

EXAMINATION REPORT
OF
CANOPIUS US INSURANCE, INC.
AS OF
DECEMBER 31, 2024

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
CANOPIUS US INSURANCE, INC.
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.

A handwritten signature in blue ink, appearing to read "Trinidad Navarro", is written above a horizontal line.

Trinidad Navarro
Insurance Commissioner

Dated this 19 day of May, 2026

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	6
INSURANCE HOLDING COMPANY SYSTEM.....	6
AGREEMENTS WITH AFFILIATES.....	7
TERRITORY AND PLAN OF OPERATION	9
REINSURANCE	10
FINANCIAL STATEMENTS	13
ASSETS	14
LIABILITIES, SURPLUS AND OTHER FUNDS	15
STATEMENT OF INCOME.....	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	18

May 6, 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 Certification No. 25.034, dated April 30, 2025 an examination has been made of the affairs, financial condition and management of

CANOPIUS US INSURANCE, INC.

hereinafter referred to as CUSI or the Company and incorporated under the laws of the State of Delaware as a stock company with its registered office located at 850 New Burton Road, Suite 201, Dover, Delaware 19904. The administrative offices of the Company are located at 200 South Wacker Drive, Suite 950, Chicago Illinois 60606.

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 an individual stand-alone examination as of December 31, 2024.

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

During the course of this examination, consideration was given to work performed by the Company's external accounting firm, Ernst & Young LLP (E&Y). Certain auditor work papers from their 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 the financial statements as a result of this examination.

COMPANY HISTORY

CUSI was incorporated under the laws of the state of Delaware on September 5, 2006, and commenced business on May 14, 2007 as Omega US Insurance, Inc. (Omega US). On August 20, 2012, Omega US was acquired by Canopus Group Limited (CGL) and on May 1, 2014, Sompo Japan acquired 100% of the Group and rebranded it as Sompo Canopus Group (SCG).

On December 31, 2014, the Company merged with Bracken Hill Specialty Insurance Company, an excess and surplus lines' carrier with no liabilities prior to the merger. In a Form A filed with the Department on May 22, 2015, pursuant to 18 *Del. C.* §5003(e), the business operations of the Company's parent, CGL, were transferred to Canopus Holdings Ltd. (CHL), the direct parent of Canopus US Holdings, Inc. (US Holdings). At the same time, CGL (domiciled in Guernsey) dissolved and its assets were transferred to CHL. In addition, CHL's domicile was transferred from Bermuda to Switzerland on September 2, 2015. The Board of Directors (Board) of CHL were replaced with the existing Board of CGL and CHL was renamed Canopus Group AG (CGAG). The 2015 internal reorganization did not result in any change of control of the ultimate ownership of the Company or any change in its management and operations.

Canopus US Insurance Inc.

In February 2016, CGAG changed its legal name to Sompo Canopus AG (SCAG) and the Company retained its legal name of Canopus US Insurance, Inc. Subsequently, on January 4, 2018, SCAG changed its name to Canopus AG (CAG) and on March 9, 2018, SCG was sold via a management buyout to a private equity consortium led by Centerbridge Partners, LP and the Group rebranded and renamed back to CGL after redomiciling from Switzerland to Jersey effective August 6, 2019.

The Company's history, its acquisition by CGL, and subsequent changes in ownership and branding provide additional context for understanding CUSI's current operations and risk factors within the insurance holding company system. Refer to the 'Insurance Holding Company System' section below under MANAGEMENT AND CONTROL for detailed holding company information.

Capitalization

The Company's Certificate of Incorporation authorizes the issue of 10,000 shares of common stock with a \$350 par value. As of December 31, 2024, the Company had 10,000 common shares issued and outstanding totaling \$3,500,000 in capital common stock and reported gross paid in and contributed surplus of \$135,650,000.

Dividends

In accordance with 18 *Del.C.* § 5004(e) CUSI may not declare or pay a dividend or other distribution from any source other than earned surplus without the Department's approval. CUSI must also provide notice to the Department of all dividends and other distributions to shareholders within five (5) business days following the declaration thereof and at least ten (10) days prior to the payment thereof. Prior to 2024, CUSI did not have earned surplus, but as of December 31, 2024, the Company has earned surplus and needs approval from the Department to pay a dividend.

Canopus US Insurance Inc.

The following *extraordinary* dividends were paid by CUSI to its direct parent (US Holdings) during the examination period:

<u>Amount</u>	<u>Date Paid</u>
\$20,000,000	May 25, 2023
\$14,000,000	September 27, 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, all corporate powers and its business property and affairs are managed by, or under the direction of its Board. The Board shall consist of not less than one (1) or more than fifteen (15) directors, who may or may not be stockholders of the Company and who shall be elected annually by the stockholders for the term of one year and shall serve until the election and acceptance of their duly qualified successors. Any vacancies on the Board may be filled for the unexpired term. CUSI's Board members that served as of December 31, 2024, were as follows:

<u>Name</u>	<u>Title</u>
Lisa Halliday Davis *	President, Canopus US Insurance, Inc.
Michael Clive Watson #	Director
Gregory Gerald Alcazar	Chief Financial Officer, Canopus US Insurance, Inc.
Gavin Mark Phillips	Director

* Resigned effective February 23, 2026

Resigned effective November 11, 2024

Officers

Officers were elected in accordance with the Company's bylaws during the period under examination. Officers may be a President, a Secretary, one or more Vice-Presidents, a Treasurer

Canopus US Insurance Inc.

and other Officers and Assistant Officers shall be elected by the Board to hold office until their successors are elected and qualified or until their earlier removal or resignation. More than two (2) offices may be held by the same person. As of December 31, 2024, CUSI Officers with their respective titles, were as follows:

<u>Name</u>	<u>Title</u>
Lisa Halliday Davis *	President
Gregory Gerald Alcazar	Chief Financial Officer
Serena Bruni Lee	Secretary

* Resigned effective February 23, 2026

Corporate Records

The recorded minutes of the shareholders and the 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, and approval of investment transactions in accordance with 18 *Del. C.* §1304. In addition, a review of Company files indicated that written correspondence was submitted to the Department regarding the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

CUSI is a member of an Insurance Holding Company System as defined under 18 *Del. C.* §5001 of the Delaware Insurance Code. The following reflects the hierarchy within CUSI's holding company structure, with CCP III Cayman GP Ltd (CCP GP) as the ultimate controlling entity within the insurance holding company system as of December 31, 2024.

Canopus US Insurance Inc.

CCP III Cayman GP Ltd, Cayman Islands

Centerbridge Associates III, LP, Delaware

Centerbridge Capital Partners III, LP, Cayman Islands

Fidentia Fortuna Strategic, LP, Cayman Islands

Fidentia Fortuna Co-invest, LP, Cayman Islands

Fidentia Fortuna Holdings Ltd, Cayman Islands

Fortuna TopCo Ltd, a Jersey private LLC

Fortuna MidCo Ltd, a Jersey private LLC

Fortuna Holdings Ltd, a Jersey private LLC

Canopus Group Ltd.

Canopus US Holdings, Inc.

Canopus US Insurance, Inc.

CUSI is a direct, wholly owned subsidiary of US Holdings, which is a direct, wholly owned subsidiary of CGL, which is a direct wholly owned subsidiary of Fortuna Holdings Ltd, a Jersey private limited liability company (LLC), which is a wholly owned subsidiary of Fortuna MidCo Ltd, a Jersey private LLC, which is a wholly owned subsidiary of Fortuna TopCo Ltd, a Jersey private LLC.

CCP GP, the ultimate controlling entity, is a Cayman Islands exempt company formed in 2014. CCP GP gained effective control on March 9, 2018, along with the other collectively named controlling persons/entities noted above. CCP GP is also the ultimate general partner of the limited partnerships (LPs) in the hierarchy (Centerbridge Associates III, LP, Centerbridge Capital Partners III, LP, Fidentia Fortuna Strategic, LP, and Fidentia Fortuna Co-invest, LP). Management of the LPs is vested solely in its general partner (CCP GP) and as a result, CCP GP has control over the respective LPs. CCP GP has one Director and no Executive Officers.

Agreements with Affiliates

The following agreements with CUSI affiliates were in effect as of December 31, 2024:

Services Agreement

Effective August 20, 2012, CUSI, Canopus Services Limited (CSL) and CGL entered into a Services Agreement whereby CSL provides certain administrative services to CUSI, including underwriting services for CUSI business. Under the agreement, CSL shall comply with all applicable laws and regulations in any applicable jurisdiction (including the statutes and regulations of any applicable regulatory or supervisory body) in providing the services as an excess and surplus lines' writer. CSL does not bind CUSI to any contractual obligation or hold itself out as having any authority to do so unless authorized by the agreement or CUSI. In addition, CSL may subcontract for the performance of any of the services to: a) any affiliate of CSL or b) subject to the written consent of CUSI, any other person (subcontractor) provided, however, no subcontracting shall relieve CSL from any duties or obligations under the agreement and CSL shall remain responsible for all acts of the subcontractor in connection with providing the services.

Total charges in 2024 to CUSI for services under the agreement were \$3,897,999. Charges are at allocated cost with currently a 7% mark-up fee. Review of the Transfer Pricing Report by a reputable third-party (Deloitte & Touche LLP) provided sufficient evidence that the mark-up fee is fair and reasonable.

High Net Worth Agreement

Effective December 21, 2017, a Net Worth (Surplus) Maintenance Agreement was executed between CUSI and CGL. The agreement stipulates that on a quarterly basis if CUSI's policyholder surplus falls below \$100,000,000, CUSI must notify its parent, CGL, in writing of the shortfall and the reason for the shortfall. Then within ten (10) days of receipt, CGL must take reasonable steps to recapitalize CUSI to maintain the minimum policyholder surplus of \$100,000,000.

Canopus US Insurance Inc.

Consolidated Tax Agreement

Effective February 24, 2009, a Tax Allocation Agreement was entered into by and between US Holdings and certain affiliated companies and corporations, which include CUSI. Under the agreement, US Holdings files a consolidated federal income return for all taxable years as the common parent of the affiliates, as described in section 1504(a) of the Internal Revenue Code of 1986. CUSI's federal income tax liabilities are calculated based on the results of its own operations on a stand-alone basis.

Binding Authority Agency Agreements

As of December 31, 2024, CUSI was party to several Binding Authority Agency Agreements that have various effective dates with agency affiliate, Canopus Underwriting Agency, Inc. (CUAI). Under the agreements, CUIAI provides agency responsibilities as specified in the agreements pertaining to certain direct written business, such as Cyber Liability, Professional Liability, Commercial Property, Media Liability, and Equine Animal Mortality and Equine Liability business. The agency agreements also include Commercial Property business on an assumed and facultative reinsurance basis with annual gross written premium limits up to \$80,000,000, as well as Commercial Property assumed business related to Cannabis risks.

Refer to the REINSURANCE section below for the details of CUSI's affiliated reinsurance agreements.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2024, CUSI is admitted in the state of Delaware and functions on a non-admitted basis approved to write surplus lines' business in all fifty (50) U.S. states and the District of Columbia. The Company primarily writes auto, casualty, commercial property,

homeowners, and cyber insurance and contracts with third-party administrators (TPAs) to write niche specialty programs that fit CUSI's risk profile.

REINSURANCE

CUSI reported the following distribution of premiums written for the years ended December 31, 2024, and the prior examination date of December 31, 2019:

	2024	2019
Direct premiums written	\$ 242,061,795	\$ 57,856,355
Reinsurance assumed from affiliates	38,965,934	30,719,864
Reinsurance assumed from non-affiliates	63,512,322	3,714,370
Total gross premiums (direct and assumed)	\$ 344,540,051	\$ 92,290,589
Reinsurance ceded to affiliates	-	88,800
Reinsurance ceded to non-affiliates	81,906,054	8,963,214
Total ceded premiums	\$ 81,906,054	\$ 9,052,014
Net premiums written	\$ 262,633,997	\$ 83,238,575

CUSI's reinsurance structure is predominantly comprised of quota share (QS) arrangements with legacy coverage from excess of loss (XOL) and facultative reinsurance contracts covering business through accident year 2021 with a variety of reinsurers. CUSI also shares catastrophe XOL reinsurance risks proportionally with Lloyd's Syndicate 4444, and Lloyd's Syndicate 1861 managed by Canopus Managing Agents Limited. There are numerous third-party reinsurers providing reinsurance under these shared reinsurance facilities. CUSI is reinsured for amounts excess of \$47,500,000 with coverage up to \$105,000,000 and exposure is approximately 25% of any reinsured loss.

Loss Portfolio Transfer

Effective September 30, 2020, CUSI entered into a Loss Portfolio Transfer reinsurance agreement with Alimco Re Ltd, an exempted company organized under the laws of Bermuda and licensed by the Bermuda Monetary Authority. The portfolio covers contractors' general liability

Canopus US Insurance Inc.

policies written between 2008 and 2016 on all losses from the purchase date up to \$18,500,000, with a \$3,500,000 sublimit on policies issued by a specific agency.

Quota Share Agreement – Flectat Ltd

Effective January 24, 2018, and amended June 22, 2018, CUSI became party to a 40% QS 3-year collateralized reinsurance agreement (CRA). Per the CRA, affiliate Flectat Ltd. (Flectat), a member of Lloyd's, assumes a majority share of the underwriting business of Lloyd's Syndicate 4444 and all liabilities arising from certain lines of its North American facilities business unit. Effective for underwriting year 2019, the 2018 agreement was amended to increase the QS to 90% applicable to all liabilities assumed by affiliate Flectat.

Trust Deed

In conjunction with the CRA above, CUSI executed a Trust Deed with Flectat for \$35,000,000 in collateral. The \$35,000,000 investment collateral was returned to CUSI in 2021. The CRA was renewed for one year in accordance with the terms of the original agreement and was approved by the Department. The renewal was in conjunction with the placement of \$20,000,000 in investment collateral in Flectat's name. At year-end 2022, \$21,300,000 investment collateral applicable to the renewal was eligible to be released to CUSI, however CUSI entered into a new collateral agreement with Canopus Corporate Capital Limited (CCCL) in which \$21,300,000 was applied, as approved by the Department.

Quota Share Agreements – CCCL

Effective January 1, 2023, CUSI became party to a 50% QS 3-year CRA. Per the CRA, affiliate CCCL indemnifies all liabilities of CUSI that arise from certain lines of business underwritten by affiliate CUAJ. Under terms of the CRA, CUSI agreed to provide \$45,000,000 in collateral to support CCCL's business with Lloyd's underwritten by CUAJ. It is noted that only \$23,700,000 was needed

Canopus US Insurance Inc.

and provided by CUSI, as the \$21,300,000 from the prior CRA was put towards the \$45,000,000 collateral amount.

Effective January 1, 2024, CUSI became a party to a 50% QS 3-year CRA. Per the CRA, affiliate CCCL indemnifies all liabilities of CUSI that arise from certain lines of business underwritten by affiliate CUIAI. CUSI agreed to provide \$55,000,000 in collateral to support CCCL's underwriting business with Lloyd's underwritten by affiliate CUIAI. Only \$10,000,000 was needed and was provided by CUSI, as the \$45,000,000 from the 2023 CRA was put towards the \$55,000,000 collateral amount.

Quota Share Agreement - Samsung Fire & Marine

Effective July 1, 2023, CUSI became a party to a 90% QS reinsurance agreement with Samsung Fire & Marine, US Branch (SFMI) such that CUSI assumes 90% of the liabilities for the following lines of business noting the maximum policy limits:

<u>Line of Business</u>	<u>Maximum Policy Limit</u>
Personal/Commercial Auto Liability	\$ 1,000,000
Personal/Commercial Auto Physical Damage	\$ 5,000,000
Commercial Motor Truck Cargo	\$ 500,000
Fine Art & Specie	\$ 150,000,000

Per the agreement, SFMI retains 10% of the risk and cedes the remainder to CUSI. The ceding commission is 2.5% of the gross written premium and the boards and bureau fees are an additional 0.2% of gross written premium. There is no profit commission for SFMI. The initial term of the agreement was one year with the possibility of transitioning to a three-year term. The risks are underwritten through CUIAI utilizing managing general underwriters that CUSI partners with that have expertise in this area. CUIAI is the appointed general agent of SFMI. This reinsurance transaction is commercially beneficial to CUSI because it allows premium growth through an affiliate with highly rated admitted paper to broaden opportunities for CUSI in lines of business that CUSI and the Group have expertise in underwriting. This QS agreement was renewed for underwriting year 2024 under the same terms.

Accompanying the QS agreement is a separate transactional operations agreement (Operations Agreement) between CUSI, CUIAI and SFMI. The purpose of the Operations Agreement is to clarify certain commercial and practical matters between the parties that relate to the operation of the agreement. No provision of the Operations Agreement conflicts with the terms and conditions of the QS agreement.

Excess of Loss Agreement

Effective January 1, 2024, CUSI entered an XOL reinsurance treaty with affiliate Canopus Reinsurance Ltd. Under the XOL agreement, CUSI is reinsured for amounts excess of \$47,500,000 with coverage up to \$105,000,000. CUSI's exposure is approximately 25% of any reinsured loss. Per the XOL agreement, CUSI cedes \$10,000,000 of loss and defense cost and containment liabilities due to wind and earthquake perils, excess of \$7,500,000. Annual premium for this coverage is \$250,000.

FINANCIAL STATEMENTS

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

- 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

Assets
As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 189,403,773	\$ -	\$ 189,403,773
Mortgage loans on real estate: First liens	18,689,041		18,689,041
Cash	15,173,887		15,173,887
Cash equivalents	86,376,048		86,376,048
Short-term investments	13,787,929		13,787,929
Subtotals, cash and invested assets	<u>\$ 323,430,679</u>	<u>\$ -</u>	<u>\$ 323,430,679</u>
Investment income due and accrued	1,715,747		1,715,747
Uncollected premiums and agents' balances in the course of collection	152,341,450	1,962,334	150,379,116
Amounts recoverable from reinsurers	9,662,365		9,662,365
Other amounts receivable under reinsurance contracts	35,932		35,932
Current federal and foreign income tax recoverable and interest thereon	4,083,587		4,083,587
Net deferred tax asset	12,913,544		12,913,544
Electronic data processing equipment and software	2,477,026		2,477,026
Furniture and equipment	315,501	315,501	
Receivables from parent; subsidiaries and affiliates	897,511		897,511
Aggregate write-ins for other-than-invested assets:			
Claim loss funds	1,337,940		1,337,940
Prepaid expense	135,069	135,069	
Rent security deposit	19,076	19,076	
Miscellaneous receivable	1,374	1,374	
Total	<u>\$ 509,366,801</u>	<u>\$ 2,433,354</u>	<u>\$ 506,933,447</u>

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

		<u>Note</u>
Losses	\$ 144,768,461	1
Reinsurance payable on paid losses and loss adjustment expenses	4,352,518	
Loss adjustment expenses	14,594,883	1
Commissions payable, contingent commissions and other similar charges	10,636,251	
Other expenses (excluding taxes, licenses and fees)	7,608,560	
Taxes, licenses and fees	3,211	
Unearned premiums	147,279,535	
Ceded reinsurance premiums payable (net of ceding commissions)	40,929,359	
Funds held by company under reinsurance treaties	451,048	
Amounts withheld or retained by company for account of others	19,956	
Remittances and items not allocated	6,469,982	
Provision for reinsurance	612,242	
Payable to parent, subsidiaries and affiliates	1,184,064	
Payable for securities	115,621	
Aggregate write-ins for liabilities:		
Retroactive reinsurance reserves ceded - ALIMCO	<u>(7,784,202)</u>	
Total liabilities	<u>\$ 371,241,488</u>	
Aggregate write-ins for special surplus funds:		
Special surplus from retroactive reinsurance - ALIMCO	\$ 4,932,786	
Common capital stock	3,500,000	
Gross paid in and contributed surplus	135,650,000	
Unassigned funds (surplus)	<u>(8,390,827)</u>	
Surplus as regards policyholders	<u>\$ 135,691,959</u>	
Total Liabilities, Capital and Surplus	<u>\$ 506,933,447</u>	

Statement of Income
For the Year Ended December 31, 2024

Underwriting Income	
Premiums earned	<u>\$ 241,269,758</u>
Deductions	
Losses incurred	\$ 131,696,690
Loss adjustment expenses incurred	15,469,841
Other underwriting expenses incurred	<u>101,945,326</u>
Total underwriting deductions	<u>\$ 249,111,857</u>
Net underwriting gain or (loss)	<u>\$ (7,842,099)</u>
Investment Income	
Net investment income earned	<u>\$ 15,969,316</u>
Net realized capital gains or (losses)	<u>81,474</u>
Net investment gain or (loss)	<u>\$ 16,050,790</u>
Other Income	
Net gain (loss) from agents' or premium balances charged off	\$ 11,191
Aggregate write-ins for miscellaneous income:	
Retroactive reinsurance gain/(loss) - ALIMCO	2,435,408
CUAI ISA income	1,795,850
Miscellaneous	<u>16,754</u>
Total other income	<u>\$ 4,259,205</u>
Net income before dividends to policyholders	<u>\$ 12,467,896</u>
Dividends to policyholders	<u>-</u>
Net income; after dividends to policyholders	<u>\$ 12,467,896</u>
Federal and foreign income taxes incurred	<u>4,674,855</u>
Net Income	<u><u>\$ 7,793,041</u></u>

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

	Special Surplus from Retroactive Reinsurance	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Surplus	Total
12/31/19	\$ -	\$ 3,500,000	\$ 159,650,000	\$ (32,519,753)	\$ 130,630,247
12/31/20 (1)				(25,693,771)	(25,693,771)
12/31/20 (2)				(3,512,798)	(3,512,798)
12/31/20 (3)			10,000,000		10,000,000
12/31/21 (1)				95,124	95,124
12/31/21 (2)				(954,364)	(954,364)
12/31/21 (4)	3,363,378			(3,363,378)	
12/31/22 (1)				27,027,863	27,027,863
12/31/22 (2)				6,142,485	6,142,485
12/31/23 (1)				16,447,335	16,447,335
12/31/23 (2)				2,802,582	2,802,582
12/31/23 (3)			(20,000,000)		(20,000,000)
12/31/23 (4)	(866,000)			866,000	
12/31/24 (1)				7,793,041	7,793,041
12/31/24 (2)				2,608,186	2,608,186
12/31/24 (3)			(14,000,000)		(14,000,000)
12/31/24 (4)	2,435,408			(2,435,408)	
12/31/24 (5)				(3,693,973)	(3,693,973)
12/31/24	<u>\$ 4,932,786</u>	<u>\$ 3,500,000</u>	<u>\$ 135,650,000</u>	<u>\$ (8,390,827)</u>	<u>\$ 135,691,959</u>

(1) Net income

(2) Change in net unrealized capital gains/(losses), change in net deferred income tax, change in nonadmitted assets, and change in provision for reinsurance

(3) Surplus adjustments: Paid in

(4) Change in special surplus from retroactive reinsurance

(5) Aggregate write-ins for gains and losses in surplus: Correction of errors - D&F Quota Share

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 incurred	\$ 144,768,461
Loss adjustment expenses	\$ 14,594,883

The examination liability for the aforementioned captioned items of \$144,768,461 and \$14,594,883 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 General Accepted Actuarial Principles and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, SSAP No. 55.

SUBSEQUENT EVENTS

Effective February 23, 2026, CUSI's President, Lisa Halliday Davis, resigned from the Company. Effective February 24, 2026, Lindsay Nieman Astor, the Head of Strategy and Chief of Staff of CGL was elected by the Board to serve as President of the CUSI.

SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

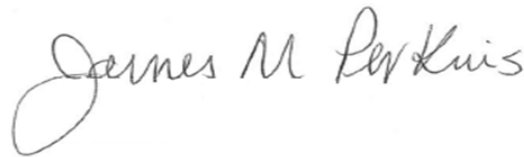
Canopus US Insurance, Inc.

The assistance and cooperation of INS Consultants, Inc. for their actuarial services, the outside audit firm, E&Y, for their 2024 audit work, and the Company's management and staff are appreciated and is acknowledged.

Respectfully submitted,



Mark Jaster, CFE
Examiner-In-Charge
State of Delaware



James M. Perkins, CFE
Supervising Examiner
State of Delaware

Canopus US Insurance, Inc.

I, Mark Jaster, 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. 25.034.

A handwritten signature in black ink that reads "Mark Jaster". The signature is written in a cursive style with a large initial "M".

Mark Jaster, CFE