

REPORT ON EXAMINATION
OF
ENDURANCE AMERICAN INSURANCE COMPANY
AS OF
DECEMBER 31, 2021

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
ENDURANCE AMERICAN INSURANCE COMPANY
AS OF
DECEMBER 31, 2021

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, which appears to read "Trinidad Navarro", is written over a horizontal line.

Trinidad Navarro
Insurance Commissioner

Dated this 28th day of June, 2023

TABLE OF CONTENTS

SCOPE OF EXAMINATION	1
SUMMARY OF SIGNIFICANT FINDINGS.....	3
COMPANY HISTORY	3
CAPITALIZATION	4
DIVIDENDS	4
MANAGEMENT AND CONTROL.....	5
DIRECTORS.....	5
OFFICERS	5
CORPORATE RECORDS.....	5
INSURANCE HOLDING COMPANY SYSTEM.....	6
AGREEMENTS WITH AFFILIATES	7
TERRITORY AND PLAN OF OPERATION.....	9
REINSURANCE	9
FINANCIAL STATEMENTS.....	12
STATEMENT OF ASSETS.....	13
STATEMENT OF LIABILITIES AND SURPLUS.....	14
STATEMENT OF INCOME	15
CAPITAL & SURPLUS ACCOUNT	16
RECONCILIATION OF CAPITAL AND SURPLUS.....	17
ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION.....	17
COMMENTS ON FINANCIAL STATEMENT ITEMS	18
SUBSEQUENT EVENTS.....	18
SUMMARY OF RECOMMENDATIONS.....	19

May 17, 2023

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 Examination Certification No. 22.017, dated January 11, 2022, an examination has been made of the affairs, financial condition and management of

ENDURANCE AMERICAN INSURANCE COMPANY

hereinafter referred to as the Company or EAIC. The Company was incorporated under the laws of the State of Delaware as a stock company with its home office located at 1209 Orange Street, Wilmington, Delaware. The administrative office of the Company is located at, 4 Manhattanville Road, Purchase, New York.

SCOPE OF EXAMINATION

The Delaware Department of Insurance (Department) performed a risk-focused financial examination of the Company. The previous regulatory examination of the Company covered the four-year period from January 1, 2013 through December 31, 2016. This examination covers the five-year period from January 1, 2017 through December 31, 2021.

The examination of the Company was performed as part of the multi-state coordinated examination of Sampo U.S. Group (Sampo Group) of companies as of December 31, 2021. The Department was the lead state for the Sampo Group examination.

The examination was conducted concurrently with that of its affiliates:

<u>Name</u>	<u>Domicile</u>
Endurance Assurance Corporation (EAC)	DE
Endurance Risk Solutions Assurance Co. (ERSAC)	DE
Endurance American Specialty Insurance Company (EASIC)	DE
Endurance Specialty Insurance Ltd. U.S. Reinsurance Trust (ESIL-MBT)	DE
Endurance Specialty Insurance Ltd. U.S. Reduced Collateral Reinsurance Trust (ESIL-RCT)	DE
Sampo Fire & Marine Insurance Company (SAFM)	NY
Sampo America Insurance Company (SAIC)	NY
Bond Safeguard Insurance Company (BSIC)	SD
American Agri-Business Insurance Company (AA-BIC)	TX
Lexon Insurance Company (LIC)	TX

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 Law 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 Ernst & Young, LLP (E&Y). Certain auditor work papers of the 2021 E&Y audit of the Company have been incorporated into the work papers of the examiners and have been 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 financial statements as a result of this examination.

COMPANY HISTORY

The Company was organized and incorporated as CORE Insurance Company by owner representatives of CORE Reinsurance Company, a Bermuda domiciled property and casualty reinsurance company, under the laws of the State of Vermont on March 21, 1996. The Company commenced business on April 5, 1996. In July, 2001, the Company was placed in run-off by resolution of its Board of Directors (Board) and all then existing business was

assumed and retro-ceded to Employers Reinsurance Corporation (ERC). On May 15, 2003, the Company was purchased by ERC. On June 5, 2006, the Company was purchased as a shell by Endurance Reinsurance Corporation of America (now known as EAC), a property and casualty insurance and reinsurance company. EAC is a wholly owned subsidiary of Endurance Specialty Insurance Ltd. (ESIL), a Bermuda company. In October 2006, the Company re-domesticated to the State of Delaware from Vermont and amended and restated its Certificate of Incorporation to change its name to EAIC.

On March 28, 2017, the Company became part of Sompo Holdings, Inc. (Sompo Holdings) an insurance holding company system and control was acquired through the acquisition of 100% of the outstanding ordinary shares of parent Endurance Specialty Holdings Ltd. (ESHL). Sompo Holdings created a holding company, Sompo International Holdings, Ltd. (SIHL), domiciled in Bermuda, who owns ESIL, also domiciled in Bermuda, and the Sompo Group.

Capitalization

The Company's Certificate of Incorporation authorizes the issue of 6,000,000 shares of common stock with a \$1.00 par value. As of December 31, 2021, the Company had 6,000,000 common shares issued and outstanding totaling \$6,000,000. All outstanding common shares of the Company are owned by EAC. As of December 31, 2021, the Company reported gross paid in and contributed surplus of \$1,130,153,297.

Dividends

There were no dividends paid during the period covered by this exam.

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. The Board shall not have less than one member and the total number of directors shall be determined by the Board.

Each Director is elected annually by the stockholder and holds office until the next annual election and until their successors are elected and qualify except as removed for cause and the successor elected by a special meeting of the stockholder. Directors duly elected and serving as of December 31, 2021, are as follows:

<u>Name</u>	<u>Affiliation</u>
Christopher Brian Gallagher	Chief Executive Officer, Commercial P&C, SIHL
Windy Lee Lawrence	General Counsel, SIHL
Michael James McGuire	CFO, SIHL

Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws require election of one or more presidents, a treasurer and a secretary. The Board may also elect a chairman, executive vice presidents, vice presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person. The primary officers serving as of December 31, 2021, were as follows:

<u>Name</u>	<u>Title</u>
Christopher Louis Sparro	President
Entela Hana	Treasurer
Daniel Simeon Lurie	Secretary

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 in accordance with 18 *Del. C.* §1304. In addition, the 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 in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system as it is defined under 18 *Del. C.* § 5001 (7) of the Delaware Insurance Code.

The ultimate controlling person was ESHL, a Bermuda corporation, which is primarily engaged through its subsidiaries in the business of property and casualty insurance and reinsurance. Effective March 28, 2017, control was acquired through the acquisition of 100% of the outstanding ordinary shares of ESHL by Sompo Holdings, a Japanese domestic company.

An abbreviated organizational chart of Sompo Holdings as of December 31, 2021, is as follows (ownership of subsidiaries is 100% unless otherwise noted):

Sompo Holdings, Inc. (Japan)

 Sompo Japan Insurance Inc. (Japan)

 Sompo International Holdings Ltd. (Bermuda)*

 Endurance Specialty Insurance Ltd. (Bermuda)

 (U.S. Reinsurance Trust)**

 (U.S. Reduced Collateral Reinsurance Trust)**

 Endurance U.S. Holdings Corp. (DE)

 Agri-Sompo North America, Inc. (TX)

 American Agri-Business Insurance Company (TX)

 Endurance Assurance Corporation (DE)

 Sompo America Insurance Company (NY)

 Sompo America Fire & Marine Insurance Company (NY)

 Endurance Risk Solutions Assurance Co. (DE)

Endurance American Insurance Company (DE)

 Endurance American Specialty Insurance Company (DE)

 Lexon Insurance Company (TX)

 Bond Safeguard Insurance Company (SD)

* Effective September 2017, ESHL transferred substantially all of its assets (including the U.S. Reinsurance Trust and the U.S. Reduced Collateral Reinsurance Trust) and liabilities to its affiliate, SIHL, a Bermuda corporation. Subsequently, ESHL was liquidated.

** The U.S. Reinsurance Trust and the U.S. Reduced Collateral Reinsurance Trust are wholly owned trust accounts of ESIL. They are not entities or “subsidiaries” as that term is commonly understood in the context of an insurance holding company system.

Agreements with Affiliates

Administrative Services Agreement

Effective April 1, 2018, the Company entered into a Second Amended and Restated Administrative Services Agreement with SIHL which allows for the sharing of management and administrative services among the various participating entities. This agreement replaced all prior administrative services agreements.

Credit Facility

On November 2, 2017, the Company became a Subsidiary Obligor under the Uncommitted Letter of Credit and Reimbursement agreement by and between SIHL, various subsidiary Obligors and the Mizuho Bank, Ltd. (Mizuho Credit Facility). The Mizuho Credit Facility is an unsecured credit facility with a capacity of \$1 billion. The Mizuho Credit Facility requires compliance with certain customary restrictive covenants. The Company has not accessed the Mizuho Credit Facility as of the examination date.

On December 21, 2017, the Company became an applicant under the Continuing Letter of Agreement (for standby Letters of Credit) by and Between SIHL, various applicants and Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU Credit Facility). The BTMU Credit Facility is an unsecured credit facility with a capacity of \$250 million. The BTMU Credit Facility requires compliance with certain customary restrictive covenants. The Company has not accessed the BTMU Credit Facility as of the examination date.

Effective March 23, 2016, the Company became a Designated Subsidiary Borrower under a \$450 million five-year revolving Credit Facility by and among SIHL, various

designated subsidiary borrowers, various lenders and JPMorgan Chase Bank, N.A (JP Morgan) as the administrative agent (JPM Credit Facility). On April 13, 2018, SIHL notified JP Morgan that the lenders' commitment under the JPM Credit Facility was reduced from \$450 million to \$100 million. The JPM Credit Facility is collateralized on a several basis by each entity incurring an obligation with cash and securities deposited into collateral accounts with Deutsche Bank Trust Company Americas as collateral agent. The JPM Credit Facility expired on March 31, 2021.

Indemnity Agreement

Effective March 12, 2009, an Indemnity Agreement between the Company and EAC, as the Indemnitors and Continental Casualty Company and its affiliates as Surety. Under this agreement the Surety is protected in the event of a default on a forfeiture bond. The agreement was required as a condition of EAIC receiving a waiver of the license seasoning period under New Jersey law.

Program Management Agreement

Program Management Agreement dated June 5, 2006, by and among EAIC, Endurance Specialty Insurance Marketing Corp. (ESIMC) and Endurance Specialty Marketing Corp. of Illinois (ESIMC-IL). Under this agreement, ESIMC and ESIMC-IL are appointed as program managers for the purpose of underwriting and administering certain commercial special risk property and casualty insurance coverages.

Crop Insurance Agreement

General Agency Crop Insurance Agreement, effective January 1, 2009, by and among EAIC, ERSAC and AgriSomp North America, Inc. (ASNA), formerly ARMTech Insurance Services. Under this agreement EAIC and ERSAC appoint ASNA as an agent for underwriting agricultural insurance products.

Consolidated Tax Allocation Agreement

Effective June 5, 2006, the Company became a party to a Consolidated Tax Allocation Agreement with Endurance U.S. Holdings Corp. The agreement sets forth the manner in which the total consolidated federal income tax liability or benefit is allocated to each entity in the group as if separate tax returns were filed. Various amendments were added to include additional affiliates over the exam period.

TERRITORY AND PLAN OF OPERATION

Territory

The Company is licensed to transact business in 51 United States jurisdictions: forty-nine states, the District of Columbia and the U.S. Virgin Islands. It is an accredited reinsurer in Florida and Maine. For the year ending December 31, 2021, the Company wrote approximately 50.62% of its business in the jurisdictions of New York (16.74%), Texas (16.24%), Illinois (7.15%), Massachusetts (5.84%) and Pennsylvania (4.65%).

Plan of Operation

EAIC offers property, marine/energy, aviation, casualty, professional liability and agriculture (through the Pool) insurance and reinsurance and related services. It serves the insurance and reinsurance needs of risk managers and reinsurance buyers.

REINSURANCE

The Company reported the following distribution of premiums written for the years ended December 31, 2021, and the prior examination date of December 31, 2016:

Endurance American Insurance Company

	2021	% GPW	2016	% GPW
Direct Written	\$ 885,490,164	18.88%	\$ 454,607,690	29.88%
Reinsurance assumed from affiliates	3,783,633,171	80.68%	1,056,190,856	69.42%
Reinsurance assumed from non- affiliates	20,562,124	0.44%	10,685,477	0.70%
Gross premiums Written	\$ 4,689,685,459	100.00%	\$ 1,521,484,023	100.00%
Reinsurance ceded to affiliates	1,134,963,601	24.20%	455,356,201	29.93%
Reinsurance ceded to non -affiliates	2,278,634,116	48.59%	812,317,076	53.39%
Total Ceded	\$ 3,413,597,717	72.79%	\$ 1,267,673,277	83.32%
Net premium written	\$ 1,276,087,742	27.21%	\$ 253,810,746	16.68%

Intercompany Pooling Agreement

EAIC is the lead on an intercompany reinsurance pooling arrangement (Pool) with EASIC and ERSAC (Pooling Agreement). The Pooling Agreement, effective January 1, 2009, and amended effective January 1, 2012, provides for EASIC and ERSAC to cede 100% of their gross premiums, losses, insurance expenses and other related underwriting activity to the Company. The Company, after the placement of reinsurance to both external and affiliated companies, cedes the net business of the Pool to EASIC and ERSAC based on their pooling percentages of 27% and 20% respectively. EAIC retains 53% of the Pool's net business.

Affiliated Reinsurance

Assumed from Affiliates

EAIC assumes 100% of the net insurance business of its affiliate, AA-BIC, a property and casualty insurance company, which writes multi-peril crop insurance under a program administered by the Federal Crop Insurance Corporation, livestock and crop hail insurance. CGB Insurance Company was acquired by and merged into AA-BIC during 2020. The AA-BIC-EAIC Quota Share was terminated July 1, 2022, and rewritten with EAC beginning with the 2023 crop year.

Ceded to Affiliates

Effective July 1, 2021, EAC and EAIC entered into a 100% quota share reinsurance agreement with Sompo Japan Insurance Inc. (SJII). Under the terms of the agreement, EAC and EAIC cede 100% of new and renewal bonds written and classified as Contract Surety and Commercial Surety Bonds written by the Bond and Specialty business for the Toshiba Corporation and/or Toshiba America and its subsidiaries and affiliated companies and/or corporations to SJII.

Non-Affiliated Assumed Reinsurance

EAIC's assumed reinsurance premiums in 2021 from non-affiliated companies amounted to \$20,562,124.

Non-Affiliated Ceded Reinsurance

The Company purchases of reinsurance are coordinated with the Sompo Group. The Sompo Group purchases reinsurance from highly rated domestic and international reinsurers. The group utilizes reinsurance to manage underwriting risks. It cedes to a 1 in 250 year probable maximum loss to reported group capital which is comparable to its peers. In the reinsurance segment, the Sompo Group purchases proportional and excess of loss retrocessional coverage on the catastrophe line of business and proportional coverage on the specialty line of business. The Sompo Group's insurance operating subsidiaries use proportional and excess reinsurance to protect larger limits on certain business written by the insurance segment. The Sompo Group's agriculture insurance line of business participates in a crop reinsurance program sponsored by the U.S. federal government and utilizes third party reinsurance covers. Excess reinsurance coverage is purchased in relation to the property insurance line of business to protect against catastrophic events.

FINANCIAL STATEMENTS

The following financial statements, as reported and filed by the Company with the Department, are reflected in the following:

- Statement of Assets as of December 31, 2021
- Statement of Liabilities and Surplus as of December 31, 2021
- Statement of Income for the year ended December 31, 2021
- Statement of Capital and Surplus Account for the year ended December 31, 2021
- Reconciliation of Capital and Surplus for the Period December 31, 2016 to December 31, 2021

STATEMENT OF ASSETS
As of December 31, 2021

	Ledger Assets	Nonadmitted Assets	Net Admitted Assets 2021
Bonds	\$ 1,392,030,556	\$ -	\$ 1,392,030,556
Common stocks (stocks)	381,582,814	-	381,582,814
Real Estate	-	-	-
Cash	295,276,059	-	295,276,059
Cash equivalents	5,599,216	-	5,599,216
Short Term Investments	3,599,974	-	3,599,974
Other invested assets	13,447,236	-	13,447,236
Receivables for securities	19,100,000	-	19,100,000
Subtotals, cash and invested assets	<u>\$ 2,110,635,855</u>	<u>\$ -</u>	<u>\$ 2,110,635,855</u>
Investment income due and accrued	6,894,342		6,894,342
Uncollected premiums and agents' balances in the course of collection	402,950,894	11,298,754	391,652,140
Deferred premiums	1,941,737,681	-	1,941,737,681
Accrued retrospective premiums	-	-	-
Amounts recoverable from reinsurers	793,414,265	-	793,414,265
Funds held by or deposited with reinsured companies	80,016,437	-	80,016,437
Current federal and foreign income tax recoverable and interest thereon	-	-	-
Net deferred tax asset	47,201,566	10,651,758	36,549,808
Electronic data processing equipment software	-	-	-
Furniture and equipment, including healthcare delivery assets	-	-	-
Receivables from parent; subsidiaries and affiliates	68,587,621	-	68,587,621
Aggregate write-ins for other than invested assets:	<u>12,474</u>	<u>-</u>	<u>12,474</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>\$ 5,451,451,135</u>	<u>\$ 21,950,512</u>	<u>\$ 5,429,500,623</u>
From Separate Accounts, Segregated Accounts and Pro	-	-	-
Total	<u><u>\$ 5,451,451,135</u></u>	<u><u>\$ 21,950,512</u></u>	<u><u>\$ 5,429,500,623</u></u>

STATEMENT OF LIABILITIES AND SURPLUS
As of December 31, 2021

		<u>Notes</u>
Losses	\$ 845,925,082	1
Reinsurance payable on paid losses and loss adjustment expenses	709,950,314	
Loss adjustment expenses	126,611,393	1
Commissions payable; contingent commissions and other similar charges	(783,843)	
Other expenses (excluding taxes; licenses and fees)	589,263	
Taxes, licenses, and fees (excluding federal and foreign income tax)	2,790,007	
Current federal and foreign income taxes	9,896,720	
Borrowed Money and interest	-	
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$1,309,424,668 and including warranty reserves of \$0)	568,428,607	
Advance Premium	-	
Ceded reinsurance premiums payable (net of ceding commissions)	1,864,043,379	
Funds held by company under reinsurance treaties	78,180,165	
Amounts withheld or retained by company for account of others	3,450,132	
Remittances and items not allocated	41,840,342	
Provision for reinsurance (including \$2,985,156 certified)	56,203,603	
Net adjustments in assets and liabilities due to foreign exchange rates	-	
Payable to parent, subsidiaries and affiliates	41,708,258	
Payable for securities	19,646,596	
Aggregate write-ins for liabilities	28,885,174	
Total liabilities excluding protected cell liabilities	<u>\$ 4,397,365,192</u>	
Total liabilities	<u>\$ 4,397,365,192</u>	
Aggregate write-ins for special surplus funds	-	
Common capital stock	6,000,000	
Gross paid in and contributed surplus	1,130,153,297	
Unassigned funds (surplus)	<u>(104,017,866)</u>	
Surplus as regards policyholders	<u>\$ 1,032,135,431</u>	
Totals of liabilities & surplus	<u><u>\$ 5,429,500,623</u></u>	

STATEMENT OF INCOME
For the Year Ended December 31, 2021

Underwriting Income	
Premiums earned	\$ <u>1,119,989,452</u>
Deductions	
Losses incurred	\$ 786,394,541
Loss adjustment expenses incurred	79,800,228
Other underwriting expenses incurred	<u>190,194,716</u>
Total underwriting deductions	<u>\$ 1,056,389,485</u>
Net underwriting gain (loss)	<u>\$ 63,599,967</u>
Investment Income	
Net investment income earned	\$ 27,285,346
Net realized capital gains (losses) less capital gains tax of \$118,931	<u>2,434,131</u>
Net investment gain (loss)	<u>\$ 29,719,477</u>
Other Income	
Net gain (loss) from agents' or premium balances charged off (amount recovered \$0..... amount charged off \$132,581)	\$ (132,581)
Aggregate write-ins for miscellaneous income	<u>216,178</u>
Total other income	<u>\$ 83,597</u>
Net income before dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 93,403,041
Dividends to policyholders	<u>-</u>
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 93,403,041
Federal and foreign income taxes incurred	<u>32,258,383</u>
Net Income	<u><u>\$ 61,144,658</u></u>

CAPITAL & SURPLUS ACCOUNT
For the Year Ended December 31, 2021

Surplus as regards to policyholders; December 31 prior year	\$ 913,230,384
Net income	61,144,658
Change in net unrealized capital gains (losses) less capital gains tax of\$1,525,345	40,766,350
Change in net unrealized foreign exchange capital gain (loss)	-
Change in net deferred income tax	14,021,556
Change in nonadmitted assets	(9,307,707)
Change in provision for reinsurance	(7,719,810)
Surplus adjustment: Paid in	20,000,000
Transferred to Capital (Stock Dividend)	-
Dividends to stockholders	-
Aggregate write-ins for gains and losses in surplus	-
Change in surplus as regards policyholders for the year	<u>\$ 118,905,047</u>
Surplus as regards policyholders, December 31 current year	<u><u>\$ 1,032,135,431</u></u>

RECONCILIATION OF CAPITAL AND SURPLUS
As of December 31, 2016 to December 31, 2021

	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Surplus		Total
12/31/2016	\$ 6,000,000	\$ 531,153,297	\$ (254,076,726)		\$ 283,076,571
12/31/2017	-	-	(11,891,421)	(1)	(11,891,421)
12/31/2017	-	-	(44,297,976)	(2)	(44,297,976)
12/31/2017	-	200,000,000		(3)	200,000,000
12/31/2018	-		(7,129,285)	(1)	(7,129,285)
12/31/2018	-		(22,858,117)	(2)	(22,858,117)
12/31/2018	-	150,000,000		(3)	150,000,000
12/31/2019	-		26,510,088	(1)	26,510,088
12/31/2019	-		8,978,388	(2)	8,978,388
12/31/2019	-	149,000,000		(3)	149,000,000
12/31/2020	-		29,812,684	(1)	29,812,684
12/31/2020	-		72,029,452	(2)	72,029,452
12/31/2020	-	80,000,000		(3)	80,000,000
12/31/2021	-		61,144,658	(1)	61,144,658
12/31/2021	-		37,760,389	(2)	37,760,389
12/31/2021	-	20,000,000		(3)	20,000,000
Total	\$ 6,000,000	\$ 1,130,153,297	\$ (104,017,866)		\$ 1,032,135,431

- (1) Represents net income
(2) Change in unrealized capital gains (losses), Change in net unrealized foreign exchange capital gain, Change in net deferred income tax, Change in non-admitted assets, Change in provision for reinsurance.
(3) Capital infusion

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM
THE EXAMINATION**

There were no changes made to the Financial Statements as a result of this Examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:	
Losses	\$845,925,082
Loss Adjustment Expenses	\$126,611,393

The examination liabilities for the aforementioned captioned items are the same as those balances reported by the Company as of December 31, 2021. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Actuarial Principles and Standards of Practice and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 55 *Unpaid Claims, Losses and Loss Adjustment Expenses* (SSAP No. 55).

SUBSEQUENT EVENTS

Effective January 1, 2022 the Company terminated the intercompany pooling agreement with EASIC and ERSAC. Effective January 1, 2022, EAIC, EASIC, ERSAC, LIC, BSIC, SAIC and SAFM entered into a new pooling agreement with EAC. Under the terms of the agreement all intercompany reinsurance agreements among the ceding companies including the previous Pool will be novated to EAC and EAC will assume all policies issued or assumed by the ceding companies from and after the effective shall automatically and obligatory cede to EAC.

Effective July 1, 2011, the Company entered into a quota share agreement with AA-BIC (AA-BIC-EAIC Livestock Quota Share Treaty), whereby AA-BIC cedes 100% of its livestock insurance business to EAIC. The AA-BIC Livestock Quota Share Treaty was terminated at the end of crop year 2022.

Effective January 1, 2009, the Company entered into a quota share agreement with AA-BIC (AA-BIC-EAIC Quota Share Treaty), whereby AA-BIC cedes 100% of its net business

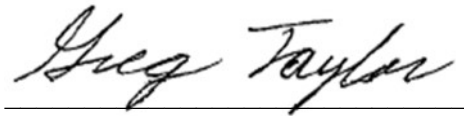
(excluding livestock business) to EAIC. The AA-BIC-EAIC Quota Share Treaty was terminated at the end of crop year 2022.

SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

The assistance and cooperation of the Company's outside audit firm, E&Y, and the Company's management and staff was appreciated and is acknowledged.

Respectfully Submitted,



Greg Taylor, CFE

Examiner In-Charge

State of Delaware



Anthony Cardone, CPA, CFE
Supervising Examiner
State of Delaware

Endurance America Insurance Company

I, Greg Taylor, 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 Certification No. 22.017.



Greg Taylor, CFE