

REPORT ON EXAMINATION
OF
BERKLEY SPECIALTY INSURANCE COMPANY
AS OF
DECEMBER 31, 2022

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
BERKLEY SPECIALTY INSURANCE COMPANY
AS OF
DECEMBER 31, 2022

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 3 day of June, 2024

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May 13, 2024

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. 23.002, an examination has been made of the affairs, financial condition and management of

BERKLEY SPECIALTY INSURANCE COMPANY

hereinafter referred to as the Company or BSIC. 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 475 Steamboat Road, Greenwich, Connecticut.

SCOPE OF EXAMINATION

We have performed our multi-state examination of BSIC. The last examination of the Company was conducted by the Delaware Department of Insurance (Department) and covered the five-year period from January 1, 2014 through December 31, 2018. This examination covers the four-year period from January 1, 2019 through December 31, 2022.

The examination of the Company was performed as part of the multi-state coordinated examination of Berkley U.S. Group (Berkley Group) of companies as of

December 31, 2022. The Department was the lead state for the Berkley Group examination.

The examination was conducted concurrently with that of its affiliates:

<u>Name</u>	<u>Domicile</u>
1. Nautilus Insurance Company	Arizona
2. Preferred Employers Insurance Company	California
3. Admiral Indemnity Company	Delaware
4. Admiral Insurance Company	Delaware
5. Berkley Insurance Company	Delaware
6. Firemen's Insurance Company of Washington D. C.	Delaware
7. Gemini Insurance Company	Delaware
8. Midwest Employers Casualty Company	Delaware
9. Acadia Insurance Company	Iowa
10. Berkley Casualty Company	Iowa
11. Berkley Assurance Company	Iowa
12. Berkley National Insurance Company	Iowa
13. Berkley Prestige Insurance Company	Iowa
14. Berkley Regional Insurance Company	Iowa
15. Carolina Casualty Insurance Company	Iowa
16. Clermont Insurance Company	Iowa
17. Continental Western Insurance Company	Iowa
18. Intrepid Casually Company	Iowa
19. Intrepid Insurance Company	Iowa
20. Intrepid Specialty Insurance Company	Iowa
21. Key Risk Insurance Company	Iowa
22. Riverport Insurance Company	Iowa
23. StarNet Insurance Company	Iowa
24. Tri-State Insurance Company of Minnesota	Iowa
25. Union Insurance Company	Iowa
26. Berkley Life and Health Insurance Company	Iowa – Life Company
27. Great Divide Insurance Company	North Dakota
28. Union Standard Lloyds	Texas

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 KPMG, LLP (KPMG). Certain auditor work papers of the 2022 KPMG 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

On April 2, 1992, the Company was incorporated as Acadia Compensation Insurance Company under the laws of the State of Maine, as a wholly owned subsidiary of Acadia Insurance Company (Acadia), and commenced business on June 18, 1992. On December 31, 1996, the Company's name was changed to Chesapeake Bay Property and Casualty Insurance Company. On March 31, 2005, Berkley Regional Insurance Company (BRIC) purchased all of the outstanding shares of the Company from Acadia. On April 12, 2005, the Company's name was changed to Berkley Regional Specialty Insurance Company. On November 26, 2007, the Company re-domiciled to the State of Delaware. On July 1, 2018, the Company's name was changed to Berkley Specialty Insurance Company.

Capitalization

The Company's Certificate of Incorporation authorizes the issuance of 150,000 shares of common stock with a \$30 par value. As of December 31, 2022, the Company had 150,000 common shares issued and outstanding totaling \$4,500,000. All outstanding common shares of the Company are owned by BRIC.

As of December 31, 2022, the Company reported gross paid in and contributed surplus of \$43,021,934.

Dividends

The Company did not pay any dividends 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, all corporate powers and its

business property and affairs are managed by, or under the direction, of its Board of Directors (Board).

In accordance with the Company's bylaws, the number of Directors shall consist of not less than five members and may consist of any number of Directors as may later be determined by resolution of the Board. Directors shall be elected annually by the sole stockholder and shall hold office for one year until successors are elected and qualified, or until earlier resignation or removal. The members of the Board, serving as of December 31, 2022, each elected or appointed in accordance with the Company bylaws were as follows:

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Richard Mark Baio	Executive Vice President and Treasurer
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President
Philip Stanley Welt	Secretary
James Gerald Shiel	Executive Vice President – Investments

Officers

In accordance with its bylaws, officers serving the Company shall be a Chairman of the Board, a President, an Executive Vice President, one or more Senior Vice Presidents, a Secretary, a Treasurer and a Controller. The Board may also elect other such officers as considered necessary for the proper conduct of the business of the Company. The senior officers, duly appointed in accordance with the bylaws and serving as of December 31, 2022, are as follows:

<u>Name</u>	<u>Title</u>
William Robert Berkley, Jr.	President
Philip Stanley Welt	Executive Vice president and Secretary
Richard Mark Baio	Executive Vice President and Treasurer
James Gerald Shiel	Executive Vice President - Investments
Paul James Hancock	Senior Vice President and Chief Actuary
Carol Josephine LaPunzina	Senior Vice President

Scott Mansolillo

Senior Vice President – Chief Compliance Officer and
Chief Privacy Officer

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 defined under 18 *Del. C.* § 5001 (7) of the Delaware Insurance Code. The Company is a wholly owned subsidiary of WR Berkley Corporation (WRBC).

An abbreviated organizational chart of the Group holding company system as of December 31, 2022, is as follows (William R. Berkley owns 20.6% voting interest in WRBC and WRBC owns 100% voting interests in the subsidiaries listed below):

William R. Berkley (1)

WR Berkley Corporation (2)

Signet Star Holdings, Inc.

Berkley Insurance Company	DE	Pooling Affiliate
Admiral Insurance Company	DE	Pooling Affiliate
Admiral Indemnity Company	DE	100% QS
Carolina Casualty Insurance Co	IA	Pooling Affiliate
Clermont Insurance Company	IA	100% QS
Nautilus Insurance Company	AZ	Pooling Affiliate
Berkley Regional Insurance Company	IA	Pooling Affiliate
Acadia Insurance Company	IA	Pooling Affiliate
Berkley Casualty Company	IA	Pooling Affiliate
Berkley Specialty Insurance Co	DE	Pooling Affiliate
Continental Western Insurance Co	IA	Pooling Affiliate

Firemen’s Insurance Company of Washington, D.C.	DE	Pooling Affiliate
Tri-State Insurance Company of MN	IA	Pooling Affiliate
Union Insurance Company	IA	Pooling Affiliate
Berkley Prestige Insurance Company	IA	Pooling Affiliate
Berkley Assurance Company	IA	Pooling Affiliate
Berkley National Insurance Company	IA	Pooling Affiliate
Gemini Insurance Company	DE	Pooling Affiliate
Great Divide Insurance Company	ND	Pooling Affiliate
Intrepid Casualty Company	IA	Pooling Affiliate
Intrepid Insurance Company	IA	Pooling Affiliate
Intrepid Specialty Insurance Company	IA	Pooling Affiliate
Key Risk Insurance Company	IA	Pooling Affiliate
Midwest Employers Casualty Company	DE	Pooling Affiliate
Preferred Employers Insurance Company	CA	100% QS
Riverport Insurance Company	IA	Pooling Affiliate
StarNet Insurance Company	IA	Pooling Affiliate
Union Standard Lloyds	TX	100% QS
Berkley Life and Health Insurance Company	IA	Life Company

- (1) It was noted in a Securities and Exchange Commission filing that as of December 31, 2022, William R. Berkley beneficially owned or controlled 56,982,979 common shares of WRBC, which is publicly traded on the New York Stock Exchange under the symbol WRB. According to the 2022 WRBC Annual Report, there were 276,778,950 outstanding common shares on December 31, 2022. This results in a 20.6% economic interest and 20.6% voting control that William R. Berkley has of WRBC. Consequently, William R. Berkley is considered the ultimate controlling entity of the Group and the Company.
- (2) As of December 31, 2022, other than noted in (1) above, no other individual or entity owns or controls greater than 10% of WRBC.

Agreements with Affiliates

Broker Agent Agreement

Effective January 1, 2022, Berkley Insurance Company (BIC) on behalf of itself and the Delaware insurers entered into a Broker Agent Agreement with Berkley Connect Insurance Solution, LLC to perform certain insurance marketing, brokerage and related services to specified insurance solicitation, marketing and related services.

Claims Administration Agreement

Effective September 1, 2022, a Claims Administration Agreement was entered into with Berkley Claims Solutions, LLC to perform certain claims handling, management,

adjustment and related services on its behalf as more fully described in this Agreement with respect to certain insurance policies issued and identified by the Company.

Tax Allocation Agreement

Effective April 2, 1992, and amended January 1, 1997 and March 2, 2009, the Company and WRBC entered into an affiliated Tax Allocation Agreement. In accordance with the agreement, the Company will participate in WRBC's election to file a consolidated federal income tax return as long as the Company is a member of WRBC. For years where a consolidated federal tax return is filed, WRBC will pay or discharge, or cause to be paid or discharged, the consolidated federal tax liability of WRBC. Taxes are calculated on a separate return basis, and the Company will pay WRBC an amount equal to the federal income tax liability it would have incurred if it had filed on a separate return. Conversely, if the Company's separate return calculation results in a net operating loss, capital losses, deductions, tax credits or similar items, WRBC shall compensate the Company an amount equal to its federal income tax liability calculated on a separate return basis. In accordance with the contract, WRBC and the Company shall each pay its own state and local taxes.

As of December 31, 2013, the agreement remained in effect for all years prior to December 31, 2012. Effective January 1, 2013, the agreement was replaced by the tax provisions stipulated in the affiliated Reinsurance Pooling Agreement. Effective July 21, 2016, the second amendment added Intrepid Insurance Company as a Pool Affiliate.

Investment Advisory Agreement

Effective August 4, 2005, the Company entered into an affiliated Investment Advisory Agreement with Berkley Dean and Company, Inc. (Berkley Dean). In accordance with the agreement, Berkley Dean provides certain investment advisory and management services based.

Computer Services Agreement

Effective July 9, 2010, the Company entered into an affiliated Computer Services Agreement with Berkley Technology Services, LLC (BTS). In accordance with the agreement, BTS provides computer and data processing services to the Company including programming, network management, operations and consulting services. The agreement authorizes BTS to contract with other service providers to satisfy the needs of the Company at its discretion. Per the agreement, BTS agrees all information disclosed by the Company shall be confidential and shall not be disclosed to any individual, corporation, other business organization or governmental agency unless required by law in conformity with the Company's privacy policy. In addition, BTS agrees to use information only for the purpose for which the Company provided it.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2022, the Company is licensed and authorized on an admitted basis to write insurance in the State of Delaware. In addition, the Company writes surplus lines insurance on an exempt/non-admitted basis in the remaining forty-nine U.S. States and the District of Columbia.

Plan of Operation

The Company writes insurance on a surplus lines basis for small to medium-sized commercial insureds. Lines of business include commercial property, inland marine, general liability, excess and umbrella liability, professional liability, management liability, liquor liability, railroad protective liability, OCP and hired & non-owned auto. For the year ended December 31, 2022, the Company's direct written premiums were produced by the following

profit centers described below: Berkley Aspire, Intrepid Direct, Berkley Life Sciences, Berkley Program Specialists and Berkley FinSecure.

Berkley Aspire provides excess and surplus lines coverage on a national basis to small and medium-sized insureds with low to moderate insurance risk. Its product lines include general liability, liquor liability and some property and inland marine coverage. It serves a limited distribution channel consisting of select Berkley member company agents. It utilizes a dedicated surplus lines broker to place its policies.

Intrepid Direct offers business coverage to franchise restaurants and auto repair garages through a dedicated surplus lines broker.

Berkley Life Sciences offers a comprehensive spectrum of property, casualty and specialty products such as professional and management liability to the life sciences industry on a global basis, including both primary and excess liability coverage. It serves pharmaceutical and biotech companies, medical device companies, dietary supplement companies, medical and research related software developers, contract research and manufacturing organizations, research institutions and organizations and other related businesses.

Berkley Program Specialists is a program management company offering both admitted and non-admitted insurance support on a nationwide basis for commercial casualty and property program administrators with specialized insurance expertise. Its book is built around blocks of homogeneous business, or programs, allowing for efficient processes, effective oversight of existing programs and sound implementation of new programs.

Berkley FinSecure serves the insurance needs of companies in the financial services industry. It offers a comprehensive range of property, casualty, professional liability and specialty lines insurance products. Its Berkley crime division provides crime-related

insurance products for commercial organizations, financial institutions and governmental entities.

The Company's direct written premiums by source are as follows:

<u>Source</u>	<u>2022</u>	<u>Percent</u>
Berkley Aspire	\$101,445,383	53.12%
Berkley Program Specialists	31,939,243	16.72%
Intrepid Direct	27,470,301	14.38%
Berkley Custom Ins Mgrs LLC.	14,991,568	7.85%
Berkley Construction Solutions	12,876,232	6.74%
All Other Sources Combined	<u>2,262,895</u>	<u>1.19%</u>
Total	<u>\$190,985,622</u>	<u>100.00%</u>

The Company's direct written premiums by line of business are as follows:

<u>Line of Business</u>	<u>2022</u>	<u>Percent</u>
Other Liability - Occurrence (line 17.1)	\$96,638,820	50.60%
Other Commercial Auto Liability (line 19.4)	43,279,626	22.66%
Commercial Multiple Peril – Liability (line 5.2)	19,857,014	10.40%
All Other Lines of Business Combined	<u>31,210,163</u>	<u>16.34%</u>
Total	<u>\$190,985,623</u>	<u>100.00%</u>

The Company's direct written premiums by jurisdiction are as follows:

<u>Jurisdiction</u>	<u>2022</u>	<u>Percent</u>
Texas	\$19,060,334	9.98%
Florida	18,027,401	9.44%
California	16,071,860	8.42%
Georgia	11,642,778	6.10%
New York	7,848,871	4.11%
All Other Jurisdictions Combined	<u>118,334,379</u>	<u>61.95%</u>
Total	<u>\$190,985,623</u>	<u>100.00%</u>

REINSURANCE

The Company reported the following distribution of premiums written for the year ended December 31, 2022:

	<u>2022</u>	<u>% GPW</u>	<u>2018</u>	<u>% GPW</u>
Direct written	\$ 190,985,623	100.0%	\$ 39,337,208	100.0%
Reinsurance assumed from affiliates	-	0.0%	-	0.0%
Reinsurance assumed from non-affiliates	-	0.0%	-	0.0%
Gross premiums written ("GPW")	<u>\$ 190,985,623</u>	<u>100%</u>	<u>\$ 39,337,208</u>	<u>100%</u>
Reinsurance ceded to affiliates	\$ 190,985,623	100.0%	\$ 39,337,208	100.0%
Reinsurance ceded to non-affiliates	-	0.0%	-	0.0%
Total ceded	<u>\$ 190,985,623</u>	<u>100.0%</u>	<u>\$ 39,337,208</u>	<u>100.0%</u>
Net premiums written	<u>\$ -</u>	<u>0.0%</u>	<u>\$ -</u>	<u>0.0%</u>

Ceded Reinsurance Affiliates

Effective January 1, 2013, the Company and several of its affiliates entered into an intercompany pooling agreement. Under the terms of the agreement the Company and the other pool participants cede 100% of their direct and assumed premiums written to the lead company in the pool BIC. During 2022, the Company ceded premiums amounting to \$190,985,623 to BIC.

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, 2022
- Statement of Liabilities and Surplus as of December 31, 2022
- Statement of Income for the year ended December 31, 2022
- Statement of Capital and Surplus Account for the year ended December 31, 2022
- Reconciliation of Capital and Surplus for the Period December 31, 2018 to December 31, 2022

Statement of Assets
As of December 31, 2022

	Ledger Assets	Nonadmitted Assets	Net Admitted Assets 2022
Bonds	\$ 54,380,509	\$ -	\$ 54,380,509
Cash	-	-	-
Cash equivalents	5,882,244	-	5,882,244
Short-term investments	1,470,747	-	1,470,747
Receivables for securities	5,247	-	5,247
Subtotals, cash and invested assets	<u>\$ 61,738,748</u>	<u>\$ -</u>	<u>\$ 61,738,748</u>
Investment income due and accrued	246,102	-	246,102
Uncollected premiums and agents' balances in the course	12,297,359	1,732,792	10,564,566
Deferred premiums	32,378,696	549,852	31,828,844
Current federal and foreign income tax recoverable and i	-	-	-
Net deferred tax asset	533,794	-	533,794
Receivables from parent; subsidiaries and affiliates	320	-	320
Aggregate write-ins for other-than-invested assets	978,308	241,839	736,469
Total Assets	<u><u>\$ 108,173,327</u></u>	<u><u>\$ 2,524,483</u></u>	<u><u>\$ 105,648,843</u></u>

Statement of Liabilities and Surplus
As of December 31, 2022

		Notes
Losses	\$ -	1
Reinsurance payable on paid losses and loss adjustment expenses	-	
Loss adjustment expenses	-	1
Commissions payable; contingent commissions and other similar charges	1,141,363	
Other expenses (excluding taxes; licenses and fees)	8,960	
Taxes; licenses and fees (excluding federal and foreign income taxes)	5,425,118	
Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	42,379	
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$84,082,019 and including warranty reserves of \$0)	-	
Advance premium	183,983	
Ceded reinsurance premiums payable (net of ceding commissions)	35,878,324	
Payable to parent; subsidiaries and affiliates	1,341,144	
Total liabilities	\$ 44,021,271	
Common capital stock	4,500,000	
Gross paid in and contributed surplus	43,021,934	
Unassigned funds (surplus)	14,105,638	
Surplus as regards policyholders	\$ 61,627,572	
Total liabilities & surplus	\$ 105,648,843	

Statement of Income
For the Year Ended December 31, 2022

Losses incurred	-
Loss adjustment expenses incurred	-
Other underwriting expenses incurred	-
Aggregate write-ins for underwriting deductions	-
Total underwriting deductions	\$ -
Net underwriting gain (loss)	\$ -

Investment Income

Net investment income earned	\$ 1,169,958
Net realized capital gains (losses) less capital gains tax of \$-960	(3,610)
Net investment gain (loss)	\$ 1,166,348

Other Income

Net gain (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$759,841)	\$ (759,841)
Aggregate write-ins for miscellaneous income	759,841
Total other income	\$ -
Net income before dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 1,166,348
Dividends to policyholders	-
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 1,166,348
Federal and foreign income taxes incurred	201,882
Net income	\$ 964,466

Capital & Surplus Account
For the Year Ended December 31, 2022

Surplus as regards policyholders; December 31 prior year	\$ 60,849,492
Net income	964,466
Change in net unrealized capital gains or (losses) less capital gains tax of \$0	-
Change in net unrealized foreign exchange capital gain (loss)	-
Change in net deferred income tax	111,827
Change in nonadmitted assets	(525,527)
Surplus adjustments paid in	-
Surplus adjustments transferred to capital (stock dividend)	-
Dividends to stockholders	-
Aggregate write-ins for gains and losses in surplus	227,315
Change in surplus as regards policyholders for the year	<u>\$ 778,080</u>
Surplus as regards policyholders; December 31 current year	<u><u>\$ 61,627,572</u></u>

Reconciliation of Capital and Surplus
As of December 31, 2018 to December 31, 2022

	Common Capital Stock	Aggregate Write ins for speacial surplus	Gross Paid-in and Contributed Surplus	Unassigned Surplus		Total
12/31/2018	\$ 4,500,000	-	\$ 43,021,934	11,177,780		\$ 58,699,714
12/31/2019				1,482,089	(1)	1,482,089
12/31/2019				266,952	(2)	266,952
12/31/2019					(3)	-
12/31/2020				1,056,736	(1)	1,056,736
12/31/2020				(285,472)	(2)	(285,472)
12/31/2020					(3)	-
12/31/2020				(10,754)	(3)	(10,754)
12/31/2021				645,601	(1)	645,601
12/31/2021				(985,113)	(2)	(985,113)
12/31/2021					(3)	-
12/31/2021				(11,994)	(3)	(11,994)
12/31/2022				964,466	(1)	964,466
12/31/2022				(413,700)	(2)	(413,700)
12/31/2022					(3)	-
12/31/2022				227,315	(3)	227,315
12/31/2021					(1)	-
12/31/2021					(2)	-
12/31/2021					(3)	-
12/31/2021					(5)	-
Total	\$ 4,500,000	\$ -	\$ 43,021,934	\$ 14,105,638		\$ 61,627,572

(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) Aggregate write-ins for gains and losses in surplus (Change in post-retirement liability, Change in foreign exchange adjustment, Change in contingent reserve for municipal bond)

**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	\$0
Loss Adjustment Expenses	\$0

The examination liabilities for the aforementioned captioned items are the same as those balances reported by the Company as of December 31, 2022. 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

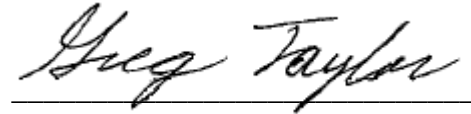
There were no material subsequent events noted during the course of this examination.

SUMMARY OF RECOMMENDATIONS


There were no recommendations as a result of this examination.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Greg Taylor". The signature is written in black ink and is positioned above a solid horizontal line.

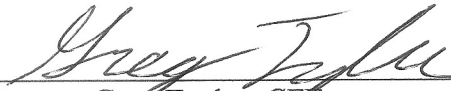
Greg Taylor, CFE
Examiner In-Charge
State of Delaware

A handwritten signature in cursive script that reads "Anthony C. Cardone". The signature is written in black ink and is positioned above a solid horizontal line.

Anthony Cardone, CPA, CFE
Supervising Examiner
State of Delaware

Berkley Specialty 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. 23.002.


Greg Taylor, CFE