

EXAMINATION REPORT
OF
ST. PAUL SURPLUS LINES INSURANCE COMPANY
AS OF
DECEMBER 31, 2019

Office of the
Commissioner



Delaware
Department of Insurance

REPORT ON EXAMINATION
OF
ST. PAUL SURPLUS LINES INSURANCE COMPANY
AS OF
DECEMBER 31, 2019

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink that reads "Trinidad Navarro".

Trinidad Navarro
Insurance Commissioner

Dated this 27 day of May, 2021

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April 22, 2021

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Exam Authority No. 20.020, dated March 3, 2020, an examination has been made of the affairs, financial condition and management of

ST. PAUL SURPLUS LINES INSURANCE COMPANY

hereinafter referred to as SPSLIC or the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808. The administrative offices of the Company are located at One Tower Square, Hartford, Connecticut 06183. The examination was conducted remotely given office closures and travel restrictions in connection with the COVID-19 pandemic. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

We have performed our multi-state examination of the Company. The last examination was conducted as of December 31, 2014 by the Delaware Department of Insurance (Department). This examination covered the period of January 1, 2015 through December 31, 2019. Our examination was performed as part of the coordinated examination of The Travelers Companies, Inc. group of regulated entities, wherein the State of Connecticut Insurance Department is the lead state and Delaware is a participating state. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC 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.

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, pursuant to the *General Corporation Laws* of the State of Delaware, as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, KPMG, LLP (KPMG). Certain work papers for KPMG's 2019 audit of the Company and certain of its affiliates have been incorporated into the work papers of the examiners. The workpapers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in the Company's Financial Statements as a result of this examination.

COMPANY HISTORY

The Company was originally incorporated in the State of Delaware and commenced business on February 22, 1974. The Company was an indirect wholly owned subsidiary of St. Paul Fire and Marine Insurance Company (SPFMIC) until October 1, 2006, when its parent, St. Paul Specialty Underwriting, Inc. merged into SPFMIC. The Company operated as an indirect wholly owned subsidiary of The St. Paul Companies, Inc. (St. Paul) until April 1, 2004, when St. Paul and Travelers Property Casualty Corp. merged to form The St. Paul Travelers Companies, Inc. On February 26, 2007, The St. Paul Travelers Companies, Inc. changed its name to The Travelers Companies, Inc. (TRV). On June 8, 2009, TRV became a component

of the Dow Jones Industrial Average and began trading on the New York Stock Exchange under the ticker symbol “TRV”.

Capitalization

The Company’s Certificate of Incorporation authorizes the issue of 100,000 shares of common stock with a \$100.00 par value. As of December 31, 2019, the Company had 41,000 common shares issued and outstanding totaling \$4.1 million. All outstanding common shares of the Company are owned by SPFMIC. As of December 31, 2019, the Company reported gross paid in and contributed surplus of \$56.0 million.

Dividends

The Company paid shareholder dividends totaling \$108.9 million during the examination period. The dividends declared and paid for each year were authorized by the Company’s Board of Directors (Board) and notice of the dividend declaration was properly provided to the Department as required by 18 *Del. C.* §5004 (e).

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company’s Certificate of Incorporation and bylaws, the property and affairs of the Company must be managed by or under the direction of its Board. In accordance with the Company’s bylaws, the shareholders shall elect a Board consisting not less than three (3) nor more than eighteen (18) members who shall hold office for one year or until their successors are elected and qualified.

Directors duly elected and serving as of December 31, 2019, were as follows:

<u>Name</u>	<u>Title</u>
Nicholas Seminara	President
William Herbert Heyman	Vice Chairman
Christine Kucera Kalla	Executive Vice President & General Counsel
Michael Frederick Klein	Executive Vice President and President, Personal Insurance
Daniel Stephen Frey	Executive Vice President & Chief Financial Officer
Julie Marie Joyce	Vice President & Chief Corporate Actuary
Wendy Constance Skjerven	Vice President, Corporate Secretary & Group General Counsel

Officers

The Company's officers were elected in accordance with the bylaws during the period under examination. The Company's bylaws state that the Board shall elect a President, and may elect a Chairman of the Board. Other officers may be appointed by or under the authority of the Board. The Company's jurat page officers serving as of December 31, 2019, were as follows:

<u>Name</u>	<u>Title</u>
Nicholas Seminara	President
Jay Steven Benet	Vice Chairman
William Herbert Heyman	Vice Chairman
Avrohom Yaakov Kess	Vice Chairman & Chief Legal Officer
Andy Francis Bessette	Executive Vice President & Chief Administrative Officer
Daniel Stephen Frey	Executive Vice President & Chief Financial Officer
Bruce Richard Jones	Executive Vice President, Enterprise Risk Management & Chief Risk Officer
Christine Kucera Kalla	Executive Vice President & General Counsel
Mojgan Mehdian LeFebvre	Executive Vice President, Chief Technology & Operations Officer
David Donnay Rowland	Executive Vice President & Co-Chief Investment Officer
Daniel Tei-Hwa Yin	Executive Vice President & Co-Chief Investment Officer
Douglas Keith Bell	Senior Vice President, Accounting Policy
Douglas Kenneth Russell	Senior Vice President, Treasurer & Corporate Controller
Scott William Rynda	Senior Vice President, Corporate Tax

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and

approval of Company transactions and events, including approval of investment transactions as required by 18 *Del. C.* § 1304. In addition, review of Company files indicated that written correspondence was submitted to the Department with regards to the changes in officers and directors during the period under examination as required by 18 *Del. C.* § 4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* § 5001 of the Delaware Insurance Code. The Company is an indirect subsidiary of TRV. The following is an abbreviated organizational chart of the insurance holding company system as of December 31, 2019:

<u>Company</u>	<u>Domicile</u>
The Travelers Companies, Inc.	Minnesota
St. Paul Fire and Marine Insurance Company	Connecticut
St. Paul Mercury Insurance Company	Connecticut
St. Paul Guardian Insurance Company	Connecticut
St. Paul Surplus Lines Insurance Company	Delaware
The Travelers Casualty Company	Connecticut
Travelers Constitution State Insurance Company	Connecticut
Discover Property and Casualty Insurance Company	Connecticut
St Paul Protective Insurance Company	Connecticut
Discover Specialty Insurance Company	Connecticut
United States Fidelity and Guaranty Company	Connecticut
Fidelity and Guaranty Insurance Underwriters, Inc.	Wisconsin
Fidelity and Guaranty Insurance Company	Iowa
Travelers Property Casualty Corp.	Connecticut
Travelers Insurance Group Holding Inc.	Delaware
The Standard Fire Insurance Company	Connecticut
The Automobile Insurance Company of Hartford, CT	Connecticut
Travelers Personal Security Insurance Company	Connecticut
Travelers Property Casualty Insurance Company	Connecticut
Travelers Personal Insurance Company	Connecticut
Travelers Casualty and Surety Company	Connecticut
Farmington Casualty Company	Connecticut
Travelers Casualty and Surety Company of America	Connecticut
Travelers Casualty Insurance Company of America	Connecticut
Travelers Casualty Company of Connecticut	Connecticut
Travelers Commercial Insurance Company	Connecticut
Travelers Excess and Surplus Lines Company	Connecticut

Travelers Lloyds of Texas Insurance Company	Texas
The Travelers Indemnity Company	Connecticut
The Charter Oak Fire Insurance Company	Connecticut
First Floridian Auto and Home Insurance Company	Florida
Gulf Underwriters Insurance Company	Connecticut
Select Insurance Company	Texas
American Equity Insurance Company	Arizona
American Equity Specialty Insurance Company	Connecticut
Northland Insurance Company	Connecticut
Northfield Insurance Company	Iowa
Northland Casualty Company	Connecticut
The Phoenix Insurance Company	Connecticut
The Travelers Indemnity Company of America	Connecticut
The Travelers Indemnity Company of Connecticut	Connecticut
Travelers Property Casualty Company of America	Connecticut
TravCo Insurance Company	Connecticut
Travelers Commercial Casualty Company	Connecticut
The Travelers Home and Marine Insurance Company	Connecticut
The Travelers Lloyds Insurance Company	Texas

Agreements with Affiliates

The following is a summary of the Company's significant affiliated agreements in-force as of December 31, 2019:

Expense Allocation Agreement - Effective January 1, 2007, the Company became party to an Amended and Restated Expense Allocation Agreement by and among The Travelers Indemnity Company (Indemnity) and other specified affiliates. In accordance with the agreement, Indemnity provides or contracts with third parties to provide services on behalf of parties to the agreement. Services provided under the agreement may include, but are not limited to, financial management; operational management; accounting; advertising; treasury; property management; payroll; internal and external audit; human resource management; tax; transportation; risk management; legal; investment management and advisory; government relations; records management and data processing; the acquisition/lease/license/maintenance of equipment, intellectual property, software and office space; information technology; benefits administration and support; underwriting; claim

handling and administration; billing and collection; business processing; agency administration and general administration. The Company reimburses Indemnity for direct and indirect costs associated with the services received as determined by allocation methods consistent with requirements of the NAIC *Accounting Practices and Procedures Manual*. Reimbursement is on a cost basis with no profit or loss to Indemnity.

Tax Allocation Agreement - Effective September 1, 2017, the Company became party to an Amended and Restated Tax Allocation Agreement with TRV and specified TRV subsidiaries. The agreement sets forth the manner in which total consolidated federal income tax is allocated among companies included in the consolidated return. In accordance with the agreement, member companies included in the TRV consolidated return are allocated taxes annually based upon their separate taxable income. Member companies with a current federal income tax receivable from TRV will receive settlement to the extent that such receivables are for tax benefits that have been utilized in the consolidated income tax return. Member companies are reimbursed by TRV in the event the Internal Revenue Service levies members' assets for unpaid taxes in excess of the amount specifically allocated to each member.

Money Market Liquidity Pool – Effective May 24, 2006, the Company became a party to the Pooling Agreement for Travelers Money Market Liquidity. The agreement sets forth the terms of a private short-term investment pool, known as the Travelers Money Market Liquidity Pool (TRVMMLP), in which affiliated companies may participate. The TRVMMLP is managed by Indemnity. In accordance with the agreement, each participant may convert its position in the TRVMMLP into cash at any time and may also use its position in the TRVMMLP to settle transactions with other affiliated participants. The position of each participant in the TRVMMLP

is calculated and adjusted daily. As of December 31, 2019, the Company reported its share of the TRVMMLP as a short-term investment.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2019, the Company was licensed only in the State of Delaware and operated as either a surplus lines company or as an authorized non-admitted insurer in all other states. The Company's principal lines of business include general liability, product liability, umbrella and excess liability and inland marine. The Company's products are distributed through independent surplus lines brokers.

REINSURANCE

The Company is a participant in an inter-company reinsurance pooling arrangement referred to as the TRV Reinsurance Pool. The lead company of the TRV Reinsurance Pool is Indemnity. Under the terms of the arrangement, the property-casualty underwriting risks for substantially all lines of business of the intercompany pool participants are reinsured with Indemnity. The pool of net underwriting risks remaining after reinsurance is transacted with third parties by Indemnity is then retroceded to the pool participants based on pool participation percentages. The provision for reinsurance and write-off of uncollectible reinsurance are reported in the statutory financial statements of Indemnity and are not allocated to the other pool participants. As of December 31, 2019, the following companies participated in the TRV Reinsurance Pool:

<u>TRV Reinsurance Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation Percent</u>
St. Paul Fire & Marine Insurance Company	24767	24.79
The Travelers Indemnity Company	25658	23.29
Travelers Casualty and Surety Company	19038	20.36

St. Paul Surplus Lines Insurance Company

The Phoenix Insurance Company	25623	5.00
The Standard Fire Insurance Company	19070	4.84
United States Fidelity and Guaranty Company	25887	4.41
Travelers Casualty Ins. Company of America	19046	2.73
Farmington Casualty Company	41483	1.48
The Automobile Insurance Company of Hartford, CT	19062	1.37
The Travelers Indemnity Company of Connecticut	25682	1.37
The Charter Oak Fire Insurance Company	25615	1.27
Northland Insurance Company	24015	1.22
St. Paul Surplus Lines Insurance Company	30481	0.88
The Travelers Indemnity Company of America	25666	0.77
St. Paul Protective Insurance Company	19224	0.58
Northfield Insurance Company	27987	0.52
Travelers Casualty Company of Connecticut	36170	0.47
Travelers Commercial Casualty Company	40282	0.47
Travelers Commercial Insurance Company	36137	0.47
St. Paul Mercury Insurance Company	24791	0.40
Travelers Property Casualty Company of America	25674	0.36
Travelers Property Casualty Insurance Company	36161	0.30
The Travelers Casualty Company	41769	0.29
Travelers Constitution State Insurance Company	41750	0.29
TravCo Insurance Company	28188	0.27
Travelers Excess and Surplus Lines Company	29696	0.27
The Travelers Home and Marine Insurance Company	27998	0.27
Travelers Personal Insurance Company	38130	0.27
Travelers Personal Security Insurance Company	36145	0.27
Discover Property & Casualty Insurance Company	36463	0.14
Discover Specialty Insurance Company	10213	0.14
Northland Casualty Company	24031	0.14
American Equity Specialty Insurance Company	10819	0.10
Fidelity and Guaranty Insurance Underwriters, Inc.	25879	0.10
St. Paul Guardian Insurance Company	24775	0.10

FINANCIAL STATEMENTS

Financial Statements as reported and filed by the Company with the Department are reflected in the following:

- Statement of Assets as of December 31, 2019
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2019
- Summary of Income for the Year Ended December 31, 2019
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2014 to December 31, 2019

**Statement of Assets
as of December 31, 2019**

	<u>Assets</u>	<u>Non admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$ 575,461,965	\$ -	\$ 575,461,965
Cash and cash equivalents	3,584,037	-	3,584,037
Receivables for securities	216,732	-	216,732
Aggregate write-ins for invested assets	<u>1,572,958</u>	<u>-</u>	<u>1,572,958</u>
Subtotals, cash and invested assets	<u>\$ 580,835,692</u>	<u>\$ -</u>	<u>\$ 580,835,692</u>
Investment income due and accrued	\$ 5,503,454	\$ -	\$ 5,503,454
Uncollected premiums and agents' balances	27,930,293	1,538,248	26,392,045
Deferred premiums, agents' balances and installments booked but deferred and not due	46,516,164	270,232	46,245,932
Accrued retrospective premiums and contracts subject to redetermination	797,530	74,624	722,907
Amounts recoverable from reinsurers	5,459,802	-	5,459,802
Net deferred tax asset	8,550,056	1,196,472	7,353,583
Aggregate write-ins for other than invested assets	<u>2,084,989</u>	<u>63,425</u>	<u>2,021,564</u>
Total Assets	<u>\$ 677,677,980</u>	<u>\$ 3,143,001</u>	<u>\$ 674,534,980</u>

**Statement of Liabilities, Surplus and Other Funds
as of December 31, 2019**

		Notes
Losses	\$ 284,574,644	1
Reinsurance payable on paid losses and loss adjustment expense	12,645,777	
Loss adjustment expense	64,780,836	1
Commissions payable, contingent commissions and other similar charges	6,956,914	
Other expenses	5,435,003	
Taxes, licenses and fees	2,639,249	
Current federal and foreign income taxes	607,717	
Unearned Premiums	102,802,561	
Dividends declared and unpaid: Policyholders	523,237	
Ceded reinsurance premiums payable	2,280,023	
Amounts withheld or retained by company for account of others	349,652	
Payable to parent, subsidiaries and affiliates	4,865,884	
Payable for securities lending	1,572,958	
Aggregate write-ins for liabilities	(374,059)	
Total liabilities	\$ 489,660,396	
Aggregate write-ins for special surplus funds	\$ 427,846	
Common capital stock	4,100,000	
Gross paid in and contributed surplus	56,030,937	
Unassigned funds (surplus)	124,315,801	
Capital and Surplus	\$ 184,874,584	
Total liabilities, surplus and other funds	\$ 674,534,980	

**Summary of Income
for the Year Ended December 31, 2019**

Premiums earned	\$	216,770,484
 DEDUCTIONS:		
Losses incurred	\$	126,122,332
Loss adjustment expenses incurred		22,701,443
Other underwriting expenses incurred		63,196,795
Total underwriting deductions	<u>\$</u>	<u>212,020,570</u>
 Net underwriting gains (losses)	 <u>\$</u>	 <u>4,749,914</u>
 INVESTMENT INCOME:		
Net investment income earned	\$	17,706,536
Net realized capital gains		836,607
Net investment gain	<u>\$</u>	<u>18,543,143</u>
 OTHER INCOME (LOSS):		
Net gain (loss) from agents' or premium balances charged off	\$	(485,957)
Finance and service charges not included in premiums		802,369
Aggregate write-ins for miscellaneous income		(67,032)
Total other income	<u>\$</u>	<u>249,380</u>
 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	 <u>\$</u>	 <u>23,542,437</u>
 Dividends to policyholders		 364,476
 Net income after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes	 <u>\$</u>	 <u>23,177,960</u>
Federal and foreign income taxes incurred		3,495,413
Net income	<u>\$</u>	<u>19,682,547</u>

**Reconciliation of Capital and Surplus
for the Period from the Prior Examination
as of December 31, 2014 to December 31, 2019**

	Common Capital Stock	Gross Paid In & Contributed Surplus	Unassigned Funds (Surplus)	Total
December 31, 2014	\$ 4,100,000	\$ 56,030,937	\$ 134,737,629	\$ 194,868,566
2015 Net Income	-	-	28,095,482	28,095,482
2015 Other Changes ¹	-	-	(239,945)	(239,945)
2015 Stockholder Dividends	-	-	(26,000,000)	(26,000,000)
December 31, 2015	<u>\$ 4,100,000</u>	<u>\$ 56,030,937</u>	<u>\$ 136,593,166</u>	<u>\$ 196,724,103</u>
2016 Net Income	-	-	22,844,645	22,844,645
2016 Other Changes ¹	-	-	135,213	135,212
2016 Stockholder Dividends	-	-	(26,800,000)	(26,800,000)
December 31, 2016	<u>\$ 4,100,000</u>	<u>\$ 56,030,937</u>	<u>\$ 132,773,024</u>	<u>\$ 192,903,960</u>
2017 Net Income	-	-	15,005,581	15,005,581
2017 Other Changes ¹	-	-	(2,762,105)	(2,762,105)
2017 Stockholder Dividends	-	-	(21,700,000)	(21,700,000)
December 31, 2017	<u>\$ 4,100,000</u>	<u>\$ 56,030,937</u>	<u>\$ 123,316,500</u>	<u>\$ 183,447,436</u>
2018 Net Income	-	-	16,487,389	16,487,389
2018 Other Changes ¹	-	-	(415,677)	(415,677)
2018 Stockholder Dividends	-	-	(16,100,000)	(16,100,000)
December 31, 2018	<u>\$ 4,100,000</u>	<u>\$ 56,030,937</u>	<u>\$ 123,288,212</u>	<u>\$ 183,419,148</u>
2019 Net Income	-	-	19,682,547	19,682,547
2019 Other Changes ¹	-	-	72,888	72,888
2019 Stockholder Dividends	-	-	(18,300,000)	(18,300,000)
December 31, 2019	<u><u>\$ 4,100,000</u></u>	<u><u>\$ 56,030,937</u></u>	<u><u>\$ 124,743,647</u></u>	<u><u>\$ 184,874,584</u></u>

¹Other Changes in Unassigned Funds (Surplus) for each year may include change in net unrealized capital gains/losses, change in net deferred income taxes, change in non-admitted assets and change in the provision for reinsurance.

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the Company's Financial Statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Losses	\$ 284,574,644
Loss Adjustment Expenses	64,780,836

The Department retained the actuarial services of INS Consultants Inc. (Consulting Actuary) to perform a limited risk-focused review of the Company's significant reserving and pricing activities. The Consulting Actuary assisted in review of the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary performed a peer review of the actuarial work performed by the State of Connecticut on behalf of the coordinated examination for the TRV Reinsurance Pool.

SUBSEQUENT EVENTS

Subsequent events were evaluated through April 22, 2021, the date that this examination report was available to be issued. Based on this evaluation, the following significant transaction was deemed material for disclosure in this examination report.

Significant Affiliated Agreements

Effective January 1, 2020, the TRV Reinsurance Pool was amended. As a result of the amendment, the Company and four other affiliates remain a member of the TRV Reinsurance Pool and continue to cede one hundred percent of their direct and assumed business to Indemnity, but their retrocession from Indemnity, as well as their quota share percentage of the Pool's business was reduced to zero¹. The following is a summary of the TRV Reinsurance Pool participants and each participant's pool participation percentage in accordance with the amended agreement:

<u>TRV Reinsurance Pool Participant</u>	<u>Pool Participation Percent</u>
The Travelers Indemnity Company	25.20
St. Paul Fire and Marine Insurance Company	24.79
Travelers Casualty and Surety Company	20.36
The Phoenix Insurance Company	5.00
The Standard Fire Insurance Company	4.84
United States Fidelity and Guaranty Company	4.41
Travelers Casualty Ins. Company of America	2.73
Farmington Casualty Company	1.48
The Automobile Insurance Company of Hartford, CT	1.37
The Travelers Indemnity Company of Connecticut	1.37
The Charter Oak Fire Insurance Company	1.27
Northland Insurance Company	1.22
The Travelers Indemnity Company of America	0.77
St. Paul Protective Insurance Company	0.58
Travelers Casualty Company of Connecticut	0.47
Travelers Commercial Casualty Company	0.47
Travelers Commercial Insurance Company	0.47
St. Paul Mercury Insurance Company	0.40
Travelers Property Casualty Company of America	0.36
Travelers Property Casualty Insurance Company	0.30
The Travelers Casualty Company	0.29
Travelers Constitution State Insurance Company	0.29
TravCo Insurance Company	0.27
The Travelers Home and Marine Insurance Company	0.27
Travelers Personal Security Insurance Company	0.27
Travelers Personal Insurance Company	0.27
Discover Property and Casualty Insurance Company	0.14
Northland Insurance Company	0.14
St. Paul Guardian Insurance Company	0.10
Fidelity and Guaranty Insurance Underwriters, Inc.	0.10

¹The companies no longer wishing to accept business include: American Equity Specialty Insurance Company, Discover Specialty Insurance Company, Northfield Insurance Company, Travelers Excess and Surplus Lines Company and **St. Paul Surplus Lines**

Insurance Company. In the amended agreement, these five companies are referred to as the “Net Zero Insurers.”

Other Significant Events

Beginning in March of 2020, the world has experienced, and continues to experience a pandemic related to the COVID-19 virus. As of the date of this examination report, the Company’s operations and financial condition had not been materially impacted.

SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

The assistance and cooperation of examiners representing the states on the coordinated examination is acknowledged. In addition, the assistance of the Consulting Actuary, the Company's outside audit firm, KPMG, and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



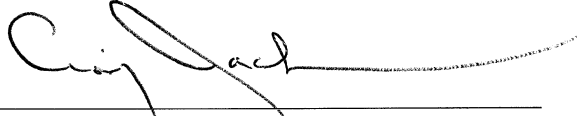
Craig Jackson, CPA, CFE
Examiner In-Charge
State of Delaware



Richard Palmatary, CPA, CFE
Supervising Examiner
State of Delaware

St. Paul Surplus Lines Insurance Company

I, Craig Jackson, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Authority No. 20.020.

A handwritten signature in black ink, appearing to read "Craig Jackson", written over a horizontal line.

Craig Jackson, CPA, CFE