies. The Fund is directed to ensure accurate reporting to the Department in future filings pursuant to GS § 58-2-165(c).

FUND HISTORY

The Fund commenced business on February 1, 1995, as a self-insured fund mutual association. The Fund is domiciled in North Carolina under GS § 58-47 and North Carolina Administrative Code Chapter 11, Section 0600. The Fund is owned by its members, which are operators of independently owned McDonald’s restaurants in North Carolina. The Fund is managed by a third-party administrator (“TPA”) under the leadership of the Board of Trustees (“Board”). Each trustee must be a member of the Fund. The Fund is subject to the rules and regulations of the North Carolina Industrial Commission.

The Fund is managed by AJG, a TPA, which provides administrative services including marketing, underwriting, policy issuance, rating, endorsements, accounting, bookkeeping, handling the investment of assets and placement of excess insurance coverage. The Fund utilizes another TPA, Sedgwick Claims Management Services, Inc. (“Sedgwick”), to provide claims administration services.

DIVIDENDS TO MEMBERS

The Fund reported a liability for policyholder dividends declared but unpaid totaling \$4,031,800 and \$4,694,881 at December 31, 2023 and 2022, respectively, which represents a return of excess premium to the Fund's policyholders. The Fund's bylaws state "the Board shall establish and approve discounts and return of premiums and investment income to the members of the Fund. The Board shall not allow advance premium discounts to any member by the excess insurance underwriter. Any surplus monies in the Fund at the close of the Fund's year in excess of the amount necessary to fulfill obligations under the law, may be distributed to its members at the discretion of the Board, after notice to the Commissioner of the North Carolina Department of Insurance of the proposed distribution, unless the Commissioner determines that such distribution would impair the solvency of the Fund." Pursuant to GS § 58-47-105, "dividends and other distributions shall be made in accordance with GS § 58-7-130, GS § 58-8-25(b) and GS § 58-19-30." Department approval is required prior to the payment of any extraordinary dividends.

As approved by the Department, the Fund paid the following dividends to its members during the period under examination:

<u>Year</u>	<u>Amount</u>
2023	\$893,012
2022	\$743,963
2021	\$824,756
2020	\$500,000
2019	\$500,001

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Board of Trustees

The business of the Fund is conducted by AJG and subject to review by the Board. The bylaws of the Fund provide that the Board shall meet at least twice annually at a time and place specified by the Chairman of the Board. The bylaws specify that the Board shall be composed of not fewer than four (4) members. Each member of the Board must be a member of the Fund. The members of the Board shall be elected by the members of the Fund and each member elected shall serve a five-year term. The Board shall appoint from their members a Chairman, Vice Chairman, and Secretary/Treasurer.

The following individuals served as directors as of December 31, 2023:

Name	Location	Principal Occupation
William Purcell	New Bern, North Carolina	McDonald's Owner/Operator
Dennis Anderson	Wilmington, North Carolina	McDonald's Owner/Operator
Adrian Smith	Summerfield, North Carolina	McDonald's Owner/Operator
Anthony Delligatti	Summerfield, North Carolina	McDonald's Owner/Operator
Christine Nevant	Asheville, North Carolina	McDonald's Owner/Operator

The Board has not established any committees.

Officers

The bylaws provide that the Board will elect officers from the membership of the Board which include a Chairman, a Vice-Chairman and a Secretary/Treasurer. In addition, the Board may elect such other officers as they deem appropriate, and other officers are not required to be members of the Board.

The following individuals served as officers of the Fund as of December 31, 2023:

Name	Title
William Purcell	Chairman
Anthony Delligatti	Vice Chairman
Dennis Anderson	Secretary & Treasurer

CODE OF CONDUCT AND CONFLICT OF INTEREST

The Fund has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Fund requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that the Fund acted in accordance with its policies and procedures for disclosure of conflicts of interest.

CORPORATE RECORDS

We reviewed the minutes of the meetings of the Board for the period under examination. Based on our review, it appears that the minutes documented the Fund's significant transactions and events, and that the directors approved these transactions and events.

The Company's articles of incorporation and bylaws were reviewed for any changes during the period under examination. Based on our review, it appears that no changes were made to the Company's articles of incorporation or bylaws during the examination period.

STATUTORY DEPOSITS

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. At December 31, 2023, the Fund maintains a statutory deposit in North Carolina totaling \$600,662.

ACCOUNTS AND RECORDS

The Fund's books and records are maintained at its main administrative office at 4350 West Cypress Street, Suite 300, Tampa, Florida 33607.

INFORMATION TECHNOLOGY CONTROLS

The Department performed a risk-based assessment and review of AJG and Sedgwick's IT General Controls ("ITGCs") in accordance with the NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of AJG and Sedgwick's ITGCs were derived from Exhibit C Part 1 - Information Technology Planning Questionnaire ("ITPQ") and Exhibit C Part 2 – Information Technology Work Program (collectively, "Exhibit C"). AJG and Sedgwick's responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

The Department's objectives were to obtain reasonable assurance about whether:

- a. AJG and Sedgwick had a process in place to effectively identify, mitigate and manage its IT risks.
- b. AJG and Sedgwick's control structure, policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- c. AJG and Sedgwick were compliant with those policies and procedures.

The objectives above were achieved through a combination of reviewing AJG and Sedgwick's policies and procedures, testing in key areas related to Exhibit C, interviewing AJG and reviewing IT risk assessment processes, leveraging relevant risk assessment procedures performed by Shores, Tagman, Butler & Company, P.A., and relying on controls identified in the SOC II reports covering AJG and Sedgwick.

Based upon the risk-based assessment and review, AJG and Sedgwick's ITGCs were determined to be effective.

FIDELITY BONDS AND OTHER INSURANCE

The Fund has a policy that covers trustees' errors and omissions, directors' and officers' liability, and employment practices and liability totaling \$3,000,000 for each claim and in aggregate. The Fund's policy exceeds the \$125,000 minimum amount of coverage recommended by the Handbook.

The Fund is also a named insured on a crime policy that covers employee theft, forgery or alteration, computer crime and funds transfer fraud, which appears adequate to cover risks in the normal course of business. The coverage includes a single loss limit of \$1,000,000 and a single loss retention of \$10,000.

EMPLOYEE BENEFITS AND PENSION PLANS

The Fund has no employees nor any employee benefit or pension plans.

RELATED PARTY AGREEMENTS

The Fund has a TPA agreement with AJG effective January 1, 2014, whereby AJG is authorized to write and administer the Fund's workers' compensation policies, has binding authority, and provides certain administrative services which include, but are not limited to, all bookkeeping, accounting, annual certified audits, underwriting, and premium collection. The Fund was charged an annual fee totaling \$125,000 in both 2023 and 2022 for the services provided under this agreement. (Refer to Summary of Significant Findings)

Under the Fund's TPA agreement, AJG also acts as a broker to procure and place excess insurance coverage on behalf of the Fund. The Fund is charged an annual commission equal to 20% of the total premiums ceded. The Fund incurred commission expenses totaling \$71,246 and \$59,940 in 2023 and 2022, respectively.

CLAIMS ADMINISTRATION AGREEMENT

The Fund has an agreement with Sedgwick to perform claims administration services effective January 1, 2023. The Fund paid fees to Sedgwick totaling \$237,000 and \$230,000 in 2023 and 2022, respectively.

TERRITORY AND PLAN OF OPERATION

The Fund writes workers' compensation insurance for participating employers that are required to be operators of independently owned McDonald's restaurants in the state of North Carolina. The Fund had a total of 50 participating employers in 2023.

TRENDS OF THE FUND

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Fund for the five-year period ended December 31, 2023:

Year	Net Admitted Assets	Capital and Surplus	Gross Premiums Written	Net Earned Premiums	Net Income (Loss)
2023	\$7,251,620	\$830,293	\$2,894,196	\$2,550,567	\$0
2022	\$7,138,600	\$654,038	\$2,595,615	\$2,309,469	\$0
2021	\$7,365,369	\$972,598	\$3,130,769	\$2,858,180	\$75,784
2020	\$6,947,512	\$871,285	\$3,488,258	\$2,986,693	\$(1,765)
2019	\$6,175,343	\$769,055	\$3,288,192	\$2,831,878	\$0

ACTUARIAL OPINION

Every workers' compensation self-insured fund doing business in this State, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an appointed actuary and an actuarial opinion summary in accordance with GS § 58-10-150 and GS § 58-10-155.

The statutory reserves and related items for 2023 were reviewed and certified by the Fund's Appointed Actuary, Thomas P. Langer, FCAS, MAAA, Vice President of Casualty Actuarial Consultants, Inc. Actuarial opinions regarding the Fund's reserves for losses and loss adjustment expenses were issued by an appointed actuary for all years in the examination period. The appointed actuary evaluated the data provided by the Fund for reasonableness and consistency of the losses and loss adjustment expense reserve. According to the actuarial opinions, the Fund's reserve on the losses and loss adjustment expense met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all unpaid losses and loss adjustment expense obligations of the Fund.

EXCESS INSURANCE PROGRAM OVERVIEW

The Fund has an excess insurance policy with Midwest Employers Casualty Company (“Midwest”) effective January 1, 2023, which covers specific and aggregate losses beyond the limits of the Fund’s primary policies.

Specific Excess Insurance

The Fund’s specific excess insurance coverage with Midwest provides that the Fund retain the first \$450,000 of losses on each and every occurrence during the policy period. Midwest is liable for the Fund’s losses in excess of the Fund’s retention up to the statutory limit for workers’ compensation coverage, which is two-thirds of the employee’s average weekly wage, and up to \$1,000,000 for each occurrence for employer liability coverage.

Aggregate Excess Insurance

The Fund’s aggregate excess insurance coverage with Midwest is designed to provide coverage when the total losses for a certain period exceed the attachment point of \$1.2688 per \$100 of payroll. In this case, the attachment point is based on a percentage of the earned premium for each fund year or, for more recent years, based on a specific dollar amount per \$100 of payroll. Once those losses surpass the specific threshold, the policy will provide coverage up to \$3,000,000.

The Fund ceded premiums totaling \$343,629 and \$286,146 to Midwest in 2023 and 2022, respectively, under this contract.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Fund with the Department and present the financial condition of the Fund for the period ending December 31, 2023. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2022, are unexamined and are presented for comparative purposes only.

North Carolina Operators Self-Insurers Fund
Statutory Statement of Admitted Assets
December 31, 2023

	2023	2022 <i>(unexamined)</i>
Bonds	\$1,979,298	\$493,765
Common stocks	1,610,755	1,401,463
Cash, cash equivalents and short-term investments	3,576,028	5,147,783
Total cash and invested assets	7,166,081	7,043,011
Investment income due and accrued	48,292	1,993
Uncollected premiums and agents' balances in course of collection	33,247	3,304
Current federal and foreign income tax recoverable and interest thereon	4,000	4,000
Sedgwick claims funding escrow	-	86,292
Total admitted assets	\$7,251,620	\$7,138,600

North Carolina Operators Self-Insurers Fund
Statutory Statement of Liabilities and Surplus
December 31, 2023

	2023	2022 <i>(unexamined)</i>
Losses	\$1,802,275	\$1,370,238
Loss adjustment expenses	406,994	347,573
Taxes, licenses, and fees	7,959	-
Advance premium	986	3,396
Dividends declared and unpaid to policyholders	4,031,800	4,694,881
Ceded reinsurance premiums payable	18,152	(4,976)
Accounts payable	76,450	73,450
Sedgwick claims funding escrow	69,732	-
Member overpayments	6,978	-
Total liabilities	6,421,326	6,484,562
Unassigned funds	830,293	654,038
Total surplus	830,293	654,038
Total liabilities and surplus	\$7,251,619	\$7,138,600

North Carolina Operators Self-Insurers Fund
Statutory Statement of Operations
December 31, 2023

	2023	2022 <i>(unexamined)</i>
Underwriting income		
Premiums earned	\$2,550,567	\$2,309,469
Deductions		
Losses incurred	1,591,251	627,455
Loss adjustment expenses incurred	873,034	640,255
Other underwriting expenses incurred	139,966	134,836
Total underwriting deductions	2,604,251	1,402,546
Net underwriting gain (loss)	(53,684)	906,923
Investment income		
Net investment income earned	248,242	68,786
Net realized capital gains	27,373	38,493
Net investment gain	275,615	107,279
Other income		
Miscellaneous income	8,000	8,480
Dividends to policyholders	(229,931)	(1,022,682)
Net income	\$0	\$0

North Carolina Operators Self-Insurers Fund
Statutory Statement of Surplus
December 31, 2023

	2023	2022 <i>(unexamined)</i>
Surplus, beginning of year	\$654,038	\$972,598
Surplus increases (decreases):		
Net income	-	-
Change in net unrealized capital gains or (losses)	153,320	(315,319)
Change in non-admitted assets	22,935	(3,241)
Change in surplus	176,255	(318,560)
Surplus, end of year	\$830,293	\$654,038

North Carolina Operators Self-Insurers Fund
Statutory Statement of Cash Flow
December 31, 2023

	2023	2022 <i>(unexamined)</i>
Cash from (used by) operations		
Premiums collected net of reinsurance	\$2,550,040	\$2,308,159
Net investment income	171,205	64,661
Miscellaneous income	8,000	8,480
Total	2,729,245	2,381,300
Benefit and loss related payments	1,159,214	702,450
Commissions, expenses paid and aggregate write-ins for deductions	945,620	781,732
Dividends paid to policyholders	893,012	743,963
Total	2,997,846	2,228,145
Net cash from (used by) operations	(268,601)	153,155
Cash from (used by) investments		
Proceeds from investments sold, matured, or repaid	487,066	222,013
Cost of investments acquired	1,970,459	709,204
Net cash from (used by) investments	(1,483,393)	(487,191)
Cash from (used by) financing and miscellaneous sources		
Other cash (applied) provided	180,239	(106,477)
Net cash from (used by) financing and miscellaneous sources	180,239	(106,477)
Reconciliation of cash and short-term investment		
Net change in cash and short-term investments	(1,571,755)	(440,513)
Cash, cash equivalents and short-term investments, beginning of year	5,147,783	5,588,296
Cash, and cash equivalents and short-term investments, end of year	\$3,576,028	\$5,147,783

COMMENTS ON FINANCIAL STATEMENTS

There were no changes to the Fund's financial statements, and there were no proposed adjustments to surplus as a result of this examination.

Basis of Presentation and Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared on the basis of the accounting practices prescribed or permitted by the Department.

The more significant accounting policies followed by the Fund are as follows:

Bonds: Bonds not backed by other loans are stated at amortized cost using the interest method. The Fund has no non-investment grade bonds.

Common stocks: Common stocks are stated at fair value.

Cash and short-term investments: Carried at amortized cost (which approximates fair value) and includes money market instruments and debt securities with maturities of less than one year.

Premiums: Insurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies. The portion of direct premiums written applicable to the unexpired terms of the policies is recorded as unearned premium. Premiums are earned on a pro rata basis.

Reinsurance: Premiums, commissions, expense reimbursements, and reserves are reported for on a basis consistent with the original policies issued and the terms of the reinsurance agreements. Premiums ceded are reported as a reduction of premium income. Losses and loss adjustment expenses are reported as reductions of those items.

Non-admitted assets: Certain assets, such as premiums over 90 days past due, excess of book value over market value for securities, and prepaid expenses, are "non-admitted" and are charges against surplus.

Loan-backed securities: Stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities. The Fund has no non-investment grade loan-backed securities.

Unpaid losses & loss adjustment expense: Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for losses incurred but not reported. Estimated amounts of salvage and subrogation and reinsurance recoverable are deducted from the reserve for losses and loss adjustment expenses.

Analysis of Assets:

The Fund reported non-admitted assets for premiums and agents' balances in course of collection totaling \$33,247 as of December 31, 2023.

Excess Insurance Activity:

The Fund has an excess insurance contract to minimize its exposure to losses. This contract does not relieve the Fund of its primary obligation to policyholders. Failure of the reinsurer to discharge their obligations could result in losses to the Fund. The Fund utilizes AJG as an insurance broker to negotiate and obtain contracts on its behalf for specifically identified risks.

Direct and ceded premiums written and earned are as follows:

	2023	2022
Direct and written	\$2,894,196	\$2,595,615
Ceded written	343,629	286,146
Net written	2,550,567	2,309,469
Direct and earned	2,894,196	2,595,615
Ceded earned	343,629	286,146
Net earned	\$2,550,567	\$2,309,469

The type of contract and retention limits are described under the Excess Insurance Program Overview.

Summary of Reserves:

The following provides a reconciliation of the Fund's reserves for losses and loss adjustment expenses:

	2023	2022
Reserve for losses and loss adjustment expenses, beginning of year	\$1,717,811	\$1,873,605
Add:		
Provision for losses and loss adjustment expenses, current year	2,261,492	1,671,995
Change in estimated losses and loss adjustment expenses, prior years	202,793	(404,285)
Total incurred	2,464,285	1,267,710
Deduct:		
Losses and loss adjustment expenses paid, current year	1,019,071	761,960
Losses and loss adjustment expenses paid, prior year	953,757	661,544
Total paid	1,972,828	1,423,504
Reserve for losses and loss adjustment expenses, end of year	2,209,268	1,717,811
Increase in reserve for losses and loss adjustment expenses	\$491,457	\$(155,794)

Surplus:

The following, in conjunction with the Statutory Statement of Surplus, represents the changes in the Fund's surplus since the Department's last examination as of December 31, 2018:

	2021	2020	2019
Surplus, beginning of year	\$871,285	\$769,055	\$596,818
Capital and surplus increases (decreases):			
Net income (loss)	75,784	(1,765)	-
Change in net unrealized capital gains (losses)	85,313	117,397	174,933
Change in net deferred income tax	(75,784)	1,765	-
Change in nonadmitted assets	16,000	(15,167)	(2,696)
Change in surplus as regards policyholders for the year	101,313	102,230	172,237
Surplus, end of year	\$972,598	\$871,285	\$769,055

SUBSEQUENT EVENTS

On November 13, 2024, the Department approved the Fund's request to pay an extraordinary cash dividend to its policyholders totaling \$1,200,000 on December 15, 2024.

On November 18, 2024, the Fund filed a Claims Administration Agreement with the Department, and Zenith Insurance Company replaced Sedgwick as the Fund's claims administrator effective January 1, 2025.

North Carolina Operators Self-Insurers Fund
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2023

Randall Squires, Fund Administrator
Arthur J. Gallagher Risk Management Services, Inc.
4350 Congress Street, Suite 300
Tampa, Florida 33607

William Purcell, Chairman
North Carolina Operators Self-Insurers Fund
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Alanna Flowers, Assistant Fund Administrator
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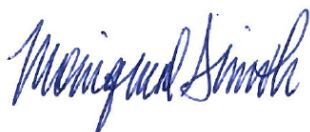
CONCLUSION

The examination procedures, described, herein, revealed no material adverse findings or adjustments to surplus.

We conclude that the Fund complies with the minimum capital and surplus requirements of GS § 58-47-85 for the kinds of insurance that the Fund has been authorized to write, which is \$357,098.

The courteous cooperation and assistance extended by the officers of the Fund and its TPAs during the examination is hereby acknowledged.

Respectfully submitted,



Monique D. Smith, CPA, CFE, CIA
Deputy Commissioner
North Carolina Department of Insurance

March 5, 2025

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Jeffrey Streyle, North Carolina Department of Insurance, being first, duly sworn, deposes and says that this report on examination, subscribed by him, is true and correct to the best of his knowledge and belief.

Signature:



Date:

3/5/2025

Sworn and subscribed before me this 5 day of March, 2025.

Notary Public Signature:



Notary Public Seal:

