FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER

Filed with the Office of the Commissioner of Insurance, State of Wisconsin

Southern Pilot Insurance Company
By

Chesapeake Employers' Insurance Holding Company, LLC

Chesapeake Employers' Insurance Company

Date: July 10, 2026

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Carmine G. D'Alessandro
SVP & Chief Legal Officer
Chesapeake Employers Insurance Company
8722 Loch Raven Boulevard
Towson, Maryland 21286
(410) 494-2305

with a copy to:

Brett A. Baulsir
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100 Light Street, Suite 1400
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INTRODUCTION

This Form A Statement Regarding the Acquisition or Control of or Merger with a Domestic Insurer (the "Form A") is being submitted to the Commissioner of Insurance of the State of Wisconsin (the "Commissioner") by Chesapeake Employers' Insurance Company ("CEIC"), a Maryland domiciled corporation and insurance company, and Chesapeake Employers' Insurance Holding Company, LLC ("Chesapeake HoldCo" and, together with CEIC, the "Applicants"), a Maryland limited liability company and wholly owned subsidiary of CEIC, in connection with the proposed acquisition of control of Southern Pilot Insurance Company ("Southern Pilot"). In accordance with Wis. Stat. Ann. § 611.72 and related regulations, the Applicants respectfully request the approval of the Commissioner of the acquisition of control of Southern Pilot as described herein.

REQUEST FOR CONFIDENTIAL TREATMENT

Certain of the supporting documents being submitted in support of this Form A contain certain confidential and/or proprietary business information and strategies that are not otherwise available to the public, that, if disclosed, could cause substantial injury to the competitive position of the Applicants and the parties to this transaction, and that have not been made publicly available by the parties to the proposed transactions. Specifically, Exhibits CE-1, CE-2, CE-4, and CE-5 (the "Confidential Commercial Exhibits") contain such sensitive commercial information and are being submitted under separate confidential cover. Accordingly, the parties to the transaction respectfully request that the Office of the Commissioner of Insurance of the State of Wisconsin (the "OCI") treat such Confidential Commercial Exhibits as confidential and except such materials from disclosure pursuant to all applicable provisions of law, including but not limited to Wis. Stat. Ann. §§ 19.36(5) and 601.465, Wis. Stats. The parties specifically request that each party be: (i) notified in advance of any proposed disclosure of such confidential materials by OCI and (ii) given reasonable opportunity to seek a protective order or to take other action to prevent or limit any such disclosure. The Applicants are providing the Confidential Commercial Exhibits under separate confidential cover with the understanding that the OCI will safeguard their confidentiality.

In addition, the NAIC Biographical Affidavits being submitted under separate confidential cover as Exhibit CE-3 to this Form A contain certain sensitive personal individual information that is not otherwise available to the public, is subject to financial privacy and individual privacy protections, and should be afforded confidential treatment. The Applicants respectfully request that the OCI maintain the NAIC Biographical Affidavits and the information contained therein as confidential pursuant to all applicable provisions of law, including but not limited to Wis. Stat. Ann. § 19.36 and any other applicable statutory or regulatory authority available to the OCI, and that the Applicants and the individuals to whom the Biographical Affidavits are submitted on behalf of be: (i) notified in advance of any proposed disclosure of such confidential materials by OCI and (ii) given reasonable opportunity to seek a protective order or to take other action to prevent or limit any such disclosure.

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) Name and Address of Domestic Insurer

The name and address of the domestic insurer to which this application relates are:

Southern Pilot Insurance Company
One QBE Way
Sun Prairie, Wisconsin 53718

(b) Brief Description of How Control Will Be Acquired

Control of Southern Pilot will be acquired pursuant to a Stock Purchase Agreement (the "Purchase Agreement"), dated as of June 12, 2026, by and among Chesapeake HoldCo, General Casualty Company of Wisconsin ("GCC"), and Southern Pilot. Subject to the terms of the Purchase Agreement, at the closing of the transaction, Chesapeake HoldCo will acquire 100% of the issued and outstanding shares of common stock and preferred stock of Southern Pilot from GCC, which currently owns all of the issued and outstanding shares of Southern Pilot. The obligation of Chesapeake HoldCo to consummate the transactions contemplated by the Purchase Agreement is subject to the terms and conditions of the Purchase Agreement, including the receipt of all necessary regulatory approvals, including the approval of the OCI of the acquisition of control of Southern Pilot and the approval of the OCI and the Maryland Insurance Administration (the "MIA") of the redomestication of Southern Pilot from Wisconsin to Maryland subsequent to closing.[1] The parties desire to close the proposed transaction on or prior to December 31, 2026, subject to a sixty-day extension in the event regulatory approvals are the only conditions that remain outstanding. A copy of the Purchase Agreement with confidential information redacted is attached hereto as **Exhibit A**. An unredacted copy of the Purchase Agreement is submitted under separate confidential cover as **Exhibit CE-1**, and a copy of the Disclosure Schedules to the Purchase Agreement is submitted under separate confidential cover as **Exhibit CE-2**.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) Name and Address of Applicant

The name and current business addresses of the Applicants seeking to acquire control of Southern Pilot are as follows:

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[1] As described in greater detail in Item 5 of this Form A Statement, applications requesting approval of the redomestication of Southern Pilot from Wisconsin to Maryland are being filed with the OCI and MIA contemporaneously with this Form A Statement.

CEIC:
Chesapeake Employers' Insurance Company
8722 Loch Raven Boulevard
Towson, Maryland 21286

Chesapeake HoldCo:
Chesapeake Employers' Insurance Holding Company, LLC
8722 Loch Raven Boulevard
Towson, Maryland 21286

CEIC is a Maryland nonstock nonprofit corporation and Maryland domestic insurance company. Chesapeake Holdings is a limited liability company whose sole member is CEIC and is therefore a wholly owned subsidiary of CEIC. Through the proposed transaction, Chesapeake HoldCo will acquire direct ownership of 100% of Southern Pilot. By extension, CEIC will acquire 100% indirect ownership and ultimate control of Southern Pilot.

(b) Nature of the Applicant's Business Operations

CEIC is a Maryland insurance company that exclusively writes workers' compensation insurance in Maryland. In 1914, CEIC began when the Maryland General Assembly created the State Accident Fund. In 2013, CEIC converted to its current form and is currently the largest writer of workers' compensation insurance in Maryland. Chesapeake HoldCo is a Maryland limited liability company and wholly owned subsidiary of CEIC that was formed in 2025 to act as an intermediate holding company for CEIC's ownership interests in potential insurance company subsidiaries.

(c) Organizational Chart

Attached hereto as **Exhibit B-1** is an organizational chart of CEIC and its affiliates prior to the proposed transaction, and attached hereto as **Exhibit B-2** is an organizational chart representing the proposed organizational structure of CEIC and its affiliates subsequent to the proposed transaction.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

A listing of the names and business addresses of the current directors and executive officers of CEIC and Chesapeake HoldCo (collectively, the "Directors and Officers") is attached hereto as **Exhibit C**. Biographical affidavits on the form adopted by the NAIC for all Directors and Officers are being submitted under separate confidential cover as **Exhibit CE-3**, and include the required employment history for such individuals. None of the

Directors and Officers has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years. Third party background investigations are being conducted by True Hire, an NAIC approved third party vendor, on the NAIC Biographical Affidavits for the Directors and Officers and will be provided directly to the OCI by True Hire upon completion.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source, and Amount of Consideration

The purchase price will be paid by Chesapeake HoldCo in cash by wire transfer of immediately available funds with available cash on hand pursuant to capital already contributed to Chesapeake HoldCo by CEIC from CEIC's general investment account. No portion of the consideration for the transaction was borrowed by Chesapeake HoldCo or CEIC. The amount of the purchase price for the transaction is set forth in §§ 2.2 – 2.5 and Exhibit A of the Purchase Agreement, which is included in unredacted form as Exhibit CE-1 being filed under separate confidential cover.

(b) Criteria Used in Determining the Nature and Amount of Consideration

The nature and amount of the consideration was determined through arms' length negotiations between CEIC and Southern Pilot, GCC and their respective owners based on the past performance of Southern Pilot and comparable transactions.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

The Applicants have no plans to declare an extraordinary dividend, liquidate Southern Pilot, to sell its assets or merge it with any person, or, except as described in this Item 5 or elsewhere in this Form A Statement or as otherwise contemplated by the Purchase Agreement, to make any other material change to Southern Pilot's business operations or corporate structure or management.

Future Plan of Operations:

Southern Pilot is not currently writing new business and has no active policies in force. It is intended that, upon the Applicant's acquisition of control, Southern Pilot will resume writing business in certain of its currently licensed states and apply for additional state insurance licenses. The Applicants anticipate that Southern Pilot will exclusively write workers' compensation and employer's liability insurance following the proposed acquisition of control. Attached under separate confidential cover as **Exhibit CE-4** is a more detailed plan of operations narrative for Southern Pilot subsequent to the proposed transaction.

Redomestication of Southern Pilot:

In connection with the proposed change of control transaction, the Applicants intend to redomesticate Southern Pilot from Wisconsin to Maryland, which is the domicile state of CEIC and the sole state in which CEIC currently writes business. The closing of Purchase Agreement is conditioned on the approval of the OCI and the MIA of the redomestication of Southern Pilot from Wisconsin to Maryland. Contemporaneously with the filing of this Form A Statement, (i) applications requesting the approvals of the OCI and the MIA of the transfer of Southern Pilot's state of domicile from Wisconsin to Maryland pursuant to Wis. Stat. Ann. § 611.223(2) and Md. Code Ann., Ins. § 3-126 are being filed with the OCI and the MIA; and (ii) an application requesting the approval of the OCI for authority for Southern Pilot to do business in Wisconsin as a foreign insurer pursuant to Wis. Stat. Ann. § 611.223(2) and ch. 618, Wis. Stat. is being filed with the OCI.

Assignment and Amendment of Reinsurance Agreements:

Assignment and Assumption of Pooling Agreement

Southern Pilot, GCC, QBE Insurance Corporation, a Pennsylvania corporation and Pennsylvania insurance company and affiliate of Southern Pilot ("QBEIC"), and certain other affiliates of QBEIC are parties to that certain 2022 Revision of the 1976 QBE North America Pooling Agreement, effective as of January 1, 2022 (the "Pooling Agreement"), pursuant to which QBEIC reinsures 100% of all policies written or reinsured by Southern Pilot, GCC and such other affiliates of QBEIC parties. Effective upon closing of the Purchase Agreement, Southern Pilot and QBEIC intend to enter into the Pooling Assignment and Assumption Agreement (the "Pooling Assignment") through which Southern Pilot will assign to QBEIC, and QBEIC will accept and assume from Southern Pilot, all of Southern Pilot's rights, privileges, liabilities and obligations in, to and arising under the Pooling Agreement. The form of the Pooling Assignment is attached as Exhibit B to the Purchase Agreement.

Endorsements to Certain Affiliate Reinsurance Agreements

Effective as of the closing of the Purchase Agreement, Southern Pilot, GCC and QBE Capital Ltd formerly known as QBE Blue Ocean Re Limited, a Bermudian captive insurance company and an affiliate of GCC ("QBE Capital"), in its capacity as reinsurer under the Quota Share Reinsurance Contract, originally effective January 1, 2018, as amended from time to time, by and among QBE Capital, as reinsurer, GCC and certain affiliates of GCC including, prior to the closing of the Purchase Agreement, Southern Pilot (the "QBE Capital Reinsurance Agreement"), will enter into Endorsement No. 8 to the QBE Capital Reinsurance Agreement ("Endorsement No. 8"), whereby all of the rights, privileges, and liabilities of Southern Pilot arising under the QBE Capital Reinsurance Agreement shall be assigned to and assumed by QBEIC. The form of Endorsement No. 8 is attached as Exhibit C to the Purchase Agreement.

Effective as of the closing of the Purchase Agreement, Southern Pilot, GCC and QBE Capital (Global) Ltd. Formerly known as Equator Reinsurances Limited, a Bermudian insurance company and an affiliate of GCC ("QBE Capital (Global)"), in its capacity as reinsurer under the Quota Share Reinsurance Contract, originally effective January 1, 2015, as amended from time to time, by and among QBE Capital (Global), as reinsurer, QBE Reinsurance Corporation, a Pennsylvania insurance company and affiliate of GCC ("QBE Re") and certain affiliates of QBE Re, including GCC and, prior to the closing of the Purchase Agreement, Southern Pilot (the "QBE Capital (Global) Reinsurance Agreement"), will enter into Endorsement No. 9 to the QBE Capital (Global) Reinsurance Agreement ("Endorsement No. 9") whereby all of the rights, privileges, and liabilities of the Southern Pilot arising under the QBE Capital (Global) Reinsurance Agreement shall be assigned to and assumed by QBEIC. The form of Endorsement No. 9 is attached as Exhibit D to the Purchase Agreement.

Assignments and Amendments to Loss Portfolio and Quota Share Reinsurance Contracts:

At closing, Southern Pilot, GCC, and QBEIC, will enter into (i) the Assignment and Amendment No. 1 to the Loss Portfolio Reinsurance Contract (the "LP Amendment"), effective July 1, 2021, by and between Southern Pilot, as cedant, and GCC as the original reinsurer; and (ii) the Assignment and Amendment No. 1 to the Quota Share Reinsurance Contract (the "QS Amendment") effective July 1, 2021, by and between Southern Pilot, as cedant, and GCC, as the original reinsurer. Under the existing Loss Portfolio Reinsurance Contract between Southern Pilot, and GCC, Southern Pilot ceded to GCC, and GCC accepted and reinsured, 100% of the ultimate net liability and any extra contractual obligations and losses in excess of policy limits on losses occurring on or prior to June 30, 2021. Under the existing Quota Share Reinsurance Contract between Southern Pilot and GCC, Southern Pilot ceded to GCC, and GCC accepted and reinsured on a 100% quota share basis, all losses incurred on or after July 1, 2021, under policies in force as of July 1, 2021, and policies written or renewed by Southern Pilot or assumed by Southern Pilot after such effective date.

Pursuant to the LP Amendment and QS Amendment, QBEIC will succeed GCC and assume the rights and obligations of GCC as the original reinsurer under the Loss Portfolio Reinsurance Contract and Quota Share Reinsurance Contract with respect to all business written, assumed, or renewed by Southern Pilot on or prior to the closing of the sale of Southern Pilot. The LP Amendment and QS Amendment are intended by the parties to provide Southern Pilot with 100% reinsurance by GCC for all legacy policy liabilities written by Southern Pilot prior to the closing of the sale of Southern Pilot to Chesapeake HoldCo, and to amend certain provisions of the Loss Portfolio Reinsurance Contract and Quota Share Reinsurance Contract in accordance with the terms and conditions set forth in the LP Amendment and QS Amendment. The form of the LP Amendment is attached as Exhibit E to the Purchase Agreement, and the form of the QS Amendment is attached as Exhibit G to the Purchase Agreement.

Seller Requests Regarding Intercompany Contracts and Stipulation and Orders

As contemplated by §§ 4.8(d) and 6.11(a) of the Purchase Agreement, in connection with the closing of the sale of Southern Pilot, the Applicants understand that GCC will seek regulatory approval, non-disapproval, or confirmation that no approval is required, from the OCI regarding (i) the amendment, assignment, assumption, endorsement, or termination of certain intercompany contracts set forth in Schedule 4.8(c) of the Disclosure Schedules to the Agreement to which Southern Pilot is currently a party; and (ii) the termination or release from the following two Stipulation and Orders issued by the OCI in respect of reinsurance arrangements to which Southern Pilot is a party and which outline the terms and conditions for the acceptance of credit for reinsurance:

- Stipulation and Order in the matter of Southern Pilot Insurance Company (Case No. 19-C43049), dated April 12, 2019.
- Stipulation and Order in the matter of Southern Pilot Insurance Company (Case No. 19-C43055), dated April 12, 2019.

<u>Administrative Services Agreement</u>:

As contemplated by the Purchase Agreement, Southern Pilot and QBEIC will enter into the Administrative Services Agreement (the "<u>ASA</u>") effective as of the closing of the Purchase Agreement. Through the ASA, QBEIC will administer all policies reinsured by QBEIC under the LP Amendment and QS Amendment. A copy of the ASA is attached as Exhibit E to the Purchase Agreement.

<u>Guaranty:</u>

As contemplated by the Purchase Agreement, QBE Re will enter into the Guaranty (the "<u>Guaranty</u>") in favor of Chesapeake Holdco, effective as of the closing of the Purchase Agreement (or, if earlier, no later than three 3 days following regulatory approval of the Guaranty). Pursuant to the Guaranty, QBE Re will unconditionally guarantee GCC's payment and performance of its post-closing indemnification obligations under Article XI of the Purchase Agreement, subject to the same limitations, caps, baskets and survival periods applicable to GCC under the Purchase Agreement. A copy of the Guaranty is attached as Exhibit H to the Purchase Agreement.

<u>Post-Closing Officers and Directors:</u>

Following the transactions contemplated by the Purchase Agreement, the officers and directors of Southern Pilot will be as follows:

- Officers:
  - Mark Isakson - President
  - Carmine D'Alessandro - Secretary
  - John Barnett – Treasurer
- Directors:
  - Mark Isakson
  - Carmine D'Alessandro
  - John Barnett

- John J. Scott Jr.
- Theodore Martin Alexander III
- Edward J. Kasemeyer
- Spencer P. Cavalier
- Franklin J. Hajek
- Elsie Gail Jameson
- Tisha S. Edwards
- Jason M. Schupp
- Keturah D. McGee

Biographical affidavits for the proposed directors and officers of Southern Pilot post-closing are included under separate confidential cover as confidential Exhibit CE-3 as referenced under Item 3 of this Form A Statement.

Pooling Agreement:

The Applicants anticipate that, subsequent to and independent of the closing of the Purchase Agreement, Southern Pilot will enter into an intercompany reinsurance pooling arrangement with certain affiliates within its new insurance holding company system through which Southern Pilot and certain other newly formed underwriting subsidiaries of CEIC will cede written business to a lead entity and then such business will be retroceded back to the pool participants in accordance with their stipulated share in order to improve the overall financial capacity and risk management of the affiliated companies. However, at the present time, the Applicants are still determining the specifics of any such arrangement. The Applicants will comply with all regulatory approval requirements prior to entering into any such agreement.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Through the Purchase Agreement, Chesapeake HoldCo will acquire (i) 250,000 shares of common stock, $10.00 par value per share, of Southern Pilot, which represents all of the issued and outstanding shares of common stock of Southern Pilot; and (ii) 60,000 shares of preferred stock, $1.00 par value per share, which represents all of the issued and outstanding shares of preferred stock of Southern Pilot. The terms of the agreement to acquire the shares are detailed in the Purchase Agreement attached hereto as Exhibit A (in redacted form) and Exhibit CE-1 (in unredacted form). As noted in Item 4(b) of this Form A, the basis and terms of the transaction, including the fairness of the proposal, were determined by arm's length negotiations among the parties to the Purchase Agreement with advice of their respective financial and legal advisors.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Except with respect to the proposed transaction or as provided for or referenced in this Form A or the Purchase Agreement, there are no voting securities of any class of Southern Pilot that are beneficially owned, or concerning which there is a right to acquire beneficial ownership, by the Applicants, their affiliates, or any person referenced in Item 3 hereof.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than as described herein and in the Purchase Agreements and transactions contemplated therein, there are no contracts, arrangements, or understandings with respect to any voting security of Southern Pilot in which the Applicants, their affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of Southern Pilot by the Applicants, their affiliates, or any person referenced in Item 3 during the twelve calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

There have been no recommendations to purchase any voting securities of Southern Pilot by the Applicants, their affiliates, or any person listed in Item 3 of this Form A during the twelve calendar months preceding the filing of this Form A, and no such recommendations have been made by anyone based upon interviews or at the suggestion of the Applicants, their affiliates or any person referenced in Item 3 during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER -DEALERS

There are no agreements, contracts, or understandings made with any broker-dealer as to the solicitation of voting securities of Southern Pilot for tender to which the Applicants, their affiliates, or persons listed Item 3 are a party.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

The following financial statements and exhibits are attached hereto in support of this Form A Statement:

- Three-year pro forma financial projections for Southern Pilot are attached as **Exhibit CE-5** to the confidential information to this Form A Statement being submitted under separate confidential cover.
- Audited financial statements for CEIC for the preceding five years are attached as **Exhibit D** to this Form A Statement.

- An unaudited balance of Chesapeake HoldCo as of June 30, 2026 is attached hereto as **Exhibit E**. Chesapeake HoldCo was formed in November 2025 and capitalized in May 2026, and historical financials for Chesapeake HoldCo are therefore unavailable.
- CEIC's statutory first quarter financial statement for 2026 is attached hereto as **Exhibit F**.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

[*Signature and Certification appear on following page*]

ITEM 14. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of Ch. Ins 40, Wis. Adm. Code, Chesapeake Employers' Insurance Company has caused this application to be duly signed on its behalf in the City of Towson and State of Maryland on this 10th day of July, 2026.

(SEAL)

CHESAPEAKE EMPLOYERS' INSURANCE COMPANY

By: ______________________

Mark Isakson, President & CEO

Attest:

____

(Signature of Officer)

Carmine D'Alessandro, SVP & Chief Legal Officer
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated July 10, 2026, for and on behalf of Chesapeake Employers' Insurance Company; that he is the President & CEO of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

By: ______________________

Mark Isakson, President & CEO

Subscribed and sworn to this 9th day of ____, 2026.

____

Notary Public

[NOTARY SEAL]

My commission expires on 5/22/28

Lisa L Russell
NOTARY PUBLIC
HARFORD COUNTY
MARYLAND
MY COMMISSION EXPIRES May 22, 2028