

Combined Report of the Examination of
Sentry Insurance Company and its Wisconsin-Domiciled Property and Casualty Subsidiaries
Stevens Point, Wisconsin
As of December 31, 2023

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Wisconsin Office of the
COMMISSIONER OF INSURANCE
FINANCIAL REGULATION

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

March 7, 2025

Honorable Nathan D. Houdek
Commissioner of Insurance
State of Wisconsin
101 East Wilson Street
Madison, Wisconsin 53703

Commissioner:

In accordance with your instructions, a compliance examination has been made of the affairs
and financial condition of:

SENTRY INSURANCE COMPANY
DAIRYLAND INSURANCE COMPANY
DAIRYLAND NATIONAL INSURANCE COMPANY
MIDDLESEX INSURANCE COMPANY
PATRIOT GENERAL INSURANCE COMPANY
PEAK PROPERTY AND CASUALTY INSURANCE CORPORATION
POINT EXCESS AND SURPLUS INSURANCE COMPANY
POINT INSURANCE COMPANY
POINT SPECIALTY INSURANCE COMPANY
SENTRY CASUALTY COMPANY
SENTRY SELECT INSURANCE COMPANY
VIKING INSURANCE COMPANY OF WISCONSIN
Stevens Point, Wisconsin

FLORISTS' MUTUAL INSURANCE COMPANY
FLORISTS' INSURANCE COMPANY
Edwardsville, Illinois

and this report is respectfully submitted.

I. INTRODUCTION

The previous examination of the Sentry Insurance Group (Sentry or the group) was conducted in 2019 as of December 31, 2018. The current examination covered the intervening period ending December 31, 2023, and included a review of such subsequent transactions as deemed necessary to complete the examination.

The group examination includes the examination of the following companies:

Company	State
Sentry Insurance Company (SIC or the company)	Wisconsin
Dairyland Insurance Company (DIC)	Wisconsin
Dairyland National Insurance Company (DNIC)	Wisconsin
Florists' Mutual Insurance Company (FMIC)	Wisconsin
Florists' Insurance Company (FIC)	Wisconsin
Middlesex Insurance Company (MDX)	Wisconsin
Patriot General Insurance Company (PGIC)	Wisconsin
Parker Centennial Assurance Company (PCAC)	Wisconsin
Peak Property & Casualty Insurance Corporation (PEAK)	Wisconsin
Point Excess & Surplus Insurance Company (PESIC)	Wisconsin
Point Insurance Company (PIC)	Wisconsin
Point Specialty Insurance Company (PSIC)	Wisconsin
Sentry Casualty Company (SCC)	Wisconsin
Sentry Life Insurance Company (SLIC)	Wisconsin
Sentry Select Insurance Company (SSIC)	Wisconsin
Viking Insurance Company of Wisconsin (VIC)	Wisconsin
Dairyland County Mutual Insurance Company of Texas (DCM)	Texas
Sentry Lloyds of Texas (SLOT)	Texas
Sentry Life Insurance Company of New York (SLONY)	New York

Representatives of Texas and New York participated in the examination, and their work was reviewed and relied on where deemed appropriate. Wisconsin acted the capacity as the lead state for the coordinated examination. This examination report includes Wisconsin-domiciled property and casualty companies only.

The examination was conducted using a risk-focused approach in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook*. This approach sets forth guidance for planning and performing the examination of an insurance company to evaluate the financial condition, assess corporate governance, identify current and prospective risks

(including those that might materially affect the financial condition, either currently or prospectively), and evaluate system controls and procedures used to mitigate those risks.

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, annual statement instructions, and Wisconsin laws and regulations. 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 at the end of the "Financial Data" section in the area captioned "Reconciliation of Surplus per Examination."

Emphasis was placed on those areas of the company's operations accorded a high priority by the examiner-in-charge when planning the examination.

The company is annually audited by an independent public accounting firm as prescribed by s. Ins 50.05, Wis. Adm. Code. An integral part of this compliance examination was the review of the independent accountant's work papers. Based on the results of the review of these work papers, alternative or additional examination steps deemed necessary for completing this examination were performed. The examination work papers contain documentation concerning the alternative or additional examination steps performed during the examination.

Independent Actuary's Review

An independent actuarial firm was engaged under a contract with the Office of the Commissioner of Insurance. The actuary reviewed the adequacy of the loss and loss adjustment expense (LAE) reserves held by the group. The actuary's results were reported to the examiner-in-charge. As deemed appropriate, reference is made in this report to the actuary's conclusion.

II. HISTORY AND PLAN OF OPERATION

SIC is a Wisconsin-domiciled stock insurer licensed in 50 states and the District of Columbia. SIC provides property and casualty insurance. All insurance-producing and insurance ancillary entities within the group are subsidiaries and affiliates of SIC.

SIC was incorporated as the Hardware Dealers Mutual Fire Insurance Company of Wisconsin (HDMFIC) on June 10, 1903, and commenced business on April 8, 1904. In response to state licensing restrictions prohibiting a single company from writing both property and casualty risks, the Wisconsin Hardware Limited Mutual Liability Insurance Company was incorporated under the laws of the state of Wisconsin on December 19, 1913, and commenced business on August 15, 1914. The casualty company's name was changed to Wisconsin Hardware Casualty Company (WHCC) at a meeting of the policyholders on February 4, 1920.

In 1963, HDMFIC and WHCC adopted and began operating under the trade name of "Sentry Insurance." In September 1966, Sentry Insurance acquired majority financial control of DIC and its subsidiaries.

Effective September 30, 1970, HDMFIC was merged into WHCC and became known as Hardware Mutual Casualty Company until July 1, 1971, when its name was changed to Sentry Insurance, a Mutual Company (SIAMCO).

Effective June 6, 1974, SIAMCO entered into an agreement with Middlesex Mutual Insurance Company (MDX Mutual), a Massachusetts company, whereby MDX Mutual would demutualize and be acquired, along with its subsidiary, PGIC, by The Sentry Corporation, then a wholly owned subsidiary of SIAMCO. In June 1974, special legislation passed by the Massachusetts Legislature permitted the conversion; articles of amendment were filed with the Secretary of the Commonwealth of Massachusetts to execute the conversion and rename the company to MDX. The Massachusetts Insurance Division approved the transactions. The Sentry Corporation acquired all 200,000 shares issued by the company.

In 1986, ownership of MDX was transferred from The Sentry Corporation to SIAMCO, as part of an effort by the group to separate insurance and noninsurance operations. On April 28, 1994, MDX, together with its subsidiary, PGIC, redomiciled from Massachusetts to Wisconsin.

On September 30, 1999, Sentry acquired 100% of the outstanding common stock of the John Deere Insurance Group, Inc. (JD Group), and subsequently changed the name of the JF Group's holding company to Sentry Insurance Holding Company (SIHC). The subsidiaries of the SIHC were SSIC (formerly John Deere Insurance Company), SCC (formerly John Deere Casualty Company), Rock River Insurance Company, and Sentry Insurance Agency, Inc. (formerly John Deere Insurance Agency, Inc.). The Parker Stevens Agency of Texas, Inc. (formerly John Deere General Agency, Inc.) is a subsidiary of SSIC. On February 1, 2002, SIHC sold Rock River Insurance Company to Arch Capital Group, Ltd. Effective January 1, 2003, Sentry Insurance Agency, Inc., was merged into Parker Stevens Agency, L.L.C., and effective June 1, 2004, Parker Stevens Agency of Texas, Inc., was also merged into Parker Stevens Agency, L.L.C. On December 30, 2005, direct ownership of SSIC and SCC was transferred from SIHC to SIAMCO.

On November 1, 2005, SIAMCO acquired control of VIC and its wholly owned subsidiary PEAK pursuant to a Stock Purchase Agreement for 100% of the issued and outstanding shares of the capital stock of VIC from Royal & Sun Alliance USA, Inc. Both VIC and PEAK were redomiciled from the state of Colorado to the state of Wisconsin on December 15, 2006. On July 1, 2015, SIAMCO entered into an affiliation agreement with FMIC and its wholly owned subsidiary FIC. Both FMIC and FIC were redomiciled in Wisconsin in 2023 and are operating under Sentry's "Hortica" brand.

On July 7, 2019, DNIC was incorporated under the laws of the State of Wisconsin as a stock property and casualty insurance company. DNIC commenced business on August 20, 2019, and underwrites Dairyland Auto and Dairyland Cycle business.

On June 26, 2020, Unigard Insurance Company (Unigard) and Southern Fire Insurance Company (SFIC) were acquired by SIAMCO, now SIC, from QBE Regional Companies (N.A.), Inc. (QBE) through Stock Purchase Agreements. Unigard was renamed to Dairyland American Insurance Company before being renamed to PSIC. SFIC was renamed to PIC.

Effective January 1, 2021, Sentry underwent a mutual holding company conversion. As part of this conversion, a new mutual holding company, Sentry Mutual Holding Company (SMHC), was formed. SIAMCO transferred ownership in five non-insurance entities to SMHC, was renamed to SIC, and

converted to a stock insurer, issuing 100% of its voting stock to the newly formed intermediate holding company Sentry Holdings Inc. (SHI).

During the fourth quarter of 2022, the group began the process of forming a new company, PESIC. PESIC was officially formed during the first quarter of 2023 and, as of December 31, 2023, has not written any premium.

Additional information about the group's subsidiaries can be found in section IV of this report titled "Affiliated Companies."

Sentry Wisconsin-Domiciled Property and Casualty Entities

The group's property and casualty business is organized into two strategic segments: Commercial Lines (CL) and Personal Lines (PL). These two strategic segments are further broken up into business units, comprised of specific lines of business and serving distinct markets. The group operates at the business unit level, with each business unit having its own dedicated staff. The group also writes life and annuity business, which is sold to existing property and casualty customers. The annuities are sold either as group plans that cover employees or individual plans that cover the owners of small businesses. Sentry's business units include the following:

<u>CL Business Units</u>	<u>Coverage</u>
Direct Writer	Property, casualty, life and annuity products for a wide variety of dealers and manufacturing businesses. Previously broken into the Standard Business Product and Dealer Operations business units. Sold through direct writing agents who sell exclusively for the group.
National Accounts	Casualty lines for larger, sophisticated risks. Sales are generated by national and regional brokerage firms as well as directly written by the group's account executives
Transportation	Commercial lines for trucking operations of all sizes, particularly auto and cargo in fleets of less than 1,000 power units. Sold primarily through independent agents and a small number of direct writers.
Regional	Commercial lines for small and middle-market businesses. Currently operating out of regional offices in the Southeast, Midwest, Northeast, Pacific, and Northwest regions.
Hortica	Commercial lines for members of the horticulture industry. Sold through direct writers and independent agents.
<u>PL Business Units</u>	<u>Coverage</u>
Dairyland Auto	Personal auto coverage for non-traditional auto customers, typically on a short-term basis, and with low limits. Sold through independent agents and the Dairyland website and call center
Dairyland Cycle	Personal coverage for motorcycle owners. Sold through independent agents and the Harley-Davidson website and call center.

Sentry Insurance Company

In 2023, SIC wrote direct premium in the following states:

Colorado	\$ 99,042,808	13.6%
Wisconsin	82,386,543	11.3
Texas	63,984,266	8.8
New Mexico	49,915,857	6.8
California	43,665,432	6.0
Florida	34,134,490	4.7
All others	<u>355,881,104</u>	<u>48.8</u>
Total	<u>\$729,010,500</u>	<u>100.0%</u>

SIC is licensed in all 50 states, the District of Columbia, Puerto Rico, and Canada. The company wrote business in all states and territories in which it was licensed in 2023.

Dairyland Insurance Company

In 2023, DIC wrote direct premium in the following states:

South Carolina	\$ 30,534,634	27.5%
Kansas	18,792,358	16.9
Kentucky	15,591,609	14.1
Minnesota	7,419,963	6.7
Connecticut	6,476,856	5.8
All others	32,182,224	29.0
Total	<u>\$110,997,644</u>	<u>100.0%</u>

DIC is licensed in the District of Columbia and all states except California. DIC wrote business in 40 states in 2023.

Dairyland National Insurance Company

In 2023, DNIC wrote direct premium in the following states:

Wisconsin	<u>\$3,717,705</u>	<u>100.0%</u>
Total	<u>\$3,717,705</u>	<u>100.0%</u>

DNIC is licensed in 44 states and the District of Columbia. DNIC wrote business in only Wisconsin during 2023.

Florists' Mutual Insurance Company

In 2023, the FMIC wrote direct premium in the following states:

California	\$24,943,079	28.2%
Illinois	6,887,310	7.8
Florida	5,758,302	6.5
Virginia	4,969,631	5.6
Texas	4,688,446	5.3

All others	<u>41,305,460</u>	<u>46.6</u>
Total	<u>\$88,552,228</u>	<u>100.0%</u>

FMIC is licensed in the District of Columbia and all states except Wyoming. FMIC wrote business in all states which it is licensed except West Virginia in 2023.

Florists Insurance Company

In 2023, FIC wrote direct premium in the following states:

Florida	\$2,974,863	85.1%
Virginia	447,468	12.8
Maryland	38,052	1.1
Pennsylvania	<u>34,608</u>	<u>1.0</u>
Total	<u>\$3,494,991</u>	<u>100.0%</u>

FIC is licensed in eight states but only wrote business in four states in 2023, with the majority of the business coming from Florida as outlined above.

Middlesex Insurance Company

In 2023, MDX wrote direct premium in the following states:

California	\$116,289,605	27.4%
Wisconsin	48,233,594	11.4
Washington	48,091,231	11.3
Oregon	25,273,564	6.0
Alabama	23,551,971	5.5
All others	<u>163,347,642</u>	<u>38.4</u>
Total	<u>\$424,787,607</u>	<u>100.0%</u>

MDX is licensed in all 50 states as well as the District of Columbia. MDX wrote business in all 48 contiguous states, and the District of Columbia in 2023.

Patriot General Insurance Company

In 2023, the PGIC wrote direct premium in the following states:

Washington	\$30,588,161	73.7%
Georgia	5,376,416	13.0
Florida	1,308,991	3.2
Minnesota	1,183,552	2.9
Michigan	855,582	2.1
All others	<u>2,172,771</u>	<u>5.1</u>
Total	<u>\$41,485,473</u>	<u>100.0%</u>

PGIC is licensed to write business in 22 states. The majority of business written by PGIC in 2023 was in the state of Washington.

Peak Property and Casualty Insurance Corporation

In 2023, Peak wrote direct premium in the following states:

Florida	\$284,697,066	59.0%
North Carolina	102,009,026	21.1
Arizona	42,921,810	8.9
Virginia	18,445,554	3.8
Georgia	11,091,848	2.3
All others	<u>23,532,873</u>	<u>4.9</u>
Total	<u>\$482,698,177</u>	<u>100.0%</u>

Peak is licensed in 47 states and the District of Columbia. PEAK wrote business in 11 states in 2023, with the majority of direct premium in Florida and North Carolina.

Point Specialty Insurance Company

In 2023, PSIC wrote direct premium in the following states:

California	\$2,252,989	99.7%
Idaho	<u>7,558</u>	<u>0.3</u>
Total	<u>\$2,260,547</u>	<u>100.0%</u>

PSIC is licensed to write business in the District of Columbia, and all states except Minnesota. Despite being licensed in 49 states, PSIC only wrote business exclusively in California and Idaho.

Point Insurance Company

PIC did not write any direct premium for the group during 2023. PIC is licensed in 11 states.

Point Excess and Surplus Insurance Company

PESIC did not write any direct premium for the group during 2023. PESIC is licensed only in Wisconsin.

Sentry Casualty Company

In 2023, SCC wrote direct premium in the following states:

Wisconsin	\$ 68,965,228	33.9%
California	22,716,459	11.2
Illinois	10,410,033	5.1
Texas	9,630,446	4.7

New York	8,114,510	4.0
All others	<u>83,798,653</u>	<u>41.1</u>
Total	<u>\$203,635,329</u>	<u>100.0%</u>

SCC is licensed to write business in all 50 states and the District of Columbia. SCC wrote business in all states and territories in which it was licensed in 2023.

Sentry Select Insurance Company

In 2023, SSIC wrote direct premium in the following states:

Texas	\$ 135,602,927	14.0%
Illinois	68,320,613	7.1
California	66,801,923	6.9
Georgia	48,042,916	5.0
Florida	47,822,077	5.0
All others	<u>598,902,115</u>	<u>62.0</u>
Total	<u>\$965,492,571</u>	<u>100.0%</u>

SSIC is licensed to write business in all 50 states and the District of Columbia. SSIC wrote business in all states and territories which it was licensed in 2023.

Viking Insurance Company of Wisconsin

In 2023, VIC wrote direct premium in the following states:

California	\$ 228,811,939	43.4%
Ohio	31,785,293	6.0
Nebraska	31,045,889	5.9
Iowa	29,197,235	5.5
Utah	27,104,301	5.1
All others	<u>179,236,109</u>	<u>34.1</u>
Total	<u>\$527,180,766</u>	<u>100.0%</u>

VIC is licensed to write business in the District of Columbia, and all states except Michigan. VIC wrote business in 24 of these states in 2023.

The following table is a summary of the net insurance premiums written by SIC in 2023. SIC maintained a 54% participation rate in the group's intercompany Proportional Reinsurance Agreement (PRA) throughout the period under examination. Under this agreement, the PRA participants cede 100% of their direct and assumed premiums, losses, loss adjustment expenses, and underwriting expenses, net of all cessions to nonaffiliated parties, to SIC. The net pooled business is then retroceded according to the participation rates of the participants. "Direct Premium" represents premium written by SIC. The PRA is discussed in more detail in the "Reinsurance" section of this report.

"Reinsurance Assumed", except for \$9.5 million assumed from unaffiliated underwriting pools, represents business ceded to SIC under the PRA. "Reinsurance Ceded" represents the business retroceded by SIC to the participating members of the PRA, as well as cessions to third-party reinsurers. "Net Premium" represents the net business retained by SIC. The growth of the company is discussed in the "Financial Data" section of this report.

Line of Business	Direct Premium	Reinsurance Assumed	Reinsurance Ceded	Net Premium
Fire	\$ 32,965,861	\$ 34,970,431	\$ 33,438,615	\$ 34,497,678
Allied lines	83,520,741	58,750,979	76,323,663	65,948,057
Private flood	710,442	971,484	794,731	887,194
Commercial multiple peril (non-liability portion)	7,968,934	125,456	4,221,010	3,873,379
Commercial multiple peril (liability portion)	1,580,035	29,689	852,416	757,308
Inland marine	7,307,022	188,517,082	90,436,292	105,387,812
Earthquake	319,020	879,188	569,972	628,236
Disability income	0	3,406,053	1,566,784	1,839,268
Long-term care	881,991	175,080	486,253	570,819
Worker's compensation	169,249,248	314,907,674	228,719,824	255,437,097
Other liability – occurrence	51,708,437	144,819,230	92,508,232	104,019,435
Other liability – claims made	3,422,729	2,678,221	3,443,210	2,657,741
Excess worker's compensation	1,534,114	1,642,443	1,484,452	1,692,106
Products liability – occurrence	35,425,826	33,558,953	33,454,047	35,530,732
Private passenger auto no-fault (personal injury)	0	135,090,392	62,141,580	72,948,811
Other private passenger auto liability	123,533,058	832,554,851	440,150,409	515,937,500
Commercial auto no-fault (personal injury)	1,291,539	2,260,907	1,774,601	1,777,845
Other commercial auto liability	130,053,103	569,217,402	330,286,090	368,984,415
Private passenger auto physical damage	48,317,064	375,124,904	194,830,440	228,611,527

Line of Business	Direct Premium	Reinsurance Assumed	Reinsurance Ceded	Net Premium
Commercial auto physical damage	28,384,241	182,712,009	97,186,710	113,909,540
Fidelity	685,425	1,613,307	1,057,417	1,241,315
Surety	137,088	380,330	238,039	279,379
Burglary and theft	<u>14,582</u>	<u>231,765</u>	<u>113,320</u>	<u>133,027</u>
Total All Lines	<u>\$729,010,500</u>	<u>\$2,884,617,829</u>	<u>\$1,696,078,106</u>	<u>\$1,917,550,223</u>

III. MANAGEMENT AND CONTROL

Board of Directors

SMHC's independent board of directors and the Audit Committee make the group's strategy decisions and determine operational directions and goals. Individual subsidiaries of the group maintain their own boards of directors. However, these boards are not involved in the strategic decision-making process and do not maintain their own committees. All operating and decision-making functions are centralized at the group level. The board of directors of SMHC consists of nine members. SMHC's bylaws state that the entire board shall not be less than eight if there is one inside director, or nine if there is more than one inside director, nor more than thirteen total directors. The board of directors is divided into three classes as equal in size as possible, with one such class expiring each year. Directors are elected to serve a three-year term. Officers are elected at the board's annual meeting. Boards of directors of the individual companies in the group are discussed in Appendix A.

Currently, the board of directors of SMHC consists of the following persons:

Name and Residence	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board, Chief Executive Officer, President, Sentry Mutual Holding Company	2026
Graham W. Atkinson	Retired Chief Marketing and Customer Experience Officer, Walgreen Co.	2025
David R. Casper	Chief Executive Officer, BMO Financial Group	2026
Larry J. Goodman	Retired Chief Executive Officer, Rush University Medical Center and the Rush System	2027
Susan C. Morisato	Retired President, UnitedHealthcare Group	2025
James D. Pearson	Retired President, Aurora Metals Division, LLC.	2025
Peter J. Pestillo	Retired Chairman of the Board, Visteon Corp.	2027
Jean H. Regan	President, Chief Executive Officer, and Chairman of the Board, TranzAct Technologies Inc.	2027
Patricia A. Steinert	Executive Director (Center for International Blood & Marrow Transplant Research) Medical College of Wisconsin	2025

Officers of SMHC

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. McPartland	Chairman of the Board, Chief Executive Officer and President; Director
Peter G. Anhalt	Vice President
Michael K. Cloud	Vice President
Aaron D. Deering	Vice President
James W. Frank	Vice President
John J. Hyland	Vice President
Timothy K. Kovac	Vice President, General Counsel, and Corporate Secretary
James E. McDonald	Vice President
Scott A. Miller	Vice President
Sean R. Nimm	Vice President and Chief Actuary
Todd M. Schroeder	Vice President & Treasurer
Stephanie L. Smith	Vice President
Elisha E. Williams	Vice President

Committees of the SMHC Board

The SMHC bylaws allow for the formation of certain committees by the board. The committees at the time of the examination are listed below:

Audit Committee

Jean H. Regan, Chair
Larry J. Goodman
Susan C. Morisato
Patricia A. Steinert

Governance Committee

Peter J. Pestillo, Chair
David R. Casper
James D. Pearson
Jean H. Regan

Strategic Growth Committee

Peter J. Pestillo, Chair
Graham W. Atkinson
David R. Casper
Larry J. Goodman
James D. Pearson
Patricia A. Steinert

Compensation Committee

James D. Pearson, Chair
Graham W. Atkinson
Peter J. Pestillo
Jean H. Regan

Investment and Finance Committee

David R. Casper, Chair
Graham W. Atkinson
Larry J. Goodman
Susan C. Morisato
Patricia A. Steinert

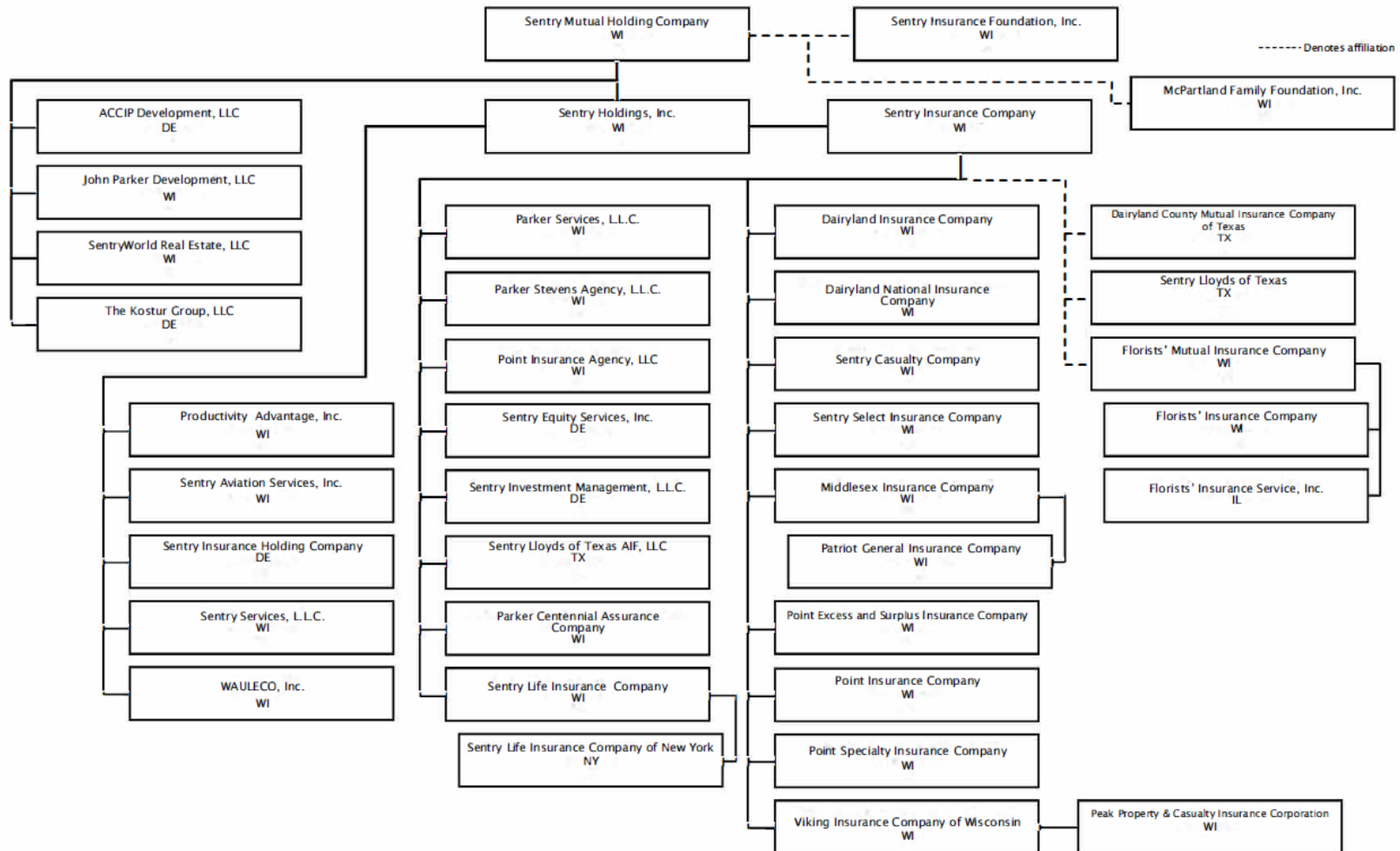
Nominating Sub-Committee

James D. Pearson, Chair
David R. Casper
Peter J. Pestillo

IV. AFFILIATED COMPANIES

SMHC is the ultimate parent of the group. The organizational chart below depicts the relationships among the affiliates in the group. A brief description of the significant affiliates follows the organizational chart.

Organizational Chart As of December 31, 2023



Sentry Mutual Holding Company

SMHC is a Wisconsin-domiciled mutual holding company and the ultimate controlling party of the group. SMHC was formed on January 1, 2021, as part of the group's mutual holding company conversion. As of December 31, 2023, the statutory basis consolidated audited financial statements of SMHC and subsidiaries and affiliates reported total assets of \$25 billion, liabilities of \$17 billion, and policyholders' surplus of \$8 billion. Operations for 2023 produced a net income of \$338 million.

Sentry Holdings, Inc

SHI is a Wisconsin-domiciled intermediate holding company. SHI was incorporated on January 1, 2021, and is a wholly owned subsidiary of SMHC. SHI is SIC's direct parent, holding 100% of SIC's voting shares of stock.

Parker Centennial Assurance Company

The group acquired Acceleration Life Insurance Company (ALIC) from Lyndon Life Insurance Company, a subsidiary of Protective Life Corporation, by means of a stock purchase agreement dated December 20, 2003, which closed on March 19, 2004. ALIC was redomiciled from Ohio to Wisconsin and the name was changed to PCAC, effective August 11, 2004. PCAC is licensed in the District of Columbia, and all states besides New York.

PCAC is exclusively used to provide annuity contracts to fund structured settlements with settling parties that originate within the group. Effective July 13, 2004, the group guaranteed the payment obligations of PCAC pursuant to the terms of any structured settlement agreement, up to an aggregate amount of \$100 million. As of December 31, 2023, the audited financial statements of PCAC reported assets of \$105 million, liabilities of \$56 million, capital and surplus of \$49 million, and a net income of \$3 million. PCAC was examined concurrently with SIC as of December 31, 2023, and the results of the examination expressed in a separate report.

Sentry Life Insurance Company

SLIC is a Wisconsin-domiciled life insurer organized on October 23, 1958, and is a wholly owned subsidiary of SIC. Premiums are derived from the sale of group accident and health insurance products, individual and group life insurance, and annuities. SLIC cedes its group accident and health business to Sentry Insurance under a 100% quota share agreement. SLIC is licensed in the District of

Columbia and all states except New York. Effective on February 19, 1998, the group guaranteed the payment obligations of SLIC to fund structured settlements originating from affiliates in the group through annuity contracts.

As of December 31, 2023, the statutory basis audited financial statements of SLIC reported assets of \$9.6 billion, liabilities of \$9.2 billion, capital and surplus of \$386 million, and a net income of \$37 million. SLIC was examined concurrently with SIC as of December 31, 2023, the results of the examination are expressed in a separate report.

Sentry Life Insurance Company of New York

SLONY is a New York-domiciled life insurer incorporated on May 23, 1966, and is a wholly owned subsidiary of SLIC. SLONY is licensed solely in New York. It writes predominantly group annuity business, though individual life insurance and annuity products are written as well to a much lesser extent. SLONY retains nearly all of its direct writings. As of December 31, 2023, the statutory basis audited financial statements of SLONY reported assets of \$154 million, liabilities of \$143 million, capital and surplus of \$11 million, and a net income of \$316 thousand. SLONY was examined concurrently with SIC as of December 31, 2023, and the results of the examination are expressed in a separate report issued by the New York State Department of Financial Services.

Dairyland County Mutual Insurance Company of Texas

DCM is a Texas county mutual insurer organized on May 27, 1946. It is licensed only in the state of Texas and specializes exclusively in nonstandard auto and motorcycle insurance. As a mutual company, DCM is owned by its policyholders. DCM is affiliated with SIC through common management and control as well as certain management service agreements. DCM cedes 100% of its direct written premium to SIC. Effective June 30, 2011, Viking County Mutual Insurance Company merged into DCM.

As of December 31, 2023, the statutory basis audited financial statements of DCM reported assets of \$22 million, liabilities of \$9 million, policyholders' surplus of \$13 million, and a net income of \$4 thousand. DCM was examined concurrently with SIC as of December 31, 2023, and the results of the examination are expressed in a separate report issued by the Texas Department of Insurance.

Sentry Lloyds of Texas

SLOT is a Texas-domiciled Lloyds plan property and casualty insurer established on October 18, 1983. SLOT was organized as a trust of which SIC is the sole grantor and beneficiary. SLOT is licensed only in Texas and specializes in commercial package policies. SLOT cedes 100% of its business to SIC.

As of December 31, 2023, the statutory basis audited financial statements of Sentry Lloyds reported assets of \$8 million, liabilities of \$360 thousand, policyholders' surplus of \$8 million, and net income of \$158 thousand. SLOT was examined concurrently with SIC as of December 31, 2023, and the results of the examination are expressed in a separate report issued by the Texas Department of Insurance.

Florists' Mutual Insurance Company

FMIC is a Wisconsin-domiciled mutual property and casualty insurer which has been in operation since 1887. On July 1, 2015, FMIC entered into an affiliation agreement with SIC, then SIAMCO, that was approved by the Wisconsin Office of the Commissioner of Insurance and the Illinois Department of Insurance. The group gained control of five of the eight seats on the FMIC's board of directors as part of this transaction.

FMIC exclusively writes commercial coverage for the horticultural industry. FMIC had a 1% participation share in the PRA as of December 31, 2023. As of December 31, 2023, the statutory basis audited financial statements of FMIC reported assets of \$160 million, liabilities of \$123 million, surplus of \$37 million, and a net income of \$1 million. FMIC was examined concurrently with SIC as of December 31, 2023.

Florists' Insurance Company

FIC is a Wisconsin-domiciled property and casualty insurer which has been in operation since 1976. FIC was acquired by SIC, then SIAMCO, as part of the affiliation agreement that SIC and FMIC entered into on July 1, 2015. FIC remains a subsidiary of FMIC, which is now mutually affiliated with SIC. In 2023, the company re-domiciled to Wisconsin from Illinois.

FIC exclusively writes commercial coverage for the horticultural industry. The company cedes 100% of its business to SIC. As of December 31, 2023, the statutory basis audited financial statements of

FIC reported assets of \$6 million, liabilities of \$360 thousand, surplus of \$5.4 million, and a net income of \$159 thousand. FIC was examined concurrently with SIC as of December 31, 2023.

Dairyland Insurance Company

DIC is a Wisconsin-domiciled stock property and casualty insurance company. It was formed on August 1, 1965, as a successor of the Dairyland Mutual Insurance Company, organized on January 8, 1953. During 1966, the group acquired all outstanding common shares and has since held 100% ownership of DIC, though control has been indirect at times. At present, SIC holds 100% of all outstanding common stock directly.

DIC specializes in nonstandard auto and motorcycle business. DIC had a 17.5% participation share in the PRA as of December 31, 2023.

As of December 31, 2023, the statutory basis audited financial statements of DIC reported assets of \$1.7 billion, liabilities of \$1.3 billion, surplus of \$460 million, and a net income of \$28 million.

Dairyland National Insurance Company

DNIC is a Wisconsin-domiciled stock property and casualty insurance company incorporated on July 7, 2019, under the laws of the State of Wisconsin. It commenced business on August 20, 2019. DNIC underwrites Dairyland Auto and Dairyland Cycle business and cedes 100% of its business to SIC. As of December 31, 2023, statutory basis audited financial statements of DNIC reported assets of \$16 million, liabilities of \$278 thousand, surplus of \$15.8 million, and a net income of \$265 thousand. DNIC was examined concurrently with SIC as of December 31, 2023.

Sentry Casualty Company

SCC is a Wisconsin-domiciled property and casualty insurance company incorporated on July 23, 1973, in the state of Nevada as Tahoe Insurance Company (TIC). It was organized by Deere & Company, and ownership was shared with Sierra General Life Insurance Company (Sierra). Upon the liquidation of Sierra in 1995, the John Deere Insurance Group, Inc. (JDIG), assumed 100% of the shares outstanding of TIC. After TIC re-domesticated to Illinois in 1996, the name was changed to John Deere Casualty Company (JDCC). The group acquired 100% indirect ownership in connection with the acquisition of JDIG, on September 30, 1999, and changed JDCC's name to SCC. On January 1, 2001, SCC redomiciled to Wisconsin.

Over 99% of SCC's direct business is worker's compensation and the remainder is general liability for the National Accounts business unit. SCC had a 2.5% participation share in the PRA, as of December 31, 2023. As of December 31, 2023, the statutory basis audited financial statements of SCC reported assets of \$429 million, liabilities of \$356 million, surplus of \$73 million, and a net income of \$6 million. SCC was examined concurrently with SIC as of December 31, 2023.

Sentry Select Insurance Company

SSIC is a Wisconsin-domiciled property and casualty insurance company incorporated on August 1, 1929, as the Fulton Fire Insurance Company under the laws of New York. On May 8, 1969, the JDIG acquired the company from Hanover Insurance Company of New York and changed its name to JDIC. JDIC redomiciled to Illinois on December 31, 1982. The group acquired 100% indirect ownership in connection with the acquisition of JDIG, on September 30, 1999, and the of JDIC was changed to SSIC. On January 1, 2001, SSIC redomiciled to Wisconsin.

SSIC had a 10% participation share in the PRA, as of December 31, 2023. As of December 31, 2023, the statutory basis audited financial statements of SSIC reported assets of \$1 billion, liabilities of \$824 million, surplus of \$233 million, and a net income of \$13 million. SSIC was examined concurrently with SIC as of December 31, 2023.

Middlesex Insurance Company

MDX is a Wisconsin-domiciled stock property and casualty insurance company. MDX was chartered by the Massachusetts Legislature as the Middlesex Mutual Fire Insurance Company (MMIC) on March 31, 1826. Conversion from a mutual to a capital stock company was affected by the charter amendment on June 11, 1974, in connection with the group's acquisition of control, at which time MMIC was renamed to MDX. On April 28, 1994, the MDX redomiciled from Massachusetts to Wisconsin.

MDX had a 10% participation share in the PRA, as of December 31, 2023. As of December 31, 2023, the statutory basis audited financial statements of MDX reported assets of \$991 million, liabilities of \$746 million, surplus of \$245 million, and a net income of \$19 million. MDX was examined concurrently with SIC as of December 31, 2023.

Patriot General Insurance Company

PGIC is a Wisconsin-domiciled stock property and casualty insurance company incorporated under its present name pursuant to the laws of the Commonwealth of Massachusetts on January 2, 1968. The group acquired 100% indirect ownership of PGIC in June 1974, in connection with the acquisition of MDX. On April 28, 1994, PGIC redomiciled to the state of Wisconsin.

PGIC cedes 100% of its business to SIC. As of December 31, 2023, the statutory basis audited financial statements of PGIC reported assets of \$27 million, liabilities of \$2 million, surplus of \$25 million, and a net income of \$667 thousand. PGIC was examined concurrently with SIC as of December 31, 2023.

Point Excess and Surplus Insurance Company

PESIC is a Wisconsin-domiciled property and casualty stock insurance company that was organized on December 2, 2022, as a member of the group, and commenced business on February 13, 2023. PESIC was formed for the purpose of writing non-admitted specialty lines. As of December 31, 2023, PESIC has not written any business.

As of December 31, 2023, the statutory basis audited financial statements of PESIC reported assets of \$52 million, liabilities of \$227 thousand, surplus of \$51.8 million, and a net income of \$2 million. PESIC was examined concurrently with SIC as of December 31, 2023.

Point Insurance Company

On June 26, 2020, SFIC was acquired by SIAMCO, now SIC, from QBE through a Stock Purchase Agreement. As a part of the acquisition, SFIC was renamed to PIC.

PIC is a Wisconsin-domiciled stock insurance company. As of December 31, 2023, PIC has not written any new business for the group

As of December 31, 2023, the statutory basis audited financial statements of PIC reported assets of \$6 million, liabilities of \$10 thousand, surplus of \$6 million, and a net income of \$72 thousand. PIC was examined concurrently with SIC as of December 31, 2023.

Point Specialty Insurance Company

On June 26, 2020, Unigard was acquired by SIAMCO, now SIC, from QBE through a Stock Purchase Agreement. Unigard was renamed to Dairyland American Insurance Company before later

being renamed to PSIC. PSIC is used by Sentry to write admitted specialty lines. PSIC is a Wisconsin-domiciled stock insurance company. As of December 31, 2023, the statutory basis audited financial statements of PSIC reported assets of \$12.2 million, liabilities of \$212 thousand, surplus of \$12 million, and a net income of \$251 thousand. PSIC was examined concurrently with SIC as of December 31, 2023.

Viking Insurance Company of Wisconsin

VIC is a Wisconsin-domiciled property and casualty insurance company incorporated on August 10, 1971, as Viking Insurance Company in the state of Wisconsin. VIC adopted its current name in 1973. The company was originally controlled by the directors, their families, and employees through an employee stock ownership trust. In 1982, all of the outstanding stock was purchased by Crum and Forster, Inc., a New York holding company and a subsidiary of the Xerox Corporation. As a result of an organization restructuring in 1993, VIC's stock was contributed to a newly formed holding company, Viking Insurance Holdings, Inc. (VIH) a Delaware corporation, which was a wholly owned subsidiary of Talegen Holdings, Inc., a Delaware corporation. In 1995, Guaranty National Corporation (now Orion Auto, Inc.) acquired VIH. In 1997, VIC became a subsidiary of Orion Auto, Inc., after VIH was dissolved. In 1999, VIC redomiciled from Wisconsin to Colorado, and on November 16, 1999, Royal & Sun Alliance Insurance Group plc purchased Orion Auto, Inc., and all of its subsidiaries. On November 1, 2005, the group acquired control of VIC and its subsidiary, PEAK, from Royal & Sun Alliance USA, Inc. On December 15, 2006, VIC redomiciled to Wisconsin.

VIC was acquired primarily to expand the group's presence as a nonstandard auto insurance writer and to obtain a sophisticated auto policy underwriting system. On its direct business, VIC specializes in nonstandard auto and motorcycle business. VIC had a 5% participation share in the PRA as of December 31, 2023. As of December 31, 2023, statutory basis audited financial statements of VIC reported assets of \$599 million, liabilities of \$394 million, surplus of \$205 million, and a net income of \$7 million. VIC was examined concurrently with SIC as of December 31, 2023.

Peak Property and Casualty Insurance Corporation

On November 1, 2005, the group acquired 100% indirect ownership of PEAK in connection with the acquisition of VIC from Royal & Sun Alliance USA, Inc., pursuant to a stock purchase agreement. On December 15, 2006, PEAK redomiciled from the state of Colorado to the state of Wisconsin. PEAK is

a Wisconsin-domiciled stock property and casualty insurance company licensed. PEAK was incorporated pursuant to the laws of the state of North Carolina on August 16, 1985, as General Electric Residential Mortgage Corporation and commenced business on August 29, 1985. PEAK's current name was adopted on July 10, 1991.

PEAK primarily writes Dairyland Auto business, where it can provide coverage not readily available in the general insurance market. PEAK cedes 100% of its business to SIC. As of December 31, 2023, the statutory basis audited financial statements of PEAK reported assets of \$71 million, liabilities of \$8 million, surplus of \$63 million, and a net income of \$2 million. PEAK was examined concurrently with SIC as of December 31, 2023.

Noninsurance Subsidiaries and Affiliates

Sentry Insurance Foundation, Inc.

Sentry Insurance Foundation, Inc. (the Foundation) is a nonstock benevolent corporation organized on January 3, 1964, under Ch. 181, Wis. Stat. It administers funds provided by the group for educational purposes and donations to charitable organizations. A portion of disbursements relates to a program whereby the group matches the charitable donations of employees under qualified circumstances.

ACCIP Development, LLC

ACCIP Development, LLC (ACCIP) was incorporated in Delaware on June 19, 2019, as a real estate limited liability company.

John Parker Development, L.L.C.

John Parker Development, L.L.C. (John Parker) is a Wisconsin-domiciled real estate development company. On October 27, 2011, John Parker, now a wholly owned subsidiary of SMHC, was incorporated in the state of Wisconsin.

SentryWorld Real Estate, LLC.

SentryWorld Real Estate, LLC. (SentryWorld) is a Wisconsin-domiciled company incorporated on February 4, 2020, that owns the SentryWorld golf course, building, and inn. Effective January 1, 2021, SentryWorld is a wholly owned subsidiary of SMHC.

The Kostur Group, LLC.

The Kostur Group, LLC (Kostur) was incorporated in Delaware on April 22, 2019, as a real estate limited liability company.

Productivity Advantage, Inc.

Productivity Advantage, Inc. (Productivity) is a Wisconsin-domiciled corporation that is a wholly owned subsidiary of SHI. Productivity was organized on October 1, 2013. Productivity owns two of the group's corporate aircraft, which are leased back to the group.

Sentry Aviation Services, Inc.

Sentry Aviation Services, Inc. (Sentry Aviation) is a Wisconsin-domiciled corporation organized on August 15, 1979. It formerly was the Fixed Base Operator of the Stevens Point Airport and performed other aviation-related activities but is currently inactive.

Sentry Insurance Holding Company

On September 30, 1999, the group acquired 100% of the outstanding common stock of the JDIG and subsequently changed its name to Sentry Insurance Holding Company (SIHC). The subsidiaries of SIHC were SSIC, SCC, Rock River Insurance Company, and Sentry Insurance Agency, Inc. (formerly John Deere Insurance Agency, Inc.). The Parker Stevens Agency of Texas, Inc., (formerly John Deere General Agency, Inc.) was a subsidiary of SSIC. The three insurance companies redomiciled to Wisconsin effective January 1, 2001.

On February 1, 2002, SIHC sold Rock River Insurance Company to Arch Capital Group, Ltd. Effective January 1, 2003, Sentry Insurance Agency, Inc., was merged into Parker Stevens Agency, L.L.C., and effective June 1, 2004, Parker Stevens Agency of Texas, Inc., was also merged into Parker Stevens Agency, L.L.C. In 2005, SIHC transferred direct ownership of SSIC and SCC to SIAMCO, now SIC. SIHC reported no assets, liabilities, stockholder's equity, or net income in 2023.

Sentry Services, L.L.C.

Sentry Services, L.L.C. (SSL) is a Wisconsin-domiciled corporation organized on November 23, 1976. It provides building and other general services for facilities owned by the group including, but not limited to, a restaurant, an auto service center, and SentryWorld's golf course, sports bar, pro shop, and tennis and racquetball courts. All these operations are located in Stevens Point, Wisconsin. Most of

the services are available to the general public as well as to the group's employees. In 2007, SSL changed its status to a limited liability corporation.

WAULECO, Inc.

WAULECO, Inc. (WAULECO) was incorporated in Wisconsin on April 4, 1899, as Vetter Manufacturing Company. WAULECO once specialized in energy-efficient wood and metal clad windows for residential and light commercial use, with plant locations in Stevens Point, Wisconsin, and Rockford, Illinois. It later acquired industrial property in Wausau, Wisconsin, once used in the production of windows by Harris-Crestline Corporation, formerly a direct wholly owned subsidiary of the manufacturer.

The group purchased the Vetter Manufacturing Company on August 17, 1981, changed the name to SNE Corporation and continued its business operations. On April 18, 1987, the name and operating assets of SNE Corporation were sold to an investor group not affiliated with the group. After this sale, SNE Corporation was renamed WAULECO, Inc. Since the sale of its operating assets, WAULECO has done nothing operationally except to clean up contaminated groundwater at the former Harris-Crestline industrial site in Wausau, Wisconsin. The site no longer has any manufacturing buildings, as they were razed and the land blacktopped. The only physical assets are pumping equipment that is used to extract and treat contaminated groundwater. The groundwater was contaminated from the use of a wood sealant that contained a hazardous material called pentachlorophenol. Most of the contamination occurred prior to the group's acquisition of the property. Remediation of the site is pursuant to an administrative order issued by Wisconsin's Department of Natural Resources (DNR) and there is close cooperation with the DNR. There has been no federal involvement.

Florists' Insurance Service, Inc.

Florists' Insurance Service, Inc. (FISI) is an Illinois-domiciled company that was incorporated on February 5, 1965. FISI accommodates policyholders with coverage not written by FMIC or FIC by using outside brokers and agents. FISI is a wholly owned subsidiary of FMIC, an affiliate of SIC.

Parker Services, L.L.C.

Parker Services, L.L.C. (Parker Services) is a Wisconsin-domiciled company that provides loss control and industrial hygiene services. Parker Services is also a third-party administrator for self-

insured worker's compensation customers. In 2023, Parker Services provided third-party administration for 89 entities, with gross receipts of \$2 million.

Parker Stevens Agency, L.L.C.

Parker Stevens Agency, L.L.C., (PSA), organized on October 29, 2001, is a Wisconsin domiciled insurance agency providing facilities for direct sales representatives to accommodate policyholders with coverage not written by insurers in the group. PSA arranges placement of such business using outside brokers. Effective January 1, 2003, Parker Stevens Agency, Inc., and Sentry Insurance Agency, Inc., were merged into PSA. Effective June 1, 2004, Parker Stevens Agency of Texas, Inc., was also merged into PSA. Effective July 1, 2013, Parker Stevens Insurance Agency of Massachusetts was merged into PSA.

Point Insurance Agency, L.L.C.

Point Insurance Agency, L.L.C. (PIA) is a Wisconsin-domiciled company that is a wholly owned subsidiary of SIC. PIA was organized on August 29, 2012. PIA arranges placement of standard personal lines insurance with insurers in the group and with other external insurance companies.

Sentry Equity Services, Inc.

Sentry Equity Services, Inc. (SESI), organized as a Delaware corporation on May 9, 1969, is a registered broker-dealer under the Securities Exchange Act of 1934. SESI's securities operations are limited to the sale and redemption of redeemable securities issued by registered investment companies. SESI acts as the distributor of SLIC and SLONY's Variable Annuity and Variable Universal Life products through SIC's direct writer registered representatives. SLIC no longer sells individual variable annuity or universal life products; however, SESI administers the products that are currently in force.

Sentry Investment Management, L.L.C.

Sentry Investment Management, L.L.C. (SIM), a Delaware corporation organized on June 13, 1969. In 2007, SIM was converted to a limited liability corporation. SIM manages the investment portfolios of certain separate accounts of SLIC.

Sentry Lloyds of Texas AIF, LLC

Sentry Lloyds of Texas AIF, LLC (SLOTA) is a Texas limited liability company that serves as the corporate attorney-in-fact for SLOT. SLOTA reported no assets, liabilities, stockholder's equity, or net income in 2023.

Agreements with Affiliates

Insurance operations of SIC's subsidiaries and affiliates are conducted by employees of SIC, in accordance with SIC's practices and internal controls. In addition to ongoing common management and control by their parent, the group's subsidiaries' operations are affected by various written agreements between the group's subsidiaries and affiliates.

Intercompany Administrative Services Agreement

SIC and certain of its subsidiaries and affiliates became party to the group's Intercompany Administrative Services Agreement effective July 1, 2020. According to the Intercompany Administrative Services Agreement, SIC provides reasonably necessary services to its subsidiaries and affiliates, which include executive, corporate strategy, business development, legal, corporate governance, product management, product development, premium collection, underwriting, marketing, customer sales, customer service, policy administration, billing, claims, reserving, sourcing and procurement, human resources, business integration, communications, strategic data and analytics, financial, investment management, cash management, enterprise risk, reinsurance, internal audit, licensing, compliance, physical security, information security, and information technology services. Subsidiaries and affiliates party to the agreement may also provide reasonably necessary goods and services to SIC or other subsidiaries or affiliates when requested by SIC. Service recipients are charged with an allocable share of SIC's actual costs incurred, or with the fair value of goods or services provided

Tax Allocation Agreement

SIC and certain of its subsidiaries and affiliates are party to the group's Tax Allocation Agreement. On February 22, 1983, the group's board of directors adopted a written federal income tax allocation policy for the purpose of filing federal income tax returns on a consolidated basis. This agreement includes a provision for the addition or removal of members, including naming successors, and has been amended and restated to add or remove companies as needed. The latest amended and

restated agreement is effective September 28, 2021. Under this agreement, the group prepares and files a consolidated U.S. federal income tax return that includes all affiliates of the holding company group. The agreement sets forth the rights and obligations of the parties to the agreement with respect to the determination and settlement of federal income tax liabilities as well as the allocation of the group's consolidated U.S. federal income tax liability and tax benefits. The agreement provides for computation of tax, settlement of balances between affiliates, tax sharing, filing the return, audits and other adjustments, and other administrative requirements.

Joint Investment Agreement

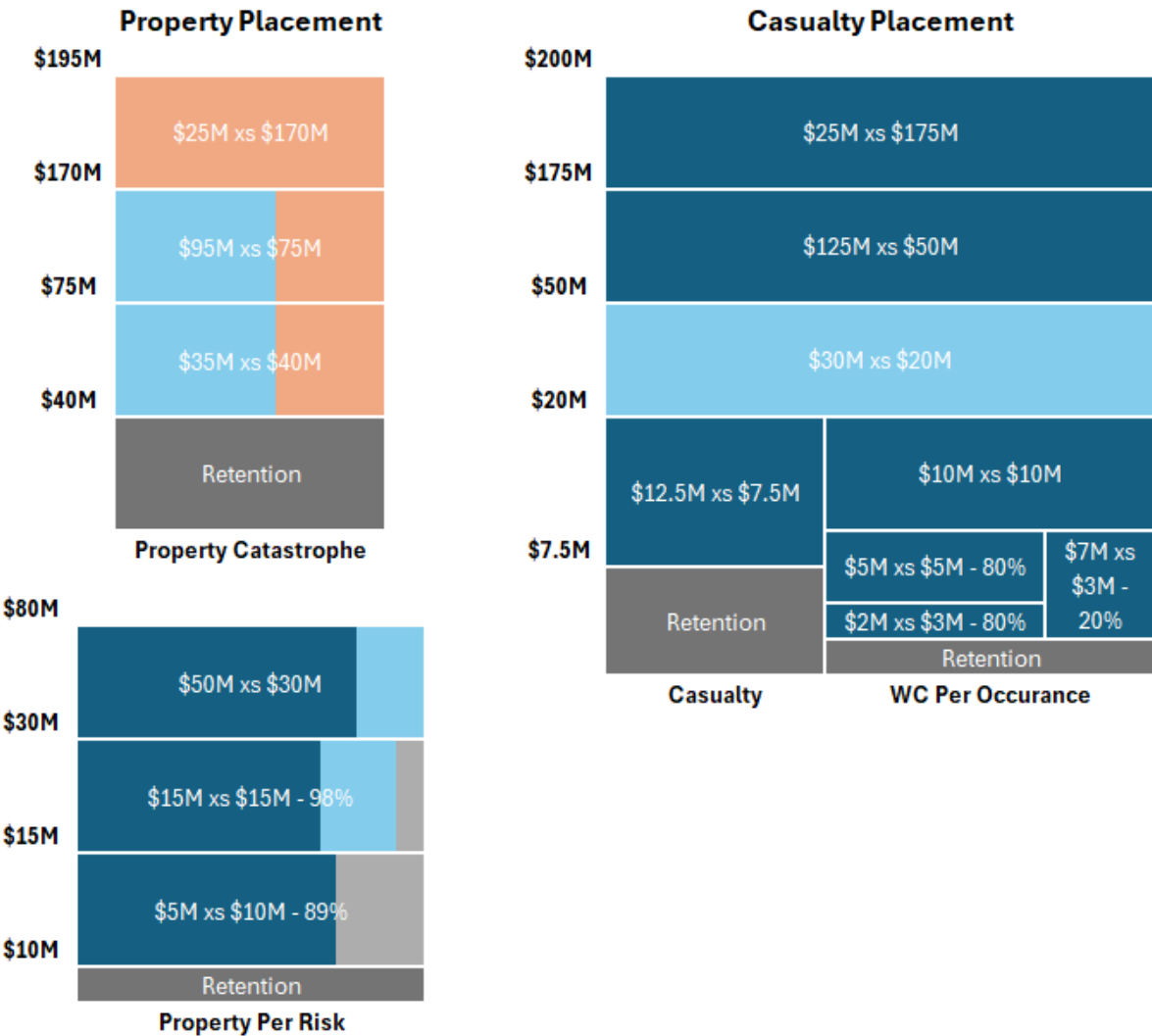
Effective October 1, 1996, SIC and certain of its subsidiaries and affiliates entered into an amended and restated joint investment agreement to establish the Sentry Liquid Asset Partnership (SLAP), a joint venture organized pursuant to the Wisconsin Uniform Partnership Act. This agreement has been amended and restated to reflect current practices and to add or remove companies as needed. The business of the joint venture consists of investing and reinvesting funds, contributed by the members, and are invested only in the following: short-term obligations of United States Federal agencies; commercial paper issued by or on behalf of territories and possessions of the United States, the District of Columbia, and states or their political subdivisions, agencies, and instrumentalities, including industrial development obligations. The maximum duration of these investments allowed by this agreement is 12 months, and investment advisory services are provided by SIC. The Wisconsin Office of the Commissioner of Insurance has directed all Wisconsin-domiciled members of the group to report their respective balances in SLAP as a one-line entry on Schedule DA – Part 1 (Short-Term Investments) and Schedule E – Part 2 (Cash Equivalents).

V. REINSURANCE

The group's reinsurance portfolio and strategy are described below. The group had numerous active and inactive ceded reinsurance treaties and arrangements in force at the time of this examination. All contracts reviewed by examiners contained proper insolvency provisions. Certain property and casualty companies in the group participate in a few voluntary and involuntary reinsurance arrangements, serving predominantly the auto and worker's compensation markets, administered by individual states or by national organizations. The largest assuming reinsurance agreements are from the Massachusetts Workers Comp Assigned Risk Pool and the National Workers Comp Reins Pool. The ceding reinsurance agreements are to a variety of state mine subsidence, catastrophic auto, and worker's compensation funds. A review of these arrangements indicated that all contracts have provisions deemed appropriate by the governmental authorities that establish and administer them. Significant treaties and arrangements are summarized as follows:

Ceding Contracts

2024 Reinsurance Structure and Terms



Proportional Reinsurance Agreement

SIC is the lead entity in the PRA, with certain of its property and casualty affiliates, including DIC, MDX, SCC, SSIC, VIC, FMIC, PESIC, PSIC, PIC, SLOT, DCM, PGIC, PEAK, FIC, and DNIC. The PRA participants cede 100% of their direct and assumed premiums, losses, loss adjustment expenses, and underwriting expenses, net of all cessions to nonaffiliated parties, to SIC. The net pooled business is then retroceded according to the participation rates listed below.

Participants: As of December 31, 2023, participation was as follows:

<u>Participating Company</u>	<u>Allocation</u>
Sentry Insurance Company	54.00%
Dairyland Insurance Company	17.50%
Middlesex Insurance Company	10.00%
Sentry Select Insurance Company	10.00%
Viking Insurance Company	5.00%
Sentry Casualty Company	2.50%
Florists' Mutual Insurance Company	<u>1.00%</u>
Total Sentry Group Pool	<u>100.00%</u>

Lines covered: All lines of property and casualty business written by the participants

Items included: Premiums written and earned, losses, loss adjustment expenses, underwriting expenses, salvage and subrogation recoveries, assessments, taxes, and policyholder dividends.

Effective: December 31, 2003, (amended and restated) as amended effective January 1, 2006, January 1, 2007, January 1, 2012, July 1, 2015, and January 1, 2024.

Termination: Termination of any party's participation, or the entire agreement, may be accomplished by any party for any reason upon 12 months' prior written notice to the other parties.

The PRA was amended effective January 1, 2024, to update pooling percentages.

Participants: As of January 1, 2024, participation was as follows:

<u>Participating Company</u>	<u>Allocation</u>
Sentry Insurance Company	99.00%
Florists' Mutual Insurance Company	<u>1.00</u>
Total Sentry Group Pool	<u>100.00%</u>

Nonaffiliated Ceding Contracts

1. Type: Property Catastrophe Excess of Loss

Reinsurer:

<u>Subscribing Reinsurer</u>	<u>Layer 1</u>	<u>Layer 2</u>	<u>Layer 3</u>
Aspen Bermuda Limited	11.00%	11.00%	0.00%
China Property & Casualty Re Co. Ltd.	8.00	8.00	0.00
Hannover Re (Bermuda) LTD.	10.00	10.00	0.00
Mapfre Re Compania De Reaseguros SA	9.00	9.00	0.00
R+V Versicherung A.G.	11.25	11.25	0.00
Accident Fund Insurance Co. of America	9.00	9.00	0.00
WCF National Insurance Company	9.00	9.00	0.00
Houston Casualty Company	0.00	0.00	100.00
All Other Reinsurers	32.75	32.75	0.00
Total Subscribing Reinsurers	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Scope: Property business with certain named exclusions

Retention: Retention is \$40 million for the first excess layer, \$75 million for the second excess layer, and \$170 million for the third excess layer.

Coverage: The contract provides the following coverage.

<u>Coverage Type</u>	<u>Layer 1</u>	<u>Layer 2</u>	<u>Layer 3</u>
Per Loss Occurrence Limit	\$35M	\$95M	\$25M
Term Limit	70M	190M	50M

Effective date: January 1, 2024, through January 1, 2025

Termination: The company may terminate this agreement on a cut-off basis by giving the reinsurer 10 calendar days' prior written notice in the event of circumstances listed in the Special Termination article.

2. Type: Property Per Risk Excess of Loss

Reinsurer: The brokered reinsurers, and their respective participation by layer, include the following.

<u>Subscribing Reinsurer</u>	<u>Layer 1</u>	<u>Layer 2</u>	<u>Layer 3</u>
American Agricultural Insurance Company	12.00%	0.00%	0.00%
Arch Reinsurance Company	0.00	0.00	16.25
Hannover Ruck SE	32.50	27.50	22.50
Munich Reinsurance America, Inc.	0.00	8.50	2.00
Odyssey Reinsurance Company	5.00	12.50	2.50
Nationwide Mutual Insurance Company	15.00	15.00	0.00
General Reinsurance Corporation	10.00	10.00	47.75
All Other Reinsurers	14.50	24.50	9.00
Total Subscribing Reinsurers	<u>89.00%</u>	<u>98.00%</u>	<u>100.00%</u>

* Sentry has retained 11.00% of the first excess layer, 2.00% of the second excess layer as a copay.

Scope: Property business with certain named exclusions

Retention: Retention is \$10 million for the first excess layer, \$15 million for the second excess layer, and \$30 million for the third excess layer.

Coverage: The contract provides the following coverage.

<u>Coverage Type</u>	<u>Layer 1</u>	<u>Layer 2</u>	<u>Layer 3</u>
Per Risk Limit	\$5M	\$15M	\$50M
Per Loss Occurrence Limit	10M	15M	50M

	Term Limit	30M	30M	100M
	Term Limit - Terrorism	5M	15M	50M
Effective date:	January 1, 2024, through January 1, 2025			
Termination:	The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.			
3. Type:	Casualty Excess of Loss			
Reinsurer:	The brokered reinsurers, and their respective participation by layer, include the following.			
	<u>Subscribing Reinsurer</u>	<u>Allocation</u>		
	Allied World Insurance Company	12.50%		
	Hannover Ruck SE	28.50		
	Munich Reinsurance America, Inc.	15.00		
	Underwriters at Lloyds, London	9.00		
	All Other Reinsurers	<u>35.00</u>		
	Total Subscribing Reinsurers	<u>100.00%</u>		
Scope:	Casualty business			
Retention:	Retention is \$7.5 million			
Coverage:	The contract provides the following coverage.			
	<u>Coverage Type</u>	<u>Amount</u>		
	Per Loss Occurrence	\$12.5M		
	Term Limit	75.0M		
	Term Limit – Terrorism	12.5M		
Effective date:	January 1, 2024, through January 1, 2025			
Termination:	The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.			
4. Type:	Worker's Compensation Excess of Loss			
Reinsurer:	The brokered reinsurers, and their respective participation by layer, include the <u>following</u>			
	<u>Subscribing Reinsurer</u>	<u>Layer 1</u>	<u>Layer 2</u>	
	Axis Reinsurance Company	10.00%	7.50%	
	Hannover Ruck SE	25.00	15.00	
	Mutual Reinsurance Bureau	15.00	4.00	
	Partner Reinsurance Company of The U.S.	0.00	17.50	
	QBE Reinsurance Corporation	15.00	0.00	
	Underwriters at Lloyds, London	10.00	17.50	
	All Other Reinsurers	<u>5.00</u>	<u>18.50</u>	
	Total Subscribing Reinsurers	<u>80.00%</u>	<u>80.00%</u>	
Scope:	Worker's compensation, including employers' liability			

Retention:	Retention is \$3 million for the first excess layer and \$5 million for the second excess layer.		
Coverage:	The contract provides the following coverage.		
	<u>Coverage Type</u>	<u>Layer 1</u>	<u>Layer 2</u>
	Per Occurrence Limit	\$2M	\$5M
	Term Limit	Unlimited	20M
	Term Limit – Runoff	Unlimited	25M
	Term Limit - Terrorism	2M	5M
	Term Limit – Runoff & Terrorism	4M	10M
Effective date:	January 1, 2024, through January 1, 2025		
Termination:	The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.		
5. Type:	Worker's Compensation Excess of Loss		
Reinsurer:	The brokered reinsurers, and their respective participation by layer, include the following.		
	<u>Subscribing Reinsurer</u>	<u>Allocation</u>	
	Chaucer Insurance Company (Bermuda)	10.00%	
	Underwriters at Lloyds, London	<u>10.00</u>	
	Total Subscribing Reinsurers	<u>20.00%</u>	
Scope:	Worker's compensation, including employers' liability		
Retention:	Retention is \$3 million.		
Coverage:	The contract provides the following coverage.		
	<u>Coverage Type</u>	<u>Amount</u>	
	Per Occurrence Limit	\$7M	
	Term Limit	42M	
	Term Limit – Runoff	49M	
	Term Limit – Terrorism	7M	
	Term Limit – Runoff & Terrorism	14M	
Effective date:	January 1, 2024, through January 1, 2025		
Termination:	The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.		
6. Type:	Worker's Compensation Per Occurrence Excess of Loss		
Reinsurer:	The brokered reinsurers, and their respective participation by layer, include the following.		
	<u>Subscribing Reinsurer</u>	<u>Allocation</u>	
	Hannover Ruck SE	18.00%	

Partner Reinsurance Company of The U.S.	15.00
Underwriters at Lloyds, London	47.75
All Other Reinsurers	<u>19.25</u>
Total Subscribing Reinsurers	<u>100.00%</u>

Scope: Worker's compensation, including employers' liability

Retention: Retention is \$10 million of ultimate net loss arising out of each occurrence.

Coverage: The contract provides the following coverage.

<u>Coverage Type</u>	<u>Amount</u>
Per Occurrence Limit	\$10M
Term Limit	20M
Term Limit – Terrorism	10M
Term Limit – Runoff & Terrorism	20M
Term Limit – Combined - Runoff	30M

Effective date: January 1, 2024, through January 1, 2025

Termination: The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.

7. Type: Multiple Line Clash and Contingency Excess of Loss

Reinsurer: The brokered reinsurers, and their respective participation by layer, include the following.

<u>Subscribing Reinsurer</u>	<u>Layer 1</u>	<u>Layer 2</u>
Brit 2987, Aspen 4711, and Axis 1686 Syndicates	10.00%	5.00%
Hannover Ruck SE	20.00	7.50
Mutual Reinsurance Bureau	57.00	77.90
All Other Reinsurers	<u>13.00</u>	<u>9.60</u>
Total Subscribing Reinsurers	<u>100.00%</u>	<u>100.00%</u>

Scope: All property and casualty business

Retention: Retention is \$20 million for the first excess layer and \$50 million for the second excess layer.

Coverage: The contract provides the following coverage.

<u>Coverage Type</u>	<u>Layer 1</u>	<u>Layer 2</u>
Per Event Limit	\$30M	\$125M
Term Limit	60M	250M
Term Limit - Terrorism	30M	125M

Effective date: January 1, 2024, through January 1, 2025

Termination: The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.

8. Type: Worker's Compensation Catastrophe Excess of Loss

Reinsurer:	The brokered reinsurers, and their respective participation by layer, include the following.								
	<table> <tr> <td><u>Subscribing Reinsurer</u></td><td><u>Allocation</u></td></tr> <tr> <td>Underwriters at Lloyds, London</td><td><u>100.00</u></td></tr> <tr> <td>Total Subscribing Reinsurers</td><td><u>100.00%</u></td></tr> </table>	<u>Subscribing Reinsurer</u>	<u>Allocation</u>	Underwriters at Lloyds, London	<u>100.00</u>	Total Subscribing Reinsurers	<u>100.00%</u>		
<u>Subscribing Reinsurer</u>	<u>Allocation</u>								
Underwriters at Lloyds, London	<u>100.00</u>								
Total Subscribing Reinsurers	<u>100.00%</u>								
Scope:	Worker's compensation, including employers' liability								
Retention:	Retention is \$175 million of ultimate net loss any one occurrence.								
Coverage:	The contract provides the following coverage.								
	<table> <tr> <td><u>Coverage Type</u></td><td><u>Amount</u></td></tr> <tr> <td>Per Occurrence Limit</td><td>\$25M</td></tr> <tr> <td>Term Limit</td><td>50M</td></tr> <tr> <td>Term Limit – Terrorism</td><td>25M</td></tr> </table>	<u>Coverage Type</u>	<u>Amount</u>	Per Occurrence Limit	\$25M	Term Limit	50M	Term Limit – Terrorism	25M
<u>Coverage Type</u>	<u>Amount</u>								
Per Occurrence Limit	\$25M								
Term Limit	50M								
Term Limit – Terrorism	25M								
Effective date:	January 1, 2024, through January 1, 2025								
Termination:	The company may terminate this agreement on a cut-off basis by giving the reinsurer written notice in the event of circumstances listed in the Special Termination article.								
9. Type:	Machine & Equipment Coverage Quota Share								
Reinsurer:	Mutual Insurance Company								
Scope:	All boiler and machinery or mechanical equipment breakdown business written and assumed								
Retention:	None.								
Coverage:	\$100 million on any one risk								
Effective date:	January 1, 2020, in perpetuity								
Termination:	Either party may terminate this treaty with 90 days' prior written notice to the following days in any year by certified letter: April 1, July 1, October 1, and January 1.								
10. Type:	Cyber Risk and Breach Response Liability								
Reinsurer:	Lloyd's of London – Beazley								
Scope:	All cyber liability business written and assumed								
Retention:	None								
Coverage:	100% of all net premiums on business ceded pursuant to this treaty.								
Effective date:	July 1, 2016, in perpetuity								
Termination:	Either party may terminate this treaty with 90 days' prior written notice.								

Affiliated Assuming Contracts

SIC assumes 100% of Group Accident and Health business written or assumed by SLIC.

VI. FINANCIAL DATA

The following financial statements reflect the financial condition of SIC, the lead company in the PRA, as reported to the commissioner of insurance in the December 31, 2023, annual statement. Adjustments made as a result of the examination are noted at the end of this section in the area captioned "Reconciliation of Surplus per Examination." Also included in this section are schedules that reflect the growth of the company and the compulsory and security surplus calculation. Financial statements of the property and casualty subsidiaries of SIC are included in Appendix B.

Sentry Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 5,643,438,676	\$	\$ 5,643,438,676
Stocks:			
Common stocks	3,516,078,218		3,516,078,218
Real estate:			
Occupied by the company	142,878,460		142,878,460
Cash, cash equivalents, and short-term investments	120,094,532		120,094,532
Other invested assets	1,641,816,733		1,641,816,733
Receivables for securities	182,521,477		182,521,477
Investment income due and accrued	47,247,514		47,247,514
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	230,853,074	837,639	230,015,435
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	568,346,617	1,021,133	567,325,484
Accrued retrospective premiums and contracts subject to redetermination	70,481,047		70,481,047
Reinsurance:			
Amounts recoverable from reinsurers	93,283,051		93,283,051
Guaranty funds receivable or on deposit	846,524		846,524
Electronic data processing equipment and software	98,083,709	92,605,952	5,477,758
Furniture and equipment, including health care delivery assets	21,148,323	21,148,323	0
Receivable from parent, subsidiaries, and affiliates	47,965,169		47,965,169
Write-ins for other than invested assets:			
Cash surrender value of life insurance	47,743,936		47,743,936
Amounts billed & receivable under high deductible policies	23,459,470		23,459,470
Prepaid surcharges	3,922,253		3,922,253
Equities and deposits in pools and associations	1,537,909		1,537,909
Guaranty fund surcharges receivable	218,000		218,000
Other assets	3,654,552	3,480,664	173,888
Miscellaneous A/R	211,095	113,810	97,284
Prepaid pension	92,477,794	92,477,794	0
Prepaid expenses	<u>24,672,837</u>	<u>24,672,837</u>	<u>0</u>
Total Assets	<u>\$12,622,980,968</u>	<u>\$236,358,152</u>	<u>\$12,386,622,817</u>

Sentry Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$ 2,065,782,098
Reinsurance payable on paid loss and loss adjustment expenses		129,403,499
Loss adjustment expenses		464,327,701
Commissions payable, contingent commissions, and other similar charges		42,406,177
Other expenses (excluding taxes, licenses, and fees)		233,465,536
Taxes, licenses, and fees (excluding federal and foreign income taxes)		14,114,748
Current federal and foreign income taxes		6,848,320
Net deferred tax liability		75,783,067
Unearned premiums		942,306,727
Advance premium		3,417,084
Dividends declared and unpaid:		
Policyholders		6,630,779
Ceded reinsurance premiums payable (net of ceding commissions)		108,304,306
Funds held by company under reinsurance treaties		5,862,967
Amounts withheld or retained by company for account of others		173,252,257
Remittances and items not allocated		7,825,197
Provision for reinsurance		1,960,145
Net adjustments in assets and liabilities due to foreign exchange rates		8,895,379
Payable to parent, subsidiaries, and affiliates		40,522,496
Payable for securities		190,306,715
Write-ins for liabilities:		
A/P - other		16,904,767
Escheat funds		9,527,861
Recoverable on retro reinsurance contract		(26,997,510)
Liability for benefits		<u>(84,953,369)</u>
Total Liabilities		4,435,896,944
Common capital stock	\$ 10,000,000	
Gross paid in and contributed surplus	28,900,111	
Unassigned funds (surplus)	<u>7,911,825,762</u>	
Surplus as Regards Policyholders		<u>7,950,725,873</u>
Total Liabilities and Surplus		<u>\$12,386,622,817</u>

**Sentry Insurance Company
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$1,822,857,740
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Deductions:

Losses incurred	\$1,173,047,529	
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Loss adjustment expenses incurred	217,292,429	
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Other underwriting expenses incurred	489,306,159	
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Write-ins for underwriting deductions:

Change in premium deficiency	(7,020,000)	
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Total underwriting deductions		<u>1,872,626,117</u>
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Net underwriting gain (loss)		(49,768,378)
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Investment Income

Net investment income earned	474,914,393	
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Net realized capital gains (losses)	<u>17,705,056</u>	
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Net investment gain (loss)		492,619,449
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Other Income

Net gain (loss) from agents' or premium balances charged off	(16,450,203)	
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Finance and service charges not included in premiums	19,170,318	
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Write-ins for miscellaneous income:

Miscellaneous income (expense)	<u>1,996,600</u>	
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Total other income		<u>4,716,716</u>
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Net income (loss) before dividends to policyholders and before federal and foreign income taxes		447,567,787
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Dividends to policyholders		<u>4,441,270</u>
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Net income (loss) after dividends to policyholders but before federal and foreign income taxes		443,126,517
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Federal and foreign income taxes incurred		<u>72,360,973</u>
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Net Income (Loss)		<u>\$ 370,765,544</u>
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Sentry Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$ 1,848,403,036
Net investment income		476,279,250
Miscellaneous income		<u>4,716,716</u>
Total		2,329,399,002
Benefit- and loss-related payments	\$1,049,438,305	
Commissions, expenses paid, and aggregate write-ins for deductions	621,889,922	
Dividends paid to policyholders	4,251,756	
Federal and foreign income taxes paid (recovered)	<u>55,376,808</u>	
Total deductions		<u>1,730,956,790</u>
Net cash from operations		598,442,212
Proceeds from investments sold, matured, or repaid:		
Bonds	\$1,208,996,928	
Stocks	1,437,608,305	
Real estate	2,765	
Other invested assets	116,300,832	
Net gains (losses) on cash, cash equivalents, and short-term investments	(303,916)	
Miscellaneous proceeds	<u>71,817</u>	
Total investment proceeds		2,762,676,731
Cost of investments acquired (long- term only):		
Bonds	1,541,975,511	
Stocks	1,282,921,370	
Real estate	12,695,791	
Other invested assets	266,495,428	
Miscellaneous applications	<u>13,134,817</u>	
Total investments acquired		<u>3,117,222,917</u>
Net cash from investments		(354,546,186)
Cash from financing and miscellaneous sources:		
Capital and paid in surplus less treasury stock	4,618,349	
Dividends to stockholders	50,014,653	
Other cash provided (applied)	<u>(12,346,458)</u>	
Net cash from financing and miscellaneous sources		<u>(57,742,761)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		186,153,265
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>(66,058,733)</u>
End of Year		<u>\$ 120,094,532</u>

Sentry Insurance Company
Compulsory and Security Surplus Calculation
December 31, 2023

Assets			\$12,386,622,817
Less security surplus of insurance subsidiaries			1,154,298,724
Less liabilities			<u>4,435,896,944</u>
Adjusted surplus			7,355,042,693
Annual premium:			
Individual accident and health	\$	2,719	
Factor		<u>15%</u>	
Total			\$ 408
Group accident and health		204,500	
Factor		<u>10%</u>	
Total			20,450
Lines other than health and medical malpractice		1,918,019,353	
Factor		<u>20%</u>	
Total			<u>383,603,871</u>
Compulsory surplus (subject to a minimum of \$2 million)			<u>383,624,729</u>
Compulsory Surplus Excess (Deficit)			<u>\$ 6,971,417,964</u>
Adjusted surplus (from above)			\$ 7,355,042,693
Security surplus (140% of compulsory surplus, factor reduced 1% for each \$33 million in premium written in excess of \$10 million, with a minimum factor of 110%)			<u>421,987,202</u>
Security Surplus Excess (Deficit)			<u>\$ 6,933,055,491</u>

Sentry Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$7,455,231	\$7,473,946	\$6,504,215	\$5,966,790	\$5,416,786
Net income	370,766	314,808	682,641	191,990	294,742
Change in net unrealized capital gains/losses	148,488	(363,095)	405,456	280,033	25,883
Change in net unrealized foreign exchange capital gains/losses	2,477	(4,159)	(1,670)	3,625	2,663
Change in net deferred income tax	8,703	14,781	(6,122)	16,822	11,500
Change in nonadmitted assets	(41,657)	25,635	(88,203)	29,023	57,599
Change in provision for reinsurance	(1,095)	(289)	683	(535)	12
Capital changes:					
Transferred from surplus			10,000		
Surplus adjustments:					
Paid in	4,618	4,664	19,617		
Transferred to capital			(10,000)		
Dividends to stockholders	(57,144)	(61,871)	(40,000)		
Change in treasury stock					
Write-ins for gains and (losses) in surplus:					
Restructuring Transfer			(125,991)		
Change in liability for benefits	<u>60,339</u>	<u>50,811</u>	<u>123,319</u>	<u>16,467</u>	<u>(75,394)</u>
Surplus, End of Year	<u>\$7,950,726</u>	<u>\$7,455,231</u>	<u>\$7,473,946</u>	<u>\$6,504,215</u>	<u>\$5,966,790</u>

Growth of Sentry Insurance Company

Year	Admitted Assets	Liabilities	Surplus as Regards Policyholders	Net Income
2023	\$12,386,622,817	\$4,435,896,944	\$7,950,725,873	\$370,765,544
2022	11,424,492,365	3,969,261,344	7,455,231,021	314,807,898
2021	11,423,333,945	3,949,388,423	7,473,945,522	682,641,411
2020	10,172,180,043	3,667,965,187	6,504,214,856	191,989,537
2019	9,511,093,246	3,544,303,149	5,966,790,097	294,741,697
2018	8,669,418,968	3,252,632,840	5,416,786,128	237,604,036

Year	Gross Premium Written	Net Premium Written	Premium Earned	Loss and LAE Ratio	Expense Ratio	Combined Ratio
2023	\$3,613,628,329	\$1,917,550,223	\$1,822,857,740	76.3%	24.9%	101.2%
2022	3,270,986,968	1,739,138,282	1,644,933,210	73.6	25.3	98.9
2021	2,898,998,520	1,538,855,239	1,453,875,594	71.9	25.6	97.5
2020	2,615,580,077	1,387,514,450	1,328,487,638	71.5	28.1	99.6
2019	2,481,518,530	1,317,825,881	1,279,677,984	73.4	26.9	100.3
2018	2,328,828,408	1,235,510,421	1,202,229,335	74.9	27.7	102.6

“Gross Premium Written” represents the total premium assumed by SIC under the PRA prior to any retrocessions. “Net Premium Written” represents the total premium, net of third-party reinsurance, retained by SIC, based on its PRA pool participation rate of 54%, after retrocessions to those members of the group with greater than 0% participation rates (active members). All active members of the PRA report the same loss, expense and combined ratios. Underwriting gains or losses realized by the PRA are reported by each member in accordance with their participation rate. Members of the group with 0% participation rates do not retain any underwriting gains or losses and, as such, do not report a loss, expense or combined ratio.

Gross and net premiums written for SIC both increased by roughly 55% over the period under examination. This growth was primarily organic, with no major acquisitions driving premium growth occurring during that same period.

Business operations produced a small underwriting loss in four out of the last five years. The combined ratio reported by the active members of the PRA ranged from 101.2% for 2023, down to a low of 97.1% in 2021. The group had made efforts to lower its loss ratio during the period under review, including rate increases. These efforts were somewhat offset by industry-wide inflationary pressures, including medical inflation and increased repair and replacement costs, seen in the years following the 2020 COVID-19 pandemic. SIC reported strong investment income, resulting in net income being reported in each year under examination. Investment income reported by SIC included dividends paid by its insurance subsidiaries. Thus, SIC received approximately \$500 million in ordinary stockholders’ dividends from its insurance subsidiaries over the five-year period under examination.

SIC's net admitted assets and surplus also rose by 43% and 47% respectively during the period under examination. The increases seen during the period under examination were driven by a combination of strong net income and unrealized capital gains.

Reconciliation of Surplus per Examination

No adjustments were made to surplus as a result of the examination. The amount of surplus reported by all Wisconsin domiciled property and casualty members of the group as of December 31, 2023, is accepted.

Examination Reclassifications

No reclassifications were made as a result of the examination.

VII. SUBSEQUENT EVENTS

Effective December 31, 2024, SIC acquired all issued and outstanding shares of the following insurance writing companies: Permanent General Assurance Corporation, Permanent General Assurance Corporation of Ohio, and The General Automobile Insurance Company, Inc. (collectively The General) from the American Family Insurance Group (AMFAM).

Sentry will be maintaining The General's home office location in Nashville, Tennessee, and is also retaining The General's existing directors and executive officers with the exception of those directors and officers who are employees of AMFAM. All of The General's employees, and a small number of AMFAM employees have become employees of Sentry.

Effective December 31, 2024, SIC has entered into a loss portfolio transfer and 100% quota share agreement with The General, under which SIC assumes 100% of in force, new, and renewal direct and assumed losses. The General primarily writes private passenger non-standard automobile coverage.

VIII. SUMMARY OF EXAMINATION RESULTS

Compliance with Prior Examination Report Recommendations

There were no specific comments or suggestions in the previous examination report.

Summary of Current Examination Results

There were no adverse or material examination findings as a result of the current examination.

IX. CONCLUSION

Sentry Mutual Holding Company is the ultimate controlling party of a holding company system referred to as the Sentry Insurance Group. The group's insurance operations are led by Sentry Insurance Company. The group writes a wide range of property and casualty products, as well as ancillary life and annuity products that support the group's existing property and casualty book of business. The group has been consistently profitable during the period under examination, generating positive net income due to steady investment income supplementing the group's operational results.

SIC's surplus increased from \$5.4 billion as of year-end 2018 to \$8 billion as of year-end 2023. This represents an increase of roughly 47% during the period under examination.

The current examination resulted in no recommendations. There were no reclassifications of account balances or adjustments to surplus as reported by SIC or any of its property and casualty subsidiaries in their year-end 2023 statutory financial statements.

X. SUMMARY OF COMMENTS AND RECOMMENDATIONS

There were no recommendations made as a result of this examination.

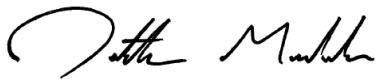
XI. ACKNOWLEDGMENT

The courtesy and cooperation extended by the officers and employees of the company during the course of the examination are acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination:

Name	Title
Thomas Hilger, CFE	Insurance Financial Examiner
Shelly Bueno, CFE	Insurance Financial Examiner
Gabriel Gorske, CFE	Insurance Financial Examiner
Jeremy Tang	Insurance Financial Examiner
Takoda Boyd	Insurance Financial Examiner
Kayleigh Chrostowski	Insurance Financial Examiner
Jerry DeArmond, CFE	Data Specialist
Eleanor Lu, CISA	IT Specialist
Kongmeng Yang, CFE	Quality Control Specialist
Jerry DeArmond, CFE	Reserve Specialist

Respectfully submitted,



Jonathan Mundschau
Examiner-in-Charge

XII. APPENDIX A: MANAGEMENT AND CONTROL

Sentry Insurance Company

Board of Directors

The board of directors of SIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at SIC's annual board meeting. Members of SIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	Vice President
Michael K. Cloud	Vice President
Aaron D. Deering	Vice President
James W. Frank	Vice President
John J. Hyland	Vice President
Sean R. Nimm	Vice President
Timothy K. Kovac	Vice President and Secretary
James E. McDonald	Vice President
Scott A. Miller	Vice President
Sean R. Nimm	Vice President and Chief Actuary
Todd M. Schroeder	Vice President and Treasurer
Stephanie L. Smith	Vice President
Elisha E. Williams	Vice President

Committees of the Board

SIC's bylaws allow for the formation of certain committees by the board of directors.

However, none are active at this time.

Dairyland Insurance Company

Board of Directors

The board of directors of DIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at DIC's annual board meeting. Members of DIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

DIC's bylaws allow for the formation of certain committees by the board of directors.

However, none are active at this time.

Dairyland National Insurance Company

Board of Directors

The board of directors of DNIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at DNIC's annual board meeting. Members of DNIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

DNIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Middlesex Insurance Company

Board of Directors

The board of directors of MDX consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at MDX's annual board meeting. Members of MDX's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

MDX's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Patriot General Insurance Company

Board of Directors

The board of directors of PGIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at PGIC's annual board meeting. Members of PGIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

PGIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Peak Property and Casualty Insurance Company

Board of Directors

The board of directors of PEAK consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at PEAK's annual board meeting. Members of PEAK's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

PEAK's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Point Excess and Surplus Insurance Company

Board of Directors

The board of directors of PESIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at PESIC's annual board meeting. Members of PESIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

PESIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Point Insurance Company

Board of Directors

The board of directors of PIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at PIC's annual board meeting. Members of PIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

PIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Point Specialty Insurance Company

Board of Directors

The board of directors of PSIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at PSIC's annual board meeting. Members of PSIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

PSIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Sentry Casualty Company

Board of Directors

The board of directors of SCC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at SCC's annual board meeting. Members of SCC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

SCC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Sentry Select Insurance Company

Board of Directors

The board of directors of SSIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at SSIC's annual board meeting. Members of SSIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Scott A. Miller	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

SCC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Viking Insurance Company of Wisconsin

Board of Directors

The board of directors of VIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at VIC's annual board meeting. Members of VIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Peter G. Anhalt	President
Sean R. Nimm	Vice President
Timothy K. Kovac	Secretary
Todd M. Schroeder	Treasurer

Committees of the Board

VIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Florists' Mutual Insurance Company

Board of Directors

The board of directors of FMIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at FMIC's annual board meeting. Members of FMIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
John J. Hyland	President
Timothy K. Kovac	Secretary
Timothy P. Noble	Vice President
Todd M. Schroeder	Treasurer and Vice President

Committees of the Board

FMIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

Florists' Insurance Company

Board of Directors

The board of directors of FIC consists of five members. The directors are elected at the annual shareholder's meeting to serve a one-year term. Officers are elected at FIC's annual board meeting. Members of FIC's board of directors may also be members of other boards of directors in the holding company group.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Peter G. McPartland	Chairman of the Board and Chief Executive Officer and President, Sentry Mutual Holding Company	2025
Timothy K. Kovac	Vice President, General Counsel and Corporate Secretary, Sentry Mutual Holding Company	2025
James E. McDonald	Vice President, Sentry Mutual Holding Company	2025
Sean R. Nimm	Vice President and Chief Actuary, Sentry Mutual Holding Company	2025
Todd M. Schroeder	Vice President and Treasurer, Sentry Mutual Holding Company	2025

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
John J Hyland	President
Timothy K. Kovac	Secretary
Timothy P. Noble	Vice President
Todd M. Schroeder	Treasurer and Vice President

Committees of the Board

FIC's bylaws allow for the formation of certain committees by the board of directors. However, none are active at this time.

XIII. APPENDIX B: FINANCIAL DATA

Dairyland Insurance Company Assets As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$1,362,873,030	\$	\$1,362,873,030
Cash, cash equivalents, and short-term investments	4,561,739		4,561,739
Other invested assets	18,733,138		18,733,138
Receivables for securities	146,357		146,357
Investment income due and accrued	10,726,607		10,726,607
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	58,502,818	271,457	58,231,361
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	184,186,404	330,923	183,855,481
Accrued retrospective premiums and contracts subject to redetermination	22,841,080		22,841,080
Reinsurance:			
Amounts recoverable from reinsurers	11,462,819		11,462,819
Net deferred tax asset	27,414,957	2,488,988	24,925,969
Guaranty funds receivable or on deposit	274,336		274,336
Receivable from parent, subsidiaries, and affiliates	583,643		583,643
Write-ins for other than invested assets:			
Other assets	15,472,572		15,472,572
Amounts billed & receivable under high deductible policies	7,602,606		7,602,606
Prepaid surcharges	1,271,100		1,271,100
Miscellaneous A/R	3,596		3,596
Prepaid expenses	<u>1,182</u>	<u>1,182</u>	<u> </u>
Total Assets	<u>\$1,726,657,986</u>	<u>\$3,092,550</u>	<u>\$1,723,565,436</u>

Dairyland Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$ 669,466,422
Reinsurance payable on paid loss and loss adjustment expenses		28,892,134
Loss adjustment expenses		150,476,572
Commissions payable, contingent commissions, and other similar charges		13,742,742
Other expenses (excluding taxes, licenses, and fees)		74,519,938
Taxes, licenses, and fees (excluding federal and foreign income taxes)		4,574,224
Current federal and foreign income taxes		1,258,107
Unearned premiums		305,377,180
Advance premium		1,107,388
Dividends declared and unpaid:		
Policyholders		2,148,863
Ceded reinsurance premiums payable (net of ceding commissions)		9,920,068
Amounts withheld or retained by company for account of others		1,966,701
Write-ins for liabilities:		
A/P – other		5,478,397
Escheat funds		3,087,733
Recoverable on retro reinsurance contract		<u>(8,749,193)</u>
Total Liabilities		1,263,267,275
Common Capital Stock	\$ 4,012,000	
Gross paid in and contributed surplus	12,466,221	
Unassigned funds (surplus)	<u>443,819,940</u>	
Surplus as Regards Policyholders		<u>460,298,161</u>
Total Liabilities and Surplus		<u>\$1,723,565,436</u>

**Dairyland Insurance Company
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$590,740,934
Deductions:		
Losses incurred	\$380,154,294	
Loss adjustment expenses incurred	70,418,838	
Other underwriting expenses incurred	158,571,440	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(2,275,000)</u>	
Total underwriting deductions		<u>606,869,572</u>
Net underwriting gain (loss)		(16,128,638)

Investment Income

Net investment income earned	52,219,592	
Net realized capital gains (losses)	<u>(67,273)</u>	
Net investment gain (loss)		52,152,319

Other Income

Net gain (loss) from agents' or premium balances charged off	(5,331,084)	
Finance and service charges not included in premiums	6,212,603	
Write-ins for miscellaneous income:		
Miscellaneous Income (expense)	<u>647,046</u>	
Total other income		<u>1,528,565</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	37,552,246
Dividends to policyholders	<u>1,439,301</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	36,112,945
Federal and foreign income taxes incurred	<u>8,194,901</u>

Net Income (Loss)	<u>\$ 27,918,044</u>
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Dairyland Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$599,427,925
Net investment income		52,058,485
Miscellaneous income		<u>1,528,565</u>
Total		653,014,976
Benefit- and loss-related payments	\$341,016,029	
Commissions, expenses paid, and aggregate write-ins for deductions	218,486,364	
Dividends paid to policyholders	1,377,884	
Federal and foreign income taxes paid (recovered)	<u>8,861,890</u>	
Total deductions		<u>569,742,167</u>
Net cash from operations		83,272,809
Proceeds from investments sold, matured, or repaid:		
Bonds	\$224,886,001	
Other invested assets	3,304,945	
Miscellaneous proceeds	<u>24,885,367</u>	
Total investment proceeds	253,076,314	
Cost of investments acquired (long-term only):		
Bonds	288,735,587	
Total investments acquired	<u>288,735,587</u>	
Net cash from investments		(35,659,273)
Cash from financing and miscellaneous sources:		
Dividends to stockholders	48,500,000	
Other cash provided (applied)	<u>(4,904,285)</u>	
Net cash from financing and miscellaneous sources		<u>(53,404,285)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		(5,790,750)
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>10,352,489</u>
End of Year		<u>\$ 4,561,739</u>

Dairyland Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$487,127	\$512,046	\$490,334	\$481,504	\$470,631
Net income	27,918	34,749	51,505	32,617	31,235
Change in net unrealized capital gains/losses	(5,502)	(12,388)	897	5,446	2,286
Change in net unrealized foreign exchange capital gains/losses	19	(44)	(3)	113	313
Change in net deferred income tax	1,627	2,797	2,298	2,088	1,538
Change in nonadmitted assets	(2,392)	(32)	(484)	1,066	500
Dividends to stockholders	<u>(48,500)</u>	<u>(50,000)</u>	<u>(32,500)</u>	<u>(32,500)</u>	<u>(25,000)</u>
Surplus, End of Year	<u>\$460,298</u>	<u>\$487,127</u>	<u>\$512,046</u>	<u>\$490,334</u>	<u>\$481,504</u>

Dairyland National Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$15,135,084	\$	\$15,135,084
Cash, cash equivalents, and short-term investments	571,540		571,540
Investment income due and accrued	107,397		107,397
Reinsurance:			
Amounts recoverable from reinsurers	211,211		211,211
Receivable from parent, subsidiaries, and affiliates	13,478		13,478
Total Assets	<u>\$16,038,710</u>	<u>\$</u>	<u>\$16,038,710</u>

Dairyland National Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes	\$	46,141
Net deferred tax liability		6,816
Ceded reinsurance premiums payable (net of ceding commissions)		225,155
Amounts withheld or retained by company for account of others		55
Total Liabilities		278,167
Common capital stock	\$ 3,000,000	
Gross paid in and contributed surplus	12,000,000	
Unassigned funds (surplus)	<u>760,543</u>	
Surplus as Regards Policyholders		<u>15,760,543</u>
Total Liabilities and Surplus		<u>\$16,038,710</u>

Dairyland National Insurance Company
Summary of Operations
For the Year 2023

Investment Income

Net investment income earned	\$324,124	
Net realized capital gains (losses)	<u>901</u>	
Net investment gain (loss)		\$325,025

Other Income

Net income (loss) before dividends to policyholders and before federal and foreign income taxes		325,025
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		325,025
Federal and foreign income taxes incurred		<u>60,335</u>
Net Income (Loss)		<u>\$264,690</u>

Dairyland National Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$ 33,696
Net investment income		<u>402,980</u>
Total		436,676
Benefit- and loss-related payments	\$ (40,021)	
Commissions, expenses paid, and aggregate write-ins for deductions	(12,131)	
Federal and foreign income taxes paid (recovered)	<u>22,136</u>	
Total deductions		<u>(30,016)</u>
Net cash from operations		466,692
Proceeds from investments sold, matured, or repaid:		
Bonds	<u>\$ 736,011</u>	
Total investment proceeds	736,011	
Cost of investments acquired (long-term only):		
Bonds	<u>1,047,732</u>	
Total investments acquired	<u>1,047,732</u>	
Net cash from investments		(311,721)
Cash from financing and miscellaneous sources:		
Other cash provided (applied)	<u>(85,772)</u>	
Net cash from financing and miscellaneous sources		<u>(85,772)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		69,199
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>502,342</u>
End of Year		<u>\$571,540</u>

Dairyland National Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$15,500	\$15,334	\$15,166	\$ 5,035	\$
Net income	265	168	168	131	35
Change in net deferred income tax	(4)	(2)			
Capital changes:					
Paid in					3,000
Surplus adjustments:					
Paid in	<u> </u>	<u> </u>	<u> </u>	<u>10,000</u>	<u>2,000</u>
Surplus, End of Year	<u>\$15,761</u>	<u>\$15,500</u>	<u>\$15,334</u>	<u>\$15,166</u>	<u>\$5,035</u>

*DNIC was formed by the group in 2019.

Middlesex Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$742,056,964	\$	\$742,056,964
Stocks:			
Common stocks	25,316,653		25,316,653
Cash, cash equivalents, and short-term investments	6,145,342		6,145,342
Other invested assets	3,962,043		3,962,043
Investment income due and accrued	5,719,406		5,719,406
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	33,430,182	155,118	33,275,063
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	105,249,374	189,099	105,060,275
Accrued retrospective premiums and contracts subject to redetermination	13,052,046		13,052,046
Reinsurance:			
Amounts recoverable from reinsurers	23,836,402		23,836,402
Net deferred tax asset	17,517,024	3,181,659	14,335,365
Guaranty funds receivable or on deposit	156,764		156,764
Receivable from parent, subsidiaries, and affiliates	3,465,853		3,465,853
Write-ins for other than invested assets:			
Cash surrender value of life insurance	8,841,470		8,841,470
Amounts billed & receivable under high deductible policies	4,344,346		4,344,346
Miscellaneous A/R	851,554		851,554
Prepaid surcharges	726,343		726,343
Equities and deposits in pools and associations	308,075		308,075
Prepaid expenses	(40)	(40)	
Total Assets	<u>\$994,979,799</u>	<u>\$3,525,836</u>	<u>\$991,453,963</u>

Middlesex Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$382,552,240
Reinsurance payable on paid loss and loss adjustment expenses		16,509,791
Loss adjustment expenses		85,986,612
Commissions payable, contingent commissions, and other similar charges		7,852,996
Other expenses (excluding taxes, licenses, and fees)		42,582,821
Taxes, licenses, and fees (excluding federal and foreign income taxes)		2,613,842
Current federal and foreign income taxes		656,990
Unearned premiums		174,501,246
Advance premium		632,793
Dividends declared and unpaid:		
Policyholders		1,227,922
Ceded reinsurance premiums payable (net of ceding commissions)		27,222,507
Amounts withheld or retained by company for account of others		1,122,498
Provision for reinsurance		6,768
Write-ins for liabilities:		
A/P - other		5,836,580
Escheat funds		1,764,419
Recoverable on retro reinsurance contract		<u>(4,999,539)</u>
Total Liabilities		746,070,486
Common capital stock	\$ 4,200,000	
Gross paid in and contributed surplus	11,953,299	
Unassigned funds (surplus)	<u>229,230,178</u>	
Surplus as Regards Policyholders		<u>245,383,477</u>
Total Liabilities and Surplus		<u>\$991,453,963</u>

**Middlesex Insurance Company
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$337,566,248
Deductions:		
Losses incurred	\$217,231,024	
Loss adjustment expenses incurred	40,239,339	
Other underwriting expenses incurred	90,612,252	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(1,300,000)</u>	
Total underwriting deductions		<u>346,782,615</u>
Net underwriting gain (loss)		(9,216,366)

Investment Income

Net investment income earned	33,707,533	
Net realized capital gains (losses)	<u>(313,795)</u>	
Net investment gain (loss)		33,393,738

Other Income

Net gain (loss) from agents' or premium balances charged off	(3,046,334)	
Finance and service charges not included in premiums	3,550,059	
Write-ins for miscellaneous income:		
Miscellaneous income (expense)	<u>369,741</u>	
Total other income		<u>873,466</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	25,050,838
Dividends to policyholders	<u>822,457</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	24,228,380
Federal and foreign income taxes incurred	<u>5,584,724</u>

Net Income (Loss)	<u>\$ 18,643,656</u>
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Middlesex Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$345,622,502
Net investment income		33,921,873
Miscellaneous income		<u>873,466</u>
Total		380,417,840
Benefit- and loss-related payments	\$203,229,699	
Commissions, expenses paid, and aggregate write-ins for deductions	123,653,547	
Dividends paid to policyholders	787,362	
Federal and foreign income taxes paid (recovered)	<u>5,108,163</u>	
Total deductions		<u>332,778,771</u>
Net cash from operations		47,639,069
Proceeds from investments sold, matured, or repaid:		
Bonds	\$126,839,809	
Other invested assets	8,893,009	
Miscellaneous proceeds	<u>18,549</u>	
Total investment proceeds	135,751,367	
Cost of investments acquired (long-term only):		
Bonds	164,065,701	
Other invested assets	<u>82,917</u>	
Total investments acquired	<u>164,148,618</u>	
Net cash from investments		(28,397,251)
Cash from financing and miscellaneous sources:		
Dividends to stockholders	18,500,000	
Other cash provided (applied)	<u>901,864</u>	
Net cash from financing and miscellaneous sources		<u>(17,598,136)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		1,643,682
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>4,501,660</u>
End of Year		<u>\$ 6,145,342</u>

Middlesex Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$250,356	\$256,466	\$251,534	\$248,776	\$243,288
Net income	18,644	14,939	18,468	15,932	12,811
Change in net unrealized capital gains/losses	(5,896)	(1,380)	839	1,054	2,914
Change in net unrealized foreign exchange capital gains/losses	1	(2)		1	270
Change in net deferred income tax	1,057	1,473	1,067	1,315	1,942
Change in nonadmitted assets	(277)	(1,143)	553	(1,030)	48
Change in provision for reinsurance	(2)	4	5	(14)	3
Dividends to stockholders	<u>(18,500)</u>	<u>(20,000)</u>	<u>(16,000)</u>	<u>(14,500)</u>	<u>(12,500)</u>
Surplus, End of Year	<u>\$245,383</u>	<u>\$250,356</u>	<u>\$256,466</u>	<u>\$251,534</u>	<u>\$248,776</u>

Patriot General Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$24,465,685	\$	\$24,465,685
Cash, cash equivalents, and short-term investments	685,891		685,891
Investment income due and accrued	260,791		260,791
Reinsurance:			
Amounts recoverable from reinsurers	565,134		565,134
Receivable from parent, subsidiaries, and affiliates	1,432,045		1,432,045
Write-ins for other than invested assets:			
Equities and deposits in pools and associations	2,086		2,086
Prepaid expenses	<u>37</u>	<u>37</u>	<u> </u>
Total Assets	<u>\$27,411,669</u>	<u>\$37</u>	<u>\$27,411,632</u>

Patriot General Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes	\$ 50,602
Net deferred tax liability	156,034
Ceded reinsurance premiums payable (net of ceding commissions)	1,887,642
Amounts withheld or retained by company for account of others	338
Provision for reinsurance	364
Total Liabilities	2,094,980
Common capital stock	\$ 4,000,000
Gross paid in and contributed surplus	4,500,000
Unassigned funds (surplus)	<u>16,816,653</u>
Surplus as Regards Policyholders	<u>25,316,653</u>
Total Liabilities and Surplus	<u>\$27,411,632</u>

**Patriot General Insurance Company
Summary of Operations
For the Year 2023**

Investment Income

Net investment income earned	\$815,585	
Net realized capital gains (losses)	<u>(10,835)</u>	
Net investment gain (loss)		804,751

Other Income

Net income (loss) before dividends to policyholders and before federal and foreign income taxes		<u>804,751</u>
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Net income (loss) after dividends to policyholders but before federal and foreign income taxes		804,751
Federal and foreign income taxes incurred		<u>137,386</u>

Net Income (Loss)		<u>\$667,365</u>
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Patriot General Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$ 643,346
Net investment income			<u>879,581</u>
Total			1,522,926
Benefit- and loss-related payments	\$ 105,444		
Federal and foreign income taxes paid (recovered)	<u>111,899</u>		
Total deductions			<u>217,343</u>
Net cash from operations			1,305,583
Proceeds from investments sold, matured, or repaid:			
Bonds	<u>\$2,603,598</u>		
Total investment proceeds		2,603,598	
Cost of investments acquired (long-term only):			
Bonds	<u>2,100,000</u>		
Total investments acquired		<u>2,100,000</u>	
Net cash from investments			503,598
Dividends to stockholders	600,000		
Other cash provided (applied)	<u>(557,348)</u>		
Net cash from financing and miscellaneous sources			<u>(1,157,348)</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			651,832
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>34,058</u>
End of Year			<u>\$ 685,891</u>

Patriot General Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$25,249	\$25,230	\$25,278	\$25,331	\$25,386
Net income	667	615	602	649	695
Change in net deferred income tax		4	(1)	(1)	(1)
Change in nonadmitted assets				(1)	1
Dividends to stockholders	<u>(600)</u>	<u>(600)</u>	<u>(650)</u>	<u>(700)</u>	<u>(750)</u>
Surplus, End of Year	<u>\$25,317</u>	<u>\$25,249</u>	<u>\$25,230</u>	<u>\$25,278</u>	<u>\$25,331</u>

Peak Property and Casualty Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$61,165,484	\$	\$61,165,484
Cash, cash equivalents, and short-term investments	938,988		938,988
Investment income due and accrued	580,986		580,986
Reinsurance:			
Amounts recoverable from reinsurers	377,022		377,022
Receivable from parent, subsidiaries, and affiliates	7,688,479		7,688,479
Write-ins for other than invested assets:			
Equities and deposits in pools and associations	13,235		13,235
Miscellaneous A/R	751		751
Prepaid expenses	<u>2,822</u>	<u>2,822</u>	<u> </u>
Total Assets	<u>\$70,767,768</u>	<u>\$2,822</u>	<u>\$70,764,945</u>

Peak Property and Casualty Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes	\$ 119,255
Net deferred tax liability	106,538
Ceded reinsurance premiums payable (net of ceding commissions)	5,840,765
Amounts withheld or retained by company for account of others	14,052
Write-ins for liabilities: A/P - other	<u>1,691,079</u>
Total Liabilities	7,771,690
Common capital stock	\$ 3,500,000
Gross paid in and contributed surplus	33,447,823
Unassigned funds (surplus)	<u>26,045,432</u>
Surplus as Regards Policyholders	<u>62,993,255</u>
Total Liabilities and Surplus	<u>\$70,764,945</u>

Peak Property and Casualty Insurance Company
Summary of Operations
For the Year 2023

Investment Income		
Net investment income earned	\$1,899,443	
Net realized capital gains (losses)	<u>(14,113)</u>	
Net investment gain (loss)		1,885,330
Other Income		
Net income (loss) before dividends to policyholders and before federal and foreign income taxes		<u>1,885,330</u>
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		1,885,330
Federal and foreign income taxes incurred		<u>339,812</u>
Net Income (Loss)		<u>\$1,545,518</u>

Peak Property and Casualty Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$ 4,935,141
Net investment income		<u>2,036,752</u>
Total		6,971,893
Benefit- and loss-related payments	\$ 377,022	
Federal and foreign income taxes paid (recovered)	<u>267,707</u>	
Total deductions		<u>644,729</u>
Net cash from operations		6,327,164
Proceeds from investments sold, matured, or repaid:		
Bonds	<u>\$4,508,871</u>	
Total investment proceeds	4,508,871	
Cost of investments acquired (long-term only):		
Bonds	<u>7,962,067</u>	
Miscellaneous applications		
Total investments acquired	<u>7,962,067</u>	
Net cash from investments		(3,453,196)
Cash from financing and miscellaneous sources:		
Other cash provided (applied)	<u>(7,608,755)</u>	
Net cash from financing and miscellaneous sources		<u>(7,608,755)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		(4,734,787)
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>5,673,775</u>
End of Year		<u>\$ 938,988</u>

Peak Property and Casualty Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$61,449	\$60,092	\$40,388	\$39,947	\$39,024
Net income	1,546	1,352	706	442	391
Change in net deferred income tax	(1)	5		(1)	11
Change in nonadmitted assets		(1)	(1)		21
Change in provision for reinsurance					
Change in surplus notes			(11,000)		
Capital changes:					
Paid in	<u> </u>	<u> </u>	<u>30,000</u>	<u> </u>	<u>500</u>
Surplus, End of Year	<u>\$62,993</u>	<u>\$61,449</u>	<u>\$60,092</u>	<u>\$40,388</u>	<u>\$39,947</u>

Point Excess and Surplus Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$50,411,945	\$	\$50,411,945
Cash, cash equivalents, and short-term investments	1,163,884		1,163,884
Investment income due and accrued	<u>455,833</u>	—	<u>455,833</u>
Total Assets	<u>\$52,031,661</u>	<u>\$</u>	<u>\$52,031,661</u>

Point Excess and Surplus Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes	\$ 130,637
Net deferred tax liability	94,136
Ceded reinsurance premiums payable (net of ceding commissions)	(35,000)
Payable to parent, subsidiaries, and affiliates	<u>37,526</u>
Total Liabilities	227,299
Common capital stock	\$ 3,000,000
Gross paid in and contributed surplus	47,000,000
Unassigned funds (surplus)	<u>1,804,362</u>
Surplus as Regards Policyholders	<u>51,804,362</u>
Total Liabilities and Surplus	<u>\$52,031,661</u>

Point Excess and Surplus Insurance Company
Summary of Operations
For the Year 2023

Investment Income		
Net investment income earned	\$2,292,242	
Net realized capital gains (losses)	<u>(23,715)</u>	
Net investment gain (loss)		\$2,268,528
Other Income		
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		2,268,528
Federal and foreign income taxes incurred		<u>382,137</u>
Net Income (Loss)		<u>\$1,886,391</u>

Point Excess and Surplus Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$ (35,000)
Net investment income			<u>1,380,954</u>
Total			1,345,954
Federal and foreign income taxes paid (recovered)	\$ 254,692		
Total deductions			<u>254,692</u>
Net cash from operations			1,091,262
Proceeds from investments sold, matured, or repaid:			
Bonds	<u>\$ 3,217,747</u>		
Total investment proceeds		3,217,747	
Cost of investments acquired (long-term only):			
Bonds	<u>53,197,976</u>		
Total investments acquired		<u>53,197,976</u>	
Net cash from investments			(49,980,229)
Cash from financing and miscellaneous sources:			
Other cash provided (applied)	<u>37,526</u>		
Net cash from financing and miscellaneous sources			<u>37,526</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			(48,851,442)
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>50,015,326</u>
End of Year			<u>\$ 1,163,884</u>

Point Excess and Surplus Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022
Surplus, beginning of year	\$50,012	\$
Net income	1,886	12
Capital changes	(94)	
Paid in		3,000
Surplus adjustments:		
Paid in	<u> </u>	<u>47,000</u>
Surplus, End of Year	<u>\$51,804</u>	<u>\$50,012</u>

*PESIC was formed by the group in 2023.

**Point Insurance Company
Assets
As of December 31, 2023**

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$5,325,103	\$	\$5,325,103
Cash, cash equivalents, and short-term investments	356,192		356,192
Investment income due and accrued	22,578		22,578
Net deferred tax assets	<u>8,849</u>	—	<u>8,849</u>
Total Assets	<u>\$5,712,722</u>	<u>\$</u>	<u>\$5,712,722</u>

**Point Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023**

Current federal and foreign income taxes	\$ 7,369
Ceded reinsurance premiums payable (net of ceding commissions)	(24,925)
Payable to parent, subsidiaries, and affiliates	<u>27,615</u>
Total Liabilities	10,059
Common capital stock	\$2,500,000
Gross paid in and contributed surplus	2,358,861
Unassigned funds (surplus)	<u>843,802</u>
Surplus as Regards Policyholders	<u>5,702,663</u>
Total Liabilities and Surplus	<u>\$5,712,722</u>

**Point Insurance Company
Summary of Operations
For the Year 2023**

Investment Income	
Net investment income earned	<u>\$88,330</u>
Net investment gain (loss)	\$88,330
Net income (loss) after dividends to policyholders but before federal and foreign income taxes	88,330
Federal and foreign income taxes incurred	<u>16,724</u>
Net Income (Loss)	<u>\$71,606</u>

Point Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$ 10,325
Net investment income		<u>109,852</u>
Total		120,177
Federal and foreign income taxes paid (recovered)	\$ 12,131	
Total deductions		<u>12,131</u>
Net cash from operations		108,046
Proceeds from investments sold, matured, or repaid:		
Bonds	<u>\$27,838</u>	
Miscellaneous proceeds		
Total investment proceeds	27,838	
Net cash from investments		27,838
Cash from financing and miscellaneous sources:		
Other cash provided (applied)	<u>(10,319)</u>	
Net cash from financing and miscellaneous sources		<u>(10,319)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		125,564
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>230,628</u>
End of Year		<u>\$356,192</u>

Point Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$5,633	\$5,571	\$4,525	\$7,707	\$7,113
Net income	72	64	48	312	594
Change in net deferred income tax	(2)	(2)	(2)	14	
Paid in					
Surplus adjustments:					
Paid in			1,000	(1,500)	
Dividends to stockholders				(2,000)	
Write-ins for gains and (losses) in surplus:					
Change in miscellaneous surplus				(8)	
Surplus, End of Year	<u>\$5,703</u>	<u>\$5,633</u>	<u>\$5,571</u>	<u>\$ 4,525</u>	<u>\$7,707</u>

*PIC was acquired by the group in 2020.

Point Specialty Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$10,667,398	\$	\$10,667,398
Cash, cash equivalents, and short-term investments	1,371,045		1,371,045
Investment income due and accrued	87,183		87,183
Reinsurance:			
Amounts recoverable from reinsurers	11,077		11,077
Net deferred tax assets	13,717		13,717
Write-ins for other than invested assets:			
Miscellaneous A/R	<u>144</u>	—	<u>144</u>
Total Assets	<u>\$12,150,562</u>	<u>\$</u>	<u>\$12,150,562</u>

Point Specialty Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes	\$ 22,566
Ceded reinsurance premiums payable (net of ceding commissions)	(164,711)
Payable to parent, subsidiaries, and affiliates	<u>354,000</u>
Total Liabilities	211,854
Common capital stock	\$ 4,200,000
Gross paid in and contributed surplus	10,614,746
Unassigned funds (surplus)	<u>(2,876,038)</u>
Surplus as Regards Policyholders	<u>11,938,708</u>
Total Liabilities and Surplus	<u>\$12,150,562</u>

Point Specialty Insurance Company
Summary of Operations
For the Year 2023

Investment Income	
Net investment income earned	\$299,662
Net investment gain (loss)	\$299,662
Net income (loss) after dividends to policyholders but before federal and foreign income taxes	299,662
Federal and foreign income taxes incurred	<u>48,995</u>
Net Income (Loss)	<u>\$250,667</u>

Point Specialty Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$ (184,650)
Net investment income			<u>314,588</u>
Total			129,938
Benefit and loss-related payments	\$ 11,077		
Federal and foreign income taxes paid (recovered)	<u>32,247</u>		
Total deductions			<u>43,324</u>
Net cash from operations			86,614
Proceeds from investments sold, matured, or repaid:			
Bonds	<u>\$2,661,280</u>		
Miscellaneous proceeds			
Total investment proceeds		2,661,280	
Cost of investments acquired (long-term only):			
Bonds	<u>4,288,312</u>		
Total investments acquired		<u>4,288,312</u>	
Net cash from investments			(1,627,032)
Cash from financing and miscellaneous sources:			
Capital and paid in surplus, less treasury stock		2,200,000	
Other cash provided (applied)		<u>196,242</u>	
Net cash from financing and miscellaneous sources			<u>2,396,242</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			855,824
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>515,221</u>
End of Year			<u>\$ 1,371,045</u>

Point Specialty Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$ 9,502	\$9,346	\$7,191	\$56,815	\$96,815
Net income	251	167	168	1,293	8,523
Change in net unrealized capital gains/losses				(291)	1,753
Change in net deferred income tax	(14)	(12)	(12)	(5,651)	(1,595)
Change in nonadmitted assets				3,577	6,131
Change in provision for reinsurance				16	300
Paid in Capital Changes:					
Paid in	1,200				
Surplus adjustments:					
Paid in	1,000		2,000	(48,439)	(55,000)
Transferred to capital					
Write-ins for gains and (losses) in surplus					
Change in miscellaneous surplus				(130)	5
Change in defined benefit plan					(3)
Correction of error	_____	_____	_____	_____	_____(113)
Surplus, End of Year	<u>\$11,939</u>	<u>\$9,502</u>	<u>\$9,346</u>	<u>\$ 7,191</u>	<u>\$56,815</u>

*PSIC was acquired by the group in 2020.

Sentry Casualty Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$350,437,777	\$	\$350,437,777
Cash, cash equivalents, and short-term investments	10,215,537		10,215,537
Investment income due and accrued	2,893,004		2,893,004
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	8,357,546	38,780	8,318,766
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	26,312,343	47,275	26,265,069
Accrued retrospective premiums and contracts subject to redetermination	3,263,011		3,263,011
Reinsurance:			
Amounts recoverable from reinsurers	7,529,275		7,529,275
Net deferred tax asset	3,923,246	711,092	3,212,154
Guaranty funds receivable or on deposit	39,191		39,191
Receivable from parent, subsidiaries, and affiliates	13,313,391		13,313,391
Write-ins for other than invested assets:			
Other assets	2,210,367		2,210,367
Amounts billed & receivable under high deductible policies	1,086,087		1,086,087
Prepaid surcharges	181,586		181,586
Equities and deposits in pools and associations	43,330		43,330
Miscellaneous A/R	<u>3,260</u>	<u> </u>	<u>3,260</u>
Total Assets	<u>\$429,808,950</u>	<u>\$797,146</u>	<u>\$429,011,804</u>

Sentry Casualty Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$ 95,638,060
Reinsurance payable on paid loss and loss adjustment expenses		4,127,448
Loss adjustment expenses		21,496,653
Commissions payable, contingent commissions, and other similar charges		1,963,249
Other expenses (excluding taxes, licenses, and fees)		10,645,705
Taxes, licenses, and fees (excluding federal and foreign income taxes)		653,461
Current federal and foreign income taxes		300,222
Unearned premiums		43,625,311
Advance premium		158,198
Dividends declared and unpaid:		
Policyholders		306,981
Ceded reinsurance premiums payable (net of ceding commissions)		19,995,823
Amounts withheld or retained by company for account of others		157,197,268
Remittances and items not allocated		93,344
Write-ins for liabilities:		
A/P - other		782,628
Escheat funds		441,105
Recoverable on retro reinsurance contract		<u>(1,249,885)</u>
Total Liabilities		356,175,571
Common capital stock	\$ 4,700,000	
Gross paid in and contributed surplus	31,415,641	
Unassigned funds (surplus)	<u>36,720,591</u>	
Surplus as Regards Policyholders		<u>72,836,232</u>
Total Liabilities and Surplus		<u>\$429,011,804</u>

**Sentry Casualty Company
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$84,391,562
Deductions:		
Losses incurred	\$54,307,756	
Loss adjustment expenses incurred	10,059,835	
Other underwriting expenses incurred	22,653,063	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(325,000)</u>	
Total underwriting deductions		<u>86,695,654</u>
Net underwriting gain (loss)		(2,304,092)

Investment Income

Net investment income earned	11,331,020	
Net realized capital gains (losses)	<u>(1,359,444)</u>	
Net investment gain (loss)		9,971,577

Other Income

Net gain (loss) from agents' or premium balances charged off	(761,584)	
Finance and service charges not included in premiums	887,515	
Write-ins for miscellaneous income:		
Miscellaneous income (expense)	<u>92,435</u>	
Total other income		<u>218,366</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	7,885,852
Dividends to policyholders	<u>205,614</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	7,680,237
Federal and foreign income taxes incurred	<u>1,717,856</u>

Net Income (Loss)	<u>\$ 5,962,381</u>
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Sentry Casualty Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$ 96,581,158
Net investment income			11,611,882
Miscellaneous income			<u>218,366</u>
Total			108,411,407
Benefit- and loss-related payments	\$48,295,465		
Commissions, expenses paid, and aggregate write-ins for deductions	30,471,627		
Dividends paid to policyholders	196,841		
Federal and foreign income taxes paid (recovered)	<u>1,600,456</u>		
Total deductions			<u>80,564,389</u>
Net cash from operations			27,847,018
Proceeds from investments sold, matured, or repaid:			
Bonds	\$75,657,530		
Miscellaneous proceeds	<u>3,005,036</u>		
Total investment proceeds		78,662,566	
Cost of investments acquired (long-term only):			
Bonds	<u>81,838,581</u>		
Total investments acquired		<u>81,838,581</u>	
Net cash from investments			(3,176,015)
Cash from financing and miscellaneous sources:			
Dividends to stockholders	7,250,000		
Other cash provided (applied)	<u>(11,011,421)</u>		
Net cash from financing and miscellaneous sources			<u>(18,261,421)</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			6,409,581
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>3,805,955</u>
End of Year			<u>\$ 10,215,537</u>

Sentry Casualty Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$74,125	\$73,579	\$72,466	\$72,652	\$70,727
Net income	5,962	7,417	8,126	6,451	7,203
Change in net unrealized capital gains/losses			7	55	(16)
Change in net deferred income tax	104	276	64	370	321
Change in nonadmitted assets	(106)	104	(83)	(62)	(82)
Dividends to stockholders	<u>(7,250)</u>	<u>(7,250)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>(5,500)</u>
Surplus, End of Year	<u>\$72,836</u>	<u>\$74,125</u>	<u>\$73,579</u>	<u>\$72,466</u>	<u>\$72,652</u>

Sentry Select Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 787,469,546	\$	\$ 787,469,546
Cash, cash equivalents, and short-term investments	18,690,926		18,690,926
Other invested assets	3,963,162		3,963,162
Receivables for securities	27,195		27,195
Investment income due and accrued	6,090,044		6,090,044
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	33,430,182	155,118	33,275,063
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	105,249,374	189,099	105,060,275
Accrued retrospective premiums and contracts subject to redetermination	13,052,046		13,052,046
Reinsurance:			
Amounts recoverable from reinsurers	58,489,082		58,489,082
Net deferred tax asset	16,142,813	2,723,999	13,418,814
Guaranty funds receivable or on deposit	156,764		156,764
Receivable from parent, subsidiaries, and affiliates	3,093,898		3,093,898
Write-ins for other than invested assets:			
Other assets	8,841,470		8,841,470
Amounts billed & receivable under high deductible policies	4,344,346		4,344,346
Prepaid surcharges	726,343		726,343
Equities and deposits in pools and associations	138,592		138,592
Miscellaneous A/R	10,760		10,760
Prepaid expenses	501	501	
Total Assets	<u>\$1,059,917,044</u>	<u>\$3,068,717</u>	<u>\$1,056,848,326</u>

Sentry Select Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$ 382,552,240
Reinsurance payable on paid loss and loss adjustment expenses		16,509,791
Loss adjustment expenses		85,986,612
Commissions payable, contingent commissions, and other similar charges		7,852,996
Other expenses (excluding taxes, licenses, and fees)		42,582,821
Taxes, licenses, and fees (excluding federal and foreign income taxes)		2,613,842
Current federal and foreign income taxes		713,204
Unearned premiums		174,501,246
Advance premium		632,793
Dividends declared and unpaid:		
Policyholders		1,227,922
Ceded reinsurance premiums payable (net of ceding commissions)		60,470,278
Amounts withheld or retained by company for account of others		48,052,626
Provision for reinsurance		280
Write-ins for liabilities:		
A/P - other		3,149,992
Escheat funds		1,764,419
Recoverable on retro reinsurance contract		<u>(4,999,539)</u>
Total Liabilities		823,611,522
Common capital stock	\$ 5,000,000	
Gross paid in and contributed surplus	26,850,000	
Unassigned funds (surplus)	<u>201,386,805</u>	
Surplus as Regards Policyholders		<u>233,236,805</u>
Total Liabilities and Surplus		<u>\$1,056,848,327</u>

**Sentry Select Insurance Company
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$337,566,248
Deductions:		
Losses incurred	\$217,231,024	
Loss adjustment expenses incurred	40,239,339	
Other underwriting expenses incurred	90,612,252	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(1,300,000)</u>	
Total underwriting deductions		<u>346,782,615</u>
Net underwriting gain (loss)		(9,216,366)

Investment Income

Net investment income earned	26,993,013	
Net realized capital gains (losses)	<u>(187,114)</u>	
Net investment gain (loss)		28,805,900

Other Income

Net gain (loss) from agents' or premium balances charged off	(3,046,334)	
Finance and service charges not included in premiums	3,550,059	
Write-ins for miscellaneous income:		
Miscellaneous income (expense)	<u>369,741</u>	
Total other income		<u>873,466</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	18,462,999
Dividends to policyholders	<u>822,457</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	17,640,542
Federal and foreign income taxes incurred	<u>4,189,101</u>

Net Income (Loss)	<u>\$ 13,451,441</u>
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Sentry Select Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$344,459,404
Net investment income		27,877,647
Miscellaneous income		<u>873,466</u>
Total		373,210,517
Benefit- and loss-related payments	\$195,221,027	
Commissions, expenses paid, and aggregate write-ins for deductions	121,303,244	
Dividends paid to policyholders	787,362	
Federal and foreign income taxes paid (recovered)	<u>3,865,825</u>	
Total deductions		<u>321,177,457</u>
Net cash from operations		52,033,060
Proceeds from investments sold, matured, or repaid:		
Bonds	\$113,467,034	
Other invested assets	191,897	
Miscellaneous proceeds	<u>11,993,106</u>	
Total investment proceeds		125,652,038
Cost of investments acquired (long-term only):		
Bonds	142,821,587	
Other invested assets	<u>82,917</u>	
Total investments acquired		<u>142,904,504</u>
Net cash from investments		(17,252,466)
Cash from financing and miscellaneous sources:		
Dividends to stockholders	15,000,000	
Other cash provided (applied)	<u>(6,316,127)</u>	
Net cash from financing and miscellaneous sources		<u>(21,316,127)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		13,464,466
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>5,226,460</u>
End of Year		<u>\$ 18,690,926</u>

Sentry Select Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$234,082	\$231,754	\$229,662	\$231,152	\$225,807
Net income	13,451	16,355	19,484	14,844	16,721
Change in net unrealized capital gains/losses	190	(140)	(162)	(938)	228
Change in net unrealized foreign exchange capital gains/losses	1	(2)		1	270
Change in net deferred income tax	976	1,000	1,131	1,454	1,320
Change in nonadmitted assets	(591)	242	139	(375)	(565)
Change in provision for reinsurance	127	(127)		24	370
Dividends to stockholders	<u>(15,000)</u>	<u>(15,000)</u>	<u>(18,500)</u>	<u>(16,500)</u>	<u>(13,000)</u>
Surplus, End of Year	<u>\$233,237</u>	<u>\$234,082</u>	<u>\$231,754</u>	<u>\$229,662</u>	<u>\$231,152</u>

Viking Insurance Company of Wisconsin
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$391,709,191		\$391,709,191
Stocks:			
Common stocks	62,993,255		62,993,255
Real estate:			
Occupied by the company	3,432,757		3,432,757
Cash, cash equivalents, and short-term investments	7,115,038		7,115,038
Investment income due and accrued	3,345,162		3,345,162
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	16,715,091	\$77,559	16,637,532
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	52,624,687	94,549	52,530,137
Accrued retrospective premiums and contracts subject to redetermination	6,526,023		6,526,023
Reinsurance:			
Amounts recoverable from reinsurers	28,610,490		28,610,490
Net deferred tax asset	17,419,100	5,765,040	11,654,060
Guaranty funds receivable or on deposit	78,382		78,382
Furniture and equipment, including health care delivery assets	3,885	3,885	
Receivable from parent, subsidiaries, and affiliates	7,271,719		7,271,719
Write-ins for other than invested assets:			
Other Assets	4,420,735		4,420,735
Amounts billed & receivable under high deductible policies	2,172,173		2,172,173
Prepaid surcharges	363,172		363,172
Equities and deposits in pools and associations	4,467		4,467
Miscellaneous A/R	79		79
Prepaid expenses	<u>1,147</u>	<u>1,147</u>	<u> </u>
Total Assets	<u>\$604,806,552</u>	<u>\$5,942,180</u>	<u>\$598,864,372</u>

**Viking Insurance Company of Wisconsin
Liabilities, Surplus, and Other Funds
As of December 31, 2023**

Losses		\$191,276,120
Reinsurance payable on paid loss and loss adjustment expenses		8,254,896
Loss adjustment expenses		42,993,303
Commissions payable, contingent commissions, and other similar charges		3,926,498
Other expenses (excluding taxes, licenses, and fees)		21,412,424
Taxes, licenses, and fees (excluding federal and foreign income taxes)		1,306,921
Current federal and foreign income taxes		380,942
Unearned premiums		87,250,623
Advance premium		316,397
Dividends declared and unpaid:		
Policyholders		613,961
Ceded reinsurance premiums payable (net of ceding commissions)		35,425,369
Amounts withheld or retained by company for account of others		586,880
Write-ins for liabilities:		
A/P - other		1,565,256
Escheat funds		882,209
Recoverable on retro reinsurance contract		<u>(2,499,769)</u>
Total Liabilities		393,692,028
Common capital stock	\$ 3,000,000	
Gross paid in and contributed surplus	179,336,765	
Unassigned funds (surplus)	<u>22,835,579</u>	
Surplus as Regards Policyholders		<u>205,172,343</u>
Total Liabilities and Surplus		<u>\$598,864,372</u>

**Viking Insurance Company of Wisconsin
Summary of Operations
For the Year 2023**

Underwriting Income

Premiums earned		\$168,783,124
Deductions:		
Losses incurred	\$108,615,512	
Loss adjustment expenses incurred	20,119,671	
Other underwriting expenses incurred	45,306,126	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(650,000)</u>	
Total underwriting deductions		<u>173,391,308</u>
Net underwriting gain (loss)		(4,608,184)

Investment Income

Net investment income earned	13,789,241	
Net realized capital gains (losses)	<u>(250,504)</u>	
Net investment gain (loss)		13,538,737

Other Income

Net gain (loss) from agents' or premium balances charged off	(1,523,167)	
Finance and service charges not included in premiums	1,775,029	
Write-ins for miscellaneous income:		
Miscellaneous Income (expense)	<u>184,870</u>	
Total other income		<u>436,733</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	9,367,286
Dividends to policyholders	<u>411,229</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	8,956,057
Federal and foreign income taxes incurred	<u>2,018,027</u>

Net Income (Loss)	<u>\$ 6,938,030</u>
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Viking Insurance Company of Wisconsin
Cash Flow
For the Year 2023

Premiums collected net of reinsurance		\$177,307,053
Net investment income		13,898,871
Miscellaneous income		<u>436,733</u>
Total		191,642,657
Benefit- and loss-related payments	\$99,750,413	
Commissions, expenses paid, and aggregate write-ins for deductions	60,839,860	
Dividends paid to policyholders	393,681	
Federal and foreign income taxes paid (recovered)	<u>1,862,642</u>	
Total deductions		<u>162,846,596</u>
Net cash from operations		28,796,062
Proceeds from investments sold, matured, or repaid:		
Bonds	\$58,397,661	
Miscellaneous proceeds	<u>8,016,130</u>	
Total investment proceeds		66,413,791
Cost of investments acquired (long-term only):		
Bonds	<u>76,598,860</u>	
Miscellaneous applications		
Total investments acquired	<u>76,598,860</u>	
Net cash from investments		(10,185,069)
Cash from financing and miscellaneous sources:		
Dividends to stockholders	10,750,000	
Other cash provided (applied)	<u>(6,542,212)</u>	
Net cash from financing and miscellaneous sources		<u>(17,292,212)</u>
Reconciliation:		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		1,318,781
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>5,796,257</u>
End of Year		<u>\$ 7,115,038</u>

Viking Insurance Company of Wisconsin
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$207,287	\$207,515	\$174,811	\$172,549	\$171,267
Net income	6,938	8,173	9,250	8,160	7,158
Change in net unrealized capital gains/losses	1,598	1,247	706	497	675
Change in net deferred income tax	489	529	655	232	746
Change in nonadmitted assets	(389)	(178)	(408)	372	(297)
Surplus adjustments:					
Paid in			30,000		
Dividends to stockholders	<u>(10,750)</u>	<u>(10,000)</u>	<u>(7,500)</u>	<u>(7,000)</u>	<u>(7,000)</u>
Surplus, End of Year	<u>\$205,172</u>	<u>\$207,287</u>	<u>\$207,515</u>	<u>\$174,811</u>	<u>\$172,549</u>

Florists' Mutual Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$117,436,776		\$117,436,776
Stocks:			
Common stocks	5,441,845		5,441,845
Real estate:			
Occupied by the company	4,506,392		4,506,392
Properties held for the production of income	2,278,701		2,278,701
Cash, cash equivalents, and short-term investments	3,056,554		3,056,554
Investment income due and accrued	963,000		963,000
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	3,343,018	15,512	3,327,506
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	10,524,937	18,910	10,506,028
Accrued retrospective premiums and contracts subject to redetermination	1,305,205		1,305,205
Reinsurance:			
Amounts recoverable from reinsurers	5,888,781		5,888,781
Current federal and foreign income tax recoverable and interest thereon	53,434		53,434
Net deferred tax asset	7,977,878	4,197,878	3,780,000
Guaranty funds receivable or on deposit	15,676		15,676
Write-ins for other than invested assets:			
Cash surrender value of life insurance	884,147		884,147
Amounts billed & receivable under high deductible policies	434,435		434,435
Equities and deposits in pools and associations	281,486		281,486
Prepaid surcharges	72,634		72,634
Miscellaneous A/R	785		785
Total Assets	<u>\$164,465,683</u>	<u>\$4,232,300</u>	<u>\$160,233,383</u>

Florists' Mutual Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Losses		\$ 38,255,224
Reinsurance payable on paid loss and loss adjustment expenses		1,650,979
Loss adjustment expenses		8,598,661
Commissions payable, contingent commissions, and other similar charges		785,300
Other expenses (excluding taxes, licenses, and fees)		4,431,130
Taxes, licenses, and fees (excluding federal and foreign income taxes)		261,384
Borrowed money and interest thereon		45,326,493
Unearned premiums		17,450,125
Advance premium		63,279
Dividends declared and unpaid:		
Policyholders		122,792
Ceded reinsurance premiums payable (net of ceding commissions)		3,553,490
Amounts withheld or retained by company for account of others		112,199
Payable to parent, subsidiaries, and affiliates		2,505,579
Write-ins for liabilities:		
A/P - other		324,735
Escheat funds		176,442
Recoverable on retro reinsurance contract		<u>(499,954)</u>
Total Liabilities		123,117,859
Write-ins for special surplus funds:		
Segregated surplus	\$ 250,000	
Surplus notes	7,000,000	
Unassigned funds (surplus)	<u>29,865,525</u>	
Surplus as Regards Policyholders		<u>37,115,525</u>
Total Liabilities and Surplus		<u>\$160,233,383</u>

Florists' Mutual Insurance Company
Summary of Operations
For the Year 2023

Underwriting Income

Premiums earned		\$33,756,625
Deductions:		
Losses incurred	\$21,723,102	
Loss adjustment expenses incurred	4,023,936	
Other underwriting expenses incurred	9,061,225	
Write-ins for underwriting deductions:		
Change in premium deficiency	<u>(130,000)</u>	
Total underwriting deductions		<u>34,678,263</u>
Net underwriting gain (loss)		(921,638)

Investment Income

Net investment income earned	2,118,997	
Net realized capital gains (losses)	<u>(63,238)</u>	
Net investment gain (loss)		2,055,759

Other Income

Net gain (loss) from agents' or premium balances charged off	(304,633)	
Finance and service charges not included in premiums	355,006	
Write-ins for miscellaneous income:		
Miscellaneous Income (expense)	<u>36,974</u>	
Total other income		<u>87,347</u>

Net income (loss) before dividends to policyholders and before federal and foreign income taxes	1,221,468
Dividends to policyholders	<u>82,246</u>

Net income (loss) after dividends to policyholders but before federal and foreign income taxes	1,139,222
Federal and foreign income taxes incurred	<u>(23,008)</u>

Net Income (Loss)	<u>\$ 1,162,230</u>
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Florists' Mutual Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$31,374,171
Net investment income			2,204,104
Miscellaneous income			<u>87,347</u>
Total			33,665,621
Benefit- and loss-related payments	\$19,493,725		
Commissions, expenses paid, and aggregate write-ins for deductions	12,073,276		
Dividends paid to policyholders	78,736		
Total deductions			<u>31,645,737</u>
Net cash from operations			2,019,885
Proceeds from investments sold, matured, or repaid:			
Bonds	\$14,046,939		
Stocks	<u>22,400</u>		
Total investment proceeds		14,069,339	
Cost of investments acquired (long-term only):			
Bonds	<u>16,879,559</u>		
Total investments acquired		<u>16,879,559</u>	
Net cash from investments			(2,810,220)
Cash from financing and miscellaneous sources:			
Other cash provided (applied)		<u>2,329,122</u>	
Net cash from financing and miscellaneous sources			<u>2,329,122</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			1,538,786
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>1,517,768</u>
End of Year			<u>\$ 3,056,554</u>

Florists' Mutual Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$34,474	\$32,392	\$30,471	\$28,863	\$27,647
Net income	1,162	1,630	1,968	1,419	1,168
Change in net unrealized capital gains/losses	155	106	105	(495)	(46)
Change in net deferred income tax	4,114	(377)	(568)	1,596	1,369
Change in nonadmitted assets	(2,790)	723	417	(912)	(1,297)
Change in provision for reinsurance	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>22</u>
Surplus, End of Year	<u>\$37,116</u>	<u>\$34,474</u>	<u>\$32,392</u>	<u>\$30,471</u>	<u>\$28,863</u>

Florists' Insurance Company
Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$5,124,213		\$5,124,213
Cash, cash equivalents, and short-term investments	424,858		424,858
Investment income due and accrued	45,937		45,937
Reinsurance:			
Amounts recoverable from reinsurers	30,991		30,991
Net deferred tax asset	3,764	3,764	0
Receivable from parent, subsidiaries, and affiliates	175,492		175,492
Write-ins for other than invested assets:			
Equities and deposits in pools and associations	<u>594</u>	<u> </u>	<u>594</u>
Total Assets	<u>\$5,805,849</u>	<u>\$3,764</u>	<u>\$5,802,085</u>

Florists' Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2023

Current federal and foreign income taxes		\$ 151,670
Net deferred tax liability		1,506
Ceded reinsurance premiums payable (net of ceding commissions)		207,064
Total Liabilities		360,240
Common capital stock	\$1,500,000	
Gross paid in and contributed surplus	2,010,000	
Unassigned funds (surplus)	<u>1,931,845</u>	
Surplus as Regards Policyholders		<u>5,441,845</u>
Total Liabilities and Surplus		<u>\$5,802,085</u>

Florists' Insurance Company
Summary of Operations
For the Year 2023

Investment Income

Net investment income earned	\$192,822	
Net realized capital gains (losses)	<u>3,418</u>	
Net investment gain (loss)		\$196,240

Other Income

Net income (loss) before dividends to policyholders and before federal and foreign income taxes		196,240
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Net income (loss) after dividends to policyholders but before federal and foreign income taxes		196,240
Federal and foreign income taxes incurred		<u>37,364</u>

Net Income (Loss)		<u>\$158,876</u>
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Florists' Insurance Company
Cash Flow
For the Year 2023

Premiums collected net of reinsurance			\$ (77,242)
Net investment income			<u>178,369</u>
Total			101,127
Benefit- and loss-related payments	\$(26,764)		
Commissions, expenses paid, and aggregate write-ins for deductions	<u>(17,522)</u>		
Total deductions			<u>(44,287)</u>
Net cash from operations			145,414
Proceeds from investments sold, matured, or repaid:			
Bonds	\$324,266		
Miscellaneous proceeds	<u>42</u>		
Total investment proceeds		324,308	
Cost of investments acquired (long-term only):			
Bonds	<u>522,910</u>		
Total investments acquired		<u>522,910</u>	
Net cash from investments			(198,602)
Cash from financing and miscellaneous sources:			
Other cash provided (applied)		<u>32,975</u>	
Net cash from financing and miscellaneous sources			<u>32,975</u>
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			(20,213)
Cash, cash equivalents, and short-term investments:			
Beginning of year			<u>445,071</u>
End of Year			<u>\$424,858</u>

Florists' Insurance Company
Analysis of Surplus
(in thousands)
For the Five-Year Period Ending December 31, 2023

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2023	2022	2021	2020	2019
Surplus, beginning of year	\$5,287	\$5,181	\$5,076	\$5,071	\$5,117
Net income	159	105	105	107	105
Change in net deferred income tax	(3)	4		(2)	(1)
Change in nonadmitted assets	(1)	(3)			
Dividends to stockholders	_____	_____	_____	_(100)	_(150)
Surplus, End of Year	<u>\$5,442</u>	<u>\$5,287</u>	<u>\$5,181</u>	<u>\$5,076</u>	<u>\$5,071</u>