

REPORT ON EXAMINATION
OF
CRUM & FORSTER INDEMNITY COMPANY
AS OF
DECEMBER 31, 2023

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
CRUM & FORSTER INDEMNITY COMPANY
AS OF
DECEMBER 31, 2023

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.

Trinidad Navarro
Insurance Commissioner

Dated this 21st day of May, 2025

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May 15, 2025

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

CRUM & FORSTER INDEMNITY COMPANY

hereinafter referred to as the Company or CFIC. The Company was incorporated under the laws of the State of Delaware as a stock property and casualty company with its home office located at 1209 Orange Street, Wilmington, Delaware. The administrative office of the Company located at 305 Madison Avenue, Morristown, New Jersey.

SCOPE OF EXAMINATION

We have performed our multi-state examination of CFIC. The last examination of the Company was conducted by the Delaware Department of Insurance (Department) and covered the five-year period from January 1, 2015 through December 31, 2019. This examination covers the four-year period from January 1, 2020 through December 31, 2023.

The examination of the Company was performed as part of the multi-state coordinated examination of Fairfax Group of regulated United States (U.S.) property and casualty insurance companies (Fairfax U.S. Group) as of December 31, 2023. The Department was the lead state for the Fairfax U.S. Group examination. The examination was conducted concurrently with that of the Company's U.S. affiliates. The Companies in the Fairfax U.S. Group and their state of domicile are summarized as follows by subgroup:

Allied World Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Allied World Assur Co US Inc.	19489	DE
Allied World Ins Co	22730	NH
Allied World Natl Assur Co	10690	NH
Allied World Surplus Lines Ins Co	24319	AR
Allied World Specialty Ins Co	16624	DE
Vantapro Specialty Ins Co	44768	AR

Crum & Forster Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
American Underwriters Ins Co	10251	AR
Crum & Foster Ind. Co	31348	DE
Crum & Forster Ins Co	42471	NJ
Crum & Forster Specialty Ins Co	44520	DE
First Mercury Ins Co	10657	DE
MTAW Insurance Co	16498	DE
North River Insurance Co	21105	NJ
Seneca Ins Co Inc.	10936	NY
Seneca Specialty Ins Co.	10729	DE
United States Fire Ins Co	21113	DE
Monitor Life Insurance Co.	81442	NY

Hudson Subgroup – 100% owned by Odyssey Re Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Hudson Excess Insurance Co	14484	DE
Hudson Insurance Co	25054	DE
Hudson Specialty Insurance Co	37079	NY

Odyssey Re Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Greystone Insurance Co	10019	CT
Odyssey Reinsurance Co	23680	CT

Riverstone/TIG Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
TIG Insurance Co	25534	CA

Zenith Subgroup:

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
Zenith Insurance Co	13269	CA
ZNat Insurance Co	30120	CA

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 PricewaterhouseCoopers LLC (PwC). Certain auditor work papers of the 2023 PwC 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 incorporated under the laws of New York on December 2, 1987, as Finmar Reinsurance Corporation and commenced business on December 31, 1987. On June 12, 1995, the Company merged with Premier Insurance Company with Finmar Reinsurance Corporation as the surviving corporation. Effective the same date, Finmar Reinsurance Corporation changed its name to CFIC.

During 2003, BNM Indemnity Company was incorporated in Delaware as a wholly owned property and casualty insurance subsidiary of the Company. Effective December 31, 2003, the Company, a New York domiciled company, was merged with and into BNM Indemnity Company. In connection with the merger, BNM Indemnity Company's name was changed to CFIIC and became the wholly owned subsidiary of Crum & Forster Holding Corporation (CFH).

Capitalization

The Company's Certificate of Incorporation authorizes the issue of 100 shares of common stock with a \$35,000 par value. As of December 31, 2023, the Company had all common shares issued and outstanding totaling \$3,500,000. United States Fire Insurance Company (USF) owns all outstanding common shares of the Company.

Dividends

There were no dividends paid by the Company 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, directors shall be elected annually by the sole shareholder and the number of directors who will constitute the entire Board, shall consist of no less than three (3) and no more than seven (7) members. The directors shall hold office until the next Annual Shareholders Meeting or until their successors are elected or appointed.

The members of the Board, serving as of December 31, 2023, each elected or appointed in accordance with the Company bylaws were as follows:

<u>Name</u>	<u>Title</u>
Marc James Adee	Chairman of the Board, President & CEO
Arleen Ambrose Paladino	Senior Vice President & CFO
Alejandro Morales	Senior Vice President

Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws require election of a President, and the board may elect one or more Vice Presidents, a Treasurer, a Secretary, one or more Assistant Vice Presidents and Assistant Secretaries. The Board may also elect a Chairman of the Board of Directors and a Chief Executive Officer at its discretion. The primary officers serving as of December 31, 2023 were as follows:

<u>Name</u>	<u>Title</u>
Marc James Adee	President, Chairman of the Board & CEO
Arleen Ambrose Paladino	Senior Vice President & CFO
Michael Patrick McTigue	Senior Vice President, General Counsel & Secretary
Jennifer Susan Byington	Senior Vice President
Alejandro Morales	Senior Vice president
Michael Paul K. Zeimer	Senior Vice president
George Robert French	Vice President & Treasurer
Carmine Scaglione	Senior Vice President & Controller

Corporate Records

The recorded minutes of the Shareholders 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 known as Fairfax Financial Holdings Limited, (FFHL) as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. FFHL is a publicly listed company whose subordinate voting shares trade on the Toronto Stock Exchange under the symbol FFH. As of December 31, 2023, FFHL had consolidated assets (IFRS Basis) of \$91,985 million and shareholders' equity of \$27,709 million. 18 *Del. C.* §5001(3) states that “. . .Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 10 percent or more of the voting securities of any other person.” Pursuant to this presumption, V. Prem Watsa and The Watsa Family Trust, which collectively owned or controlled 10% or more of the voting shares of the Company as of the examination date, are considered controlling entities of the Company.

The companies in the Crum & Forster sub-group are ultimately 100% owned by CFH which is 100% owned by Fairfax US Inc., which is 100% owned by FFHL Group Ltd., which is 100% owned by FFHL.

An abbreviated organizational chart of FFHL as of December 31, 2023, with domicile in brackets, along with the control percentages of the upstream affiliates' control of the downstream affiliate is presented below:

		Equity Ownership Percentage	Voting Control Percentage	
V. Prem Watsa and the Watsa Family Trust {1}{8}	{2}	9.84 %	43.88%	{3}
All Other Publicly Traded Shares Held {4}	{5}	90.16%	56.12%	{6}
Fairfax Financial Holdings Limited [Canada] {7}		100.0%	100.0%	
FFHL Group Ltd. [Canada]		100.0%	100.0%	
Fairfax (US) Inc. [DE]		100.0%	100.0%	
Crum & Forster Holdings Corp. [DE]		100.0%	100.0%	
United States Fire Insurance Company [DE]		100.0%	100.0%	
Crum & Forster Specialty Insurance Company [DE]		100.0%	100.0%	
Crum & Forster SPC Reinsurance Company [Cayman Islands]		100.0%	100.0%	
Crum & Forster SPC [Cayman Islands]		100.0%	100.0%	
American Underwriters Insurance Company [AR]		100.0%	100.0%	
The North River Insurance Company [NJ]		100.0%	100.0%	
Seneca Insurance Company, Inc. [NY]		100.0%	100.0%	
Seneca Specialty Insurance Company [DE]		100.0%	100.0%	
Crum & Forster Insurance Company [NJ]		100.0%	100.0%	
Crum & Forster Indemnity Company [DE]		100.0%	100.0%	
First Mercury Insurance Company [DE]		100.0%	100.0%	
MTAW Insurance Company [DE]		100.0%	100.0%	
Monitor Life Insurance Company of New York		100.0%	100.0%	

Notes 1 through 8 more fully describe the ownership and voting percentages throughout the holding company.

{1} Through voting and economic ownership control, both directly and indirectly, of the following individual and entities: Mr. V. Prem Watsa, 2771489 Canada Limited, The Second 1109 Holdco Limited and The Sixty-Two Investment Company Limited

{2} Calculated as follows:

Description	Shares Outstanding	Shares Owned/Controlled	Percentage of total shares outstanding
Total Single Voting Shares (SVS) outstanding	22,254,478		
Prem Watsa SVS Shares:			
SVS Shares owned through Second 810 HoldCo Ltd.		257,517	1.1572%
SVS Shares owned through 12002574 Canada Inc.		195,100	.8767%
SVS shares held directly {8}		289,491	1.3008%
SVS Shares held through Sixty Two HoldCo		50,620	.2275%
Additional SVS shares under control and direction		2,100	.0094%
Total SVS shares owned/controlled		794,828	3.5715%
Total MVS Shares Outstanding	1,548,000		
MVS Shares owned and controlled through Sixty Two Holdco		1,548,000	100%
Total MVS + SVS Shares Outstanding	23,802,478		
Total MVS + SVS Shares owned and controlled by Mr. Watsa		2,342,828	9.8428%

- {3} Calculated as 1.95% through ownership of SVS shares held by V. Prem Watsa directly and/or through the Second 810 HoldCo Ltd. and 12002574 Canada Inc. as delineated in Note 2 above (including 2100 additional SVS shares under his control and/or direction) and 41.93% through ownership of MVS and SVS Shares held through Sixty-Two HoldCo. It should be noted that pursuant to Canadian securities filing requirements, the 2100 subordinate voting shares owned by immediate family members of Mr. Watsa are also considered to be under the control and/or direction of Mr. Watsa and are therefore included in the voting control percentages reported herein.
- {4} No other individual or entity owns or controls greater than 10% of the voting common shares of FFHL as of December 31, 2023.
- {5} Calculated as 100.00% - 9.84% {2}
- {6} Calculated as 100.00% - 43.88% {3}
- {7} FFHL common shares are publicly traded on the Toronto Stock Exchange in Canadian dollars under the symbol FFH and in US dollars under the symbol FFH.U. As of December 31, 2023, FFHL has issued 1,548,000 multiple voting common shares, 22,254,478 subordinate voting common shares, and 58,239,178 non-voting preferred Series C thru M. FFHL's equity attributable to Shareholders as of December 31, 2023, totals \$22,950.5 million (\$ U.S.) which consists of \$21,615 million (includes \$3.8 million of multiple voting

shares) related to voting common shares (94.18% of the total) and \$1,335.5 million related to non-voting preferred shares (05.82% of the total).

{8} On May 13, 2024, FFHL re-purchased 275,000 SVS from Mr. Watsa for cancellation, reducing the number of shares held directly by Mr. Watsa to 14,491. As a result, the 1.95% year-end 2023 ownership percentage shown in Note 3 above would be reduced to approximately 1.24% after cancellation in 2024.

Agreements with Affiliates

The Company has entered into various agreements with members of the affiliated group in an effort to obtain efficiencies in operations and limit costs. The Company had the following material intercompany agreements in effect as of December 31, 2023:

Administrative Service Agreement

Effective June 30, 2010, the Company entered into an administrative service agreement with USF. Under the terms of this agreement, USF provides all administrative services such as underwriting, claims handling, reinsurance and premium collections on behalf of the parties. Operating expenses incurred in the performance of services are allocated in accordance with SSAP 70. Pool participants are charged their respective shares of operating expenses.

Investment Agreement

Effective October 1, 2002, and amended April 1, 2007, CFIIC became a party to an investment management and administrative services agreement among Hamblin Watsa Investment Counsel Ltd. (Hamblin Watsa) and FFHL. Pursuant to the agreement, Hamblin Watsa is authorized to supervise and direct all investments of the Company and to exercise whatever powers the Company may possess with respect to its invested assets. Investment transactions will be in accordance with the investment objectives of the Company and subject to restrictions established by the Company, as communicated to Hamblin Watsa in writing from time to time.

Master Administrative Service Agreement

Effective November 1, 2014, the Company entered into a Master Administrative Services Agreement among various U.S. operating subsidiaries of FFHL. Each party to the agreement may

provide certain administrative services to any other party. Each party provides quarterly detailed statements to each company to which it provided services during the quarter.

Tax Allocation Agreement

Effective January 1, 2009, the Company became a party to a tax allocation agreement with CFH along with certain affiliates. CFH, the Company and affiliates constitute an affiliated group and have elected to file a consolidated return under the provisions of §1501 of the Internal Revenue Code of 1986. Pursuant to the terms of the tax allocation agreement, no party will be required to pay more in taxes or receive a lesser payment of a refund than it would have paid or received if it computed its taxes independently and filed a separate tax return.

TERRITORY AND PLAN OF OPERATION

Territory

As of December 31, 2023, the Company was licensed to transact multiple property and casualty lines of insurance in all fifty states and the District of Columbia.

Plan of Operation

The Company's business is diversified in terms of product line, varying policy sizes, and geographic mix, with only three states comprising more than 46% of total direct written premiums. The Company increased its net premiums written in 2023 due to continued growth of its diversified portfolio and increased retentions of their more profitable business segments. These segments include the Company's longstanding presence in the Hawaii market and customer group expertise in the areas of propane distributors, explosive contractors, agriculture enterprises, construction contractors, retail & wholesale establishments and oil & gas contractors.

On the Company's filed 2023 Annual Statement, it reported the following distribution of Direct Premiums Written:

Line of Business	Direct Premium Written	Percentage of Direct Premium Written
Commercial auto liability	\$ 53,171,503	42%
Workers compensation	24,967,742	19%
Commercial multiple peril - liability	14,833,692	12%
Commercial auto physical damage	14,085,721	11%
Commercial multiple peril - non liability	8,287,339	6%
All other lines	12,710,894	10%
Total Direct Written Premiums	<u>\$ 128,056,891</u>	<u>100%</u>

REINSURANCE

The Company reported the following distribution of net premiums written for 2023:

Direct	\$128,056,891
Reinsurance assumed from affiliates	\$ 52,871,337
Reinsurance assumed from non-affiliates	<u>568,309</u>
Total gross (direct and assumed)	<u>\$181,496,537</u>
Reinsurance ceded to affiliates	\$129,607,685
Reinsurance ceded to non-affiliates	<u>12,841,242</u>
Total ceded	<u>\$142,448,927</u>
Net premiums written	<u>\$ 39,047,610</u>

External Ceded

In order to control the exposure to losses and protect capital resources, the Companies cede a portion of their gross policy premiums to reinsurers in exchange for the reinsurers' agreement to share a portion of the covered losses under excess of loss and quota share reinsurance contracts, as well as facultative arrangements. The majority of the reinsurance contracts purchased by the Companies provide coverage for a one-year term. During 2023, the Companies reviewed their reinsurance programs and modified coverage and retention levels of certain programs. In the ordinary course of business, the Companies reinsure certain portions of their insurance coverages.

Affiliated Reinsurance

The Company is a participant in a 100% Reinsurance Participation Agreement (the Agreement) with other members of the Crum Group by which the premiums, losses and other underwriting expenses of each participant are pooled by means of mutual reinsurance on a fixed percentage basis as follows:

<u>Pool Participants</u>	<u>NAIC#</u>	<u>Pool Percentages</u>
USF	21113	76%
North River	21105	22%
CFIC	42471	1%
CFIIC	31248	1%

The Agreement provides that USF, acting as the lead company, assumes from the Pool Participants 100% of their premiums, losses and other underwriting expenses and, in turn, cedes to each Pool Participant its percentage of premiums, losses and other underwriting expenses. Accounts are rendered at monthly intervals and are settled no later than thirty days after the close of the month. The obligation for insurance ceded by the Pool Participants to USF does not relieve the Pool Participants of their primary liability as the originating insurers.

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, 2023
- Statement of Liabilities and Surplus as of December 31, 2023
- Statement of Income for the year ended December 31, 2023
- Statement of Capital and Surplus Account for the year ended December 31, 2023
- Reconciliation of Capital and Surplus for the Period December 31, 2019 to December 31, 2023

Statement of Assets
As of December 31, 2023

	<u>Ledger Assets</u>	<u>Nonadmitted Assets</u>	<u>Net Admitted Assets 2023</u>
Bonds	\$ 77,859,850	\$ -	\$ 77,859,850
Cash	86,728	-	86,728
Cash equivalents	1,629,709	-	1,629,709
Short term investments	<u>225,433</u>	<u>-</u>	<u>225,433</u>
Subtotals, cash and invested assets	<u>\$ 79,801,720</u>	<u>\$ -</u>	<u>\$ 79,801,720</u>
Investment income due and accrued	679,710	-	679,710
Uncollected premiums and agents' balances	5,857,679	82,457	5,775,222
Deferred premiums	898,365	-	898,365
Accrued retrospective premiums	175,000	17,500	157,500
Amounts recoverable from reinsurers	1,812,383	-	1,812,383
Funds held by or deposited with reinsured companies	2,022,716	-	2,022,716
Net deferred tax asset	1,248,532	138,020	1,110,512
Receivables from parent, subsidiaries and affiliates	255,270	-	255,270
Aggregate write-ins for other than invested assets	<u>1,460,349</u>	<u>3,862</u>	<u>1,456,487</u>
Total Assets	<u>\$ 94,211,724</u>	<u>\$ 241,839</u>	<u>\$ 93,969,885</u>

Statement of Liabilities and Surplus
As of December 31, 2023

		Notes
Losses	\$ 35,060,657	1
Reinsurance payable on paid losses and loss adjustment expenses	993,565	
Loss adjustment expenses	5,690,213	1
Commissions payable; contingent commissions and other similar charges	221,709	
Taxes; licenses and fees (excluding federal and foreign income taxes)	2,874,845	
Current federal and foreign income taxes	70,439	
Unearned premiums	14,743,765	
Advance premium	288,410	
Ceded reinsurance premiums payable	2,018,429	
Funds held by company under reinsurance treaties	833,274	
Amounts withheld or retained by company for account of others	1,529,043	
Provision for reinsurance	22,306	
Payable to parent; subsidiaries and affiliates	926,545	
Payable for securities	12,802	
Aggregate write-ins for liabilities	24,527	
Total liabilities	<u>\$ 65,310,529</u>	
Common capital stock	\$ 3,500,000	
Gross paid in and contributed surplus	2,750,000	
Unassigned funds (surplus)	22,409,356	
Surplus as regards policyholders	<u>\$ 28,659,356</u>	
Total liabilities & surplus	<u><u>\$ 93,969,885</u></u>	

Statement of Income
For the Year Ended December 31, 2023

Underwriting Income	
Premiums earned	\$ 37,430,617
Deductions	
Losses incurred	\$ 22,283,924
Loss adjustment expenses incurred	2,921,285
Other underwriting expenses incurred	11,605,615
Total underwriting deductions	<u>\$ 36,810,824</u>
Net underwriting gain (loss)	<u>\$ 619,793</u>
Investment Income	
Net investment income earned	\$ 2,756,969
(\$58,124)	(864,791)
Net investment gain (loss)	<u>\$ 1,892,178</u>
Other Income	
Net gain (loss) from agents' or premium balances charged off (amount recovered \$233 amount charged off \$2345)	\$ (2,112)
Finance and service charges not included in premiums	(15)
Aggregate write-ins for miscellaneous income	(106,141)
Total other income	<u>\$ (108,268)</u>
Net income; after dividends to policyholders; after capital gains tax and before all other federal and foreign income taxes	\$ 2,403,703
Federal and foreign income taxes incurred	793,714
Net income	<u><u>\$ 1,609,989</u></u>

Capital & Surplus Account
For the Year Ended December 31, 2023

Surplus as regards policyholders; December 31 prior year	\$ 26,854,323
Net income	1,609,989
Change in net deferred income tax	218,572
Change in nonadmitted assets	(59,740)
Change in provision for reinsurance	36,212
Change in surplus as regards policyholders for the year	<u>\$ 1,805,033</u>
Surplus as regards policyholders; December 31 current year	<u>\$ 28,659,356</u>

Reconciliation of Capital and Surplus
As of December 31, 2019 to December 31, 2023

	Common Capital Stock	Preferred Stock	Aggregate Write ins for special surplus	Gross Paid-in and Contributed Surplus	Unassigned Surplus	Total
12/31/2019	\$ 3,500,000	\$ -		\$ 2,750,000	\$ 14,861,977	\$ 21,111,977
12/31/2020	-	-		-	1,323,192 (1)	1,323,192
12/31/2020	-	-		-	7,316 (2)	7,316
12/31/2021	-	-		-	2,618,312 (1)	2,618,312
12/31/2021	-	-		-	20,929 (2)	20,929
12/31/2022	-	-		-	1,621,794 (1)	1,621,794
12/31/2022	-	-		-	150,803 (2)	150,803
12/31/2023	-	-		-	1,609,989 (1)	1,609,989
12/31/2023	-	-		-	195,044 (2)	195,044
Total	\$ 3,500,000	\$ -	\$ -	\$ 2,750,000	\$ 22,409,356	\$ 28,659,356

(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 and Change in provision for reinsurance

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	\$35,060,657
Loss Adjustment Expenses	\$5,690,213

The examination liabilities for the aforementioned captioned items are the same as those balances reported by the Company as of December 31, 2023. 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

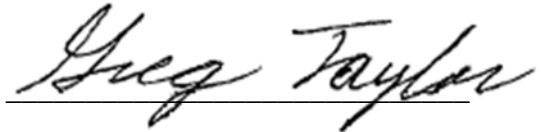
There were no material subsequent events noted for the Company.

SUMMARY OF RECOMMENDATIONS

There are no exam report recommendations as a result of this examination.

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

Respectfully Submitted,

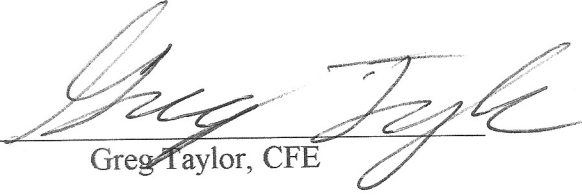
A handwritten signature in cursive script that reads "Greg Taylor". The signature is written in black ink and is positioned above a horizontal line.

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 horizontal line.

Anthony Cardone, CPA, CFE
Supervising Examiner
State of Delaware

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. 24.002.



Greg Taylor, CFE