

EXAMINATION REPORT
OF
THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY
AS OF
DECEMBER 31, 2024

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY
AS OF
DECEMBER 31, 2024

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 13th day of February, 2026

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January 27, 2026

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 Authority No. 25.008, dated February 24, 2025, an examination has been made of the affairs, financial condition and management of

THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY

hereinafter referred to as the Company or CSU. CSU was incorporated under the laws of Delaware as a stock company with its registered office located at 1807 North Market Street, Wilmington, Delaware 19802. The Company's administrative office is located at 6200 South Gilmore Road, Fairfield, Ohio 45014. The report of examination thereon is respectfully submitted.

SCOPE OF EXAMINATION

We have performed our full-scope risk-focused surveillance examination of the Company. The last examination was conducted as of December 31, 2019, by the Delaware Department of Insurance (Department). This examination covered the five-year period from January 1, 2020 through December 31, 2024, and was performed as part of the multi-state coordinated examination of regulated insurance entities within the holding company structure of Cincinnati Financial

The Cincinnati Specialty Underwriters Insurance Company

Corporation (CFC or Group), to include the State of Ohio domiciled affiliate companies, The Cincinnati Insurance Company (CIC), The Cincinnati Casualty Company (CCC), The Cincinnati Indemnity Company (CID) and The Cincinnati Life Insurance Company (CLIC), wherein the Ohio Department of Insurance was the lead state regulator. To the fullest extent, the efforts, resources, project material and findings were coordinated and made available to all examination participants.

The examination encompasses a general review of transactions during the period, the Company's business policies and practices, as well as management and relevant corporate matters, with a determination of the financial condition of the Company as of December 31, 2024. Transactions subsequent to the examination date were reviewed where deemed necessary.

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 facts, 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, Deloitte & Touche LLP (Deloitte). Certain auditor work papers of the 2024 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

CSU was incorporated on August 13, 2007, under the laws of the State of Delaware and commenced business on November 2, 2007. The Company was established to offer excess and surplus lines' insurance products unavailable in the standard market, due to market conditions or specific characteristics of the persons or organizations needing insurance.

Capitalization

CSU was initially capitalized on October 1, 2007, with a cash contribution of \$20,000,000 from its direct parent, CIC. Total capitalization as of December 31, 2024, after CIC made additional cash and common stock contributions, was \$200,000,000, which included paid-in capital stock of \$5,250,000 (3,500 common shares at \$1,500 par value each) and

\$194,750,000 of additional paid-in surplus. As of December 31, 2024, the Company reported policyholder surplus of \$698,907,804.

Dividends to Stockholders

During the examination period, the Department approved the following five (5) ordinary dividends for payment by the Company, which were all in compliance with 18 *Del. C.* § 5004(e)(1) "Reporting of dividends to shareholders."

Year	Amount	Declared	Notice Sent to the Department	Date Paid
2020	\$67,000,000	January 31, 2020	February 4, 2020	February 19, 2020
2021	\$61,000,000	January 29, 2021	February 3, 2021	February 22, 2021
2022	\$52,000,000	January 28, 2022	February 2, 2022	February 23, 2022
2023	\$57,000,000	January 27, 2023	February 1, 2023	February 24, 2023
2024	\$60,000,000	January 26, 2024	January 30, 2024	February 26, 2024

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 of Directors (Board). The bylaws provide that the number of Directors that constitutes the whole Board may change by resolution of the shareholder at the annual meeting of shareholders.

Each Director shall be elected for a term of one year and serve until such Director's successor is elected and qualified. Subject to the right of the stockholders to fix the number of directors at a meeting called for the purpose of electing directors, the number of directors constituting the Board may change by resolution. As of December 31, 2024, CSU's Board was comprised of the following twenty (20) Directors:

The Cincinnati Specialty Underwriters Insurance Company

<u>Name</u>	<u>Title</u>
Nancy C. Benacci	Retired, Independent
Teresa C. Cracas	Chief Risk Officer and Executive Vice President
Dirk J. Debbink	Chairman, Independent
Angela O. Delaney	Senior Vice President
Donald J. Doyle, Jr.	Senior Vice President
Sean M. Givler	Senior Vice President
Thomas C. Hogan *	Chief Legal Officer, Executive Vice President and Corporate Secretary
Steven J. Johnston	Chairman of the Board
John S. Kellington	Chief Information Officer and Executive Vice President
Jill P. Meyer	Chief Operating and Relationships Officer, Independent
David P. Osborn	President, Independent
Marc J. Schambow	Chief Claims Officer and Senior Vice President
Charles O. Schiff	Executive Vice President, Secretary and Treasurer, Independent
Michael J. Sewell	Chief Financial Officer, Executive Vice President, and Treasurer
Steven A. Soloria	Chief Investment Officer and Senior Vice President
Stephen M. Spray	President and Chief Executive Officer
John F. Steele, Jr.	Chairman and Chief Executive Officer, Independent
William H. Van Den Heuvel	Senior Vice President
Larry R. Webb	President, Independent
Cheng-sheng Wu *	External Advisor, Independent

* New Directors in 2024

Officers

Officers were elected by the Board in accordance with the bylaws during the period under examination. Following are the primary Officers that were elected and served as of December 31, 2024:

<u>Name</u>	<u>Title</u>
Stephan Micheal Spray *	Chief Executive Officer and President
Theresa Ann Hoffer	Senior Vice President
Michael James Sewell	Chief Financial Officer, Executive Vice President and Treasurer

* New in 2024

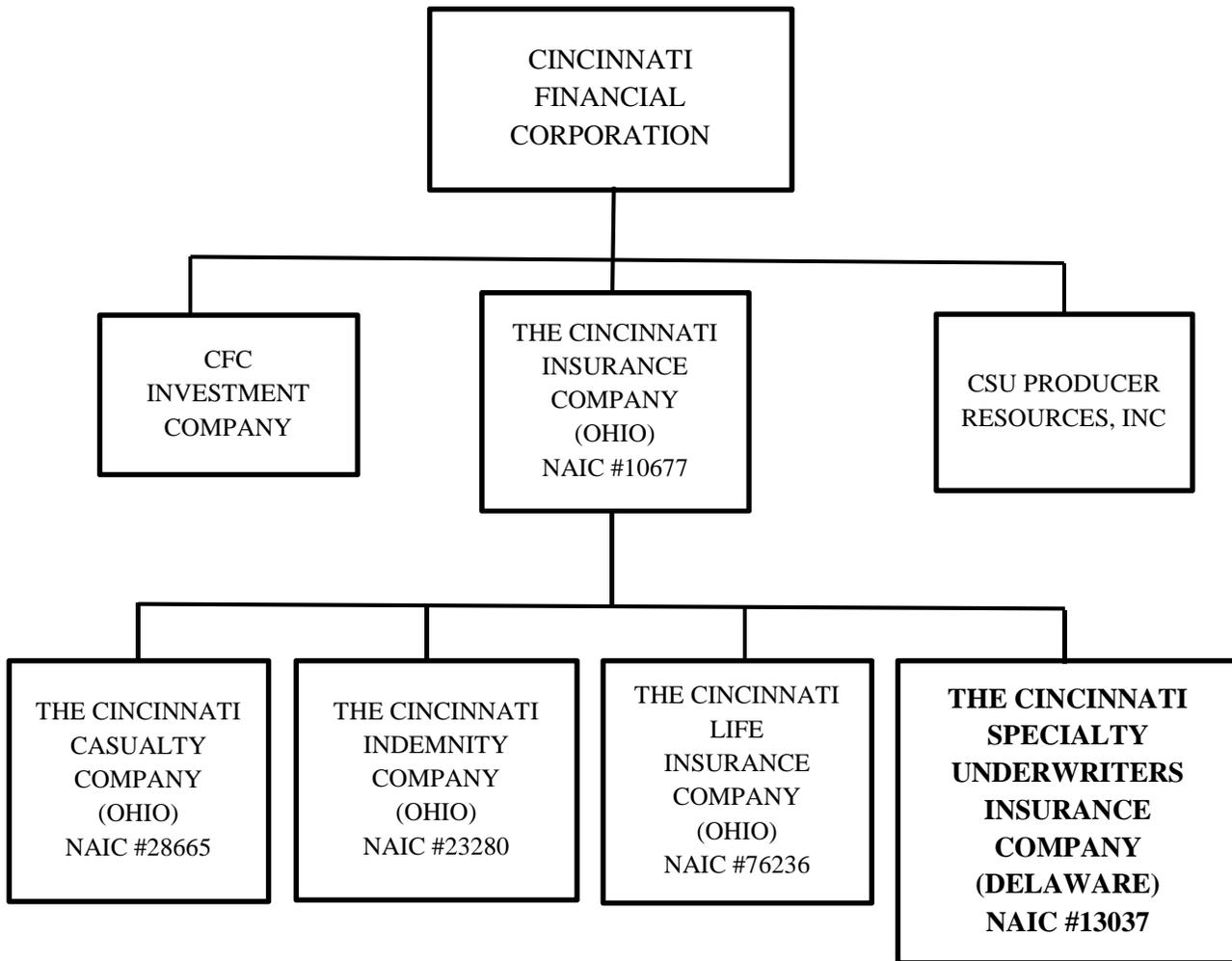
Corporate Records

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, 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

CSU is a member of an insurance holding company system as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The Company is a wholly owned subsidiary of CIC, which is wholly owned by CFC, the ultimate parent within the insurance holding company system. CIC also wholly owns the Ohio domiciled affiliate insurance companies, CCC, CID and CLIC.

The following abbreviated organizational chart depicts the Company's relationship within the insurance holding company system as of December 31, 2024:



Agreements with Affiliates

The following affiliated agreements within CSU’s organizational structure were identified and in effect as of December 31, 2024:

Intercompany Cost Sharing and Expense Allocation Agreement

Effective December 31, 2019, and superseding all prior agreements, the Company entered into an Intercompany Cost Sharing and Expense Allocation Agreement. The agreement sets forth the cost allocation methods and procedures allowing CFC to provide certain subsidiary companies with services including, but not limited to, office and storage space, utilities, cleaning, repair, maintenance and security services. CFC may further provide capital necessary to meet regulatory

capital requirements. This may include, but may not be limited to cash, securities, and access to letters of credit or collateral pledge facilities supported by the credit strength of CFC. Under the agreement, CIC shall provide subsidiary or affiliate companies with services including, but not limited to, telephone services, mailroom services, accounting services, claims servicing, legal services, computer and technology-related services, printing services, salaries, personnel services and routine office equipment and supplies. Also, under the agreement, CLIC shall provide certain subsidiaries or affiliate companies with services including, but not limited to, health and flexible spending account claims servicing. For services provided, the companies pay all ordinary and necessary expenses. Expenses are apportioned in accordance with SSAP No. 70 - Allocation of Expenses.

Broker Agreement

Effective January 1, 2012, the Company entered into a Broker Agreement with CSU Producer Resources, Inc. (CSUPR). Under terms of the agreement, CSUPR provides broker services as authorized by the Company, to include but not limited to, accepting applications from eligible insurance producers for new and renewal policies and negotiating terms, conditions, price, renewals and commission for said policies. CSUPR is responsible for assuring compliance with all applicable laws related to the surplus lines and licensing laws of the state(s) involved.

For services rendered, the Company pays CSUPR a commission that is a percentage rate of the premium on each policy written at a minimum rate of 17% and a maximum rate of 30%. CSUPR pays the Company a return commission at the same rate on any return premiums, including return premiums on cancellations ordered or made by the Company. CSUPR agrees to pay the Company, within 30 days, all insurance charges and premiums due to Company, whether or not collected by CSUPR, and hold such premiums in a fiduciary capacity as trustee for the Company.

Amounts received by CSUPR on behalf of Company shall be promptly deposited in a bank account approved by CSU.

Tax Sharing Agreement

Effective January 1, 2012, the Company entered into a Tax Sharing Agreement with other members of the consolidated group. The agreement provides that the allocation of the consolidated federal income tax liability is to be based upon each party's relative contribution to such liability. The agreement also provides an allocation for a particular tax year to each party that reflects their share of consolidated federal income tax liability after adjustments for tax audits or otherwise. The method of allocation among affiliates is based on separate return calculations with current credit for net losses to the extent the losses provide a benefit in the consolidated tax return.

TERRITORY AND PLAN OF OPERATION

CSU is authorized as a domestic surplus lines' writer in the state of Delaware and is eligible or approved to write surplus lines insurance in the other 49 states and the District of Columbia. The Company offers various products through non-insurance affiliate, CSUPR, as its exclusive broker. CSUPR was created solely to provide non-admitted products to independent agents and has binding authority on all the classes of business written through CSU.

The Company writes a balanced book of business within the following industry segments: Construction, Miscellaneous Manufacturing, Retail and Wholesale services, Real Estate related, Amusement and Special Events, Bars and Taverns, Fire Suppression Contractors, Habitation (apartments), Janitorial Services and non-auto Transportation companies.

The commercial casualty business covers businesses for third-party liability from accidents occurring on their premises or arising out of their operations, including injuries sustained from products. Other coverages available include miscellaneous errors and

omissions, professional liability and excess liability. Typical businesses covered include contractors, manufacturers, real estate owners and managers, retail, consultants and bars or taverns.

The commercial property business covers buildings, inventory, equipment and business income from loss or damage due to causes such as fire, wind, hail, water, theft and vandalism. Examples of property coverage include temporarily vacant buildings, habitational, restaurants and relatively higher-hazard manufacturing classes.

REINSURANCE

The Company reported net premiums written of \$654,518,724 for the year ended December 31, 2024. The distribution of premiums written for the years ended December 31, 2024, and the prior examination date of December 31, 2019, are as follows:

	2024	2019
Direct Premiums Written	\$ 874,346,554	\$ 319,248,539
Plus: Assumed Premiums	-	-
Less: Ceded Premiums:		
Affiliate	210,341,313	13,367,577
Non-Affiliate	9,486,517	2,716,453
Net Premiums Written	<u>\$ 654,518,724</u>	<u>\$ 303,164,509</u>

Assumed Reinsurance

As of December 31, 2024, the Company had no assumed business.

Ceded Reinsurance (Affiliated)

Fifth Layer Property Per Risk Excess of Loss Contract

Effective January 1, 2024, CSU, CIC, CCC and CID (collectively Company) became a party to a reinsurance contract, along with subscribing reinsurers (Reinsurer). The contract indemnifies the Company of liability resulting from loss or losses under Property policies, in force at the inception of the contract, or written or renewed during the term of the contract by or on

behalf of the Company. Per the Fifth Layer contract terms, the Company’s retention and Ultimate Net Loss with respect to each loss, each risk, is \$50,000,000 under the contract. The Reinsurer’s Ultimate Net Loss with respect to each loss, each risk, any one loss occurrence, or all loss occurrences involving Acts of Terrorism is \$50,000,000 under the contract. The Reinsurer’s total liability for all loss occurrences under the contract shall not exceed \$150,000,000.

First Through Sixth Property Catastrophe Excess of Loss Contract

Effective January 1, 2024, CSU, CIC, CCC and CID (collectively Company) became a party to a reinsurance contract, along with subscribing reinsurers (Reinsurer). The contract indemnifies the Company of liability resulting from loss or losses under policies classified as Property Business, including Fire, Allied Lines, Inland Marine, Homeowners, Automobile Physical Damage (excluding Collision), Multiple Peril and Glass, in force at the inception of the contract or written or renewed during the term of the contract. Refer below to the retention and limit schedule per layer under the contract. The Company also retains a portion of each Reinsurer layer as co-participation to share in the liability.

<i>RETENTION AND LIMIT SCHEDULE</i>			
Layer	Company’s Retention	Reinsurer’s Limit of Liability	
	Ultimate Net Loss each Loss Occurrence	Ultimate Net Loss each Loss Occurrence	Ultimate Net Loss in respect of all Loss Occurrences commencing during the term of this Contract
First Excess	\$200,000,000	\$100,000,000	\$200,000,000
Second Excess	\$300,000,000	\$100,000,000	\$200,000,000
Third Excess	\$400,000,000	\$200,000,000	\$400,000,000
Fourth Excess	\$600,000,000	\$200,000,000	\$400,000,000
Fifth Excess	\$800,000,000	\$200,000,000	\$400,000,000
Sixth Excess	\$1,000,000,000	\$200,000,000	\$400,000,000

First Through Fourth Property Per Risk Excess of Loss Contract

Effective January 1, 2024, CSU, CIC, CCC and CID (collectively Company) became a party to a reinsurance contract, along with subscribing reinsurers (Reinsurer). The contract indemnifies the Company of liability resulting from loss or losses under policies for Property business, in force at the inception of the contract or written or renewed during the term of the contract. Refer below to the retention and limit schedule per layer under the contract.

RETENTION AND LIMIT SCHEDULE				
Layer	Company's Retention	Reinsurer's Limit of Liability		
	Ultimate Net Loss in respect of each loss, each risk	Ultimate Net Loss in respect of each loss, each risk	Ultimate Net Loss in respect of any one Loss Occurrence	Ultimate Net Loss in respect of all Loss Occurrences involving Acts of Terrorism
First Excess	\$10,000,000	\$5,000,000	\$10,000,000	\$10,000,000
Second Excess	\$15,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Third Excess	\$25,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Fourth Excess	\$35,000,000	\$15,000,000	\$15,000,000	\$15,000,000

Third and Fourth Casualty Excess of Loss Contract

Effective January 1, 2024, CSU, CIC, CCC and CID (collectively Company) became a party to a reinsurance contract, along with subscribing reinsurers (Reinsurer). The contract indemnifies the Company of liability resulting from loss or losses under policies classified as Casualty business, including Protection and Indemnity, and Workers' Compensation business, in force at the inception of the contract or written or renewed during the term of the contract. Refer below to the retention and limit schedule per layer under the contract.

RETENTION AND LIMIT SCHEDULE				
Layer	Company's Retention	Reinsurer's Limit of Liability		
	Ultimate Net Loss each Loss Occurrence	Ultimate Net Loss each Loss Occurrence	Ultimate Net Loss in respect of all Loss Occurrences involving NBCR Loss commencing during the term of the Contract	Ultimate Net Loss in respect of all Loss Occurrences commencing during the term of the Contract
Third Layer	\$25,000,000	\$25,000,000	\$25,000,000	\$50,000,000
Fourth Layer	\$50,000,000	\$20,000,000	\$20,000,000	\$40,000,000

Regarding Workers' Compensation business, the Reinsurer's limit of liability under the contract is \$25,000,000 for the Third Layer and \$20,000,000 for the Fourth Layer, for all occurrences commencing during the term of the contract.

Data Defender, Network Defender and Cyber Defense Quota Share Contract

Effective January 1, 2023, CSU, CIC, CCC and CID (collectively Company) became a party to a reinsurance contract, along with The Hartford Steam Boiler Inspection and Insurance Company (Reinsurer). Under terms of the contract, the Company obligates itself to cede and the Reinsurer obligates itself to accept 100% of the Company's liability for new, renewal and in-force policies on or after the effective date of the contract for losses covered under Data Defender Coverage Forms (Data Coverage); Data Compromise and Identity Recovery Expense Coverage Forms (DC/IDR Coverage); Network Defender Coverage Forms (Network Coverage); and Cyber Defense Coverage Forms (Transactional Coverage).

High Net Worth Homeowners Quota Share Agreement

Effective January 1, 2020, the Company became a party to a 100% Quota Share (QS) agreement with CIC (Reinsurer). This agreement indemnifies the Company of liability that results

The Cincinnati Specialty Underwriters Insurance Company

from loss or losses under policies classified as High Net Worth Homeowners business, written or renewed during the term of the contract by or on behalf of the Company.

Ceded Reinsurance (Non-Affiliated)

The Company has a small amount of ceded business to third parties. For property risks with limits exceeding \$5,000,000 or casualty risks with limits exceeding \$6,000,000, underwriters place facultative reinsurance coverage on an individual certificate basis to companies rated A+ or better by A.M. Best.

FINANCIAL STATEMENTS

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

- Assets as of December 31, 2024
- Liabilities, Surplus and Other Funds as of December 31, 2024
- Statement of Income for the year ended December 31, 2024
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2019 to December 31, 2024

The Cincinnati Specialty Underwriters Insurance Company

Assets
As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 1,481,883,421	\$ -	\$ 1,481,883,421
Common stocks	363,654,706		363,654,706
Cash (\$ 40,027,065 Schedule E - Part 1) and cash equivalents (\$64,638,543 Schedule E - Part 2)	104,665,608		104,665,608
Subtotals, cash and invested assets	\$ 1,950,203,735	\$ -	\$ 1,950,203,735
Investment income due and accrued	18,505,822		18,505,822
Deferred premiums and agents' balances and installments booked but deferred and not yet due	36,214,385	3,617,795	32,596,590
Amounts recoverable from reinsurers	2,549,567		2,549,567
Electronic data processing equipment and software	139,479	139,479	
Receivable from parent, subsidiaries and affiliates	172,113,142		172,113,142
Total	\$ 2,179,726,131	\$ 3,757,274	\$ 2,175,968,856

Liabilities, Surplus and Other Funds
As of December 31, 2024

		Note
Losses	\$ 789,674,905	1
Loss adjustment expenses	289,352,000	1
Commissions payable, contingent commissions and other similar charges	24,859,075	
Other expenses	4,318,585	
Taxes, licenses and fees	403,317	
Current federal and foreign income taxes	948,652	
Net deferred tax liability	24,739,138	
Unearned premiums	302,424,784	
Ceded reinsurance premiums payable	13,979,694	
Amounts withheld or retained by company for account of others	50,242	
Payable to parent, subsidiaries and affiliates	26,310,659	
Total liabilities	\$ 1,477,061,053	
Common capital stock	5,250,000	
Gross paid in and contributed surplus	194,750,000	
Unassigned funds (surplus)	498,907,804	
Surplus as regards policyholders	\$ 698,907,804	
Totals	\$ 2,175,968,856	

Statement of Income
For the Year Ended December 31, 2024

Underwriting Income	
Premiums earned	<u>\$ 615,183,754</u>
Deductions	
Losses incurred	\$ 288,246,877
Loss adjustment expenses incurred	122,897,308
Other underwriting expenses incurred	<u>173,449,595</u>
Total underwriting deductions	<u>\$ 584,593,781</u>
Net underwriting gain (loss)	<u>\$ 30,589,973</u>
Investment Income	
Net investment income earned	66,496,687
Net realized capital gains or (losses)	<u>10,495,385</u>
Net investment gain (loss)	<u>\$ 76,992,072</u>
Other Income	
Net income before dividends to policyholders	<u>\$ 107,582,045</u>
Dividends to policyholders	<u>-</u>
Net income, after dividends to policyholders	<u>\$ 107,582,045</u>
Federal and foreign income taxes incurred	<u>21,936,578</u>
Net income	<u><u>\$ 85,645,467</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2019 to December 31, 2024

	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Surplus	Total
12/31/2019	\$ 5,250,000	\$ 194,750,000	\$ 326,081,536	\$ 526,081,536
12/31/2020 (1)			42,418,695	42,418,695
12/31/2020 (2)			26,371,036	26,371,036
12/31/2020 (3)			(67,000,000)	(67,000,000)
12/31/2021 (1)			47,029,091	47,029,091
12/31/2021 (2)			57,051,502	57,051,502
12/31/2021 (3)			(61,000,000)	(61,000,000)
12/31/2022 (1)			60,763,720	60,763,720
12/31/2022 (2)			(37,977,830)	(37,977,830)
12/31/2022 (3)			(52,000,000)	(52,000,000)
12/31/2023 (1)			75,718,009	75,718,009
12/31/2023 (2)			50,857,350	50,857,350
12/31/2023 (3)			(57,000,000)	(57,000,000)
12/31/2024 (1)			85,645,467	85,645,467
12/31/2024 (2)			61,949,228	61,949,228
12/31/2024 (3)			(60,000,000)	(60,000,000)
	<u>\$ 5,250,000</u>	<u>\$ 194,750,000</u>	<u>\$ 498,907,804</u>	<u>\$ 698,907,804</u>

(1) Net income.

(2) Change in net realized capital gains or (losses), Change in net deferred income tax, and Change in non-admitted assets

(3) Dividends to stockholders

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	\$789,674,905
Loss Adjustment Expenses	\$289,352,000

The examination liability for the aforementioned captioned items of \$789,674,905 and \$289,352,000 are the same as reported by the Company as of December 31, 2024. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including NAIC *Accounting Practices and Procedures Manual*, Statement of Statutory Accounting Principle No. 55 (SSAP No. 55).

SUBSEQUENT EVENTS

On February 27, 2025, the Company paid an ordinary dividend to its direct parent, CIC, in the amount of \$75,000,000. The dividend was approved by the Department on February 28, 2025. The notification to the Department and payment of the dividend was in compliance with 18 *Del. C.* § 5004(e)(1) "Reporting of dividends to shareholders."

SUMMARY OF RECOMMENDATIONS

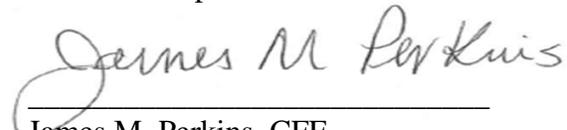
There were no recommendations as a result of this examination.

The assistance and cooperation of the Company's independent audit firm, Deloitte, and examination representatives from lead state Ohio, the consulting actuarial firm, INS Consultants, Inc., and the Company's management and staff were appreciated and is acknowledged.

Respectfully submitted,



Patrick R. White, CFE
Examiner In-Charge
Delaware Department of Insurance



James M. Perkins, CFE
Supervising Examiner
Delaware Department of Insurance

The Cincinnati Specialty Underwriters Insurance Company

I, Patrick R. White, 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 25.008.

A handwritten signature in black ink that reads "Patrick R. White". The signature is written in a cursive style with a horizontal line underneath it.

Patrick R. White, CFE